

July - September 2023

Brand3index

Travel report

(Excerpt)



About Travel report

In the wake of the unprecedented challenges posed by the global pandemic, the travel industry stands at a crossroads, poised for a resurgence that demands innovative strategies and renewed marketing practices.

In this era of reawakening, marketing in the travel industry demands a fresh perspective and a departure from conventional approaches. Beyond the conventional paradigms, success lies in crafting narratives that transcend the transactional and establish emotional connections, in forging relationships that extend beyond the journey's end.

In this report, we delve into case studies of revitalized marketing strategy for the travel industry. From leveraging the power of digital platforms to crafting authentic brand narratives, we explore the tools and techniques that will define success in this new era. As we embark on this digital marketing odyssey, we uncover the transformative potential of redefined consumer relations and the added value that will not only drive business but also establish a lasting imprint on the hearts and minds of the traveler.

Enjoy the reading

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Methodology

The goal of Brand3index is to quantitatively evaluate the level of a brand maturity within the web3 landscape in order to empower companies to make data driven decisions at strategic and activation level.

We score the maturity and performance of travel brands leveraging over 100 data points categorized into three main pillars :

- Organization Readiness
- Activation Performance (encompassing Awareness, Engagement, and Action),
- and the brand's ability to create Shared Value.

This Q3 2023 report covers the NFT activation of 3 brands and illustrate the Metaverse activation of 2 others.

Brands	Programs
Air Baltic	Planies
Etihad Airways	EY-Zero1
Lufthansa Group	Uptrip
Qatar Airways	QVerse
Emirates	

Travel loyalty programs

All NFT programs analyzed in the travel industry are loyalty programs.

Disruption, Devaluation, and Dissatisfaction:

The COVID-19 pandemic prompted travel brands to freeze loyalty program status levels, but as travel resumed, programs faced challenges with increased redemptions and crowded high-status tiers.

A Focus on Bottom Line vs. Customer Behavior:

The profitability of travel loyalty programs has become heavily reliant on business-to-business (B2B) sales of loyalty points to credit card companies.

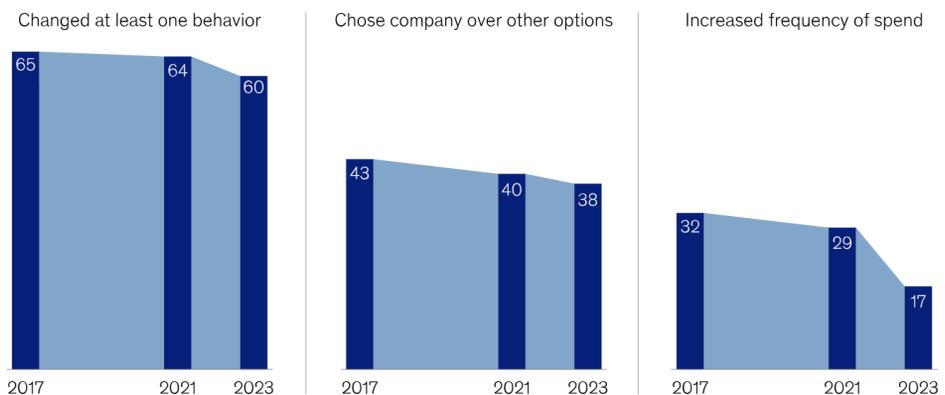
This emphasis on revenue generation has potentially steered brands away from the original intent of influencing customer behavior and fostering loyalty. Research indicates a decline in the ability of loyalty programs to impact customer choices and spending behavior.

The Changing Landscape

Loyalty program members, especially younger generations, are now more likely to consider and transact with multiple travel players, challenging the traditional model of loyalty consolidation.

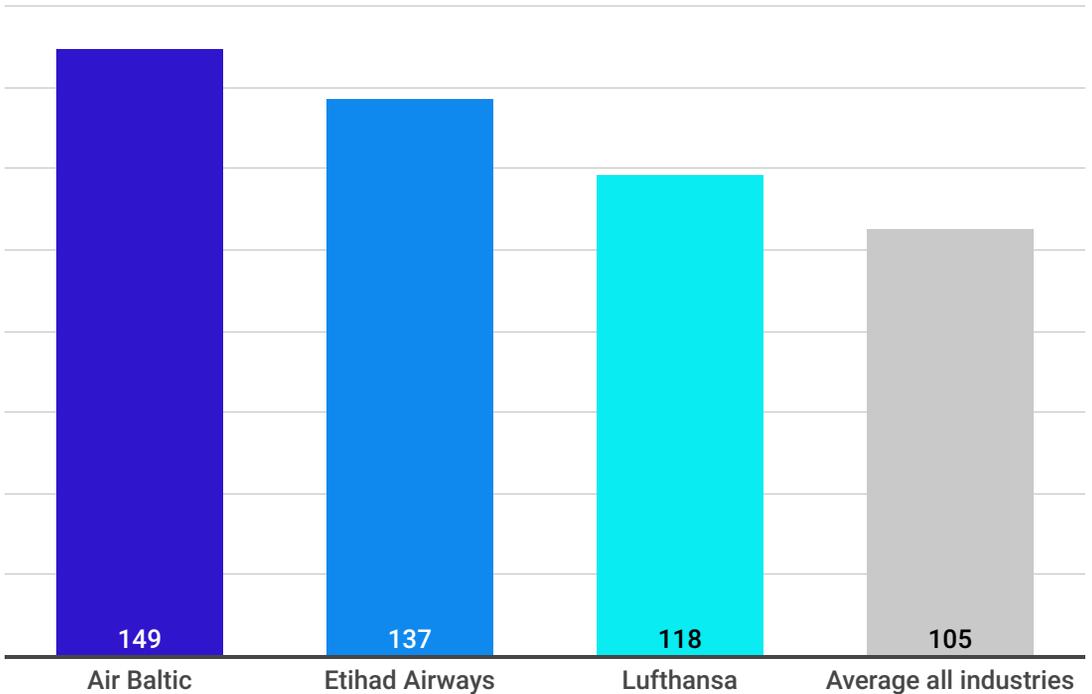
Airline loyalty programs are driving fewer customer behavior changes.

Actions taken as a result of airline loyalty program membership,¹ % of respondents



¹Question: You indicated you are a loyalty member of the company loyalty program. What have you done as a result of being a member of it?
Source: McKinsey Loyalty Survey, Q4 2017, n = 9,000; McKinsey Loyalty Survey, Nov 22–Dec 2, 2021, n = 10,020, sampled and weighted to match the US general population 18+ years; McKinsey Travel Loyalty Survey, July 7–19, 2023, n = 3,200

Overview



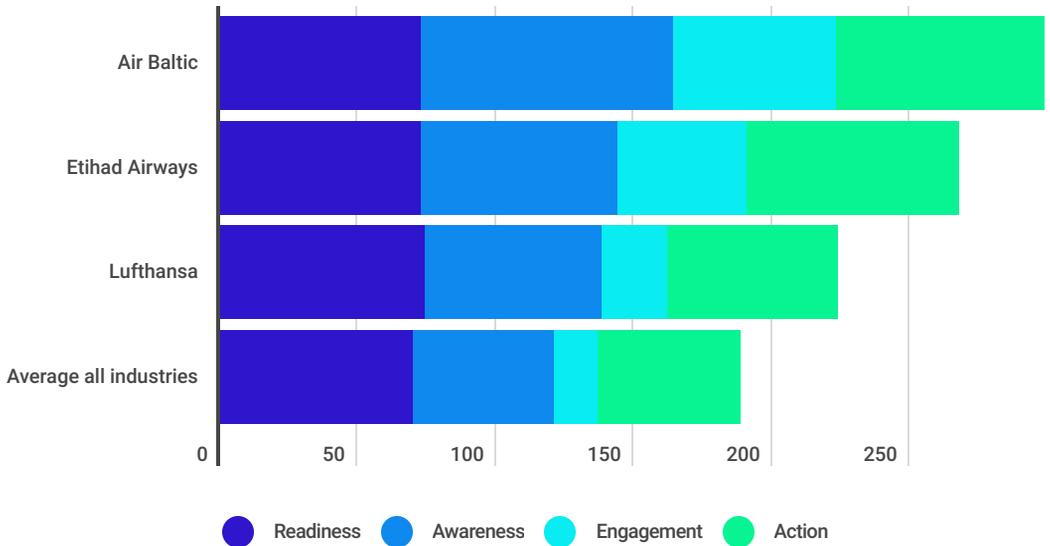
First movers

All airline companies analyzed in the report are early adopters and innovators.

They rank high in terms of Brand3index from 119 to 149, in comparison to average of 105 (Brand3index - All industries).

Surprisingly, a "small" Airline company : AirBaltic ranks first at 149 vs. travel giants Etihad (137) and Lufthansa group (118)

Overview



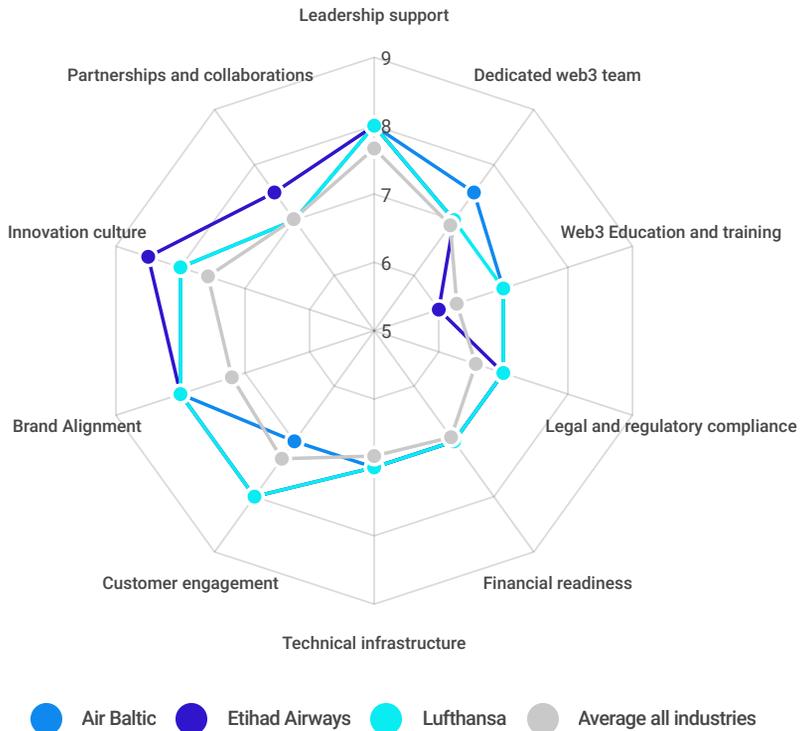
Organization readiness and activation performance

All Airline companies score high in terms of readiness, which means that their activations have been prepared and long term investments have been done in web3.

The difference between brands comes from the performance of activations (Awareness, Engagement and Action metrics).

It is on Engagement metrics that we notice significant differences between the best performing program (AirBaltic : 59) and others (Etihad : 47 and Lufthansa 24).

Readiness



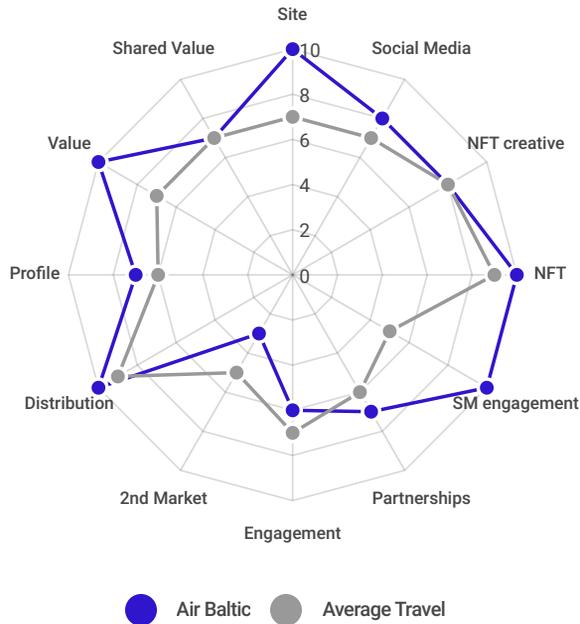
High readiness level

All three brands score high on readiness, as all three players integrated the strategic necessity to reinvent their loyalty programs through web3.

The key differences are related to :

- Early adoption of web3 by Air Baltic, which provides the brand with a more experienced team in web3
- Etihad scores higher than competitors in terms of innovation culture and partnerships (see page 12).
- Lufthansa performs good on Customer engagement thanks to a long history of performing loyalty program (Miles and more).

Air Baltic



First mover advantage and learning curve

Air Baltic performance is outstanding, "Planies" NFT program launched in October 2022.

Planies is the best performer on Awareness metrics (Site, Social media and NFT creative and distribution).

The engagement level is sustained at high level specially on social media engagement and partnerships.

In terms of Action, Planies recruited valuable profiles and generated significant value to members.

The main challenge for Air Baltic is to stay ahead of the curve, they announced a new roadmap that consists of 12 benefits for Planies holders. For instance, this includes a fresh and exclusive opportunity to experience a tour around airBaltic, fostering a stronger connection with both the airline and fellow members; extra loyalty points; Business class upgrade vouchers; airBaltic Club VIP status (attainable by owning 25 Planies), and much more.

Air Baltic

Learning curve



"Planies is the world's first NFT-based airline loyalty program, and airBaltic is very pleased with its successful launch".

"We observe that Planies owners are satisfied with the additional travel benefits the programme provides, and in the upcoming years, NFT holders will be offered even more advantages. This reflects airBaltic's genuine dedication to the programme's longevity and ensures that Planies NFT holders will continue to be rewarded for years to come. We are committed to providing our passengers with a memorable and diverse travel experience, and the future vision of the loyalty programme is another new and creative way to achieve this goal."

Māris Rudens
Head of Loyalty and Partnerships
airBaltic

Etihad Airways

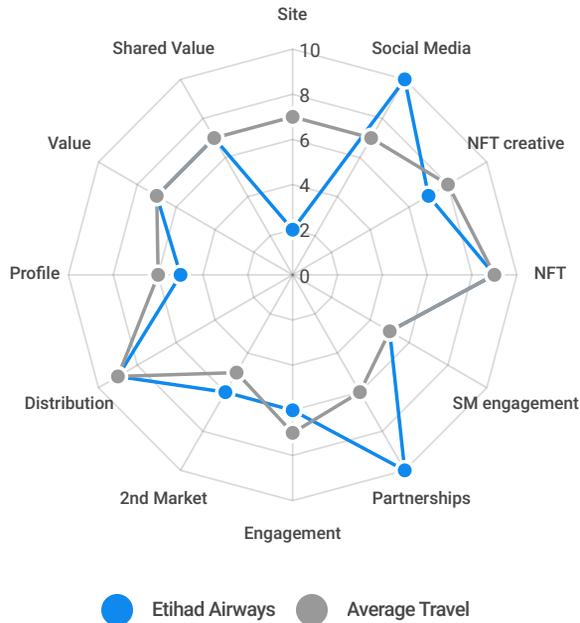


Partnerships

Etihad Airways is an innovative company in terms of communication, within their partnership with Paramount Pictures, they celebrated the launch of the new Mission Impossible movie :

- Etihad broadcasted a video of a skydiving orchestra, who could play the instantly recognisable Mission Impossible theme song while falling 13,000 feet at 120 mph through the air.
- Guests travelling on Etihad will be able to enjoy a dedicated Mission Impossible channel on E-BOX, its inflight entertainment service.
- They also leveraged this partnership with a plane at the colors of Mission Impossible
- This NFT launch allowed to strengthen brand presence in web3 and increase customer engagement and partnership score.

Etihad Airways



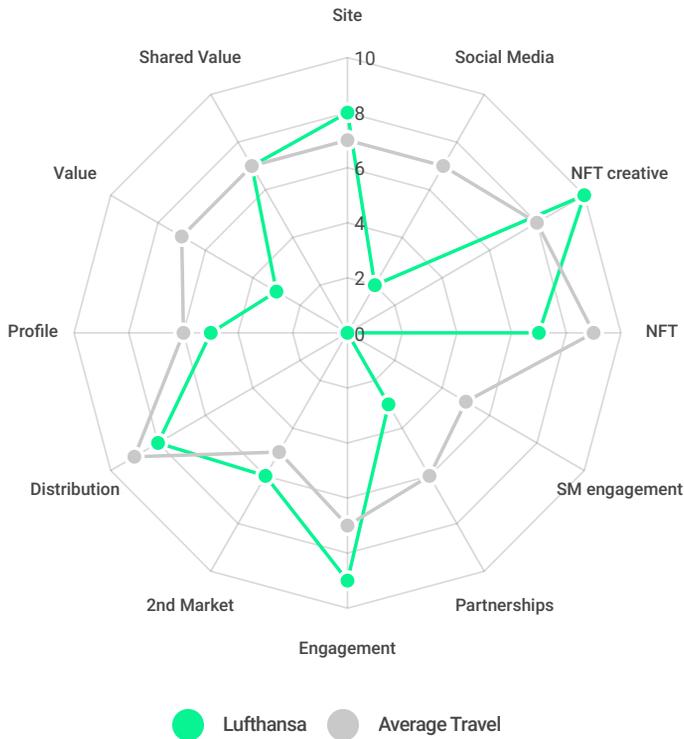
Social media and partnerships

Etihad performs high on Social media and social media engagement, thanks to strong media budget and attractive content (Mission impossible).

On the contrary the website performance (fully delegated to tech partner and not linked to main site) suffers from low traffic and performance.

The content partnership with Paramount drove good performance in terms of consumer engagement, 2nd market dynamic and action (distribution and value).

Lufthansa



Catching up

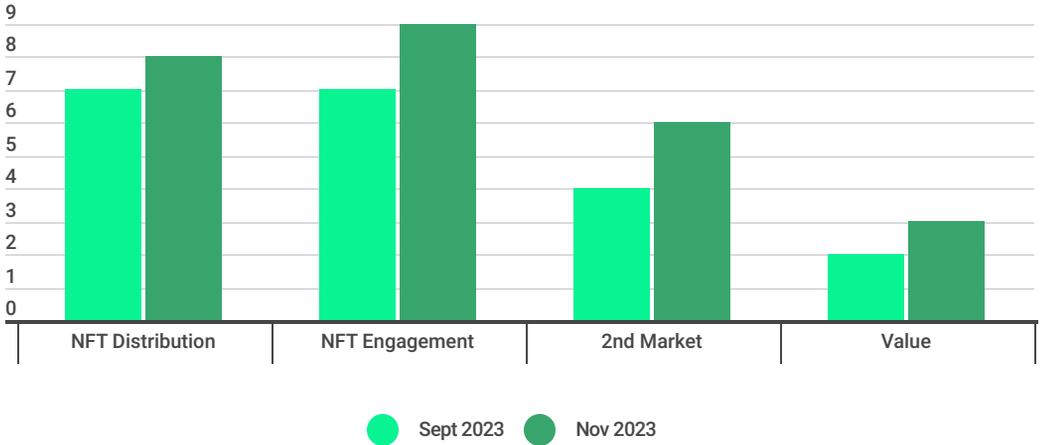
Within our selection, Lufthansa is the last entrant into web3, with Uptrip loyalty program launched in September 2023.

This program involves all Lufthansa group companies, is only available on mobile app.

We can notice a good performance on Awareness metrics (excluding Social media).

Unfortunately, as the program is recent, the Action metrics are still weak. Though we believe that Action metrics should increase overtime, as Lufthansa is starting to succeed in web3 Engagement (which is the biggest challenge for most brands).

Lufthansa



The efforts of Lufthansa between September (Launch) and November focused on web3 metrics, with an improvement of NFT Distribution, NFT Engagement, and 2nd market dynamism, which created a small improvement in Value.

We think that Lufthansa next challenge will be to broaden acquisition through web2 reach and social media engagement, as well as growing the shared value with customers.



Immersive experiences

Beyond NFT and loyalty programs, we see the metaverse taking flight in the airline industry, and proving to be a practical and innovative solution.

Metaverse in Action: Beyond Fantasies to Practicality

The metaverse is becoming a tool to enhance operational efficiency and customer experiences in the airline industry.

Spotlight on Qatar Airways and QVerse:

Qatar Airways' QVerse is a pioneering initiative, allowing virtual exploration of the entire travel experience, from check-in to cabin interiors.

Notably, Qatar Airways introduces Sama, the industry's first MetaHuman cabin crew member, revolutionizing customer service with strategic and thoughtful implementation.



Immersive experiences

Emirates Takes Flight in the Metaverse:

1. Operational Efficiency: Emirates leverages the metaverse to streamline operations, from training to sales.
2. Direct Customer Engagement: Emirates embraces direct customer engagement and experience enhancement through digital platforms, aligning with the industry shift.
3. Future Plans and Innovations: Emirates looks to the future with potential integrations of NFTs and more immersive experiences, such as virtual seat selection and airport tours.

Adel Al Redha, Chief Operating Officer at Emirates, envisions the metaverse transforming entire processes, cutting out the middleman, and providing greater value to customers' time and money. As airlines soar into the metaverse, it's clear that this digital frontier holds immense potential for reshaping the future of air travel.



Beyond Loyalty programs through NFT and Metaverse experiences, the next move of airlines companies will be the tokenization of airlines tickets and FlyBondi an Argentinian low cost company have already made the leap.



About

Brand3index is a business intelligence company dedicated to assisting brands in shaping their digital innovation roadmap and achieving greater ROI.

Brand3index is the global standard for determining a brand's digital innovation competence, analyzing more than 100 data points across four dimensions: Innovation readiness, activation abilities to drive brand awareness, consumer engagement and action.

We conduct research and produce reports that cover automotive, entertainment, retail, CPG, Beauty, Luxury, food & drinks, and travel industries. We analyse and benchmark 200+ global and local brands.

Brand3index offers brands a clear understanding of digital innovation within their industries and actionable insights

Contact us!

If you wish to obtain the complete report or if you have any inquiries or would like to engage in a more detailed discussion regarding our findings, please feel free to contact us.

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