

A woman wearing a bright green dress and a straw hat is seen from behind, sitting on a wooden swing. She is overlooking a tropical beach with white sand and turquoise water. In the distance, a small boat is visible on the water, and there are mountains or hills on the horizon under a blue sky with white clouds. The image is overlaid with a large, semi-transparent graphic consisting of two overlapping circles, one light blue and one light purple.

brazze

ASEAN Travel Brand Consumer Report

2023 Travel Brand Consumer Beliefs
and Customer Engagement
Responses in ASEAN

INTRODUCTION

The prospects for the travel industry in Asia Pacific are looking brighter now than they were in the preceding years. According to data from the Economist Intelligence Unit's *Travel-ready index 2022* and the Temasek, Google, Bain e-Economy report, ASEAN traveler spending is expected to surpass pre-pandemic levels of spending by 2024.

ASEAN's digital economy, too, is growing, with travel slated to become one of the five leading sectors in the digital economy. At the same time, the industry is cautious with inflation and structural hurdles that may prevent travel in Asia Pacific from surpassing the pre-Covid-19 volumes in 2023.

Despite the challenges, travel and hospitality brands that engage customers with data-driven insights are well positioned to generate mutual value from their marketing efforts. Braze, a leading global customer engagement platform, observes that its travel customers that employ a multi-channel strategy and utilize key engagement features of the platform see a 34% average increase in conversion rates associated with bookings.

Digitalization presents travel brands with seemingly infinite opportunities to get closer to customers and serve their needs. Gone wrong, however, digitalization can waste immense amounts of money and time. Without the right calibration, travel brands risk communicating unsuitable offers, products, or brand value propositions to customers, or these may be delivered at the wrong time or with the wrong frequency on the wrong channel.

Worse still, communications may not take into consideration

respect for the data privacy concerns of customers, who are aggravated by recent breaches of trust at some of the leading corporations in the world. Braze surveyed 500 avid travelers across Singapore, Malaysia, Indonesia, the Philippines and Thailand to understand how, where and when travel organizations can reach out to their customers. Armed with this data, travel brands will be better able to calibrate customer engagement and the flow of communications on their customer facing channels.

The survey surfaces hitherto unknown insights into what travel consumers really expect from organizations in terms of frequency, relevance and channels of customer engagement. It also brings out the make or break factors in communication that keep Southeast Asian consumers hooked to a brand.

While helping delineate key trends across the survey markets, the survey also highlights opportunities in specific target markets in southeast Asia and provides insights that deliver win-win customer engagement outcomes for both travel organizations and consumers.



ABOUT THIS REPORT

Exploring travel brand customer sentiments and beliefs in key markets of ASEAN

The leaders in the highly digitalized travel industry today are brands that have optimized customer engagement from end to end. However, there are disparities between what brands think they are doing right and what consumers ultimately want, as the key findings of this Braze survey has shown.

The results of this survey can remedy this by helping organizations build marketing strategies on the right assumptions based on the actual responses of consumers in the ASEAN travel market. Essential factors such as frequency, timeliness, and relevance of communications are explored. We find out

also that personalization is paramount to customer satisfaction – yet customers are wary of how their personal data is being used.

- Consumers are mostly happy with the frequency of communications from travel brands, but organizations in Singapore and Malaysia have more work to do
- The timeliness of communications and the relevance of the content are almost equally key to top class customer engagement strategies
- The selection of channels matters – email is the most preferred channel and surprisingly, most consumers in the ASEAN do open and read emailed offers and marketing messages
- Email rules, but it is still unwise to discount channels such as in-app notifications and chat apps in communications strategies. In-app notifications are typically most preferred after email
- Personalization is essential to successful customer engagement outcomes.

Customers are more likely to appreciate personalization when there is the promise of value delivery

- A significant number of consumers in ASEAN are worried about intrusions into their privacy – brands need to integrate well thought out trade offs into their communication strategies
- Loyalty programs are essential to brand loyalty to most consumers, as long as they ensure quality and security
- Overall more respondents use hotels and resorts and online travel agencies (OTAs) than airlines in the ASEAN market. In Singapore, however, airlines and resorts and hotels find more users than OTAs

It is essential to understand the granular details of the customer preferences and the nuances of communication in individual regional markets to help fine tune customer engagement efforts.



All over ASEAN, email remains the preferred channel... but chat apps are also popular in Indonesia

In the current business environment, travel brands in the Asia Pacific are required to judiciously prioritize the channels on which they focus their marketing investments. Should brands place equal importance on reaching consumers through most of the popular digital channels, or should they focus their efforts only on the most effective ones?

Based on the Braze survey results, in ASEAN, email is still the preferred channel for travel industry consumers to receive marketing communications, despite the wide popularity of chat apps and social media for other purposes. On average, respondents in all five countries agree that they prefer to receive travel offers and marketing messages through email as compared to the other channels such as chat apps, in-app notifications, SMS, phone calls, social media direct messages, and snail mail. In our Travel Global Research, Braze customers see a 31% increase in email open rates when using customer engagement technology such as Braze solutions.

In Indonesia, however, surveyed consumers show equal preference for email and chat apps. After email, in-app notifications are the second most preferred channel for surveyed travelers in Singapore and Malaysia to receive messages from brands. In our Travel Global research, global Braze customers see a 17% increase in click through rates for in-app messages.

Contrary to other ASEAN countries, which prefer in-app notifications after email, surveyed consumers in Indonesia like to be contacted equally on both chat apps and email. In Thailand and the Philippines they prefer good old phone calls after emails.

Interestingly, in spite of the ubiquity and popularity of social media, surveyed consumers across ASEAN do not always respond as favorably to social media direct messages by hospitality brands as consumers elsewhere in the world do.



WHICH MARKETING CHANNELS DO ASEAN TRAVELERS MOST PREFER?*

| SINGAPORE | | | | | | |
|-----------|--|--|--|--|--|-----|
| E-MAIL | | | | | | 1.8 |
| IN-APP | | | | | | 3.5 |
| CHAT APPS | | | | | | 4.4 |

| MALAYSIA | | | | | | |
|-----------|--|--|--|--|--|-----|
| E-MAIL | | | | | | 2.4 |
| IN-APP | | | | | | 3.4 |
| CHAT APPS | | | | | | 3.6 |

| INDONESIA | | | | | | |
|-----------|--|--|--|--|--|-----|
| E-MAIL | | | | | | 2.7 |
| CHAT APPS | | | | | | 2.7 |
| IN-APP | | | | | | 3.5 |

| PHILIPPINES | | | | | | |
|--------------|--|--|--|--|--|-----|
| E-MAIL | | | | | | 2.1 |
| PHONE CALLS | | | | | | 3.6 |
| SOCIAL MEDIA | | | | | | 4.2 |

| THAILAND | | | | | | |
|-------------|--|--|--|--|--|-----|
| E-MAIL | | | | | | 2.9 |
| PHONE CALLS | | | | | | 3.4 |
| CHAT APPS | | | | | | 3.9 |
| IN-APP | | | | | | 3.9 |

*Answer to question: In what format do you like to receive communication from your favourite hospitality brands? Rank them from 1 (most preferred) to 7 (least preferred)

Most ASEAN consumers always or frequently open travel marketing emails

Although email remains the preferred channel for many travelers to receive offers and promotions, ultimately it is important to understand how they respond to email communications too. Singapore is a 'blue chip' market for travel brands as far as email marketing is concerned with more than half of all surveyed users *always* or *frequently* opening emails from airlines, OTAs, and hotels and resorts.

Moreover, when you consider the wider ASEAN region, whether it's hotels and resorts, airlines or OTAs, email marketing remains an effective means to reach out to consumers with most of them *frequently* or at least *occasionally* open marketing emails, with a few exceptions.

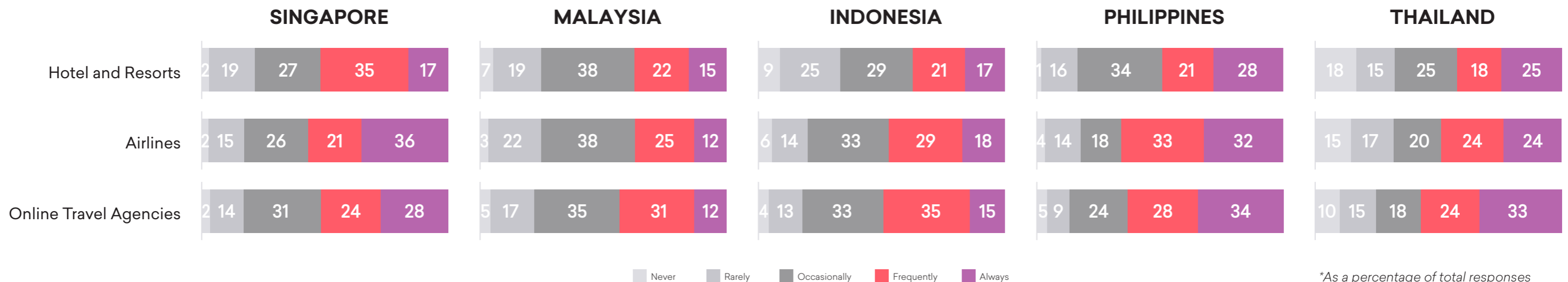
In the Philippines, marketing emails from OTAs and airlines are effective, with 32% and 34%, respectively, of respondents always opening them and 28% to 33%, respectively, *frequently*

opening them. Emails from OTAs are almost as effective in Thailand and Singapore, with 33% and 28% of respondents also *always* opening them.

In Singapore, airlines fare the best by a noticeable margin in email marketing. In the city state, 36% of respondents *always* open marketing emails from airlines, and another 21% *frequently* open them. However, outliers exist across the different countries in the region. For example, in Indonesia and Malaysia, a plurality of respondents only *occasionally* or *rarely* open emails from travel and hospitality companies.

Overall hotels and resorts appear to slightly lag behind airlines and OTAs throughout ASEAN in garnering responses to email marketing. However, in Singapore more than 50% of surveyed consumers *frequently* or *always* open marketing emails from hotels and resorts.

HOW FREQUENTLY DO TRAVEL CONSUMERS OPEN EMAILS FROM BRANDS?*



Travelers are mostly satisfied with communications frequency but brands need to step up in Singapore and Malaysia

As with the right channel, the right frequency of communications is also crucial for brands. Communicate too often, and you might risk annoying your potential customers and being considered spam. Too infrequent communications, and they might forget about you altogether. So how are brands currently faring in terms of their frequency of brand communications?

Be it hotels and resorts, airlines, or OTAs, consumers in the Philippines and Indonesia are generally satisfied with the frequency of communications, with more than 80% of those surveyed either *very satisfied* or *somewhat satisfied* with the outreach from all three types of travel brands.

On the other hand, in both Singapore and Malaysia, just a tad less than 80% of surveyed consumers are either *very satisfied* or *somewhat satisfied* with the frequency of communications from travel brands.

In Singapore, 24% of participants reported being *very satisfied*

with hotels and resorts and OTAs, with airlines faring better at 34%. In Malaysia, 20% are *very satisfied* with the frequency of communications from airlines with hotels and resorts and OTAs faring better with 35% and 31% *very satisfied* with the frequency of their communications .

On the contrary, one-third to approximately one-fourth of all surveyed consumers in Malaysia and Singapore are either *neutral* or *unsatisfied* with the frequency of communications from travel brands. This presents an opportunity for travel brands in Singapore and Malaysia to recalibrate their customer engagement activities. In fact, fully a third of the respondents in Malaysia are neutral about the frequency of communications from airlines.

In Thailand travel brands generally meet consumer expectations, with 84% of respondents being *very satisfied* or *somewhat satisfied* with OTAs' customer engagement. Airlines come in second at 80% while 72% are satisfied with the efforts of hotels and resorts to reach out to them.

HOW SATISFIED ARE TRAVEL CONSUMERS WITH THE FREQUENCY OF COMMUNICATIONS?

| | SINGAPORE | | MALAYSIA | | INDONESIA | | PHILIPPINES | | THAILAND | | |
|------------------------|-----------|-----|----------|-----|-----------|-----|-------------|-----|----------|-----|--------------------|
| Hotel and Resorts | 51% | 24% | 39% | 35% | 43% | 45% | 40% | 49% | 38% | 34% | Very satisfied |
| Airlines | 39% | 34% | 40% | 20% | 53% | 31% | 39% | 49% | 54% | 26% | Somewhat satisfied |
| Online Travel Agencies | 46% | 24% | 44% | 31% | 36% | 45% | 34% | 47% | 33% | 51% | |

Ideally, brands should communicate with consumers at least once a week

Generally, brands looking to boost consumer engagement in ASEAN should aim to communicate with consumers at least once week, if not twice a week.

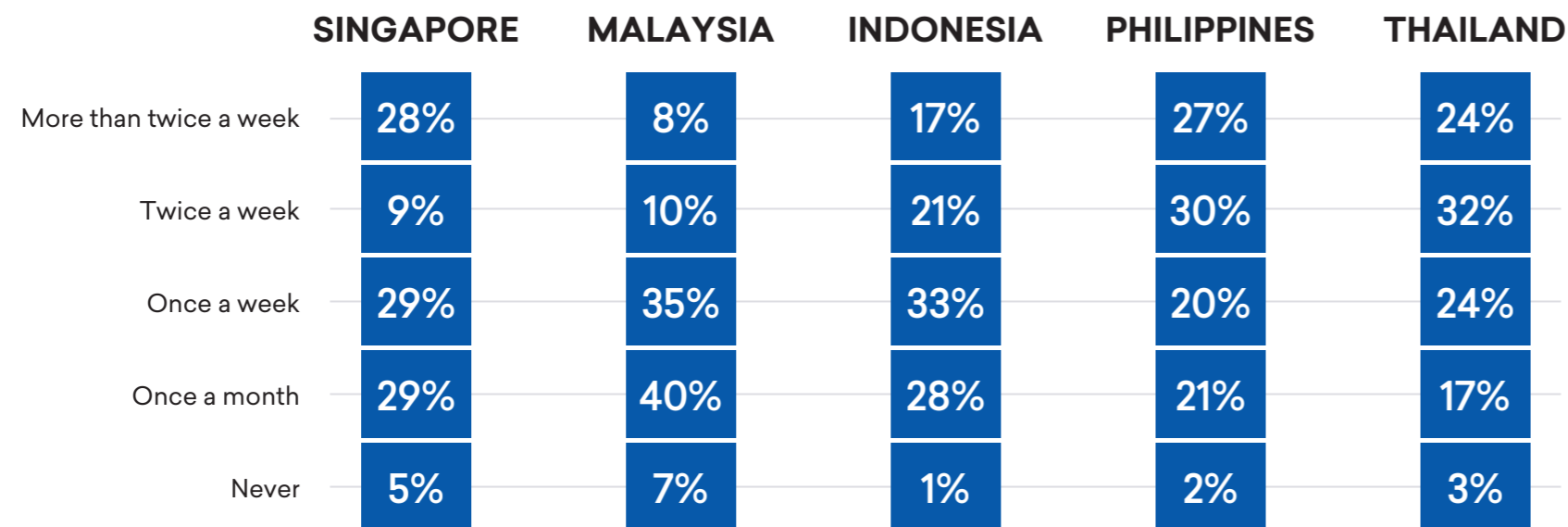
Based on our survey results, engaging consumers at least once a week is a safe bet for a sound marketing plan in all countries in ASEAN. It is worth noting that a majority of surveyed consumers in the Philippines and Thailand would rather receive travel marketing communications at least twice a week.

In Singapore 28% of respondents like receiving communications more than twice a week. A plurality of Singapore respondents are split in their preference with 29% opting for once a week and 29% for once a month. Nevertheless it is safe to conclude that the majority of consumers in

Singapore need brands to reach out to them at least once a week.

In Malaysia 40% of respondents prefer monthly communications while 35% prefer once in a week. Reaching out to consumers at least once a month is essential in Malaysia. Consumers in the Philippines and Thailand require frequent marketing communications while those in Singapore, Malaysia and Indonesia demand a more calibrated approach to the frequency of communications.

HOW FREQUENTLY DO CONSUMERS LIKE TO RECEIVE MARKETING COMMUNICATIONS?



Personalization is key to brand communications success in ASEAN

In today's competitive digital marketing environment, many brands devote significant resources to personalization, whether it's customized content or deals based on data-driven approaches. But what is the travel customer response to this deep personalization?

The good news: an overwhelming number of surveyed consumers of travel brands in ASEAN like personalized communication. In the Philippines 95% of respondents react positively to personalization, so do 92% in Indonesia, followed by Thailand (85%), Malaysia (76%), and Singapore (72%). The Braze Travel Global research finds that personalized messaging can increase the 90-day customer retention rate by 55% and companies observed a 3.2% increase in purchases for each additional channel used.

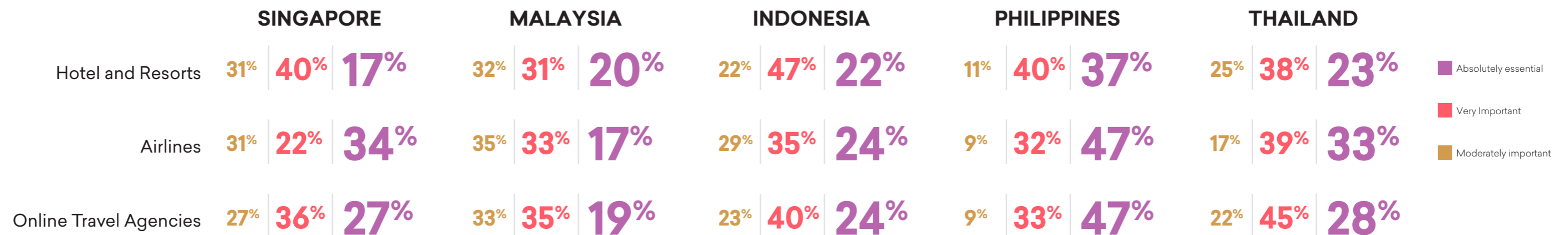
Most surveyed consumers in the region find personalization *moderately important* or *very important* in their decision to

continue using a brand's service. In the Philippines, however, 47% of respondents find personalization *absolutely essential*, especially when it comes to airlines and OTAs.

Hotels and resorts and OTA customers are more likely to say that personalization is *very important* to their continued use of a brand while users of airlines are more likely to consider personalization *absolutely essential* to brand loyalty.

A sizable number of Singapore respondents find personalization *absolutely essential* for airlines (34%), but fewer demand so for OTAs (27%) or Hotels & Resorts (17%). A majority of travel brand consumers in ASEAN, whether they are users of OTAs, airlines, or hotels and resorts, consider personalized communication either *very important* or *absolutely important* in their decision to stick to a brand while among the rest close to a half consider personalization *moderately important*. ASEAN is a market in which deep personalization should be the norm.

HOW IMPORTANT IS PERSONALIZATION FOR TRAVEL BRAND CONSUMERS IN ASEAN?



Personalization is important, but use personal data with caution

Overwhelmingly (more than 70%) of travel brand respondents in ASEAN appreciate receiving personalized communications from brands. However there are concerns among travel consumers about how their personal data might be exploited. Some 60% or more of the surveyed users prefer that brands use their personal data only if there is direct value delivery to them personally in the form of personalized discounts, offers, and rewards.

In fact, one-fourth to two-fifths of all surveyed users remain wary of how brands use their personal data with 39% of users in Singapore, 27% each in Malaysia and the Philippines, 35% in Indonesia, and 36% in Thailand expressing the view that brands should not use their personal data.

While personalization is key, higher investment in data security and privacy, and comprehensive security optimization, are also essential to retain brand loyalty.

32%

AN AVERAGE OF AROUND ONE THIRD OF ALL USERS ACROSS ASEAN ARE VERY WARY OF COMPANIES USING THEIR PERSONAL DATA.



Loyalty programs are crucial to customer retention, but ensure quality and security

Executives often question the value of loyalty programs and rewards, and whether they actually help retain consumers. In ASEAN the answer is clear – they’re crucial to customer retention.

Across hotels and resorts, airlines, and OTAs, the majority of consumers surveyed in ASEAN expressed that loyalty programs are either *very important* or *absolutely essential*. However, depending on the industry in question, the affinity to loyalty programs differs from country to country.

Fewer respondents hold that loyalty programs are absolutely essential for hotels and resorts compared to airlines and OTAs. For airlines and OTAs 70% or more of respondents hold the opinion that loyalty programs are very important or absolutely essential for retaining interest in a brand.

In Singapore, for example, a significant number of airline customers (36%) believe that loyalty programs are *absolutely essential* for airlines but only 18% believe so for hotels and resorts. In the Philippines, on the other hand, a higher number

of respondents find loyalty programs *absolutely essential* across airlines (40%) OTAs (41%) and Hotels & Resorts (37%). In Indonesia, Malaysia, and Thailand, more consumers hold the opinion that loyalty programs are *very important* than *absolutely essential*.

The majority of respondents in ASEAN markets fall within the spectrum of moderately important to absolutely essential in their evaluation of the relevance of loyalty programs across OTAs, hotels and resorts and airlines. Only negligible numbers are unconcerned with loyalty programs.

What makes loyalty programs successful?

For a loyalty program to attract consumers in ASEAN, two factors are paramount: the number and quality of deals, as well as the security, safety and trust engendered by the brand. Next to this, most consumers believe that loyalty programs should be easy to sign up for and they should be able to use them without friction.

HOW IMPORTANT ARE LOYALTY PROGRAMS TO CUSTOMER RETENTION?



What do consumers find lacking in current brand communications?

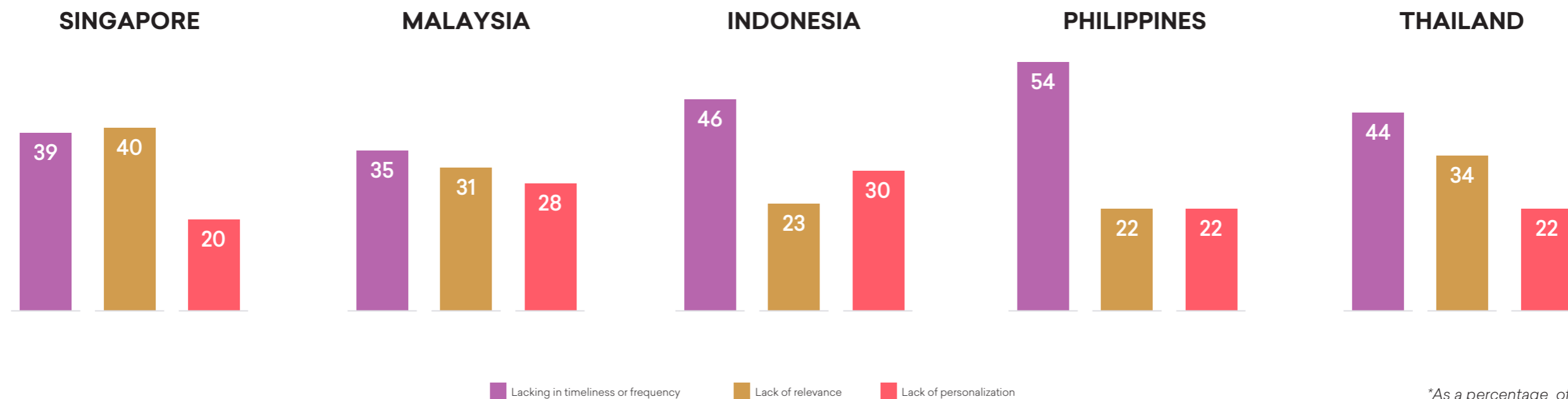
How do brands optimize their current communications? To start with, it is essential to understand where consumers feel that the communications of their current travel brands are lacking.

Surveyed consumers across ASEAN countries find that the current brand communications they are receiving lack in different aspects across markets. Lack of timeliness or frequency and lack of relevant content are the most prominent factors that users find missing in the communications of their current brands.

Close to lack of relevant content is the lack of personalization in the content delivered. It is important to note that in the

Singapore market more users (40%) are bothered by the lack of relevance than the lack of timeliness or frequency of communications (39%). But across ASEAN – outside Singapore – the lack of timeliness or frequency of communication remains the biggest gripe that surveyed consumers have with the communications provided by the travel brands.

HOW IMPORTANT ARE TIMELINESS AND RELEVANCE TO TRAVEL BRAND CONSUMERS?*



Meeting evolving needs in the market

Airline traffic has rebounded dramatically since the pandemic. According to aviation IT solutions company Amadeus, Asia Pacific airline travel rebounded particularly well with bookings on the platform growing 150% and passengers boarded growing 120% in the first quarter of 2023 over first quarter of 2022. Intense competition has ensued between airlines to attract passenger minds. Airlines in the Asia Pacific region are expected to calibrate their marketing systems to reach and convince travelers who are also making last minute bookings and are increasingly traveling within the region.

Customer loyalty can be a fleeting thing, and OTAs, hotels and airlines not only compete within their respective categories but also amongst themselves for loyalty - we see airlines increasingly offering integrated resort packages, and hotel brands offering options to use points for air travel.

Price, convenience, and user experience matter to travelers who are often researching travel plans on one device and making their bookings on another. Reaching out to passengers across channels with an integrated marketing strategy is crucial. From being found by the right customers on search and video platforms to optimizing the path-to-purchase, airlines need to reach out to customers with relevant messages at each touchpoint at the right time.

Likewise, on OTAs, travelers in the region are increasingly pursuing vacations in local destinations over global ones. Like travelers in certain parts of southeast Asia, Indonesian travelers do their research online and buy tickets offline. Tiket.com cracked this market by launching its own online travel fair - Online Travel Week which is digitally promoted.

Leveraging custom affinity and in-market audiences, Tiket.com was able to focus on consumer intent and concentrate its ad spend on reaching travelers most likely to book flights which led to 46% decrease in cost per visitor. Travelers' purchase journeys are more varied than ever before. The dynamic purchase journeys make multi-screen, multi-touchpoint marketing strategies and platforms that enable them more important than ever for OTAs in the region.

The pandemic has brought about subtle but important changes to the preference of southeast Asian travelers who book hotels and resorts. Tourists now prefer longer, immersive experiences when they do travel leading to an interest in vacation rentals among southeast Asian travelers. "Revenge travelers" who seek to make up for lost time are ready to pay for premium travel options. Increasingly, travelers are conscious of sustainability – particularly in Singapore and the Philippines.

Consumers of hotels and resorts in the region are largely looking for unique experiences, security, convenience, and the best deals. Asian hoteliers are now required to ensure seamless and integrated user experiences, interactions, and transactions on their website, app and other properties. Such integrated experiences help hoteliers provide travelers special rewards and loyalty gifts that cannot be easily provided by third-party websites. Optimisation of key communications and transactions through email links to ensure minimum use of personal data is also key to ensuring security and customer trust.



CONCLUSION

Customer engagement in ASEAN is tricky with the preference for personalization and the worries about data privacy, but smartly managed data-driven communications can prove to be the key factor to drive brand loyalty and mutually beneficial customer engagement for brands and customers. The positive trend observed in this Braze survey is that most ASEAN consumers of travel brands are enthusiastic and positive about brand communications, and are eager to listen to what brands have to offer.

Whether it's frequency of communication, or the number of deals or loyalty programs, travel brands that understand the pulse of the consumer appear most likely to succeed in ASEAN markets. This survey clearly delineates the where, what and how of brand communications to make it easier for brands to build their marketing communications strategies on the right assumptions.



METHODOLOGY

This report surveyed the opinions and beliefs of travel and hospitality industry consumers in five of the largest ASEAN markets – Singapore, Malaysia, Indonesia, the Philippines, and Thailand with regard to the communication and customer engagement of travel and hospitality brands in the region. It was conducted by Jicara Media on behalf of Braze.

The survey was held online between March 7 and March 13, 2023. Participating in this survey were 100 respondents from each market, totaling 500 across all the surveyed ASEAN markets. A majority of the respondents (more than 70%) were between the ages 21-40 and were employed in a full-time capacity. By travel and hospitality brands we mean hotels and resorts, airlines, and online travel agencies (OTAs). Respondents of both genders were included in the the survey.

The survey attempts to understand how travelers perceive the effectiveness of brands' customer engagement efforts and how consumers in the region expect travel brands to respond to their needs. It also examines how and why travel and hospitality brands are failing in their efforts to delight consumers and how they can improve their customer engagement and communications strategies.





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