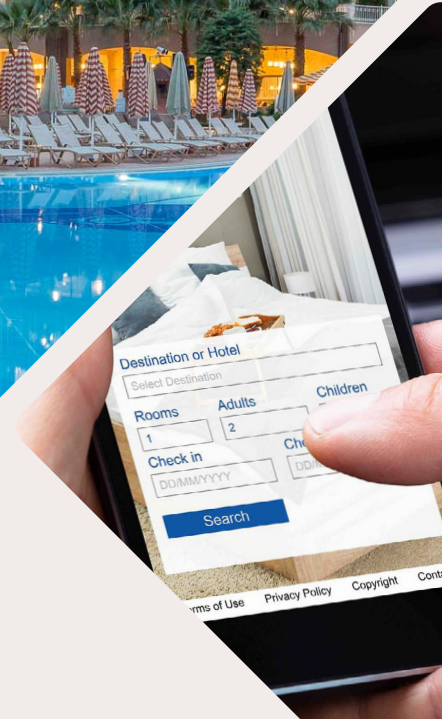




How Hotel Brands Are Using First-Party Data to **Drive Revenue** & **Build Stronger** **Relationships**



In partnership with

BENCHMARK
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01

Introduction

Finding and appealing to travelers online means getting to know them—their preferences, habits, and how these might change in the moment. Searching and booking travel no longer follows traditional paths. Travelers show intent at any time and any place.

With many companies adopting a work-from-anywhere ethos, “bleisure” or “workations” are on the rise. These trends result in longer lengths of stays and last-minute bookings. To add an additional layer of complexity, travelers have developed higher expectations for their digital travel experiences, craving personalized and compelling content—without sacrificing privacy.

Now, travelers want to be inspired every step of the way. Whether it’s a last-minute trip or spending the year planning the perfect vacation, creating unique experiences that meet traveler expectations starts with first-party data. First-party data gives you the building blocks to understand online behavior, helping you target and engage your audiences on an individual level.

As first-party data becomes critical to the hotelier’s toolkit, Sojern and Benchmark Research Partners surveyed hotel marketers around the world to discover how they are prioritizing first-party data strategies.

In **How Hotel Brands Are Using First-Party Data to Drive Revenue and Build Stronger Relationships**, you will learn:

- ▶ How first-party data is solving the challenges hotel marketers face.
- ▶ How hotel marketers worldwide are implementing first-party data.
- ▶ How first-party data improves campaign effectiveness and exceeds marketing objectives.
- ▶ How marketing partners like Sojern can enrich your first-party data.

The ways in which hotel marketers are utilizing first-party data are evolving, and our survey showed that these strategies are building stronger guest relationships and increasing direct bookings.

What is **First-Party** Data?

First-party data is collected using first-party cookies and hashed emails to gather information directly from your guests. It can include contact information, demographic details, and booking history. This data is from consenting users that engage with your owned digital channels—including your website, social media, and apps.

Hotel marketers today use the online and offline first-party data they have to attract new guests, retain existing ones, and build loyalty. This data helps them understand guest behavior, enhance the accuracy of campaign targeting, predict future behavior, and more. First-party data is a hotel marketer’s most valuable asset and core to a data-driven marketing strategy.

Data types	What is it?
First-Party Data	Data your business collects from consenting users that interact with your brand.
Second-Party Data	Data a trusted co-partner shares with you in a mutually beneficial relationship.
Third-Party Data	Data collected from a third-party organization not linked to the customer, intended to provide more context via overlaying data and used in market insights.

In the broader data landscape, first-party data fits among two other data types: second and third-party. Each type serves its own purpose. The most commonly used and compared data types are third-party and first-party. Third-party data makes up a majority of the data that marketers

use because historically it has been easy to collect and readily available. But as privacy regulations evolve and third-party cookies are deprecated further by internet browsers like Chrome, using third-party data is becoming complex and suboptimal.

There is a narrow window to make the shift from using third-party data to first-party data, and starting now will protect your campaign performance when the third-party cookie is gone completely. By establishing the right systems sooner rather than later, you can rely on the first-party data you worked hard to collect without seeing a drop in performance.

Today's hotel marketers need a strategy capable of not only collecting this information but processing it and ensuring it's protected.

First-Party Data:

- ▶ Is owned by you.
- ▶ Helps you better understand your guests.
- ▶ Delivers the information you need to segment and target the right users.
- ▶ Helps you to increase accuracy and control over who receives your messaging.

59% of hotel marketers surveyed have implemented a first-party data strategy.

62% say a first-party data strategy is "very important" to digital marketing.

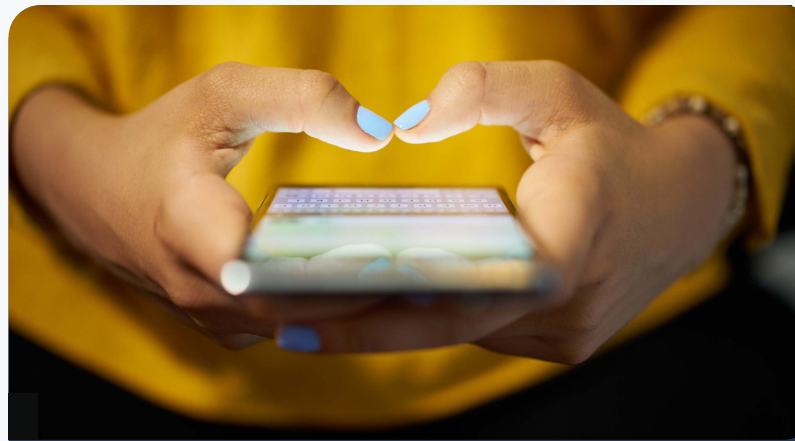
75% of those without a first-party data strategy want to build one.

What is a **First-Party** Data Program?

A first-party data program collects information directly from the source: your guests. It combines a data collection strategy and a governance process for integrating, using, and deleting data while accounting for privacy regulations. This means rethinking how you're collecting, distributing, and securing your data. It gives you the framework you need to put your data into action, both accurately and with consent.

Market research is the #1 resource hotel marketers trust when planning first-party data programs.

When laying the groundwork for their programs, our industry respondents relied heavily on market research studies to learn about first-party data. **Research studies are the number one resource hotel marketers used to establish their first-party data programs**, ahead of strategy guides, case studies, or asking industry peers or consultants.



First-party data programs set the standard for data as a valuable asset for your business. When you build out a data framework, you are empowering a digital transformation for your company—**leading the way for your personalization initiatives and compliance efforts.**



What **Challenges & Opportunities** Do Hotel Marketers Face When Establishing Their First-Party Data Programs?

Hotel marketers face many challenges, including stakeholder buy-in, lack of internal expertise, leaner teams, and smaller budgets—and that is only the beginning. After establishing their first-party data programs, respondents reported that **collecting the data is still their number one challenge.**

This challenge also presents their biggest opportunity. First-party data can help you decide where you should invest time, money, and effort. For example, McKinsey research found **78%** of consumers are more likely to refer friends and family to businesses that personalize their content. If your goal is to build loyalty, focus on collecting data from loyalty programs to turn your guests into advocates for your brand.

First-party data can give you everything you need to know about your guests, but only if you understand how to activate your data across guest touchpoints and

digital channels. Using customer profiles to tailor your offerings and rewards can ensure your message resonates with the right people. With this data, you can continuously learn, optimize, and thrive in the digital space.

81%

have seen a lift in revenue once a first-party data strategy is implemented.

57%

have seen a lift in guest satisfaction.





02

Improving Campaign Effectiveness &
Exceeding Marketing Objectives

What Goals Are Hotel Marketers Trying to Reach with First-Party Data?

The number one reason our industry respondents are building first-party strategies is to **maximize their campaign performance**. They have seen the benefits firsthand of activating their data to drive travelers to book directly. When their offerings line up with the needs of potential travelers, their message becomes stickier and creates a connection.

Our respondents are also using these strategies to **build stronger customer relationships**. By understanding your past guests and tracking them along their lifecycles, you can showcase diversified offerings that keep them coming back.

Each time they return to your hotel, the value of that guest grows. Keep them engaged and offer ways for them to cash in on loyalty programs to drive incremental revenue long-term.

Lastly, these strategies make a significant impact on an objective hotel marketers know well—**maximizing overall revenue**. First-party data strategies help create efficiencies, bring back repeat business, and find those travelers most likely to book. It ensures your money is put to work effectively and you are continually finding new ways to bring in revenue.



Top Reasons Hotel Marketers Build a First-Party Data Strategy

74%

say to maximize campaign performance.


67%

say to build stronger customer relationships.

67%

say to maximize overall revenue growth.

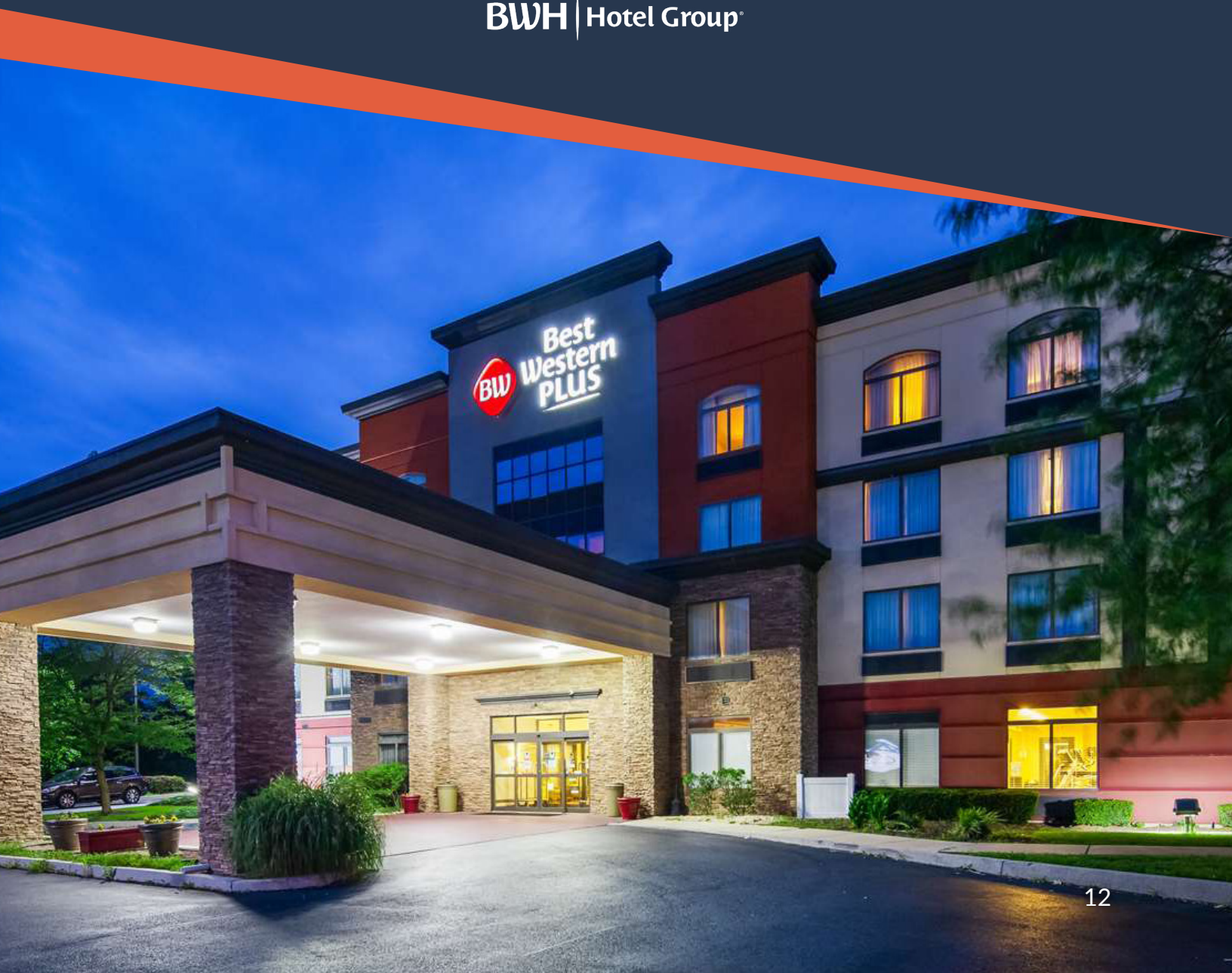




“There are so many benefits that first-party data provides hotels today. Consumers are being fed so much information through so many different channels. First-party data gives you the opportunity to tailor messaging for each cohort of consumers and provide a personalized experience. That is the goal of collecting and leveraging this data.”

Jay Hubbs

Vice President, Advertising, Marketing, Innovation, & Analytics



Where Are Hotel Marketers Seeing the Most Benefit?

Respondents wanted to maximize campaign performance, build strong customer relationships, and increase revenue. In our research, we analyzed how first-party data strategies affected these objectives. How did it make a difference for their businesses?

Our respondents overwhelmingly (86%) agreed that their first-party data strategies were effective in maximizing their overall revenue. This is an objective that matters to hotel marketers around the world and this shows that first-party data strategies can make a significant impact on hotel brands of all sizes.

When it comes to pushing their marketing campaigns to the next level, 76% of our respondents saw an increase in campaign performance. They found that finding creative, personal ways to engage travelers made a measurable difference in their multichannel campaigns.

As their campaigns found success, our respondents collected more and more data to get to know their guests better. With this information, 68% of our respondents agreed first-party data strategies were

effective in building stronger customer relationships. By using data to focus on personalization, they are improving their one-to-one relationships with guests, which in turn builds trust and loyalty.

Lastly, 64% of our respondents shared that their first-party data strategies increased their brand value, which can drive pricing power and make franchising the brand more appealing to hotel owners.

First-Party Data Was Effective In:

- ▶ Maximizing overall revenue (86%)
- ▶ Increasing campaign performance (76%)
- ▶ Building stronger customer relationships (68%)
- ▶ Increasing brand value (64%)

“Email marketing is declining in importance, and other forms of communicating with guests and prospective guests are becoming much more important. First-party data provides the foundation of everything else we’re going to do. Really understanding our customers is the starting point for all hotel marketing. This also creates the opportunity when the guest gets to the property to recognize them properly and anticipate their needs.”

Anthony Green

Vice President, Digital & Distribution

MINOR
HOTELS





03

Ensuring **Future Business Success**
With First-Party Data

Collecting Data & Hashed Emails

Targeting for multichannel marketing campaigns relies on three things: hashed emails, first-party cookie IDs, and historical booking data. But for hotel marketers around the world, it's easier said than done. The number one challenge for our respondents when using first-party data effectively is collecting the data itself.



Collecting data is the **#1 challenge** preventing hotel marketers from using first-party data more effectively.

Because of the complex nature of using data to segment and understand audiences, respondents most frequently reported working with technology specialists focused on the hotel industry to solve this challenge. Specialists with hospitality industry expertise are often equipped with machine learning

algorithms and automation tools to get multichannel campaigns off the ground. They can help you understand the unique traveler path to purchase and navigate the necessary protocols to ensure customer data remains private.

Another challenge for hotel marketers are the quickly approaching deadlines for establishing first-party data programs. When the third-party cookie is phased out, the digital world will undergo a complete shift. Now is the time to get ahead of the curve and better connect with high-intent travelers around the world, and build your first-party database.

What are hashed emails?

Hashed emails are anonymized email addresses that are encrypted into a unique character code that can be tracked across the web, including any platforms, browsers, or devices. A hashed email can be collected by prompting a login on your website or after a traveler completes a booking on your website.

Using hashed emails is the central feature of “data protection by design” under privacy laws, and helps you avoid sharing an individual’s identifiable information.

What are first-party cookie IDs?

These are unique IDs created to identify users interacting with your brands online. Advertisers share these IDs with a partner to match their consumers' website activity to their hashed emails. Once the ID is associated with the hashed email, users can be identified without logging in or completing a purchase again.

What is historical booking data?

By ingesting your customer relationship management (CRM) data, a partner can enrich, segment, and activate your customer data to improve digital marketing performance. This is transactional data from all channels—both online and offline—providing a holistic view of a customer.



Respondents who said first-party data was effective in competing with OTAs and other hotel brands were **2x as likely to have worked with technology companies.**

Improving Guest Relationships to **Build Loyalty**

A first-party data program connects the dots around how users are interacting with your brand online. Every touchpoint offers an opportunity for you to learn more about your guests; 68% of our respondents agreed their first-party data helped build stronger relationships. When travelers determine what personal data they are willing to share, they will learn to trust you based on the value and experience you're providing.

There are multiple ways to get to know your guests with first-party data. You can merge the behaviors your guests exhibited online with loyalty program information, booking details, and observational data you gathered when they stayed at one of your properties. Getting this complete picture gives you everything you need to create compelling and personalized content, no matter what property or brand they book in your portfolio.

Personalization is more than just getting a traveler's name correct on an email or advertisement. It's digging deeper into where these users are in their lives and their buyer journeys. When you learn about the trips your guests are planning, you can diversify your offerings to keep

them engaged; **80%** of consumers were more likely to make a purchase when brands offered personalized experiences. As these guests keep coming back, you will begin to develop incremental revenue because you're giving them exactly what they want and need.

3/4 of hotel marketers using first-party data say it's helping them build stronger guest relationships and maximizing revenue.

What is personalization?

Personalization is using data to deliver relevant messages and experiences to current or potential travelers to create a one-to-one relationship. Traditional marketing relies on casting a wide net with hopes of earning a few new guests. Now, data capabilities are more sophisticated, allowing you to narrow in on your prospective guests' needs and wants to deliver the right message at the right time.

What are the benefits of using personalization?

When you know who your highest-intent travelers are, you can provide value to these guests through perks, upgrades, free nights, or even offline tactics. With stronger messaging and individualized offerings, you can build loyalty and maximize revenue.

Personalization doesn't have to stop when the trip is over.

For example, if you capture the information of a solo traveler, you can update their profile as their needs or life changes. Perhaps they'll want to bring a friend, partner, or family on their next trip, and you'll be able to adjust your offerings based on how they're traveling at that moment.

Those who found their first-party data strategy 'very effective' were **39% more likely** to design their data strategy with the goal of **building relationships.**



Exceeding Privacy Standards & Compliance

Seventy-one percent of consumers want a personalized experience, yet **68%** are concerned about the level of data collected by businesses. Thus, marketers must find a balance, and using permission-based first-party data is the way to provide both value and personalization to your guests.

People want to protect their online information, and governments and brands around the world have since enacted laws, regulations, and rules to ensure that consumers get what they want. The world's leading technology providers have either already stopped using third-party cookies or are in the process of phasing them out. Privacy rules are evolving, which means your data collection strategy must evolve, too. While rules and regulations are certainly a great start, the best way to protect your customers' privacy is to learn from your first-party data, understand what they want, and where your property can provide value during their trip.

3/4 of respondents say first-party data doesn't create significant risk.

Why is handling GDPR and/or CCPA compliance important?

Compliance is key for any hotel marketer, and the General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA) are two critical privacy standards you may face. Building a successful and compliant first-party data strategy will not only build rapport with your travelers but will also help you avoid privacy-related penalties.

At the core of your first-party data strategy is a hashed email. Hashed emails are considered "pseudonymous" personal data, which alone do not identify a specific individual. Using hashed emails enables you to avoid sharing information that directly identifies an individual (such as name or phone number), making them a central feature of "data protection by design" under GDPR and other privacy laws.

It's a standard industry practice to use hashed emails as a method of targeting. Users should always have the option to opt-out by clicking on your advertising and having their email purged once opting out.

Finding the right partner is key.

If you want to stay compliant, you must adhere to the privacy laws in the country where your traveler resides. Understanding privacy regulations in every city, state, country, and region is challenging—even for the largest travel brands. However, many partners work to understand global privacy standards so you don't have to worry.

By leveraging partner expertise, you can take the weight off your shoulders to ensure your data collection strategies are up to industry standards. Whoever you're working with to source travel data, make sure you know their take on privacy, that they are always using permission-based data, and that they give full transparency and opt-out options to consumers.

How Hotel Marketers Are Finding the Right Partner:

45% of our respondents are partnering with hotel technology companies like Sojern.

22% of our respondents are partnering with non-industry technology companies like Google or Facebook.

18% of our respondents are hiring internally.



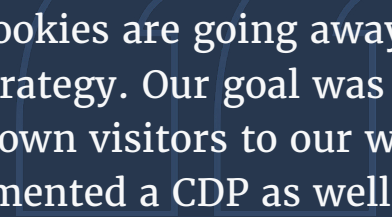


04

How Hotel Marketers Are **Prioritizing** **First-Party Data Strategies**

As the industry continues to evolve, hotel marketers must remain agile and use their resources effectively. While there are many priorities, our survey respondents agree that collecting first-party data is at the top of their lists. When they spend the time and resources to build their first-party data strategy, they are seeing a return: more accurate data, reaching high-value guests, and driving efficient production.

Integrating a first-party data program helps you maximize the value of your marketing efforts through data, intelligence, and insights. Whether it's a large chain or a boutique hotel, there is a way to use first-party data that fits your business. Survey respondents came from hotels of all sizes, and gave insight into who is handling the process, what challenges they face, where they use data in the marketing funnel, and more.



“The fact third-party cookies are going away motivated us to invest in our first-party data strategy. Our goal was to get more insights and information out of unknown visitors to our website. We already had a CRM in place and implemented a CDP as well, which has been helpful for leveraging first-party data. We made sure our website was fully connected to the CRM so we could update profiles with user behavior and transactional data, such as bookings and membership activity. This infrastructure helps us build stronger relationships and market more effectively.”

Anthony Green

Vice President, Digital & Distribution

MINOR
HOTELS

Teams Ensuring Successful Activation of **First-Party Data Programs**

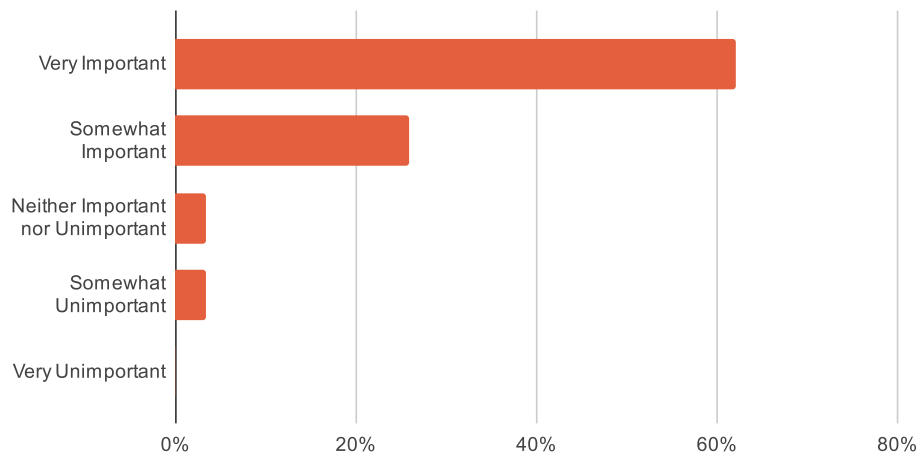
Hotel marketers most commonly work **internally with their marketing teams** to build their first-party data strategy, and **externally with hotel technology and digital marketing specialists** such as Sojern.

Team Type	Responses
Internal: Marketing Team	85%
Internal: Technology / IT Team	67%
Internal: Revenue / Commercial Team	59%
External: Hotel industry digital marketing specialists (such as Sojern)	41%
External: Other hotel industry technology companies	41%
Internal: Legal team	33%
Internal: Operations team	30%
External: Non-industry technology companies (such as Google)	22%
External: Consultants	15%

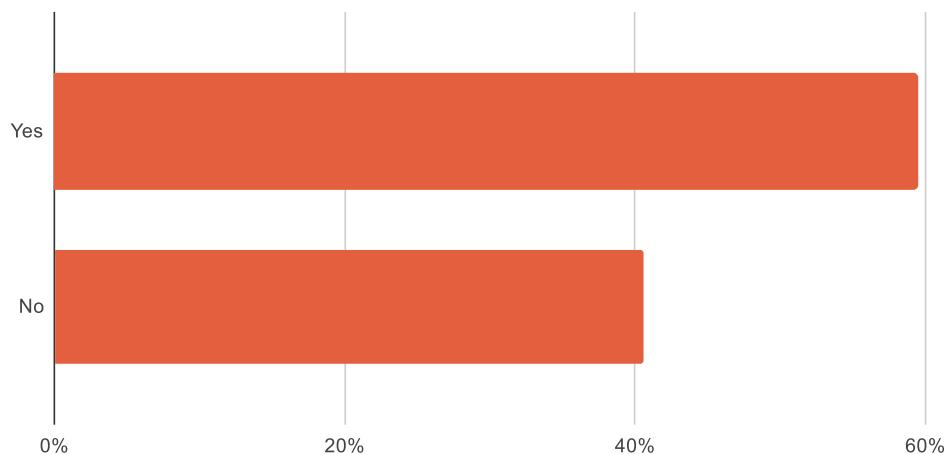
How First-Party Data **Supports** Digital Marketing

While **62%** say first-party data is “very important” to digital marketing, only **59%** have implemented a first-party strategy. **75%** of those without a first-party data strategy want to build one.

How would you describe the importance of first-party data in your digital marketing today?

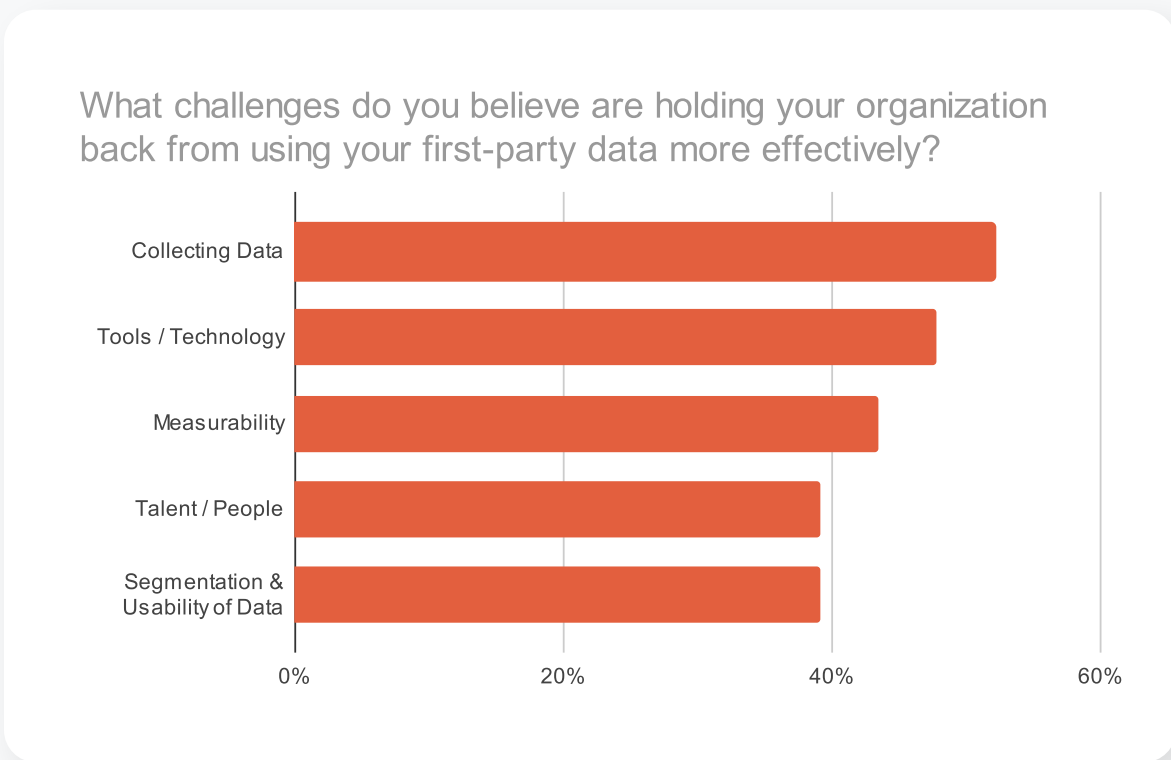


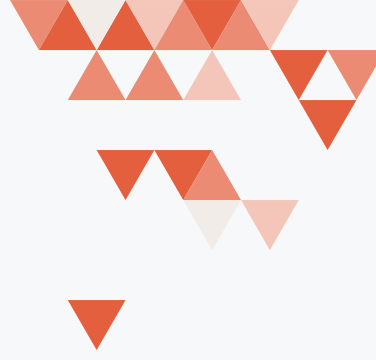
Have you implemented a first-party data strategy to support your digital marketing?



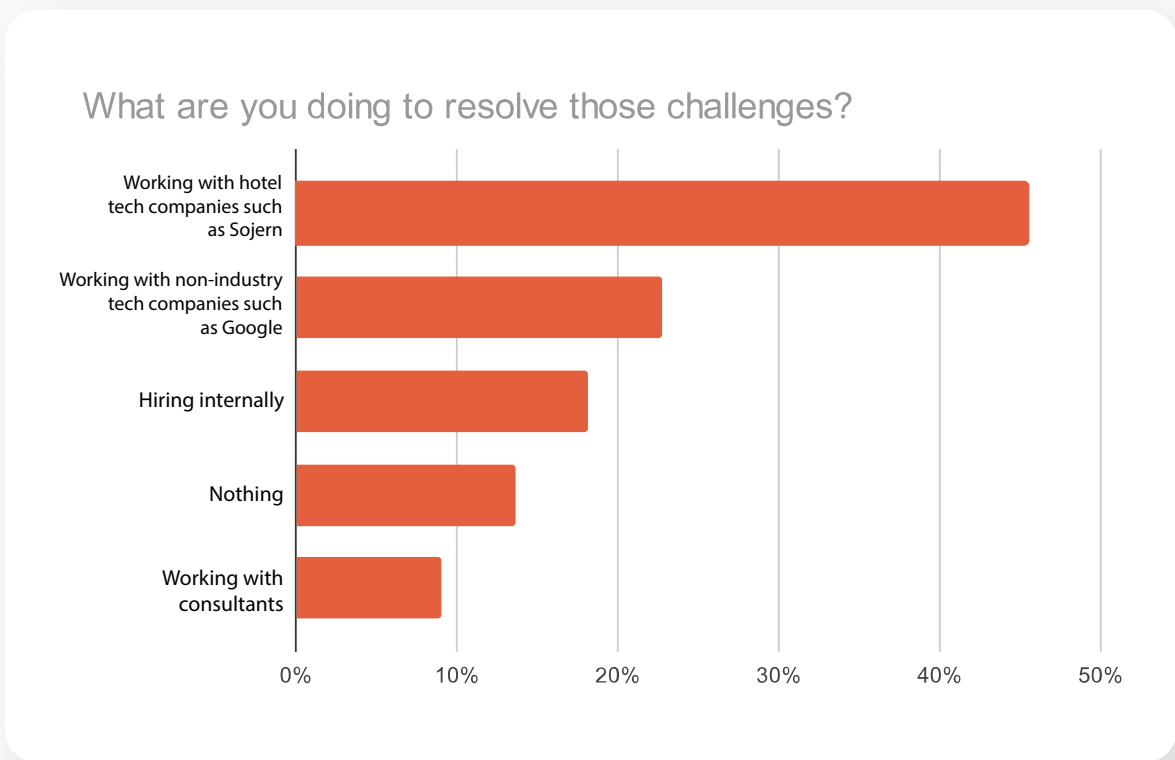
Challenges With Creating First-Party Data Strategies

Collecting data and implementing tools and technology are the top challenges for hotel marketers around the world.





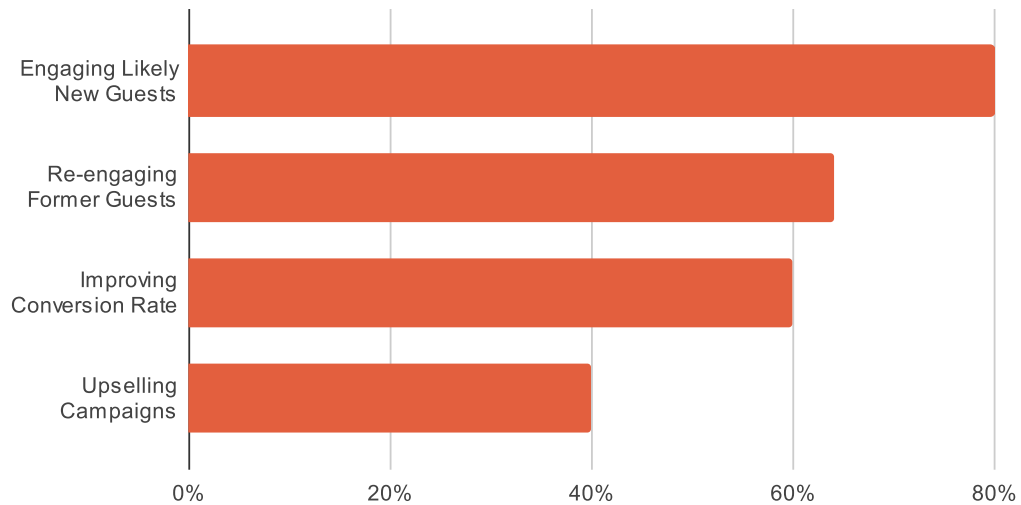
Hoteliers rely on hotel industry tech companies and digital marketing specialists like Sojern to overcome these challenges.



Where First-Party Data is Used Most in the Marketing Funnel

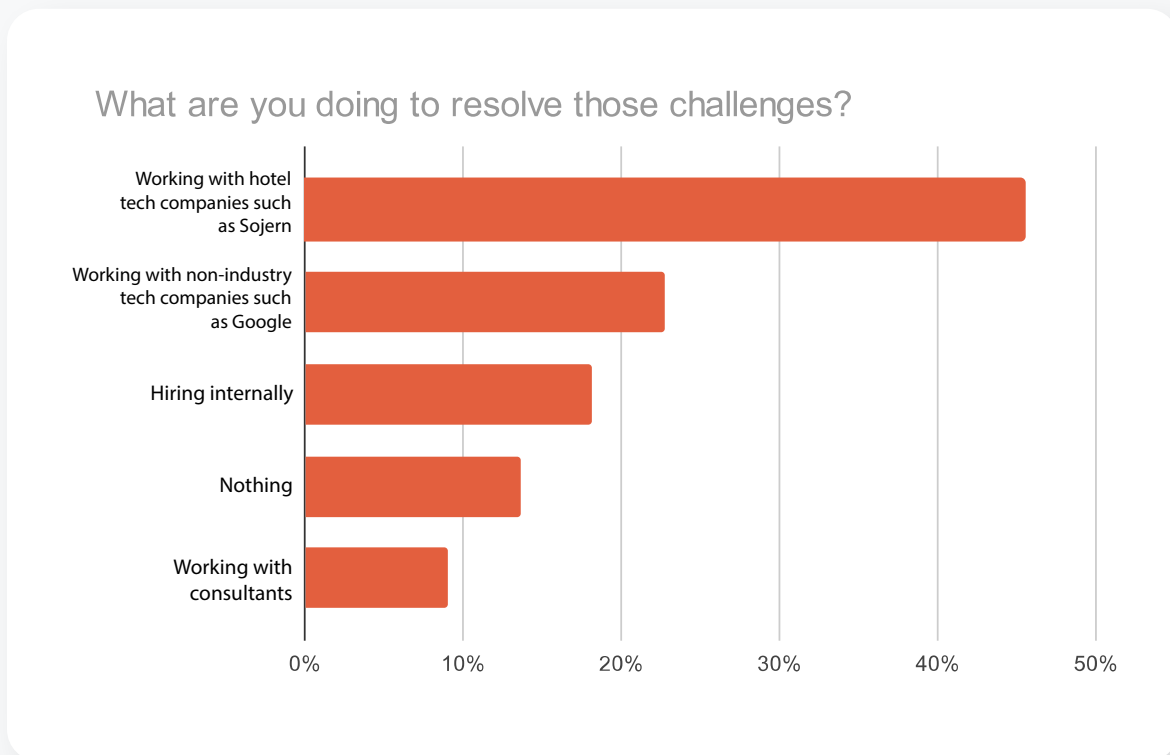
First-party data is most commonly used in top-of-funnel awareness advertising.

Where do you use first-party data in your marketing campaigns today? (select all that apply)



How Hotel Marketers Are Measuring Value of First-Party Data **Supporting Digital Marketing**

Conversion rates and Return on Ad Spend (ROAS) are the top metrics for measuring the impact of their first-party data strategies.





05

What's Next?

Setting Your First-Party Data Strategies up for **Success**

Personalization gives hotel marketers what they need to shift their focus from short-term wins to long-term growth and incremental revenue. Data shows that companies leveraging personalization grow **40%** faster than those that don't. Hotel marketers that embrace personalization as an opportunity for growth will continue to thrive in the digital space.

As you take this step to grow your business, finding a digital marketing partner to help you with your strategy will set you up for success. Working with a digital marketing partner with deep hospitality industry expertise, such as Sojern, will help you navigate the dynamic, multichannel world of travel.

The need for first-party data is only going to grow, and now is the time to ensure your first-party data programs are in place. We've shown the impact first-party data has made for our respondents, and if you're going to implement first-party data moving forward, here are priorities to focus on:

- ▶ Collect as many hashed emails as possible before third-party cookies depreciate.
- ▶ Create a coordinated plan around how you will collect the data and then activate it.
- ▶ Account for privacy regulations when handling your guests' personal data.

Build a Relationship with the Right Marketing Partner

There are many partners available to help organize your first-party data to improve the customer experience, such as a CRM, Customer Data Platform, or a marketing platform like Sojern. Marketing platforms can activate your first-party data across media channels to make your customer touchpoints from beginning to end meaningful and permission-based.





06

The Sojern **Difference**

Finding Your Digital Marketing **Partner**

Hotel marketers considering incorporating first-party data into their marketing campaigns need a strategy capable of handling this data. Sojern's Travel Marketing Platform does just that. We take a privacy-forward approach to digital marketing, helping you build long-term strategies to stay ahead of changes in the digital space.

Sojern clients are more than **2x as likely as non-clients to see a lift in revenue.**

Survey respondents indicated a reliance on hotel digital marketing specialists like

Sojern to solve their challenges more than any other external collaborator, with their largest challenge being collecting the data.

We collect, aggregate, and analyze billions of travel intent signals every day. Our data pool includes travel intent, historical bookings, first-party data, guest loyalty, benchmarking, supply, and inventory, just to name a few.

When thinking about using first-party data to reach marketing objectives, Benchmark Research Partners found that Sojern clients are more than twice as likely to have seen a lift in revenue than non-clients. Knowing the importance of profitability, we ensure that every campaign is truly maximized across every channel.

The Sojern Difference:

- ▶ Sojern clients are **66% more likely** to describe first-party data as "very important" to their digital marketing today.
- ▶ Sojern clients are **more likely to be satisfied with the performance** of their investment in first-party data for marketing.
- ▶ Sojern clients are **36% more likely** to feel confident about their 2023 first-party data plans.

“Our collaboration with Sojern remains strong. For the past two years their digital media expertise has provided Hyatt’s Americas Field Marketing team insightful data to help our advertising reach the right audiences at the right time and navigate the evolving travel landscape and consumer preferences.”

Meghann Bell

Vice President of Field Marketing, Americas

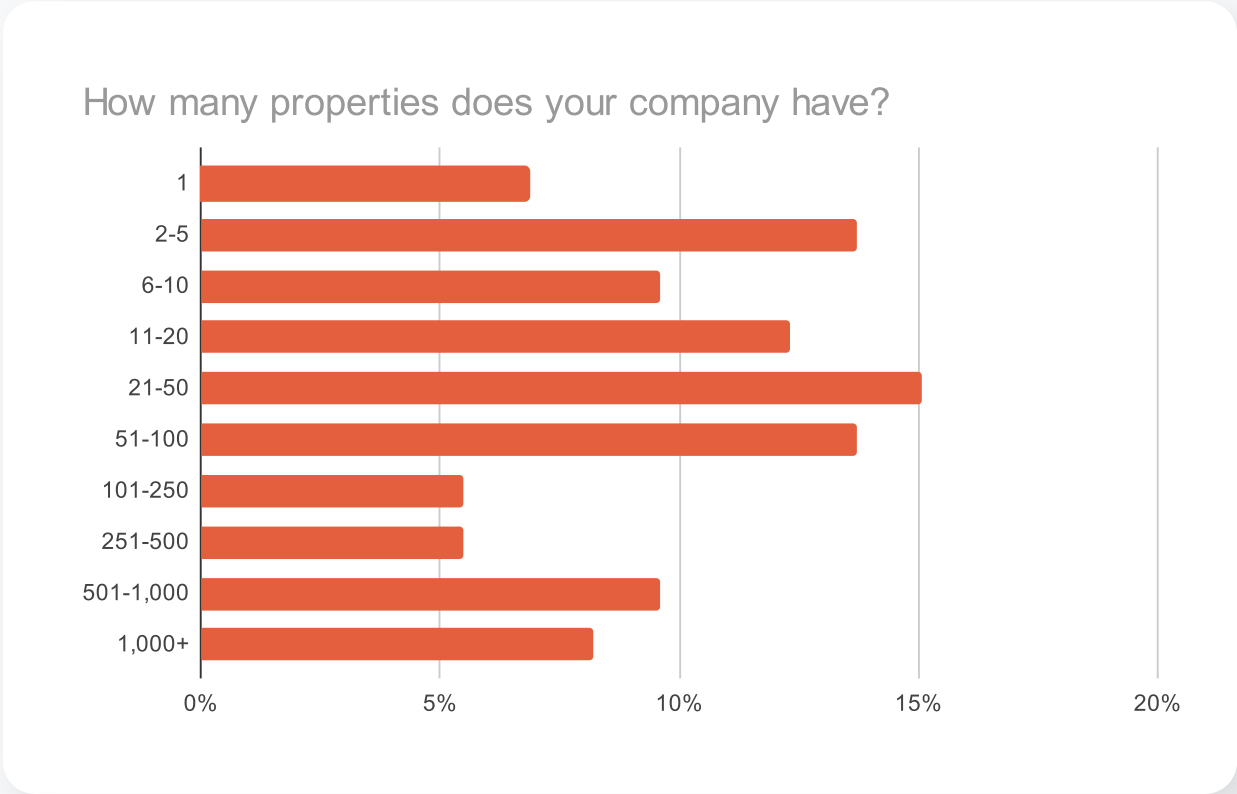
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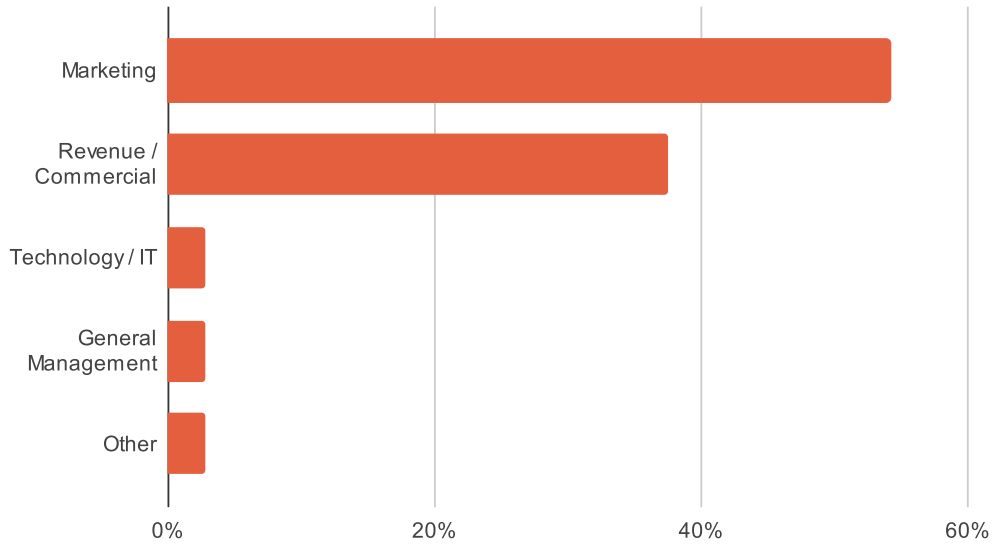
Methodology

The Hotel Data Strategy Survey was conducted by Benchmark Research Partners between July 28, 2022, and September 12, 2022, to understand the use of data in hotel marketing today.

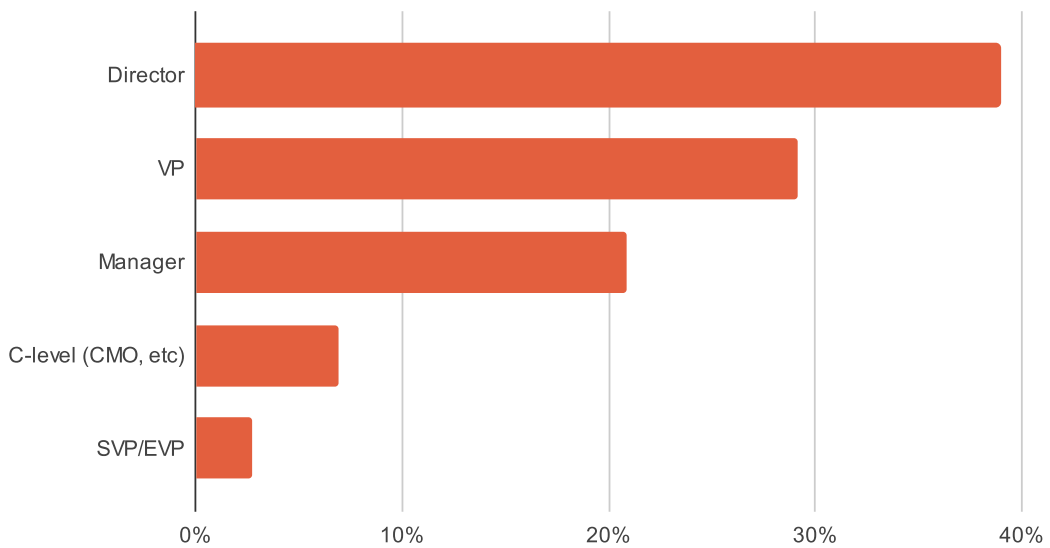
Seventy-four executives representing a cross-section of hotel companies in North America, Europe, and Asia Pacific participated in the study.



What best describes your role?



What best describes your job title?



Sojern

Born from travel from day one, Sojern gives hotel marketers the tools to reach, engage, and retain high-value travelers throughout their planning and booking journey. Providing an unparalleled view into global travel, Sojern's Travel Marketing Platform develops, activates, and optimizes audiences across digital media channels to deliver full-funnel marketing goals, drive production efficiently, and enrich first-party data. 10,000 hotels, attractions, tourism boards, and travel marketers rely on Sojern annually to engage and convert travelers around the world.

Learn more at <https://www.sojern.com>

Benchmark Research Partners

Benchmark Research Partners conducts studies to help industry participants understand market changes and opportunities through peer benchmarking data.

Learn more at <https://benchmark.partners>



Born for travel. Built for performance.

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