Get your clients from point A to point B with Ad-machina´s hyper-personalization technology

ad machina

a **making science** company

TRAVEL

An industry on constant evolution:

- Changes on tourist behaviour
- Technology generating trends

AD-MACHINA

Automatic hyper-personalization of campaigns:

- 250.000 advertisements
- 150.000 keywords
- Multi-language

Moving tourist towards the purchase:

- Cognitive biases
- Best conversion ratios

RESULTS

- 33% Conversions
- 17% Cost per click (CPC)
- 28% Click through rate (CTR)

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TRAVEL: A CONSTANTLY EVOLVING INDUSTRY

Tourism is made up of many components:

Part of it is simply getting people from one place to another.

Then, there are all the activities that can be enjoyed during a trip.

Finally, we must consider that tourism relies on the service and hotel industries (just to name a couple).

Let's dig a bit deeper: just how important is the tourism sector? For some countries, it represents more than 20% of gross domestic product (GDP). Globally, it is the 3rd most important sector in terms of exports. In 2019 alone, tourism accounted for 7% of global trade, and about one in every 10 people were employed in the sector..

*Source: United Nations, August 2020

The rise of the internet has meant that the tourism industry has had to reinvent itself. Before, people would book travel through agencies. Now, we can do it ourselves: we select and book our own flights, hotel rooms, and activities. In 2020, 38% of people in the US booked a hotel online*.

The **tourism industry is evolving** faster than ever. Different people are traveling, their **behavior** is changing, and there are new **technologies** which facilitate travel itself. Companies who are able to track and identify these trends early will be well-positioned to make the most of these opportunities.
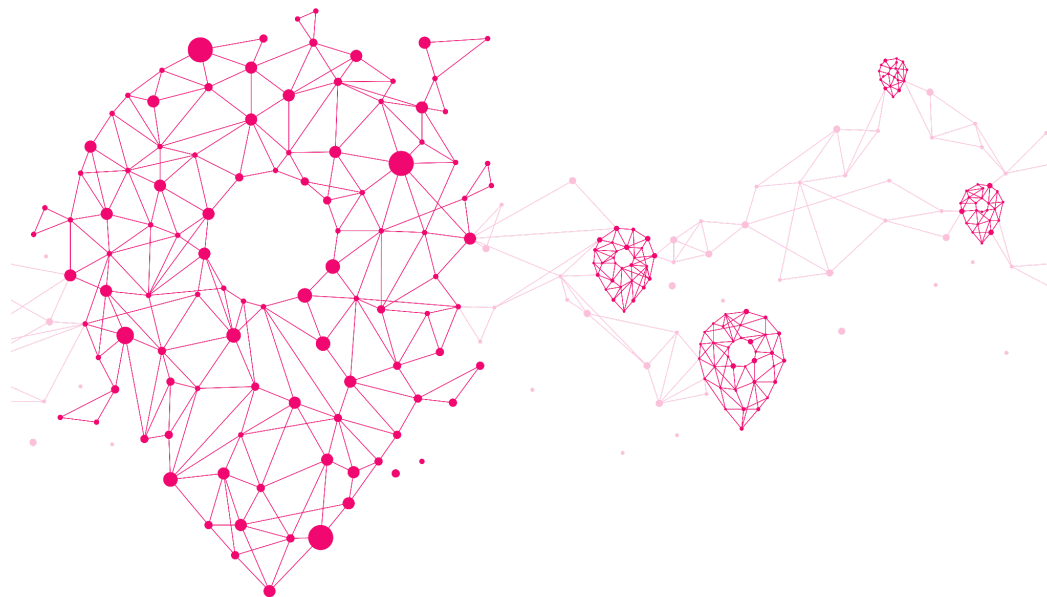
*Source: Statista

Technology plays a decisive role as much for tourism companies as for their clients: It increases the efficiency of sales activities, and can also have a huge impact on client experience.

For companies who want to position themselves in this industry, it's important to keep up-to-date with the latest trends - especially technology related trends. When you find the right balance between technology and marketing in the tourism industry, it can have a remarkable impact on differentiating your brand, as well as turning travelers into loyal supporters. In almost all cases, this leads to increased sales.

HUMAN BEHAVIOUR & TECHNOLOGY
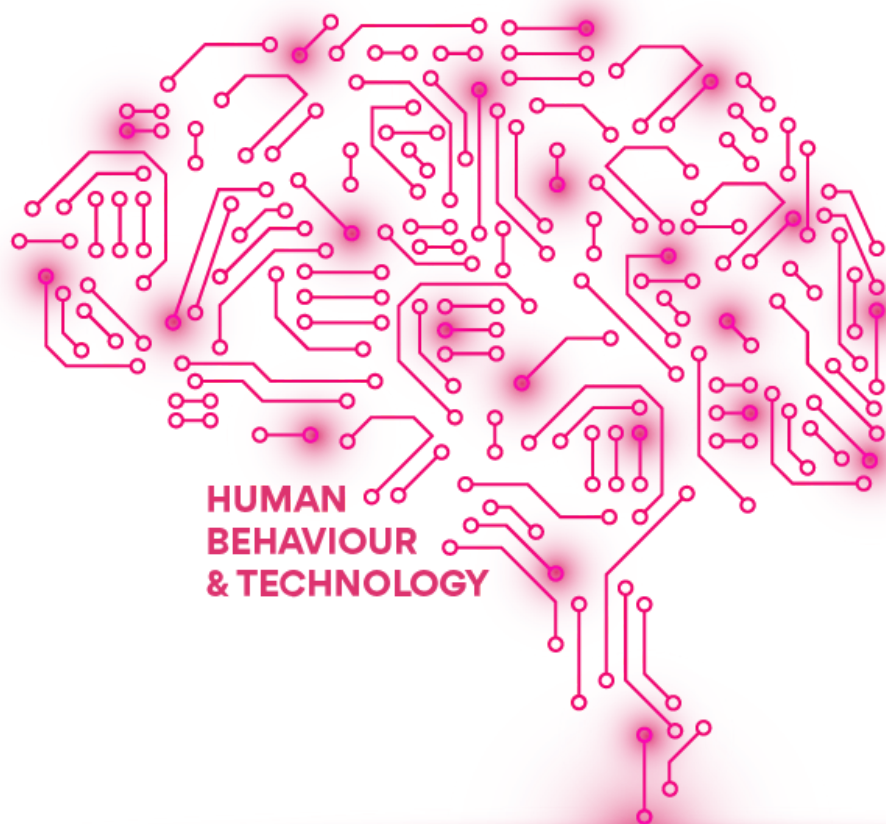
02 DIGITAL TOURISTS

As Information and Communication Technologies (ICT) have developed, tourist behavior has changed in many ways. Researching these changes is fundamental to be sure we successfully manage the travel products and experiences we offer.

HUMAN BEHAVIOUR
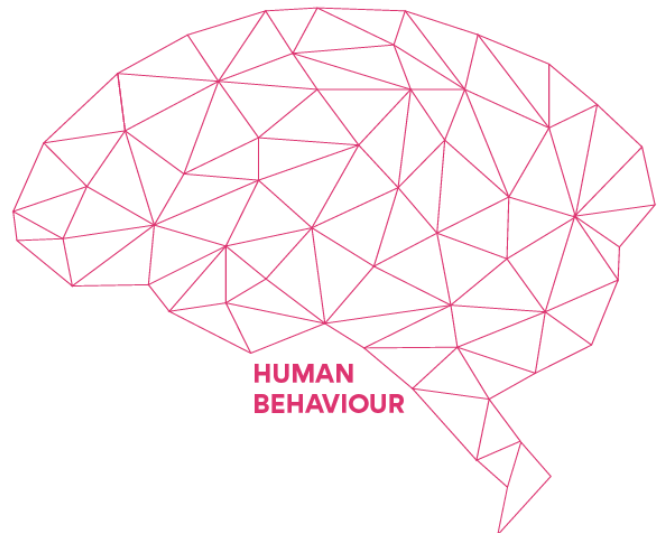
Alistair Rennie and Jonny Prothero of Google have analyzed how consumers make decisions within this market. This analysis has revealed just how much information and how many options are available to today's traveler. Knowledge is power, they say, but sometimes this variety of information complicates the buying process.

Both researchers have seen buyers enter into a **frustrating loop of exploration and evaluation.**

EXPOSURE

TRIGGERS

EXPLORATION   EVALUATION

PURCHASE

EXPERIENCE
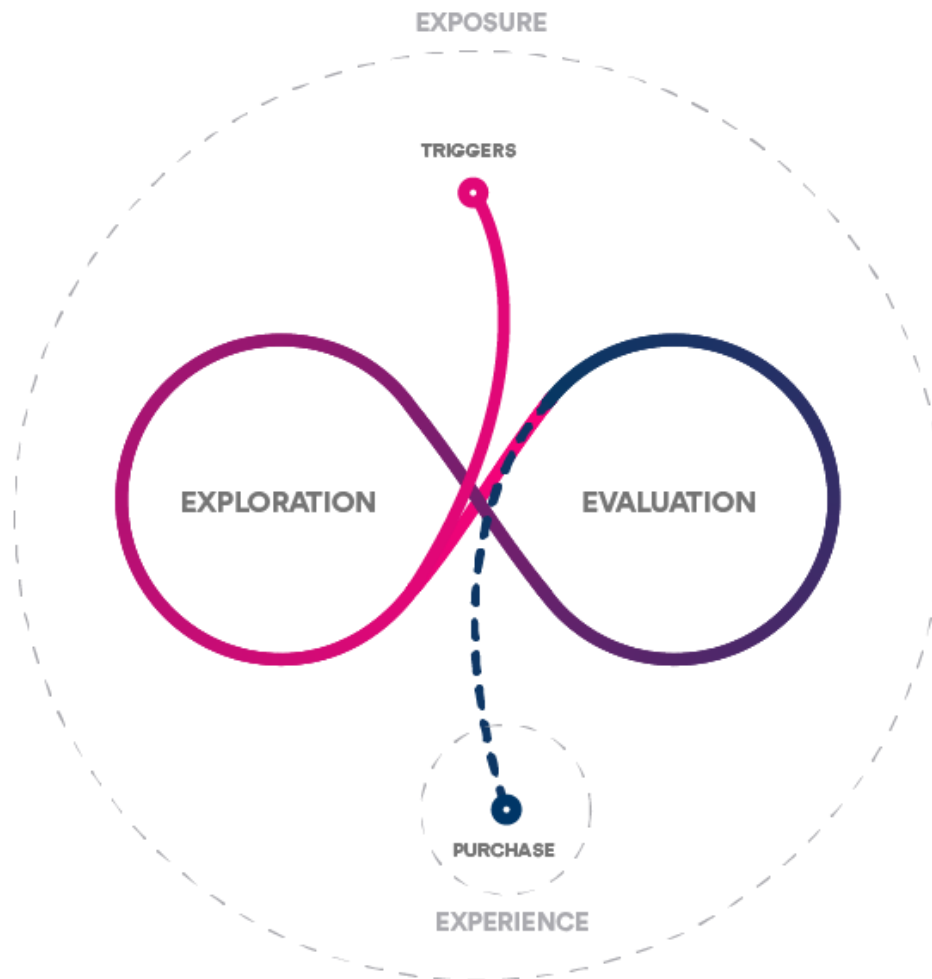
Understanding this process will help tourism companies take advantage of the most important motivations and biases that buyers rely on. Additionally, it will help companies choose which technologies can "unloop" this process.
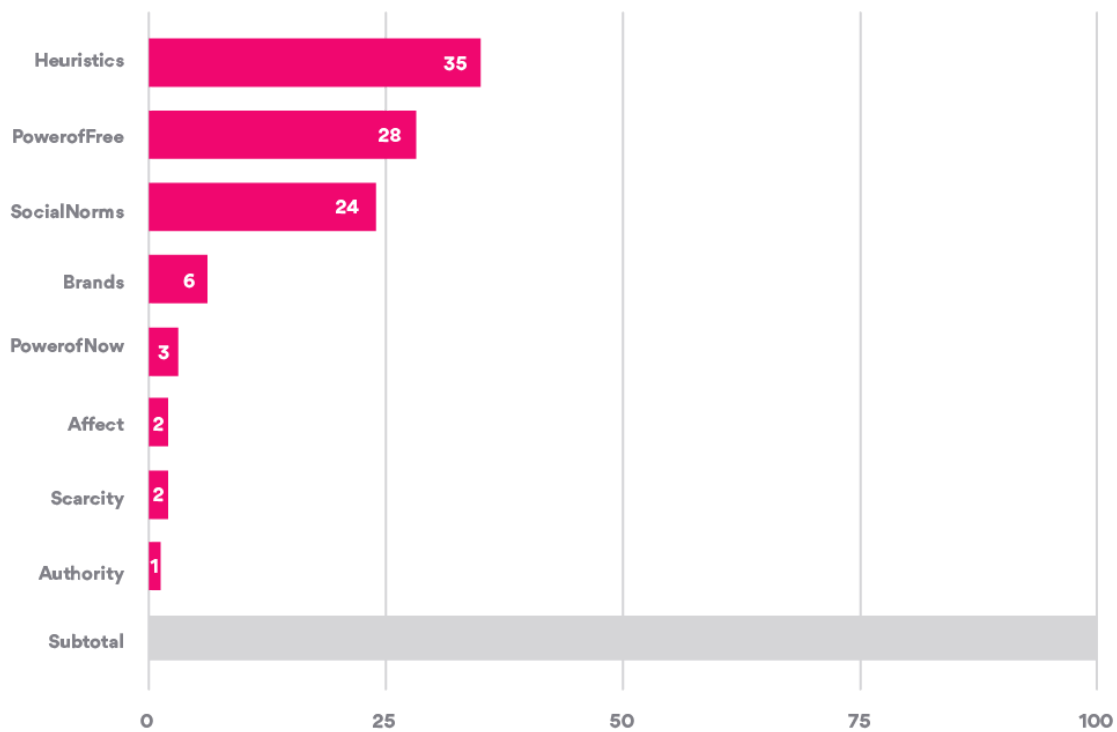
Cognitive biases that most influence travel buyers
Source: Google, Decoding Decisions / Making sense of the messy middle, 2021

Ad-machina is a tool that allows tourism companies, like hotels and airlines, to hyper-personalize their ads for each user who makes a Google search for their brand. With Ad-machina, companies that already use Google Ads to announce their products and services can now make the most of cognitive biases to move interested parties down the buying funnel.

To achieve this, ad-machina's algorithms first analyze travelers' search behavior (based on market and client trends). Then, the algorithms identify how people are searching - what keywords do they use, and how are those searches structured? With this information, the technology can create a personalized ad which practically guarantees a higher conversion rate. This **multi-language tool** is capable of **automatically** generating **hundreds of thousands of ads**, which would be almost impossible to achieve manually.

Not only that, but ad-machina continually learns and evolves. Therefore, its efficiency increases with time as it detects and adapts itself to changes in consumer or market behavior. It can also adapt its ads to a company's sales strategy, as well as promotions, internal policies, or even social programs - automatically generating new ads only while those promotions and programs are valid.

The key differentiator of ad-machina is that most other solutions are simply "fill in the blank" templates (somewhat reminiscent of a mad-lib). Typically, these "solutions" have low click through rates. Ad-machina, meanwhile, has its own natural language processing capabilities that spontaneously generate ads with colloquial language. Based on the type of search, it also understands what type of messaging will be most influential on each particular consumer.

Search	Offers	Prices	Cognitive Biases
Ex.: all inclusive	Ex.: Black Friday	Ex..: from 143 $ /night	Ex.: ★★★★★

04 IBEROSTAR, RAISING THE BAR

The Iberostar Group is a multinational Spanish travel company that has been around since 1956. Its headquarters is in Palma de Mallorca (Spain). Today, it is comprised of four divisions:

- Its hotel division, Iberostar Hotels & Resorts
- Its reception service, Iberoservice
- Its real estate division, Iberostate, and
- Club Iberostar

Within Iberostar Hotels & Resorts, it has more than 114 hotels in 18 countries on the following continents: Europe, North/South America, and Africa.

During the pandemic, there were many factors that nearly ruined the travel industry including border and hotel closings, as well as a strong decrease in the number of flights. International tourist arrivals decreased by 56%, and it's estimated that 320 billion dollars were lost in just the first five months of 2020*.

The pandemic has also changed the way we travel: people give more priority to leisure travel, and are more demanding about how and where they travel.

*Source: World Tourism Organization (WTO), World tourism barometer, June 2020

Iberostar Hotels & Resorts decided to take on this marketing challenge through operational efficiency. They decided to take a bet on SEM campaign optimization by using ad-machina.

The project started with a simple AB test in their brand campaigns, in the UK and the USA. This test brought about a 15% net benefit, a 14% increase in bookings, and a 17% reduction in cost per click (CPC). These numbers are particularly impressive because Iberostar already had highly optimized campaigns.

+15%
Net profit

+14%
Revenue

-17%
CPC

Since then, Iberostar has worked with ad-machina to expand the strategy to **all its markets**. These results are even more impressive: bookings have increased by 430% versus generic search campaigns, and the Return on Advertising Spending (ROAS) has improved by 325%.

+430%
Revenue
(Generic KW)

X3.3
ROAS
(Generic KW)
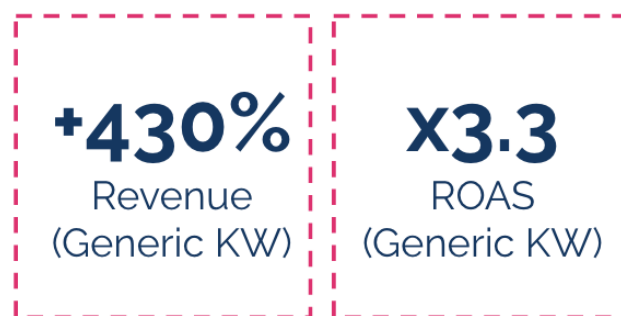
Pep Juaneda, Digital Marketing Manager Iberostar:
"Thanks to Ad-machina we started to be more relevant for the user."

05 CONCLUSIONS

This makes ad-machina the perfect ally for companies that rely on Search Engine Marketing (SEM): companies can eliminate user frustration (by removing people from the exploration-evaluation loop) by optimizing the performance of Google algorithms through hyper-personalized ads. In the end, this leads to an improved experience for all.
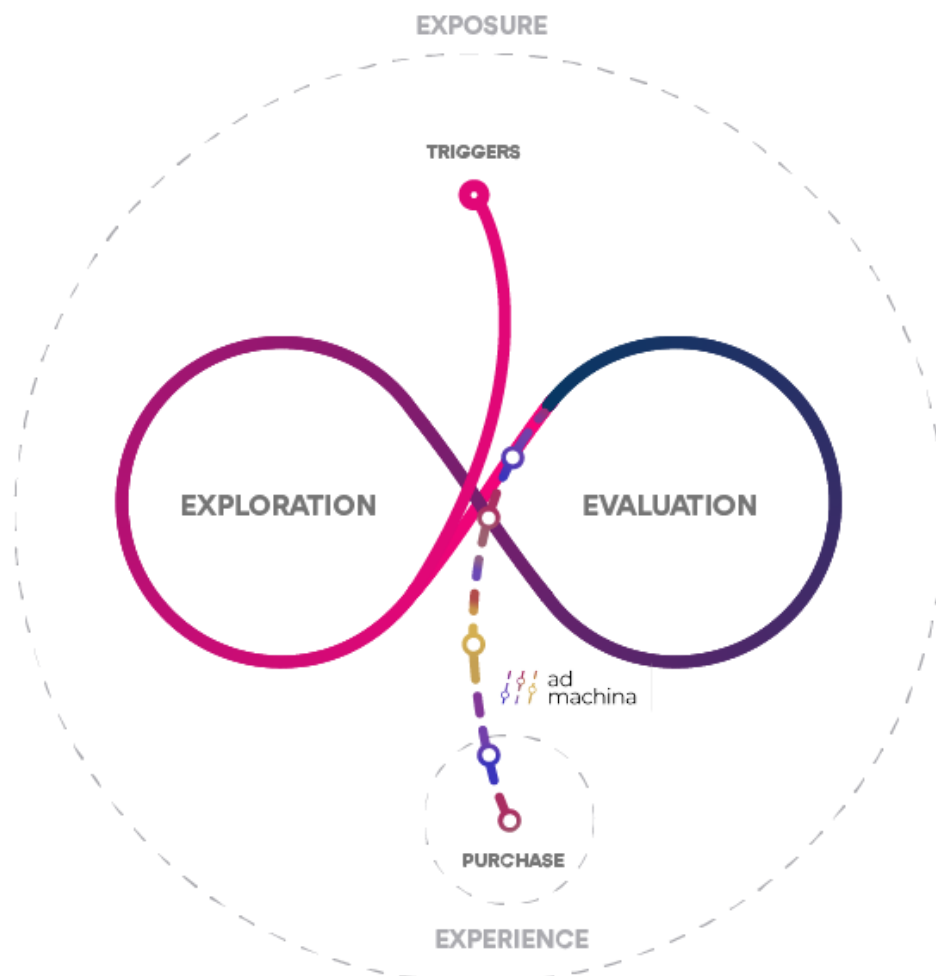
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