

The Ideal Travel Companion: Expedia's Quest for Trust in the Renewed Travel Industry

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*Strategic Brand Management, Spring 2021
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Of all the industry segments suffering from the effects of the COVID pandemic over the past year, the travel industry seems the most obvious to have been impacted. Between stay-at-home orders, formal mandates against travel, and consumer concern about the spread of the virus, the travel industry has seen a significant lack of demand over the past 12 months. The U.S. Travel Association cites “The World Travel & Tourism Council reported that global travel suffered a loss of almost \$4.5 trillion in 2020 as a result of the pandemic”; and online travel booking site Expedia Group is no exception.¹ According to a McKinsey report, Q2 revenues from the largest online booking websites showed a -82% year-on-year change, and it’s estimated that online travel agencies as a whole could suffer a loss of up to \$190 billion in gross bookings from the full 2020 year.² Yet, there appears to be hope. Several surveys and anecdotal reports suggest that consumers are ready to start making travel plans again; in fact, as of March 2021, 87% of American travelers had plans to travel—the highest percentage reported in a year.³ This shift in consumer sentiment is largely due to the recent increase in vaccinations, driving consumers to plan “vaxications”, as one Bloomberg article calls them.⁴ It is based on this hope that travel companies have begun increasing their marketing budgets again after having quelled them in response to the pandemic, and Expedia Group appears to be leading the way.

On April 19th, Expedia released a new commercial “All By Myself” featuring actress Rashida Jones coming to the rescue of a wary lone traveler. The ad uses humor to depict Jones as the “ideal travel companion” with the aim of promoting Expedia as the same. The travel scenes featured in the ad show no indication of the realities of the COVID-19 world. The commercial

¹ <https://www.ustravel.org/research/monthly-travel-recovery-data-report>

² <https://www.mckinsey.com/~/media/mckinsey/industries/travel>

³ <https://www.ustravel.org/research/monthly-travel-recovery-data-report>

⁴ <https://www.bloomberg.com/news/articles/2021-03-07/celebratory-vaxications-are-giving-the-travel-industry-a-boost>

comes as many competitors are also releasing new campaigns in an effort to capitalize on pent-up demand; according to iSpot.tv “airings of TV commercials promoting travel websites have more than doubled in the 50 days ended April 12, compared with the previous 50 days”. While some are focusing on safety and encouraging consumers to continue to follow COVID precautions, others, like Expedia, are not.⁵ The launch of the recent campaign reflects Expedia’s largest ad spend in the past 5 years, signifying a use of Schroer’s “SOV=SOM” model; the brand is making an offensive move in ad spending in hopes of gaining market share in the renewed travel market.⁶ With such a significant investment on the line, and so many other travel companies also jumping to grab share of market, Expedia Group must consider: what is the right messaging to approach consumers with in this uncertain landscape? While it may be tempting to focus on driving demand, Expedia must also be cautious of the fact that many consumers still have reservations about traveling and may be looking for assurance when it comes to safety.

Expedia’s April 2021 commercial makes use of the Brand Relationship model to assert Expedia, represented by Rashida Jones in the ad, as a trustworthy friend to consumers. This is emphasized through the ad’s tagline “It matters who you travel with”, promoting both functional benefits of Expedia as a comprehensive travel tool and emotional benefits of feeling cared for by Expedia as a travel companion. The various global scenes featured in the commercial certainly reflect excitement as a characteristic of the Expedia brand personality. Yet the failure to acknowledge persisting regulations and restrictions facing travelers in today’s COVID-19 reality may undermine the characteristic of sincerity that the ad attempts to reflect through the Rashida

⁵<https://www.wsj.com/articles/travel-and-tourism-brands-boost-marketing-and-tailor-messages-11618830000>

⁶<https://www.adweek.com/brand-marketing/expedias-brand-refresh-arrives-on-time-for-the-great-travel-demand-reset/>

Jones character which asserts the Expedia brand as a friend and promotes those emotional benefits.

Many of the scenes featured in the ad are of travelers in crowded spaces, and none of the people are shown wearing masks. Expedia appears to be targeting a primary audience of “frequent traveler” and “comfortably retired” segments who, according to consumer research surveys, are ready to return to normal as quickly as possible when it comes to traveling.⁷ These segments may feel refreshed seeing that ideal normalcy reflected in the brand’s advertisement, creating self-expressive benefits in line with their aspirations to travel the world again. However, if Expedia aims to outperform competitors and gain significant market share in the sector, it is important that the company pay attention to the secondary audience also included in the brand position model. Further, the brand must consider modern segmentation theories that seek to understand the unique needs and values of consumer groups. Expedia’s secondary audience should include consumers who are ready to begin traveling again soon but feel more cautious than other more eager segments. To this audience, the crowded scenes without masks seen in the commercial may translate as the brand being tone deaf or insensitive to their concerns. Today’s travelers grapple with pandemic-related changes to their “normal” travel experience. Expedia’s decision to ignore that reality in the commercial may leave concerned consumers doubtful over whether the brand will help them navigate that challenge, putting the Brand Relationship model, upon which this new campaign depends, in jeopardy.

The “All By Myself” commercial indicates a significant change in messaging strategy from Expedia’s earlier pandemic-era commercials. Campaigns released in September 2020,

⁷ <https://theharrispoll.com/who-will-be-the-first-to-travel/>

January 2021, and March 2021 featured couples and families in their homes dreaming of travel destinations, clearly speaking to the reality of consumers at the time. These commercials struck a more inspirational tone by focusing on the importance of family. But the April 2021 campaign marks a flip towards driving demand rather than maintaining a place in consumer minds, moving the brand from a defensive to an offensive ad spending strategy according to Schroer's model. Other brands, like Marriott International, are also shifting the tone of their messaging from dreaming about travel to actively encouraging travel, showing that Expedia is not alone.⁸ Nevertheless, the success of any brand is ultimately dependent on consumer permission, thus all travel brands making this shift must thoughtfully consider whether consumer permission will be accepting of the sudden change.

The intense competition within the travel sector to capitalize on rising demand makes Expedia's aggressive ad spending strategy a strong tactical move. The brand should continue to be offensive in acquiring share of voice until they secure their targeted share of market within the renewed travel market. Expedia may consider expanding ad spending beyond commercials to include more social media campaigns, making use of the bridge between brands and consumers created by social media to further establish trust. Using social media would also help the brand communicate more directly with consumers about its distinct advantage, thus setting Expedia apart from other competitors that are also trying to gain market share.

Expedia's April 2021 campaign ultimately seeks to promote the brand as a trusted travel companion. In this time of uncertainty, it is important that brands come across as sincere and trustworthy. Given the current climate, the focus of Expedia's current marketing strategy on the

⁸<https://www.wsj.com/articles/travel-and-tourism-brands-boost-marketing-and-tailor-messages-11618830000>

Brand Relationship model is another strong tactic that the brand should continue to pursue. However, going forward the company should account for a broader range of consumer sentiments when considering what it means to be a trusted travel companion. To many of today's consumers, it means providing help with navigating new travel conditions. Given that consumer behavior within the travel industry has changed so dramatically over the past year, Expedia Group may want to conduct more specific consumer research on who is ready to travel, where and how and why each group plans to travel, and what each group needs and wants as part of that travel experience. Based on these insights, the brand should be able to accomplish more effective modern segmentation in the renewed travel market, and with this information, Expedia may consider creating multiple iterations of the same campaign that all stay true to the core identity and personality of the brand but emphasize different aspects of the brand's CVP so as to resonate with different segments of consumers. Ultimately this should help Expedia communicate emotional and self-expressive benefits that appeal to a wider array of consumers and consequently allow the brand to gain market share.

The world today is not what it was a year ago, and neither is the travel industry. Brand managers of travel companies must confront a wide variety of consumer needs and desires in determining the right message to approach the market with as travel begins to resume over the next several months. Expedia came out of the gate with an aggressive advertising spend and perhaps an equally aggressive message aimed to drive demand. While aggressive advertising spending is a useful tactic, Expedia and other travel companies should soften their messages to acknowledge the pandemic-related challenges that travelers still do and will continue to face. The travel brands that effectively convince consumers they can be trusted even in this uncertain climate will be the ones to ultimately succeed in the marketplace.