

2023 Digital experience benchmark for hotels.

A review of survey findings from digital hotel executives and insights from the Quantum Metric platform that map the biggest trends for the year.



A new age for travel.

Nearly three years after the COVID-19 shut downs began, travel has finally reached “business as usual.” But, it seems everyday there is a new global disruption that challenges the hotel booking experience – be it economic turbulence or new innovations in AI. So, how does or should this change digital priorities for hotels in 2023?

In our latest travel benchmark report, we’re taking a closer look at what digital leaders at hotels have to say about their 2023 strategies and how it aligns with consumer behavior, based on insight from the Quantum Metric platform.

Insights are a result of anonymized aggregated data across Quantum Metric’s travel vertical, alongside survey responses from 500 digital leaders at the VP level or above, working for hotels in the U.S. and UK.

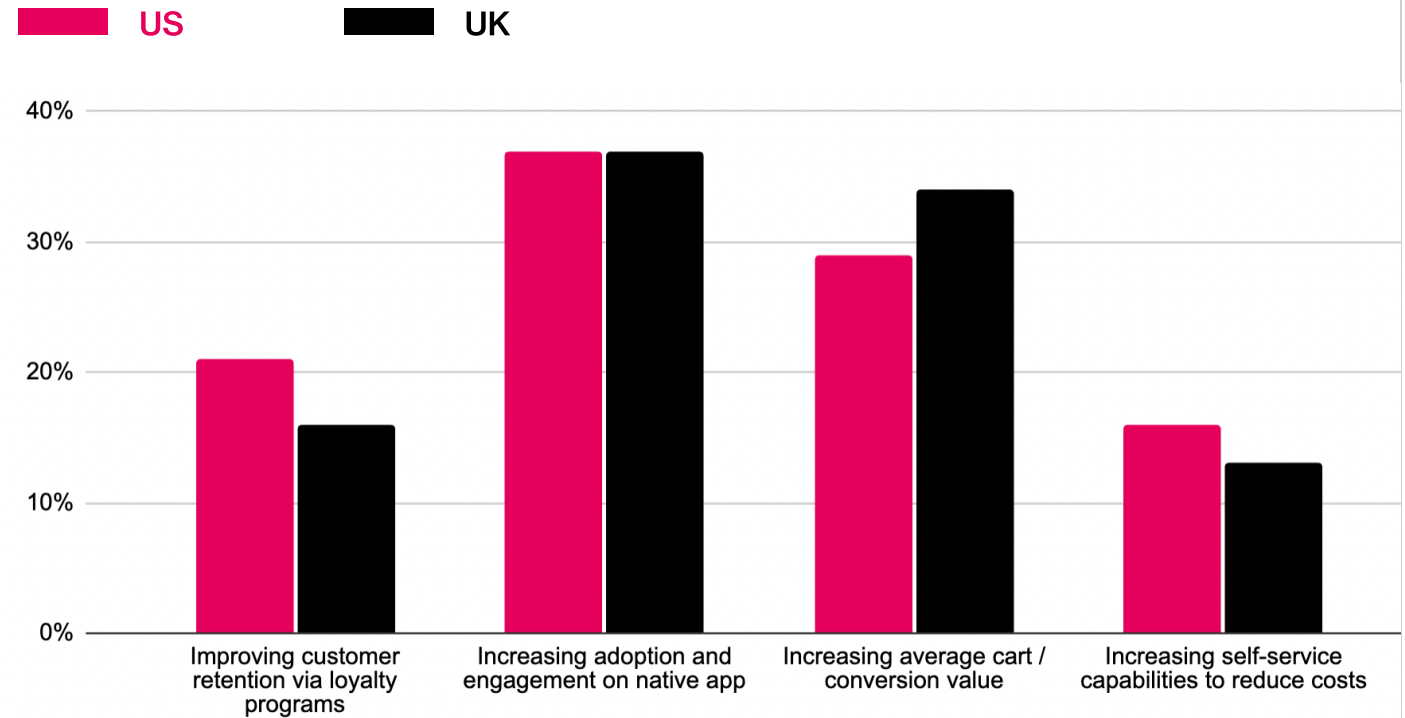
Reserving new digital priorities for 2023.

With more consumers traveling and prices surging, hotels are focused on two things: customer retention and boosting mobile adoption to support retention.

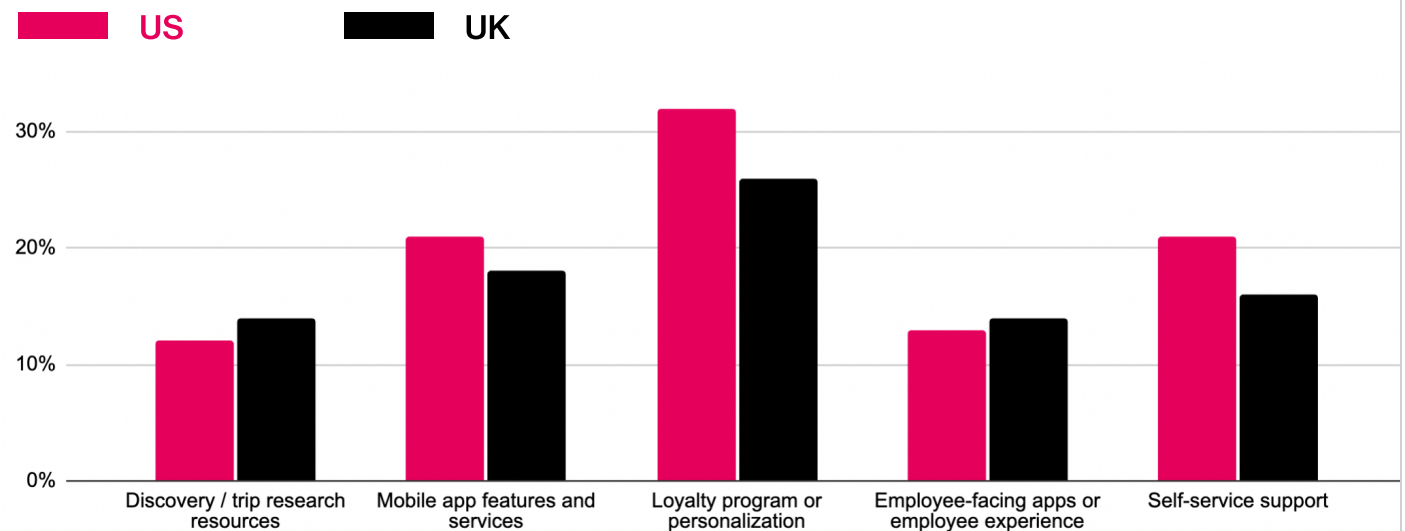
In the face of rising costs, customer retention is key to boosting business growth. So what seems to hold each country back?

- In both regions, loyalty programs and personalization have the biggest gaps, followed by mobile app features.
- The most likely to be optimized in the US and UK is discovery and trip research resources.

Which of the following goals best align with your team's top priority for 2023?



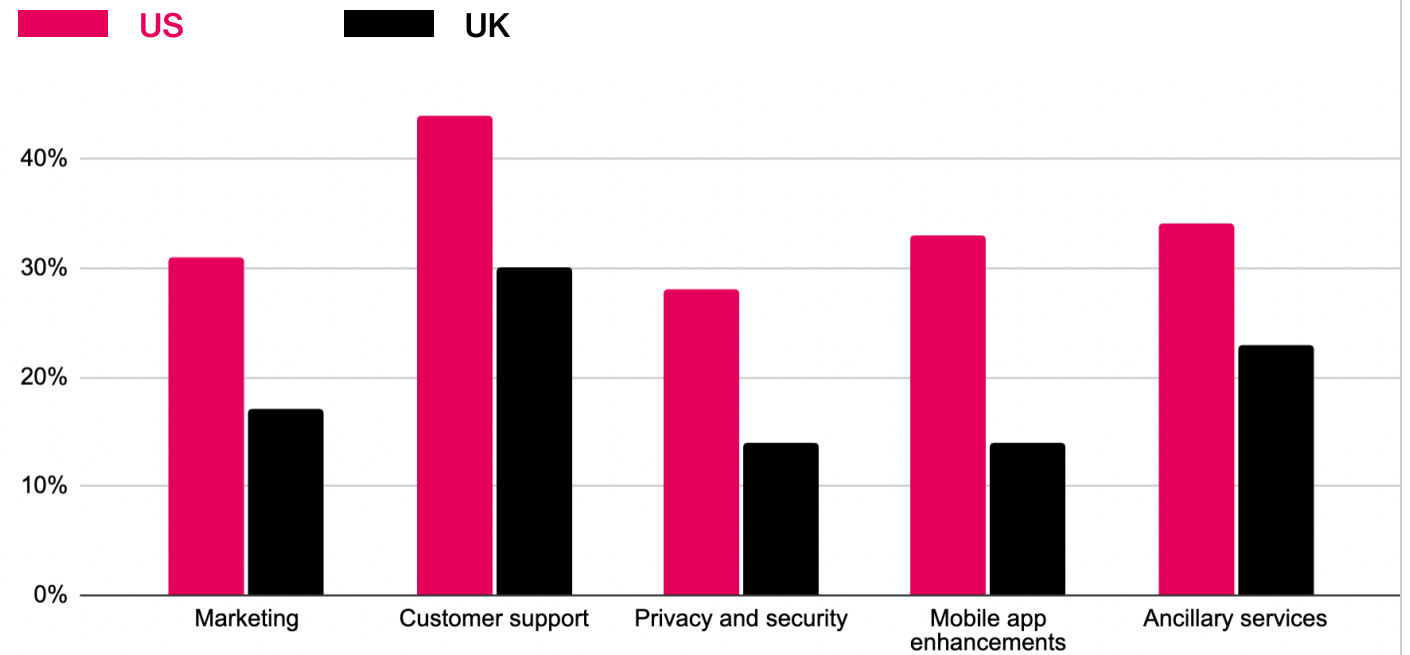
Which of the following areas has the biggest gaps or is the least optimized for customer needs?



The ugly truth about 2023 budgets.

Hotel leaders may have set their sights (and sites) high for 2023, but they are now tasked with navigating their digital priorities with less resources. Inflation and economic uncertainty have led **26%-48% of US digital leaders and 13%-37% in the UK to cut their 2023 budgets.**

Survey responses:
Where have you cut spending in 2023?



What impact will these cuts have on digital experiences?

More than **42% of leaders** now worry that limited investments in digital will drive consumers back to OTA.

So what do digital investments look like in 2023?

Let's take a look at where digital leaders are seeing opportunities to invest against their top priorities with limited resources.

Digital priority deep-dive: The power of luxury to win customer hearts.

For those that say customer retention is their top priority, marketing and ancillary services are where they'll spend more in 2023, while security is where they'll make cuts.

- 66% US and 63% UK will spend more on marketing in 2023.
- 54% US and 58% UK will spend less or the same on security.
- 60% US and 75% UK will spend more on ancillary services.

Half are focused on building a more luxurious experience. They aren't alone. Almost every hotel leader surveyed has or plans to introduce new luxury services in 2023.

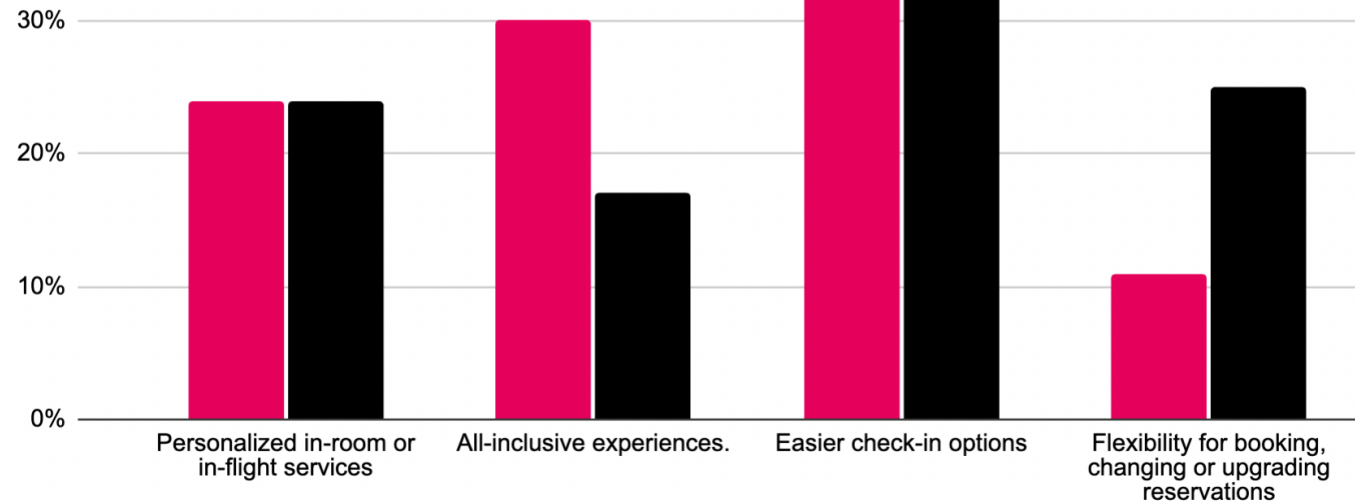
- 59% US and 47% UK are building luxury services that ease the check-in process and offer more flexibility.
- 54% US and 41% UK are offering personalized ancillary services or all-inclusive offerings.

Survey responses:

Which of the following best describes the type of new luxury services you now offer/ plan to offer?

■ US

■ UK



Why prioritize loyalty now?

Traffic rates for travel sites are the highest seen since before COVID.

- Traffic rates for the travel industry have seen a 4% average monthly increase over the last 13 months.
- In fact, traffic volumes for Q1 2023 were 37% higher than what was seen in Q1 2022.

Now is the time for hotels to take advantage of higher traffic and turn visitors into long-term customers.

Digital priority deep-dive: The mobile key to unlocking success.

Mobile has become the primary driver of customer engagement for travel brands:

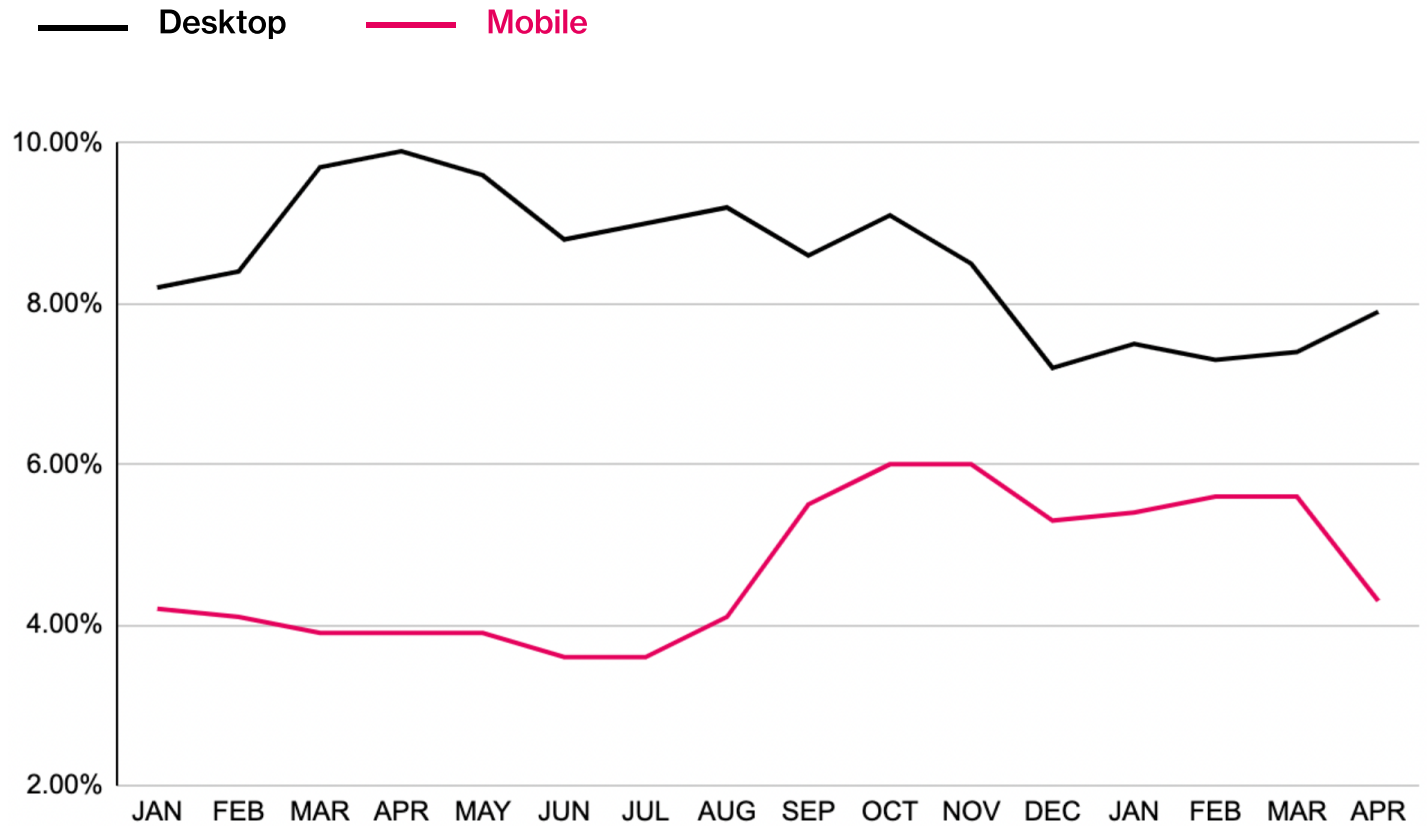
- Today mobile makes up 80% of monthly traffic.
- Mobile sales for Q1 2023 were 34% higher YoY.
- Mobile is closing the gap to desktop on conversion rate. In fact, the difference in CVR between devices has dropped from 60% to 24% in just two years.

Mobile sales for Q1
2023 were
34%
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For those who say mobile is their top priority, what investments are they making to grow mobile adoption and bookings?

- 66% US and 72% UK are prioritizing ancillary services.
- 72% US and 67% UK will also focus on security.
- 74% US will spend less or the same on customer support, but 52% UK will spend more.
- 65% US and 50% UK will actually spend less or the same on mobile app features.

Monthly conversion rates
2022 2023

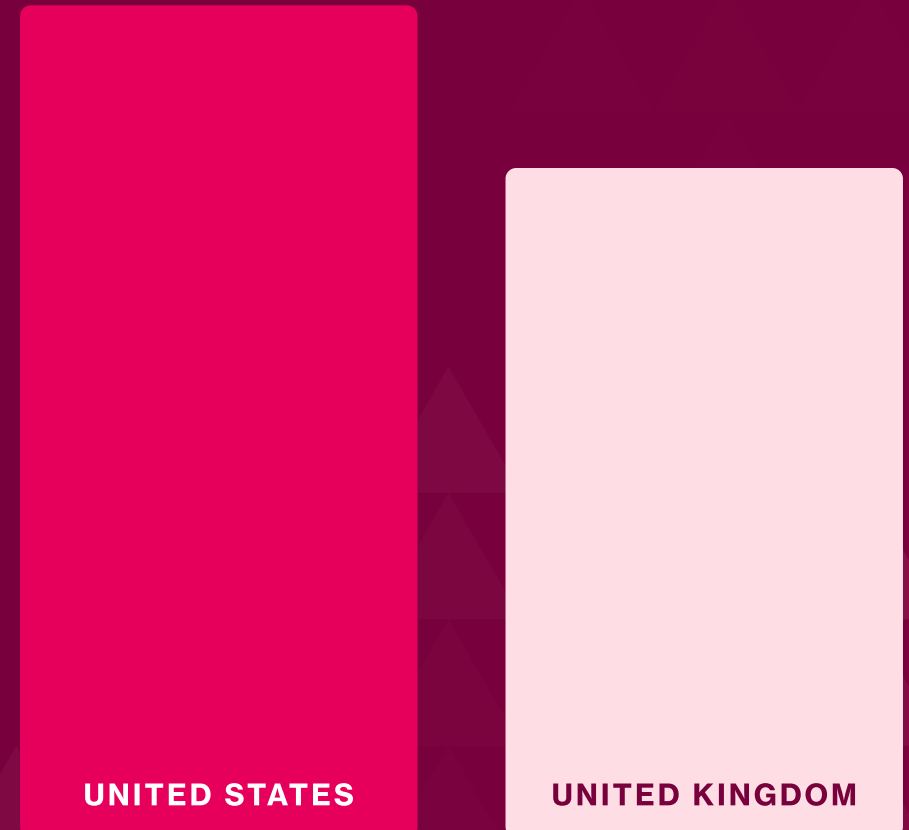


Digital priority deep-dive: Get those no vacancy signs ready.

For digital leaders trying to maximize cart values and conversions, where are they focusing resources?

- 72% US / 58% UK leaders increased investments in direct booking strategies.
- Majority in both regions are spending more on marketing and ancillary services.
- 59% US are spending less on mobile, but 56% UK are spending more.

72% of US and
58% of UK leaders
increased investments
in direct booking
strategies.

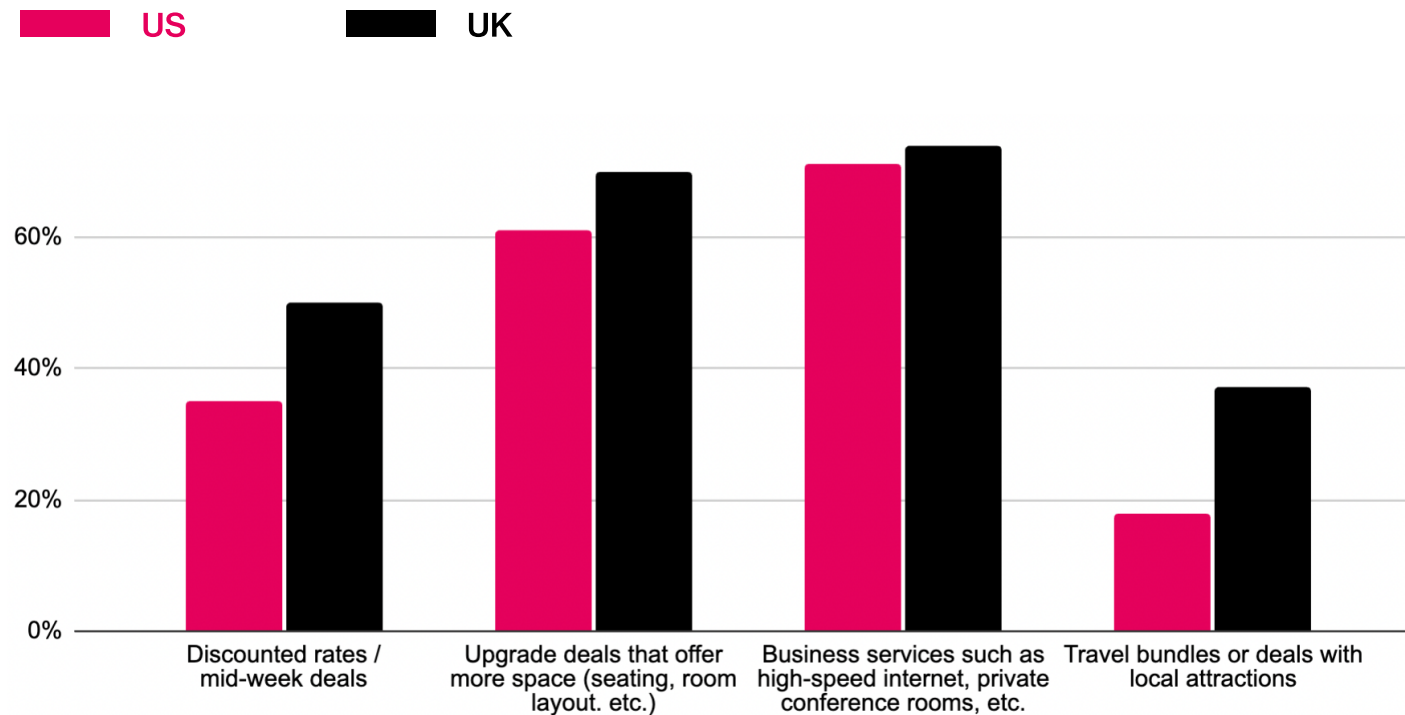


Additionally, hotel leaders across the board are investing in new services to attract more niche customers to grow conversions.

- 62% US and 74% UK hotel leaders offered new sustainable services in 2023.
- **84% US and 79% UK leaders say business reservations grew by 25% or more in the last 12 months.**
- 71% offer business services/upgrades to attract business travelers and remote workers.

Survey responses:

Are you currently offering any of the following to encourage extended bookings from business travelers and/or remote workers?



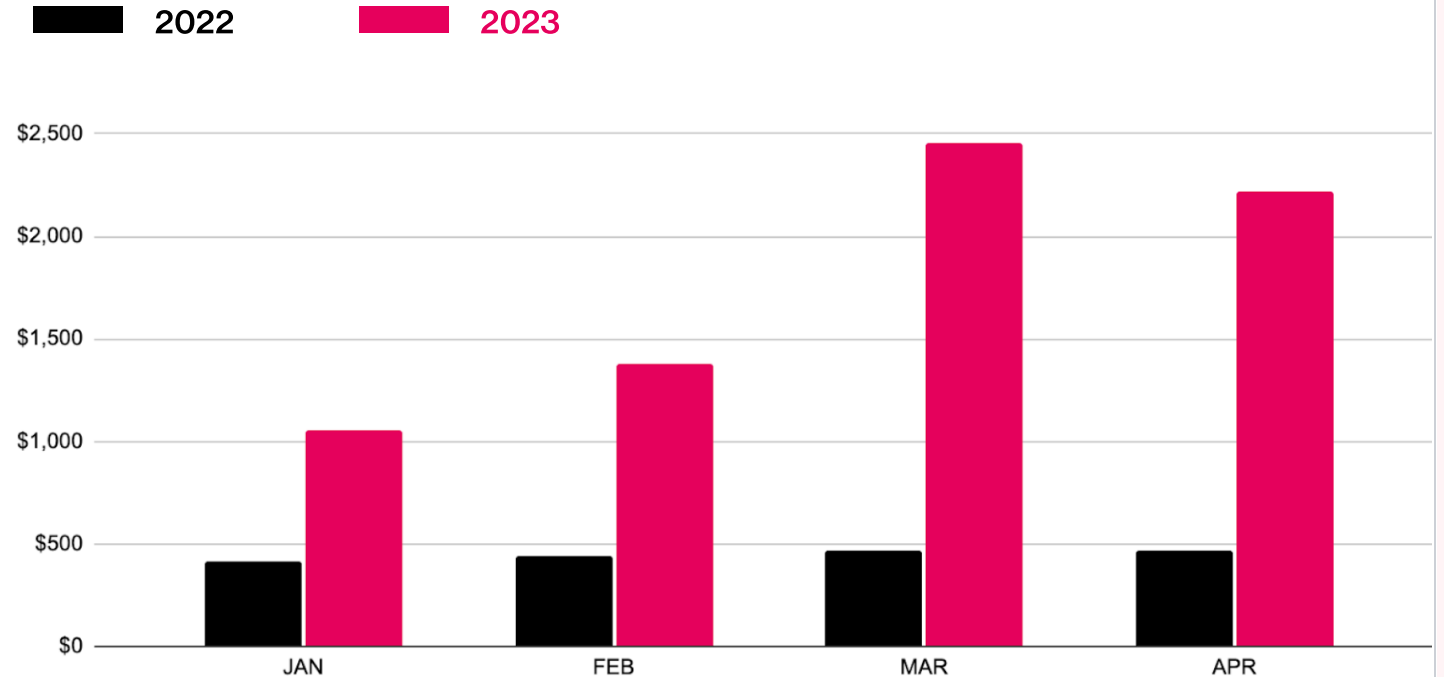
New investments and consumers' renewed appetite for travel are driving hotel reservations up at a rapid rate:

- 54% saw higher reservation rates Jan. - April, 2023 than previous years and expect the trend to continue.
- **66% US and 71% UK hotels say direct bookings have increased over the last 12 months.**
- **97% expect consumers to be willing to pay more to travel in 2023.**
- For the travel industry overall, average monthly order values Jan.-April more than doubled between 2022 and 2023.

The secret to driving conversions?

Go beyond the traditional booking and experiment with new offerings to see what turns low intent visitors into high-value reservations.

Q1 Monthly Average Order Values 2022-2023



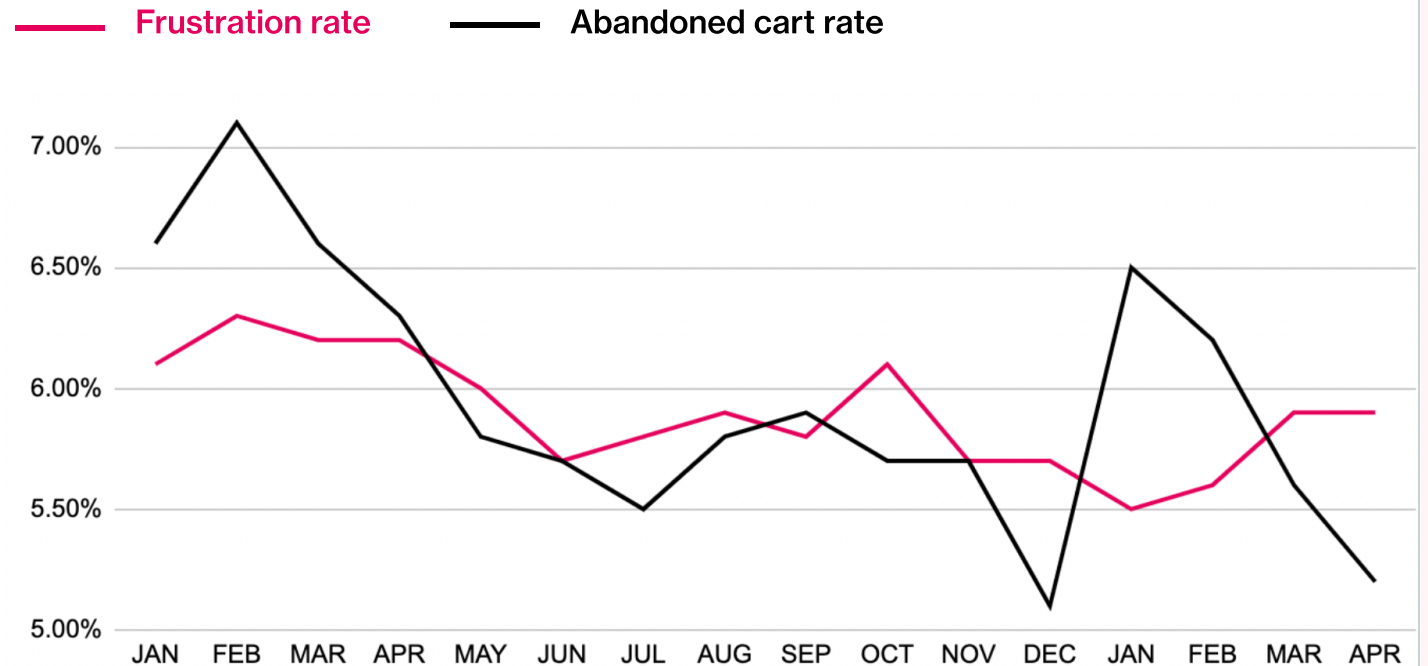
Digital priority deep-dive: The path to true self-service.

For those looking to improve self-service and overall customer support, just 42% are prioritizing customer support channels.

As digital teams cut costs, customer support services are on the chopping block. However, these investments are key to customer satisfaction and can actually reduce cost, while boosting business:

- **Despite conversions and traffic spiking, Quantum Metric customers saw a 7% drop in frustration between Jan. and April, 2023.**
- Abandoned cart rates were also down 12%.
- This is despite the fact that session duration (the time a customer is engaged with a site) has drastically dropped 61% between Q1 2021 and Q1 2023.

Monthly frustration rate and abandoned cart rate 2022-2023



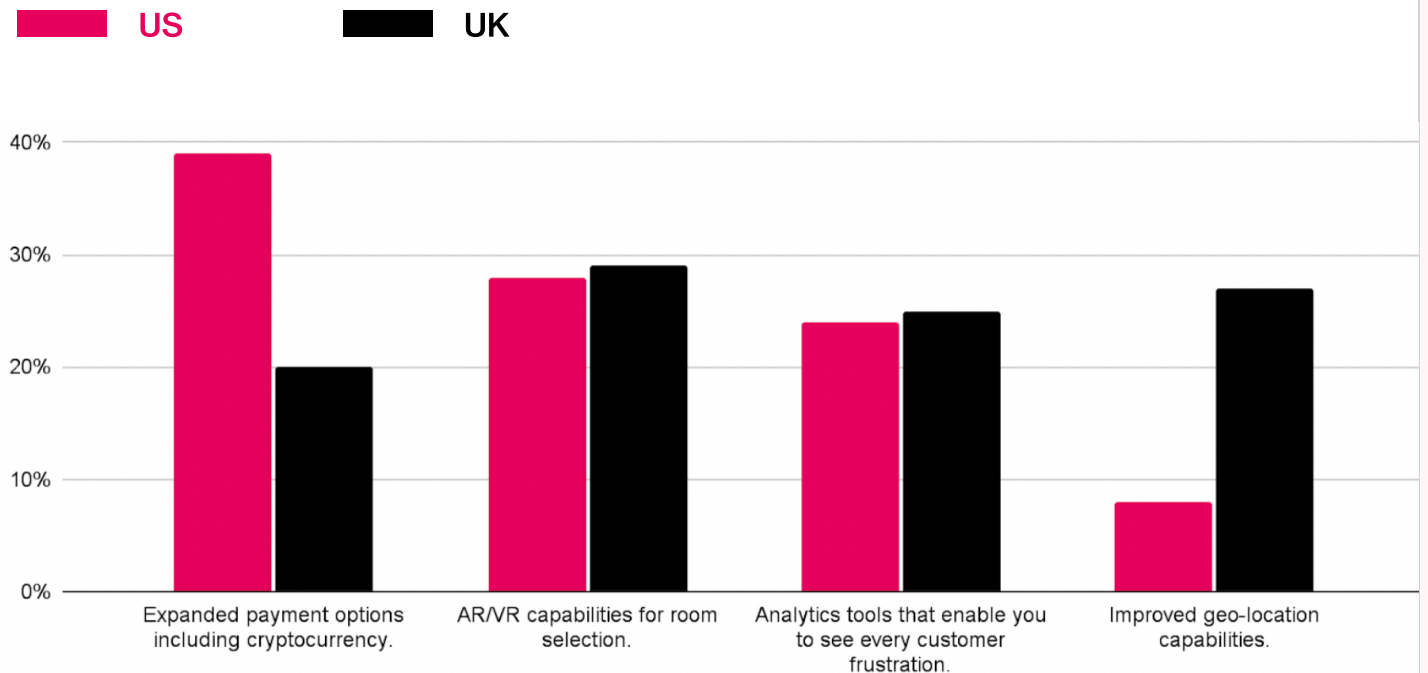
Can other technologies improve self-service? Hotel leaders seem to think so:

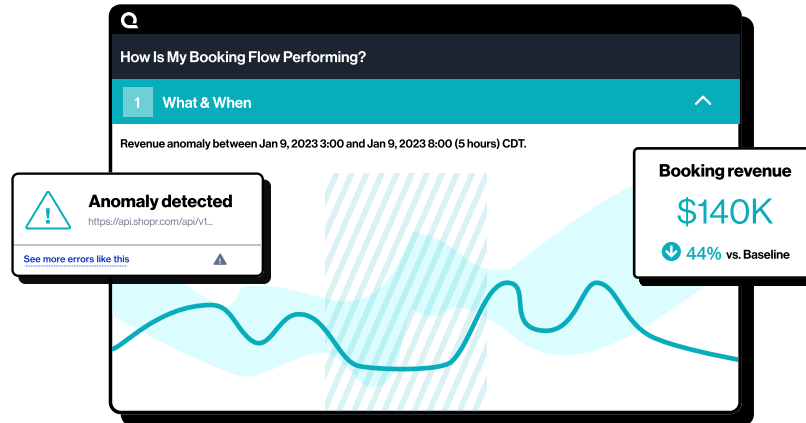
- **More than 88% plan to implement generative AI into their booking experience**, and 57% will use it to enhance self-service.
- Outside of AI - 28% US and 29% UK hotels say VR/AR would be a good investment for improving their experience.
- 39% US and 20% UK hotels even say expanded payment options including crypto would improve their experience.

Be it AI or session replay tools, self-service is an important part of the customer journey. It can not only cut customer support costs, but boost loyalty, retention and reservations.

Survey responses:

Outside of generative AI, which of the following new technologies do you believe would be the best investment for your digital booking experience?





Getting the digital traveler experience right takes experience and expertise. Want to learn more about how Quantum Metric Atlas can expedite your understanding of customer needs across every micro-experience?

Sign-up for a demo today:

quantummetric.com/atlas/hotel/

Quantum Metric
Atlas



About Quantum Metric.

As the pioneer in Continuous Product Design, Quantum Metric helps organizations put customers at the heart of everything they do. The Quantum Metric platform provides a structured approach to understanding the digital customer journey, enabling organizations to recognize customer needs, quantify the financial impact and prioritize based on the impact to the customer and business' bottom line. Today, Quantum Metric captures insights from 40% of the world's internet users, supporting globally recognized brands across industries including retail, travel, financial services and telecommunications.

For more information about Quantum Metric, visit quantummetric.com