"Mobile First"

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Introduction

In this lesson we will talk about the role and the importance of the mobile in the current competitive environment. We will also discuss about datafication, virtual and augment reality, and we are going to provide useful examples related to airline companies.

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Why mobile?

- Mobile should be the reference platform for any travel organization because it enables end-to-end engagement throughout the whole customer journey of the traveler, from trip booking to trip based messaging through itinerary management

- Therefore the effective adoption of a mobile platform can positively affect all Key Performance Indicators, such as:

  - Revenue

  - Costs

  - Customer retention

  - Brand visibility

- Next slide displays a visual representation of this concept

Ensure travelers stay within policy

Reduce traveler friction

Enhance brand presence
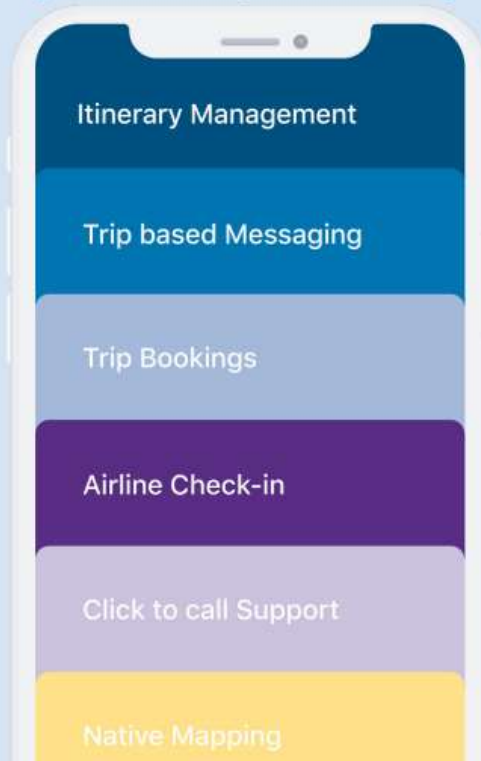
Improve customer experience & traveler engagement

Reduce service costs

Attract new customers

Increase revenue

Itinerary Management

Trip based Messaging

Trip Bookings

Airline Check-in

Click to call Support

Native Mapping

Mobile Travel Trends 2019

The data and the facts that I will present to you in the next slides are the findings of a study carried out by Travelport Digital on the latest mobile trends in the travel industry, made by interviewing both travelers and managers of travel companies active and successful in the mobile environment.

Although it's only 11 years since the iPhone hit the shelves, it's hard to imagine a trip without smartphones. Mobile check-in and boarding passes, flight tracking, in-flight entertainment, directions to your hotel—getting from A to B without mobile is but a distant memory.

$694.41 BILLION

This year digital travel sales worldwide will increase 10.4% to $694.41 billion[2]

64 %
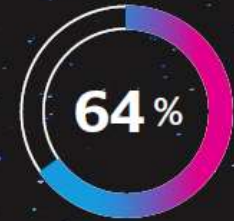
Mobile is the fastest growing check in channel, 64% would use an app to track their bags in real-time on their next flight[3]

92 %
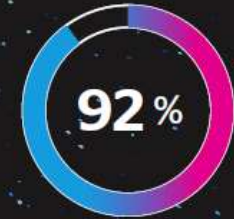
92% of travel brands said that having a mobile strategy is 'critical' or 'very important' to the future success of their organization[37]

- For the last decade or so, mobile has been enhancing the travel experience and removing friction points at every step: so much so that 98% of travelers now carry their smartphone with them throughout their journey. Customer expectations are evolving at such lightning speed that travelers expect information to be available on-demand and to have their needs met at the swipe of a screen. This puts pressure on travel brands to engage with customers through the channels of their choosing.

- This is what will define mobile travel trends: giving customers the choice of how, where and when they are going to engage with your brand. In this Mobile Travel Trends report, our experts delve further into what that will look like for travel brands.

- We look to the future of search, and how voice and visual search will define how customers find information. Our experts also investigate how we are starting to move beyond search, with new predictive technologies removing the need for customers to search before booking at all.

- Based on our end traveler research, which presents feedback from over 1,100 people in 8 countries, we look at the myriad of methods customers expect to be able to use to communicate with travel brands: chatbots, messaging, apps and voice.

- It's clear that it's no longer enough for travel brands to have only an app; you should be prepared to engage with your customers across a variety of platforms and using multiple technologies.

- Data is a hot topic and we can expect to see an even closer focus on this area over the next years. As customers continue to demand a tailored service, we can expect to see travel brands strive to combine 'big data' with individual customer information to create truly personalized experiences, all while conforming to legal and ethical data usage standards.

- Airlines will continue to move closer to a 'retailer' model and we will see a shift in focus as the industry moves from a 'pushing product' to a 'customer needs' approach. This is thanks to the IATA AIR Think Tank, which kicked off in 2018 and will continue to make strides in these areas over the coming years.

- All of these trends combine insights from industry experts with data from our trends surveys, to bring you what the industry believes will be big areas of focus for next years. We've used this formula to give our predictions over the last three years, and our experts have hit the mark time and time again.

Visual search

18%
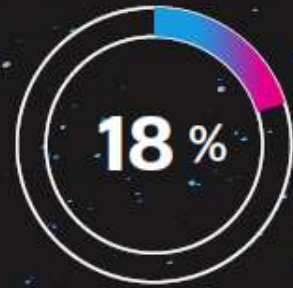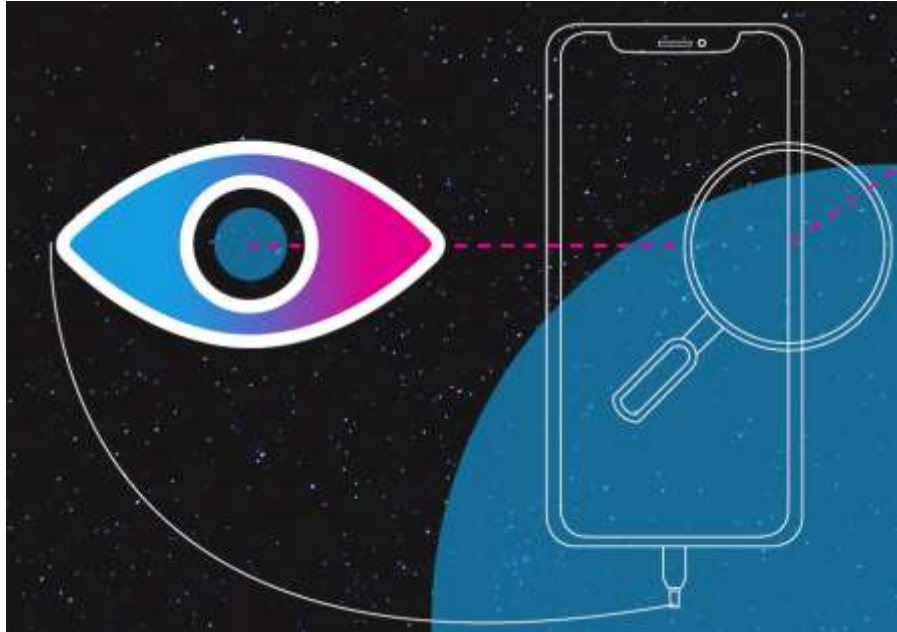
18% of industry professionals intend to invest in visual search in 2019 [37]

62%
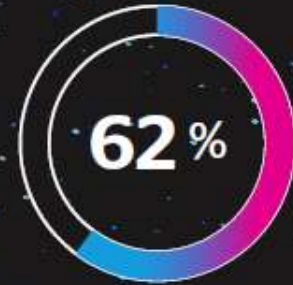
62% of 'Gen Z' and millennial consumers want visual search over any other new technology [9]

- The travel industry loves a three-letter acronym or abbreviation. LCC, OTA, TMC, GDS—you name it, we've probably given it a three-letter code! Well, here's another to add to that list, VVV: Voice, Vertical and Visual.

- Using Google in 1998 as year dot in our timeline of the history of search, as that will be how most of us have experienced 'search' in the past 20 years (unless you're really geeky and know of Archie, Infoseek or Lycos), not much has changed. However, this year if you read any SEO blog, look at any tech site or listen to any expert in this area, then you'll know that they are all predicting that search is going to split into very different directions in the next few years—those three Vs.

- I'm not going to go into detail on the first two, voice and vertical, as much has been already written about how 50% of searches will be via voice by 2020 or that 6.6% of web searches are now done on Amazon and YouTube combined. I do want to focus on visual as I truly believe that this is the future of search. And I'm not alone.

- Tech giants like Microsoft, Apple and Google have become smarter at understanding images, or what we're pointing our phone at over the past 20 years and now those same technological advances are available to us, the masses... because of one thing that I just mentioned: mobile!

- That phone-based camera in your pocket has become so advanced—in fact so damn clever—that it's starting to shift how society uses and searches for the world's information. Don't believe me, just Google (maybe via Image Search) 'Lens', 'Style Match' or 'Find it On' to see how eBay, ASOS, Pinterest and Google themselves have all started to pivot to this new search paradigm, driven by the Instagram generation.

- It's this shift that inspired us to develop Look&Book for the easyJet app. We could see two clear trends emerging: Instagram released stats showing that 43% of 19 to 28-year-olds use mobile devices to book holidays and 28% of people get their travel inspiration from Facebook and Instagram. We could see huge potential and synergy, so we wanted to find a way to connect the dots from someone seeing a photo and thinking 'I want to go there!' to actually booking the trip, and the most obvious solution was visual search.

- Using AI and machine learning, the Look&Book feature allows users to search for a flight by uploading an Instagram screenshot to the easyJet app. The app can detect the location of the post and performs a geo-lookup to find the destination and its nearest airports and suggests flights for the user to book. So, users can search for a flight even if they don't know where the picture was taken—no context, keywords or additional information needed (one of the key advantages of visual search).

- Taking the user-first approach and implementing visual search into easyJet's mobile app is certainly paying off. Since it launched in October 2018, Look&Book has matched approximately 10,000 photos to destinations on the easyJet app and is running at a 5.3% conversion rate in its first two months.

- While text-based search isn't going anywhere for now, with 62% of 'Gen Z' and millennial consumers looking for visual search capabilities over any other new technology the travel brands that deliver on that third 'V' will be the ones who will see the most success. The next 20 years of search is going to look (literally look— pun intended there) very different!

From digitization to datafication

65 %
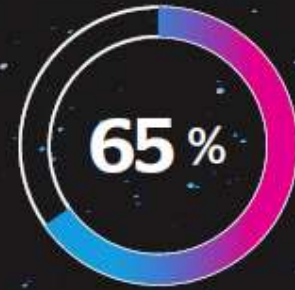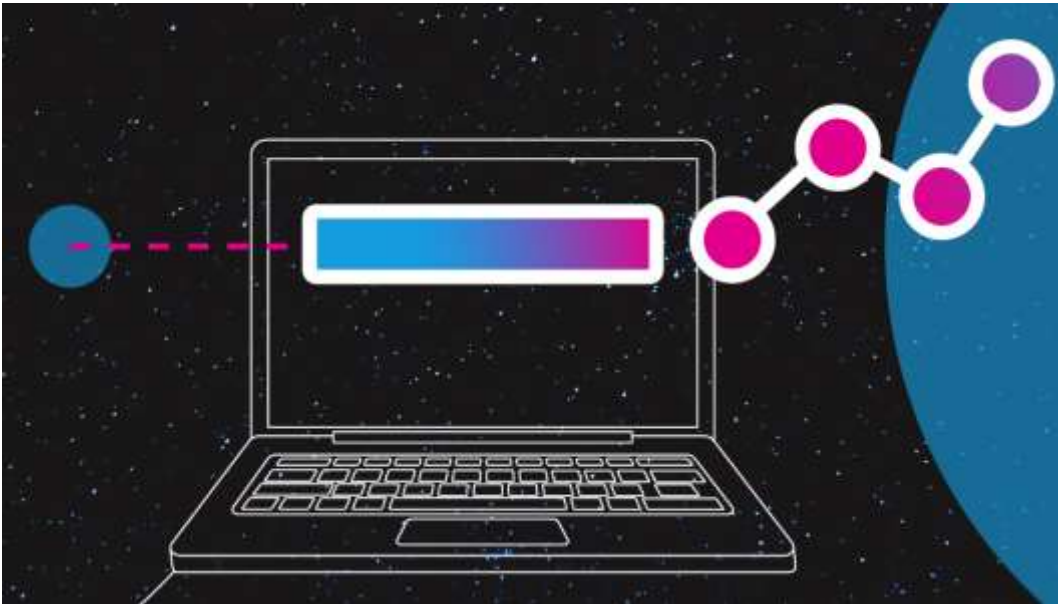
65% of travel brands would like more traveler data at the destination stage of the trip [37]

90 %
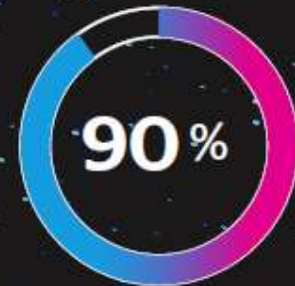
90% of all data that ever existed was generated in the last two years alone [11]

- Since the 1950s when IBM and American Airlines created the first semi-automated Customer Reservation System (CRS), and into the 1980s with the birth of Global Distribution Systems (GDS), the travel industry has worked to digitize everything from airfares, to hotel and car rates, cruises and tours.

- This digitization in travel, and of course the growth of the internet, has allowed the industry to expand. We can offer nearly every option possible to the end traveler, through different online and offline channels: from traditional travel agents through to websites, mobile messaging, social, and multi-purpose apps like WeChat. It's been an exciting ride to get us here!

- The next step I argue, moves beyond the technology itself and brings the end traveler and their data into the mix. Datafication is the term used to describe where every aspect of our digital lives is turned into valuable, computerized data that can be mined and used. This includes every search engine query we make, the locations we're tagged and recorded at, our Instagram uploads, tweets, likes and swipes.

- That's a lot of data by the way! 2018's edition of Domo's 'Data never sleeps' opens with the comment 'big data just keeps getting bigger', and nothing could be truer. We see metrics that tell us that 90% of all data that ever existed was generated in the last two years alone. And we are still only touching the boundaries.

- Datafication's usage is big too. It is already making inroads in a range of areas. In HR, personality tests can be replaced with analysis of data from a person's phone and apps. In banking, a lender can assess a customer's risk level to make future loan repayments based on social media posts. For some, this is a use of personal data in ways that was never intended or wanted. And it would certainly be wrong if used by corporations or individuals whose ethics are questionable.

- Of course, there are companies and individuals who want to use my data in ways that are exploitive. However, with data policies like GDPR and my own propensity (or some may say naivety) to want technology to make my life better, I fall into the camp where more datafication can actually equate to a better service. Could I be happier in the longer term if I didn't take out that loan I could not repay for example? This is a difficult area, and I don't have all the answers as to what will happen. I do think, however, that we will see some separation of online personal 'social' data from that of the personal data we're prepared to share. This avoids a conflict between the online persona that may not reflect the real-life person's background or preferences.

- In the travel industry we are certainly not short of data. At Travelport alone, we process between 10 and 12 billion searches a day on behalf of travelers researching or booking business or leisure trips. This data holds a lot of information on trends and numbers, but actually not a lot on the traveler as an individual who wants focused, personalized offers; unless of course it can be linked with more personal data. This is where Travelport is looking to integrate approved mobile data. When we have that data, we can show more relevant images, flight options, room options, and ground transportation preferences. This makes sure we think: What is the offer the traveler wants and how do we meet it?

- And that is an interesting term I use there: 'the offer'. When we saw IATA introduce the concept of the New Distribution Capability (NDC) back in 2012, airlines moved from the nomenclature of 'fare' to 'offer'. I believe this started to show the industry need to move towards datafication (even if none of us called it that at the time).

- Historically, we have been a search-driven industry based on manually entered origin, destination, and date criteria. But what if we could personalize a trip better using mobile data that's willingly shared? Could we reduce the Paradox of Choice, where too much choice leads to our inability to make any decision? This is where datafication helps. It can find that perfect trip based on an individual traveler's preferences. What if as a company we were able to understand the intent and meaning to be relevant to the customer and this intent and meaning came from understanding personal data.

- So what does this all mean for us as an industry? We will need to think about how we use personal data ethically, with integrity and responsibility. I believe this will become a new type of currency rating for technology companies. We need to think about the digital trust we earn and of course the legal implications. We need to find distinct ways to bring together the entire perfect trip, moving from an air-only option to the experience that the person is trying have.

Battle for the 'Phono sapiens'

EVERY 12 MINUTES

On average adults (16+) look at their mobile phone every 12 minutes [13]

78%
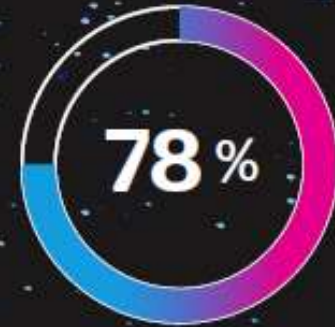
78% say they can't live without their mobile phone [13]

- Our human timeline began with 'Australopithecus afarensis', moved through 'Homo erectus' and for the past 200K years we've all been 'Homo sapiens'—but of course, any evolution expert will tell you that we haven't stopped there. We're still evolving.

- What those evolution geeks won't tell you though, is the fact that it hasn't taken another million years or even 100K years to evolve to the next stage of human: it's taken 11 years. 11 years of the iPhone has turned us into a brand-new species, the 'Phono sapiens'!

- It was The Economist that first identified this emerging new human in 2015 and it has continued to evolve over the past years. The Phono sapiens now looks at their mobile phone every 12 minutes, checks it within 5 minutes of waking up and nearly 80% say they can't live without it and never switch it off. Our evolution is complete.

- However, with this new species of mobile-first customer has come a new set of expectations of the travel industry. The Homo sapiens of old was quite happy to seek out an airline or travel brand by going to an App Store to download an app, or pinch and zoom numerous websites on their phone to book flights or get their boarding pass. The Phono sapiens of today, however, expects the travel brand to be wherever they are. They want brands to be on whatever platform they are on and they want a seamless and optimized experience across each and every one of those platforms.

- This rise of the Phono sapiens has been driven by a number of factors in the past 11 years:

- An explosion in messaging — six of the top 10 apps in the world are messaging apps1 ; in fact, 53% of users are more likely to shop with a brand they can message.

- App fatigue — with almost 6 million apps now available across the two big stores and nearly 65% of travel apps deleted one month after installation, it's clear to see we're nearing app saturation.

- The rise of bots —there are approximately 300K active bots on Facebook Messenger. That's up from zero just a couple of years ago and don't forget that those numbers are just Facebook! Add Skype, Slack, WeChat and we're talking really silly numbers.

- Mobile first has become mobile only — 52% of worldwide online traffic was generated via mobile phones in 2018 and the number of mobile eCommerce transactions is expected to surpass desktop for the first time ever. Just sit there for a moment and drink that stat in... next year more people will make a purchase on their mobile phone than on a computer!

- You don't need me to tell you that the travel landscape has shifted massively over the last few years. It's no longer enough to just have an app, your conversations with your customers should now also be done via voice, or a bot, or through messaging. But one platform, one device remains constant and will continue to run through all of those new conversations and that's mobile. Mobile was and still is the best weapon in your arsenal.

Voice: Search and actions
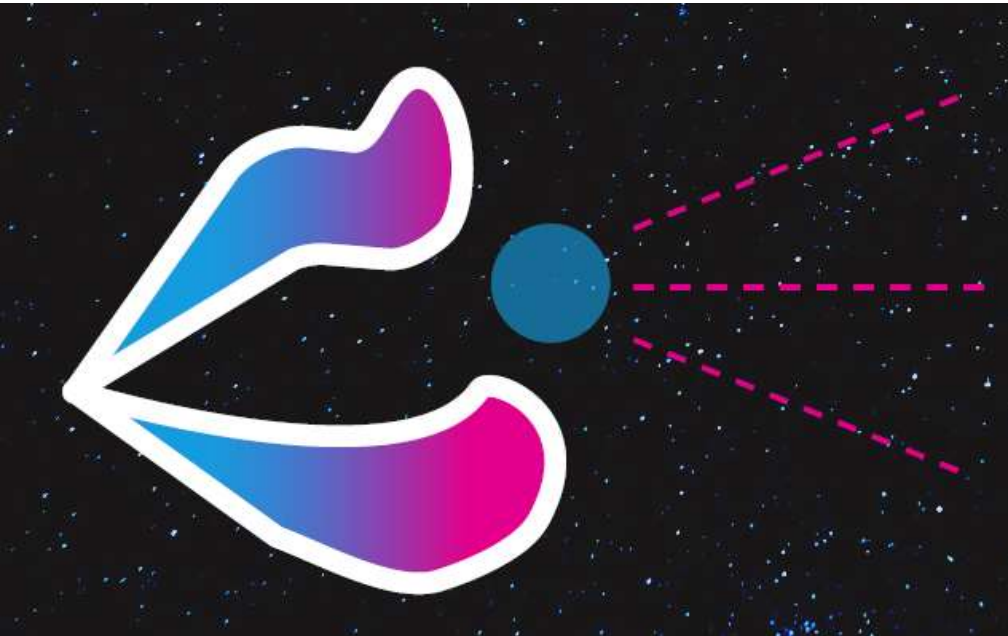
60% of end travelers said they would be open to using a chat platform to search or book a trip [38]
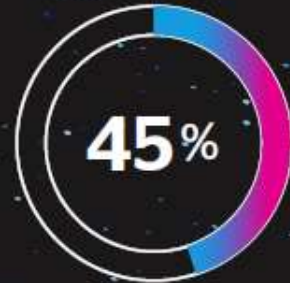
45% of travel brands are investing in voice technology in 2019, but 22% feel it isn't enough [37]

- The past decade has seen a constant growth in technological advancement, and with players in the technology and IT sector acing their innovation game, customers have been spoiled for choice.

- Due to the intense competition, every industry is seeing a surge of changes in terms of technological innovation. Digitalization, automation and an enhanced experience with reduced touchpoints, are the key asks from any customer.

- Last year's Mobile Travel Trends reported that 'the age of touch could soon come to end'. Well, with a year that saw the worldwide smart speaker market grow by 187% , 1,000 Echo Dots reportedly sold every second during Cyber Monday, Apple release Siri Shortcuts and Google's Assistant appear on its 500 millionth device worldwide, that prediction may already be out of date. #VoiceFirst doesn't sound like a trend from the distant future anymore.

- However, this accelerated move to voice by consumers is also causing a shift in how they interact with these devices and the questions and responses they want. Users are not simply asking for information anymore, like "find coffee shops near me"—instead they're commanding "order me a coffee". "Check my flight status" is turning into "check me in" and so on. Voice search was a trend that Travelport Digital predicted last year, however, voice will become less about "I want to know" and more about "I want to do".

- In turn, as these search queries become more conversational, search engines are now beginning to understand meaning and intent behind a query, which will result in better, faster and more personalized results. For example, when a customer currently types 'Hotels in New Delhi', the search engine will run a search to match these keywords. However with voice search, the consumer is likely to ask a complete question like 'hotels in New Delhi near Connaught Place under 5k', and the voice search will respond to this phrase by interpreting the meaning and intent behind it.

- Voice is revolutionizing the way people interact with travel service providers and aggregators globally, but the potential of voice commands and actions is still in its infancy, although the speed of developments is rapid. As the technology develops and allows for more natural, interactive conversations, voice search (and actions) will become a core part of how travelers book and manage their travel experience next year. This will usher in a new era of intelligent, personalized, omnipresent travel assistants accessible via multiple devices and in multiple languages and may truly mean the age of touch comes to an end!

Conversational UI

30%
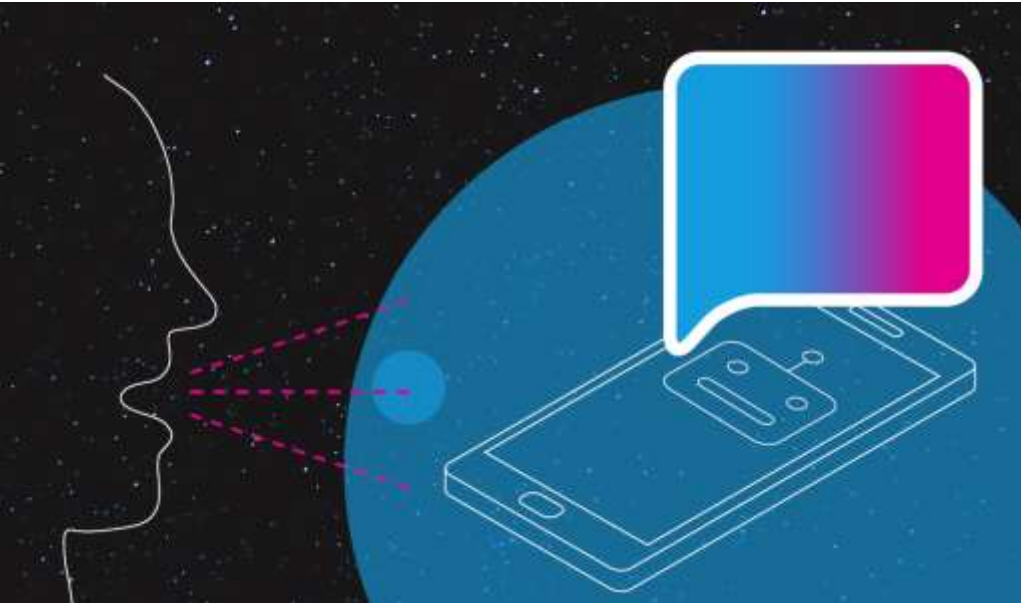
30% of travelers have researched or booked a trip using a chat platform [38]

52%
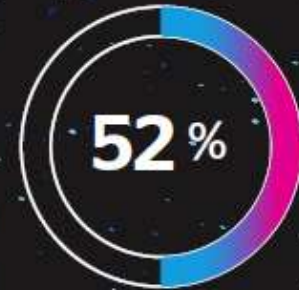
52% of travelers expect to be able to communicate with a travel brand using text/messaging [38]

- Tech commentators have been breathlessly talking up the potential of conversational UI the past few years.

- Gartner, a management consultancy, have been particularly bullish:

- 'By 2021, early adopter brands that redesign their websites to support visual and voice search will increase digital commerce revenue by 30%. By 2019, half of major commerce companies and retailers with online stores will have redesigned their commerce sites to accommodate voice searches and voice navigation.'

- Yet conversational interfaces aren't new. We've been exposed to them in science fiction movies since the 1960s ("Open the pod bay doors, HAL") but our real experience of them has been, up until the last few years, pretty awful. We've all encountered IVR systems (Interactive Voice Response) from banks and airlines that reduce the conversation to barking "Yes", "No" or "None of those options" down the phone – or worse having to say "Option Five". We would hardly consider these "conversations" but that's exactly what they were – human-computer interaction via voice.

- The difference between science fiction and science fact is now closer than ever. We're finally getting to the point, as demonstrated by the Google Duplex voice assistant in 2018, where human-computer interaction via conversation is close to what we've seen in the movies.

- There are now several popular conversational 'platforms' in the market. They can be broken down into two main types: those in which we converse via voice (such as Siri or Alexa) and those with which we converse mainly via text (like WeChat, WhatsApp or Messenger).

- These new conversational capabilities feed into the current trend towards digital fragmentation. That doesn't mean they're going to completely displace familiar, GUI (Graphical User Interface) modes of interaction. Conversational interfaces, whether they're text or voice, have their strengths and will no doubt find new niches where they will dominate, but conversational UIs will only win out where they are the preferred mode of interaction for the customer.

- There's immense potential for companies to use these platforms to find better ways to interact with customers, and they should be viewed as a means to augment customer experience.

- One clear strength of conversational UI is they play into a mode of usage first identified on mobile—filling in the gaps and spaces of modern life. This is the opposite of a 6-hour Netflix binge or an hour spent trawling the web shopping. It's short, sharp, specific interactions like checking the feed on Twitter or asking Siri to show the location of the nearest train station.

- If companies are going to get the benefit of conversational UIs then they need to understand why this mode of interaction works so well in certain cases. Conversational UIs, chatbots and AI agents are all innovative, yet innovation isn't simply about technology. It's about social adoption too. If travel companies are to successfully engage with customers on this platform, they need to understand how to engage on terms that their users find beneficial.

- It's (not always) good to talk

- If content is king, then context is queen. Sometimes it's better to talk, other times it's better to text. As we travel our surroundings are constantly changing, so therefore the context and opportunity for engaging via conversation changes too. Choosing the right mode to interact with a customer means understanding the user and the context.

- Context is what happens to travelers. People use their eyes and hands to text, but their ears and mouth to talk. Depending on where they are one option for conversation may be better than another.

- Let's look at some typical travel scenarios:

- Travel companies hoping to engage through conversational interaction need to consider the context their customers frequently find themselves in. They also need to consider how customers prefer to interact and this can be determined by looking at activities in public or private space. Voice is public—anyone can hear what you say. Text is private—it's only for your eyes.

- Expecting a customer to interact via voice in busy airport might be possible, but that doesn't mean it's how they would prefer to interact. Requiring a traveler to go find a quiet place to talk is putting the problem back on the customer, and this means a poorer customer experience.

- The early adopter brands that will see the greatest benefit from conversational interaction will be those that understand that riding the wave of digital fragmentation requires not just being open to conversation, but being able to interact at the right time and in the right way.

Airline as retailer

35%
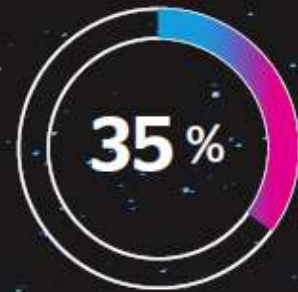
35% of travelers have bought excursions in local destinations through mobile [38]

62%
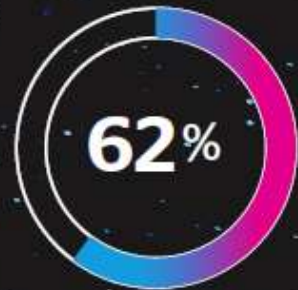
62% of travelers rate being able to book a hotel on a travel app as important [38]

- Airlines have been talking about being retailers for years, so what was different about the recent past and how will this trend progress next years?

- Retailing is a tough word to nail down. To some it means selling physical goods in physical locations, or at one time in the airline industry on-board duty free and gifts, but the trend we are talking about here is digital retailing as a much broader strategy. Retailing means focusing on meeting customer needs rather than pushing product. Airlines are selling a wider range of travel products beyond air, getting better at selling air products, and getting a greater share of the customer's overall travel spend (share of wallet) as a result.

- Looking back, 2018 was the year airline retailing moved from being the aspiration of a few thought leaders to an accepted industry wide strategy. IATA officially retired the 13 year old Simplifying the Business program (StB28), which brought us e-ticketing, barcode boarding passes and NDC, and replaced it with Airline Industry Retailing (AIR29). The World Passenger Symposium became the AIR Symposium with an inaugural event in Rome in October 2018.

- Although the definition is broad, when an airline CXO or CMO talks about 'retailing' there are some common themes:

- Focus on the customer: Treat the customer and their needs as central to what you offer. Work from the customer to the product ("what should we be selling?"), not the other way around ("who will buy our stuff?").

- Customer experience: Customer experience (CX) is what drives long-term retailing revenue and loyalty. Our customers, the travelers, experience and remember the entire trip, not just the flight. The real outcomes are conferences, sales wins, holidays, and weddings, not seat 26C. There is a noticeable shift away from the term 'passenger'.

- Selling more products: Airline leadership are training themselves to think of 'product' as more than a seat. Retailing is about selling a wider array of travel products to meet more of your customer's total travel needs. For airlines this means not just air ancillaries, but products like hotel, car, insurance, lounge, loyalty and payment.

- Retailing metrics: Adoption of online retailing performance metrics like attach rate, basket value, cost of acquisition, engagement rates, and lifetime value (LTV). Many of these metrics are influenced by eCommerce and behavioral economics across verticals including digital media and physical goods retailing.

- Behavioral economics and loyalty: Airlines increasingly use retail techniques like gamification and behavioral psychology. This is visible in the growing complexity of loyalty programs and up-sell and bundling (e.g. branded fares) to sell ancillaries. Frequent flyer programs have used gamification but now include features like revenue-based earn, multiple currencies, and cross/up-sell incentives.

- Platform commercial model: Supplier integration does not always need to be deep to be effective. Some airlines have developed hotel contracting and tour operations subsidiaries, many prefer to be just a marketplace. An airline retailer is satisfied as long as their supply partners provide the right CX, and the product performs commercially. Vertical integration is less important than horizontal breadth.

- New model interlining: Applying the platform commercial model to flights, the way airlines sell other airlines is also changing. New models of interlining are emerging, from connections built by OTAs, to non-traditional mechanism visible on LCC alliances like Value Alliance and Ufly, or the recent example of easyJet and Singapore. In the IATA Air Think Tank, we discussed how airlines present other airlines flights using codeshare and the resulting confusion for the passenger.

- API first: Customer and product consistency across channels is a key digital retailing trait, and airlines are enabling that with APIs and merchandising tools that provide product content and offers in all channels. API distribution, like NDC, is also part of a broader retailing strategy. Airlines differentiate their product from Ultra LCC with rich content and dynamic offers.

- Digital transformation: Retailing requires a lot of structural and cultural change in any business, digital retailing even more so, hence the burgeoning industry of "digital transformation" consultants. You cannot simply buy or build retailing technology and thereby become a retailer. Next years will see more airlines restructuring to overcome technology and business silos, so that all customer touchpoints (online, contact center, airport, onboard) provide a consistent customer experience.

- An effective airline retailer is one that can operationalize retailing technology at scale, and can harmonize customer experience, in all touch-points, in all direct and indirect channels, throughout the customer journey. The future will see a more cohesive approach to retailing in airlines as digital transformation programs and matching technology investments start to bear fruit. As a traveler you will notice airlines being more aware of your needs for more of the journey.

AR and VR

17 %
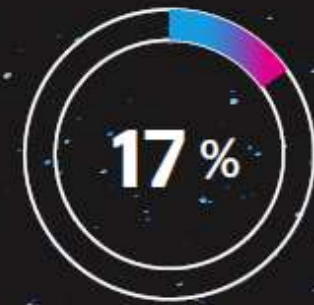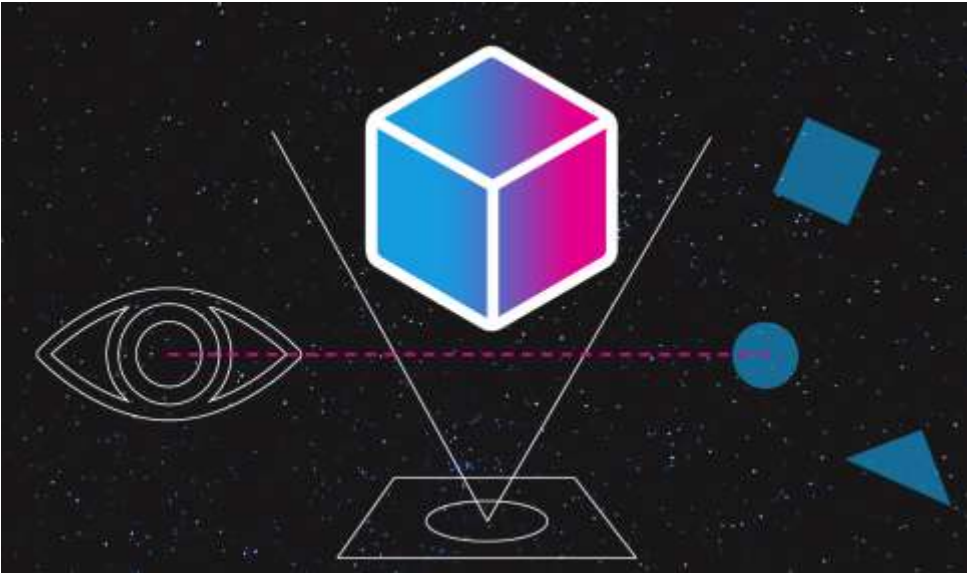
17% of travel brands will invest in Augmented Reality in 2019[37]

20%

20% of travel brands will invest in Virtual Reality in 2019[37]

- Augmented and virtual reality have long been on the list of emerging trends to watch, not only in travel, but across many industries like gaming, healthcare and engineering. Until now, they have been somewhat niche areas that seemed a long way off becoming mainstream.

- However, at the time of writing this trend, there are over 500 million AR-enabled mobile devices in existence and over 2,000 AR apps in the App Store —there's no denying it's evolving quickly.

- So what's happened to move AR into the mainstream? The main development that's happened in the last years is that Google and Apple have made huge investments in the technology, which has made developing AR and VR capabilities cheaper, easier and quicker.

- Google released its ARCore developer tool in March 2018, which supports many different platforms and game engines including iOS, Android, Unity and Unreal, which creates enormous scope for AR development. What's interesting here is that Google is not only investing in AR development on its own platform, but on competitors' platforms too.

- In September 2018, Apple also released its ARKit 2.0 in iOS 12. Having released ARKit 1.0 in iOS 11 (September 2017) and ARKit 1.5 in iOS 11.3 (March 2018), this is one of the fastest growth trajectories for an Apple framework. Apple's developer conference WWDC also dedicated a large amount of time to AR—so there's no arguing that this is where the big players see the future of mobile going.

- As a result of these investments, we saw travel industry heavyweights experiment with AR and VR technology. American Airlines, KLM and Aeromexico are using AR bag sizers in their mobile apps, which lets travelers place a 3D bag overlay over their cabin bag and check if it is within the airline's baggage size allowance. We can expect to see more of the major airlines and TMCs create similar features.

- Kayak is using a similar approach with its AR bag scanner feature. If a traveler scans their bag and finds that it does not fit within the airline's allowance, the airline can upsell a bag upgrade. Another benefit of this approach for the airline is that it can track bag scans and estimate the number of bags that will be in the cabin, and how many need to be placed in the hold. This offers another opportunity to upsell, for example by encouraging travelers to choose priority boarding to make sure they can bring their hand luggage onboard.

- We have also seen American Airlines experimenting with VR technologies and can expect more development in this area. For example, the airline is using both AR and VR to offer customers a view of how the plane looks from a chosen seat and how much leg room they will have at the booking stage. Again, this opens up an opportunity for the airline to upsell a seat upgrade.

- While this technology is still in development, it is vital that airlines get this feature right and that the experience the user sees in an AR/VR world is what they're actually being sold. For example, if the virtual view is off by a few inches, this would set unrealistic expectations for passengers and provide a poor user experience.

- While the current uses of AR and VR in travel are relatively limited, the future certainly looks exciting. There has been some experimentation with in-flight VR experiences, which allow passengers to use their mobile device to experience the environment outside the plane: essentially using their phone as a less restrictive window!

- In the near future, travelers will also be able to track their luggage throughout the trip. For example, they could scan their bag with their phone and track it when it is checked in, put on the plane and placed on the baggage belt at their destination. Apple's ARKit 2.0 technology makes all of this possible, as it can identify 3D world objects and create unique reference points.

- Other areas where this technology can provide an enhanced travel experience is in the TMC and destination marketing areas, with VR allowing customers to take tours of particular destinations and hotels before booking. For example, VisitWales created VR videos for its Dolphin dive and Flight of the kingfisher attractions33 and hotels like the Atlantis Dubai are providing high-end tours through virtual reality technology34.

- If we think back to iOS 2.0, users had to be taught how to swipe up or down on a list of items, but now it's second nature. I predict that as AR becomes faster, more mainstream and easier to use, it too will become second nature and a core part of travel, removing key pain points and contributing to a more seamless customer journey.

The end of search

68%
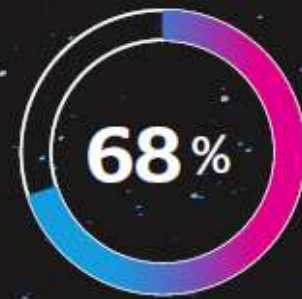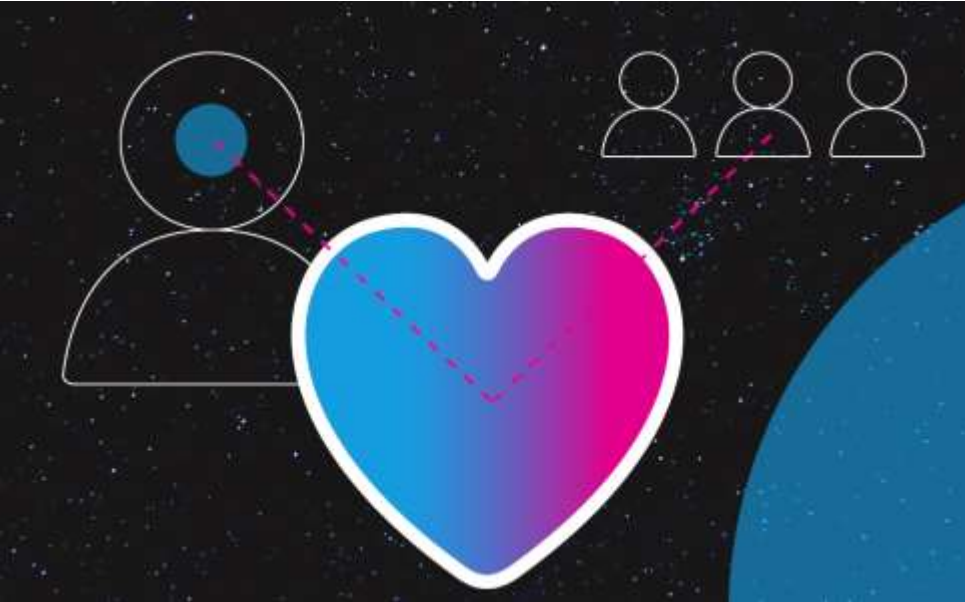
68% of travel brands are planning to invest in business intelligence or predictive analytics in 2019[37]

65%

65% of travelers would provide personal details if it resulted in a more personalized travel experience[38]

- Good design strives to adapt to its user, but more often, as users we adapt to technology. We learn how to use it and forget how alien it seemed at first.

- This brings me to search. Right now, search is ubiquitous. When I travel, search is at the heart of my travel experience. When I want to book a flight, I search for it. When I need directions to the hotel, I search for it. The idea that we would move beyond it seems absurd. But that's what's happening, thanks to advances in artificial intelligence and predictive analytics.

- Search by its very nature is a reactive technology — it responds to our requests. However, as customers our needs are becoming more sophisticated and we now want technology to anticipate our needs, not wait to be asked. In other words, we need information to be proactive.

- Here's a simple example. If I'm at an airport and my flight is delayed or the gate changes, I expect to be notified on my phone. I don't expect to need to search for my flight on my phone or on a wall display.
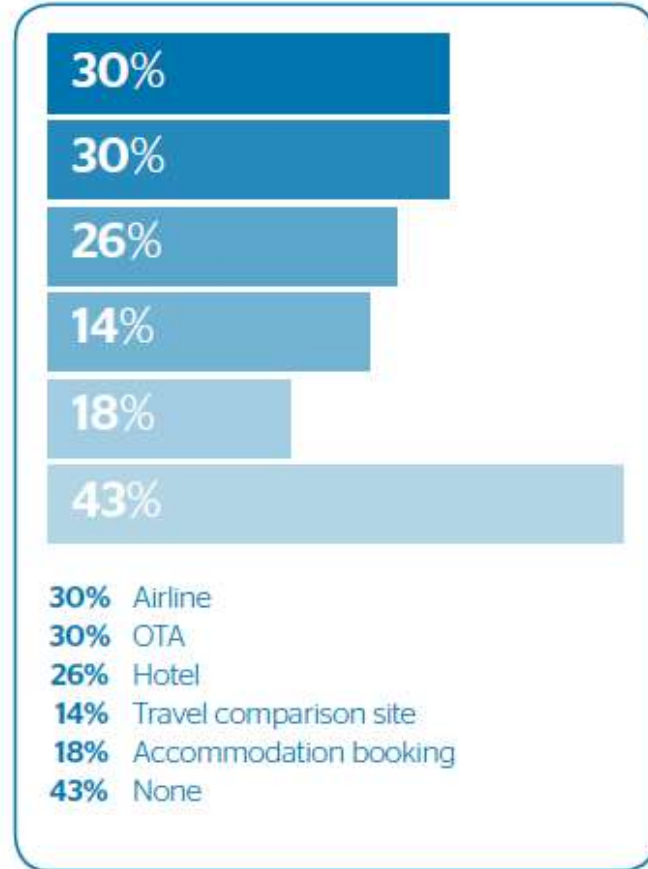
- Consider another example: right now, my calendar is reminding me that I have a meeting in the Travelport HQ in the UK next week. It's a trip I take regularly; the same flight, the same hotel. Despite the fact that I've booked this trip many times before, I will need to repeat the process of searching for flights and hotels to book my trip. This is where predictive analytics could really come into play: since I've taken this trip multiple times before, the system should remember my preferences and offer an itinerary without the need for me to search for it.

- This isn't just blue sky thinking of a trend that is years away from coming to fruition. Since 2018, we saw some big travel players invest in artificial intelligence to make this a reality. HRS has established an Innovation Hub to gather data and develop tools that understand traveler preferences, so it can optimize recommendations for those travelers and offer enhanced sourcing of hotel content for corporates. This means that travelers are being presented with the hotels that are most likely to hit their preferences, making subsequent searching unnecessary. It also enables organizations to ensure that their travelers book hotels within policy.

- Martin Biermann, vice present of product development and chief technology officer for HRS, predicts that this type of technology will negate the need for business travelers to search at all: "You will just make the appointment in your calendar and you'll get the hotel recommendation right into it, maybe even the reservation if the system is confident this is exactly what you want36."

- There is no one technology enabling predictive analytics, it is a range of technologies, but at its heart is data. Using the wealth of data now available will allow travel brands to know so much about individuals that they can present offers based on their preferences.

- When we talk about data there are two kinds that are relevant: big data and small data. Big data involves large volumes that can be processed and analyzed to produce insights (e.g. trips, flights, hotels). Small data involves smaller data sets that we can digest and act on (traveler behavior data). Once we have both of these data sources, we can then bring machine learning to bear.
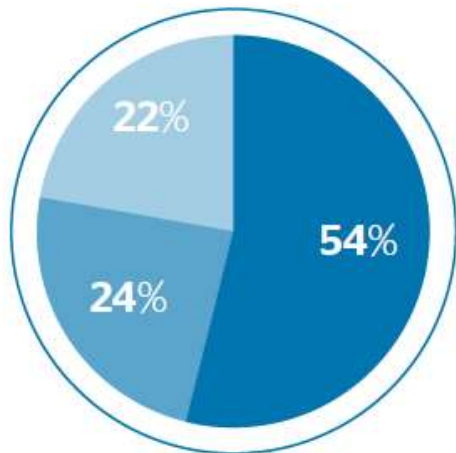
Behavioral Trends

The experts' analyses are in, but how
does consumer behavior and opinions
stack up against our predictions for
2019? We surveyed over 1,100 end
travelers across 8 countries to find
out
how they are using mobile for
travel.

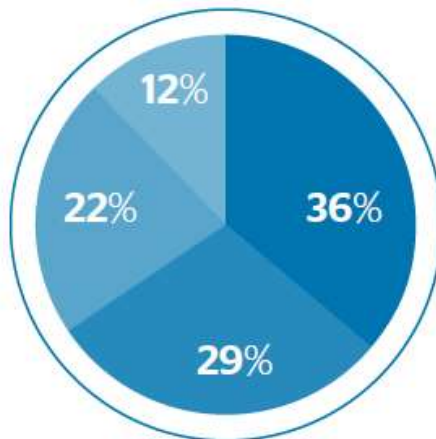Q. What travel apps do you currently have installed on your smartphone?

- 30%
- 30%
- 26%
- 14%
- 18%
- 43%

30%	Airline
30%	OTA
26%	Hotel
14%	Travel comparison site
18%	Accommodation booking
43%	None

Q. Are you downloading more or less travel apps than last year?

54% Same
24% More
22% Less

Q. How likely would you be to book with a travel brand again if you had a bad user experience on their app?

36% Very unlikely
29% Somewhat unlikely
22% Somewhat likely
12% Very likely

Q. Which of the following best describes your reasons for downloading a travel app to your smartphone?
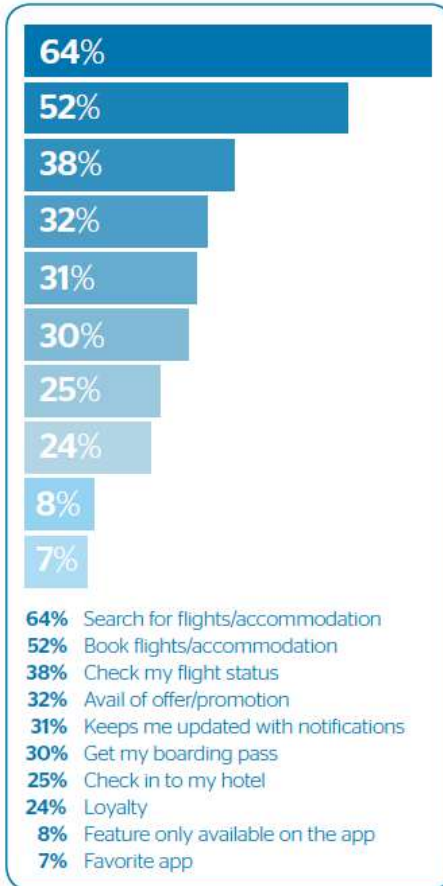
64% Search for flights/accommodation
52% Book flights/accommodation
38% Check my flight status
32% Avail of offer/promotion
31% Keeps me updated with notifications
30% Get my boarding pass
25% Check in to my hotel
24% Loyalty
8% Feature only available on the app
7% Favorite app

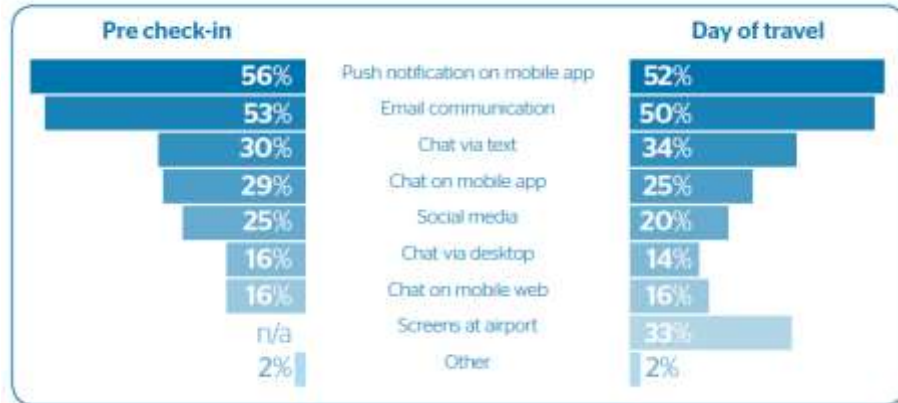**Q. What are your reasons for downloading travel apps and not just use a mobile website**

- **40%** — 40%
- **32%** — 32%
- **31%** — 31%
- **28%** — 28%
- **27%** — 27%
- **23%** — 23%
- **11%** — 11%
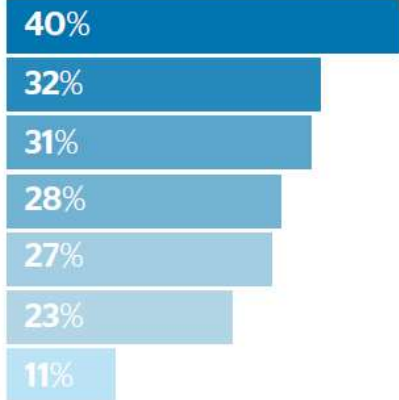
- **40%** Features I like on app aren't available on mobile web
- **32%** I can receive updates on relevant notifications/offers
- **31%** I can use it without being connected to the internet
- **28%** It stores my preferences to make bookings easy
- **27%** Speed
- **23%** Better look and feel (UX)
- **11%** Reward/discount for downloading app

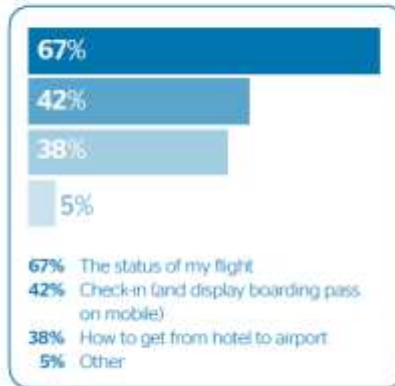**Q. Have you bought any of the following on mobile?**

- **56%**
- **38%**
- **35%**
- **31%**
- **31%**
- **31%**
- **30%**
- **30%**
- **27%**
- **25%**
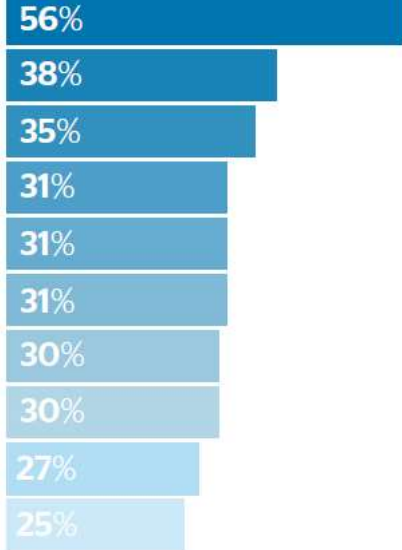
- **56%** Hotels
- **38%** WIFI
- **35%** Excursions/activities in local destination
- **31%** Extra bag
- **31%** Car hire
- **31%** Airport offers (ie coffee, meals, discounts on shopping etc)
- **30%** Seat upgrade
- **30%** In-flight meals
- **27%** Priority boarding
- **25%** In-flight entertainment (IFE)

**Q. Where do you expect to find information relating to disruptions to your trip**

Pre check-in		Day of travel
56%	Push notification on mobile app	52%
53%	Email communication	50%
30%	Chat via text	34%
29%	Chat on mobile app	25%
25%	Social media	20%
16%	Chat via desktop	14%
16%	Chat on mobile web	16%
n/a	Screens at airport	33%
2%	Other	2%

Q. When traveling what would you like to ask using voice?

- **67%**
- **42%**
- **38%**
- **5%**

- **67%** The status of my flight
- **42%** Check-in (and display boarding pass on mobile)
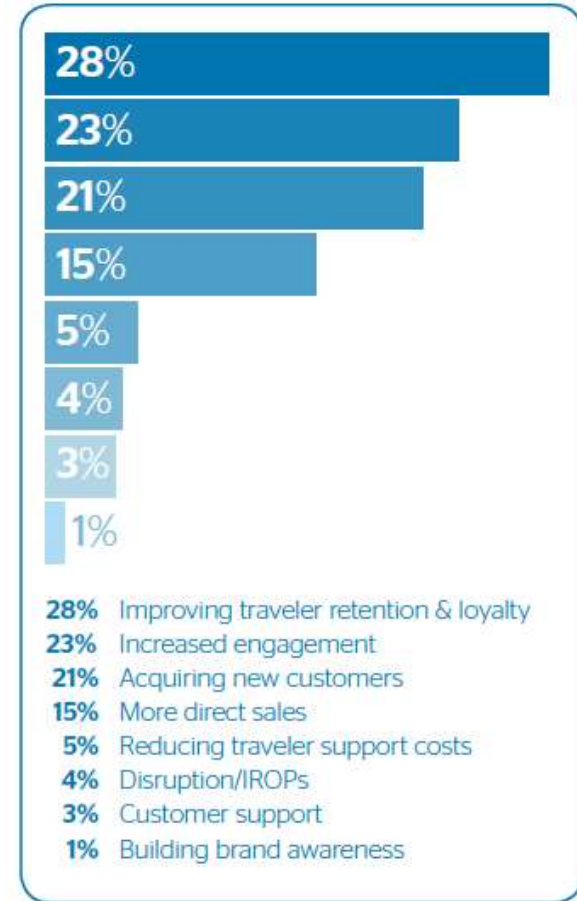- **38%** How to get from hotel to airport
- **5%** Other

Q. How do you expect to be able to communicate with your travel brand/airline now?
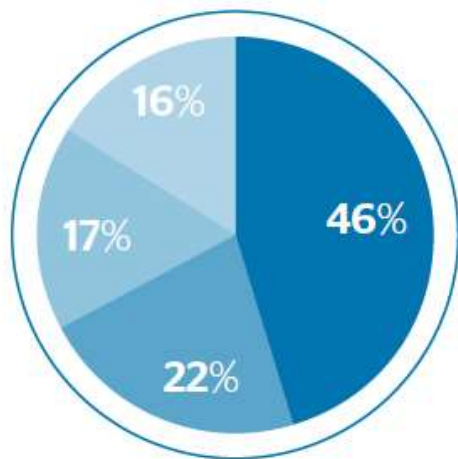
- **52%**
- **43%**
- **42%**
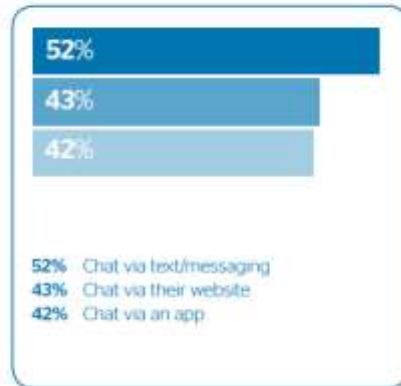
- **52%** Chat via text/messaging
- **43%** Chat via their website
- **42%** Chat via an app

Mobile has revolutionized how we
search, review, select and
experience
travel. The way customers interact
with travel brands throughout the
travel lifecycle—from research,
purchase and support right through
to advocacy—has truly moved to
the
small screen.

| %	Challenge
28%	Improving traveler retention & loyalty
23%	Increased engagement
21%	Acquiring new customers
15%	More direct sales
5%	Reducing traveler support costs
4%	Disruption/IROPs
3%	Customer support
1%	Building brand awareness

Q. How do you feel about your organisations level of investment in mobile?


46% We're investing but not enough

22% We're investing enough to keep up with the competition

17% We're investing a lot as mobile is a big focus for us

16% We aren't investing in mobile at all

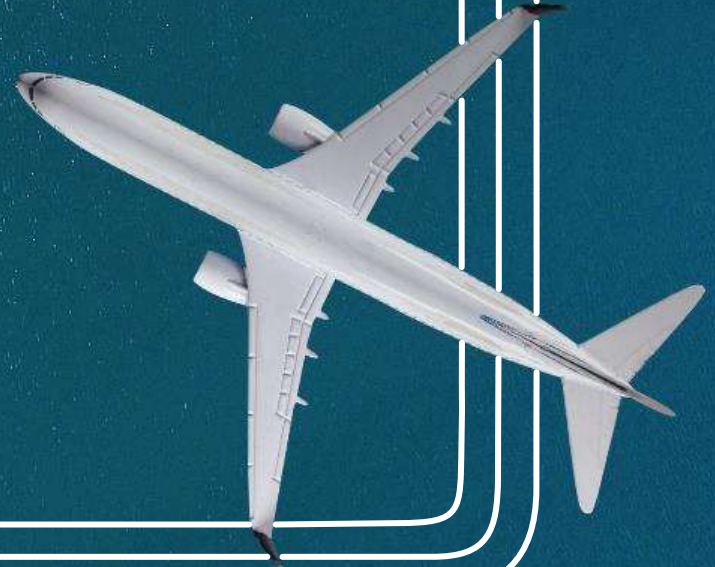**Q. In 2019 what areas of mobile do you intend to invest in?**
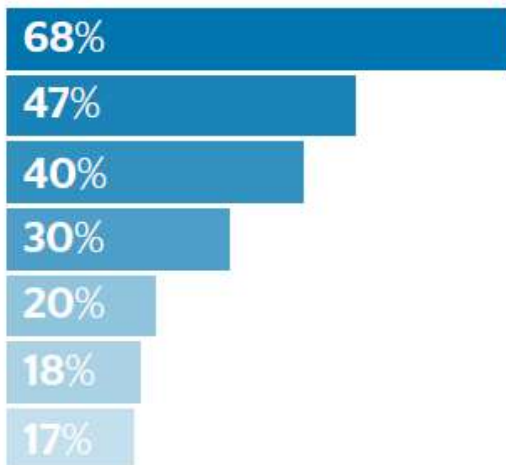
68% Business intelligence/predictive analytics

47% Chatbots

40% Voice

30% Virtual assistants

20% Virtual reality

18% Visual search

17% Augmented reality

Q. What mobile goals are important to your organisation in 2019?
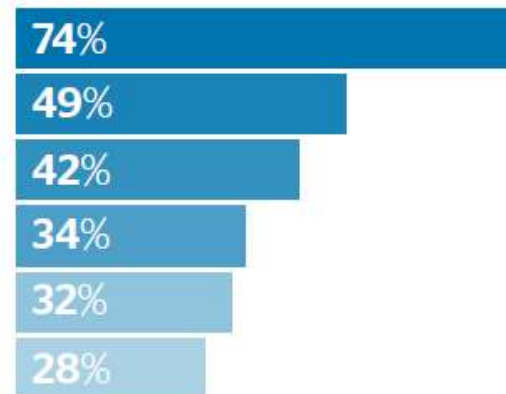
74% Revenue generation

49% Customer service

42% Customer engagement & acquisition

34% Cost savings/operational benefits

32% Digital innovation

28% Being where the customer is

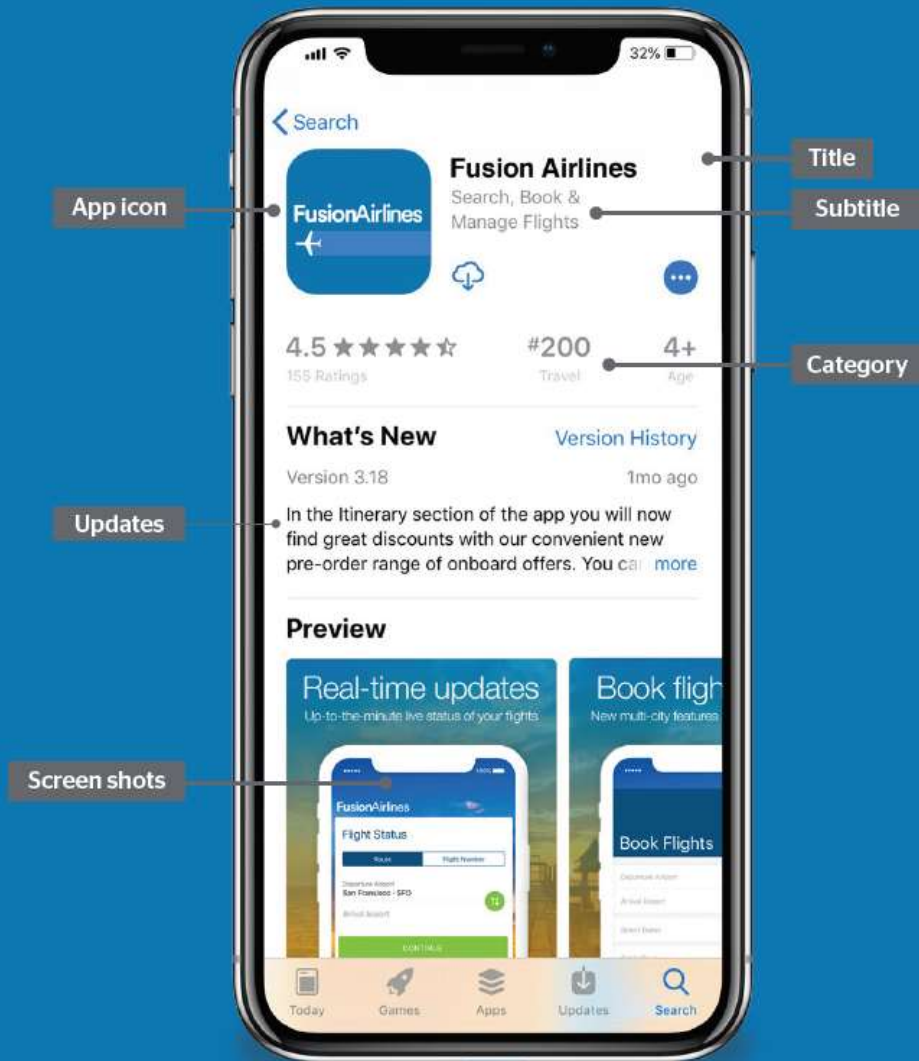7 keys to mobile success
for airline companies

- There are now over five million apps across the five major app stores, with 3.9 million on Google Play and the App Store alone. Add to that fact that 7,000 new apps are released every day and any airline can clearly see that they are about to enter a very crowded market with a new app. Therefore, App Store Optimization (ASO) is a crucial part of owned marketing. ASO is essentially the mobile cousin of SEO and just like SEO, it is a constant process of optimizing elements not of a webpage, but instead of an app product page. The primary goal is to increase your apps visibility and drive more app downloads. With over 70% of App Store visitors using search to find apps and 53% of downloads triggered by search on Google Play, ASO is vital to making sure your app is as discoverable as possible from launch and beyond.

- Even though there are a few subtle differences across the App Store and Google Play the basics of ASO involves testing and measuring updates to:1. App Title 2. Subtitle (iOS only) 3. Category 4. Keywords 5. Description (and 'Short Description' for Android) 6. Screenshots 7. Icon 8. Videos 9. Localization
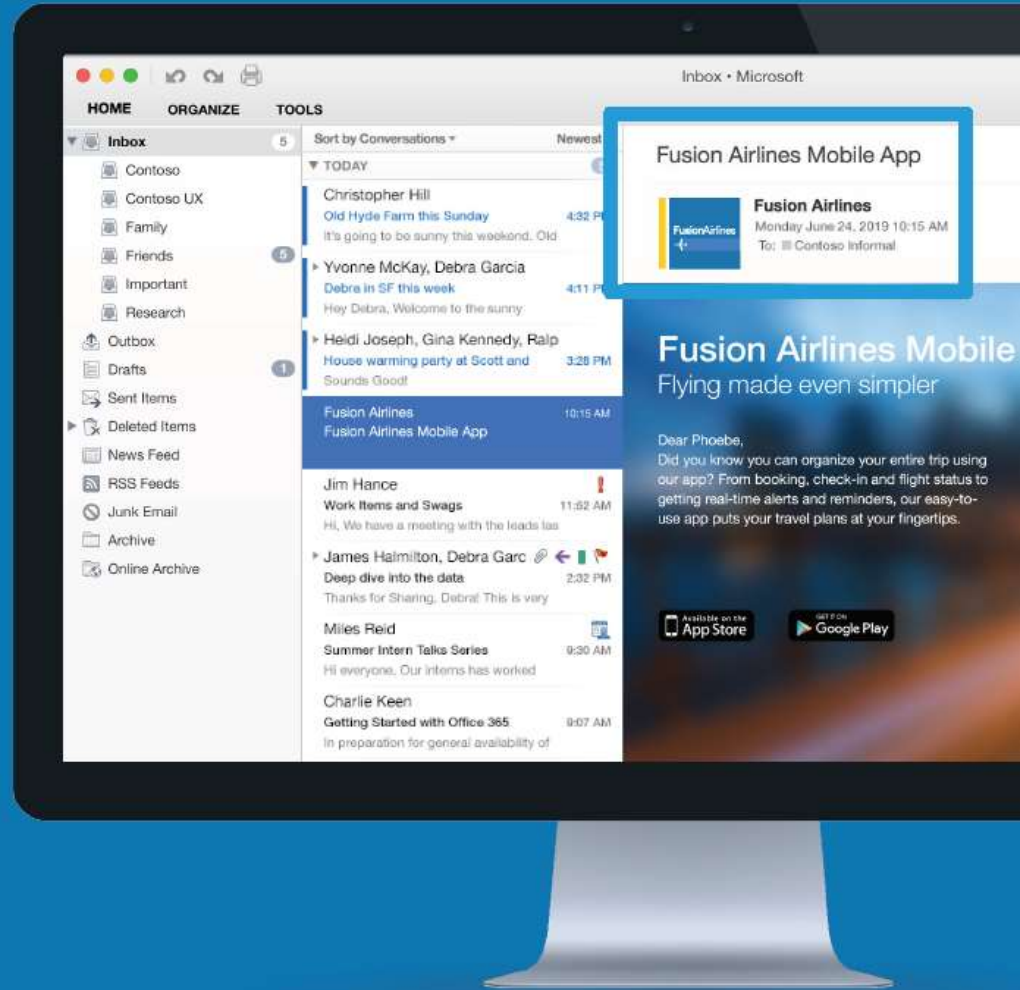
- Outside of a website, email can be one of the biggest drivers of traffic to your airline brand, therefore this channel offers one of the best opportunities to not only raise awareness of your mobile app, but also drive significant downloads. Make sure to utilize both operational emails to passengers e.g. check-in reminders, as well as any CRM emails your airline already has in place. Make sure every email features your new app even if it's just limited to app store badges in the email footer. For larger scale email promotion make sure to include screenshots, functionality explainers, and benefit driven messaging about why your passengers need this app. Use your loyalty database to promote your new app to guests/members first (if your airline has one) using language like 'exclusive' and 'VIP passengers like you.' Some great examples of the different types of email marketing that can fall under this quick win are:

  – Booking confirmations

  – New route announcements or seasonal routes on sale

  – And of course, a stand-alone launch email

- You should:

  – Communicate new features in standalone emails as you add them over time.

  – Ensure that every email you send includes prominent calls to-action to download from the app stores.

  – And finally, make sure the emails you send are mobile optimized!

3

Your Website =
Your Greatest Asset
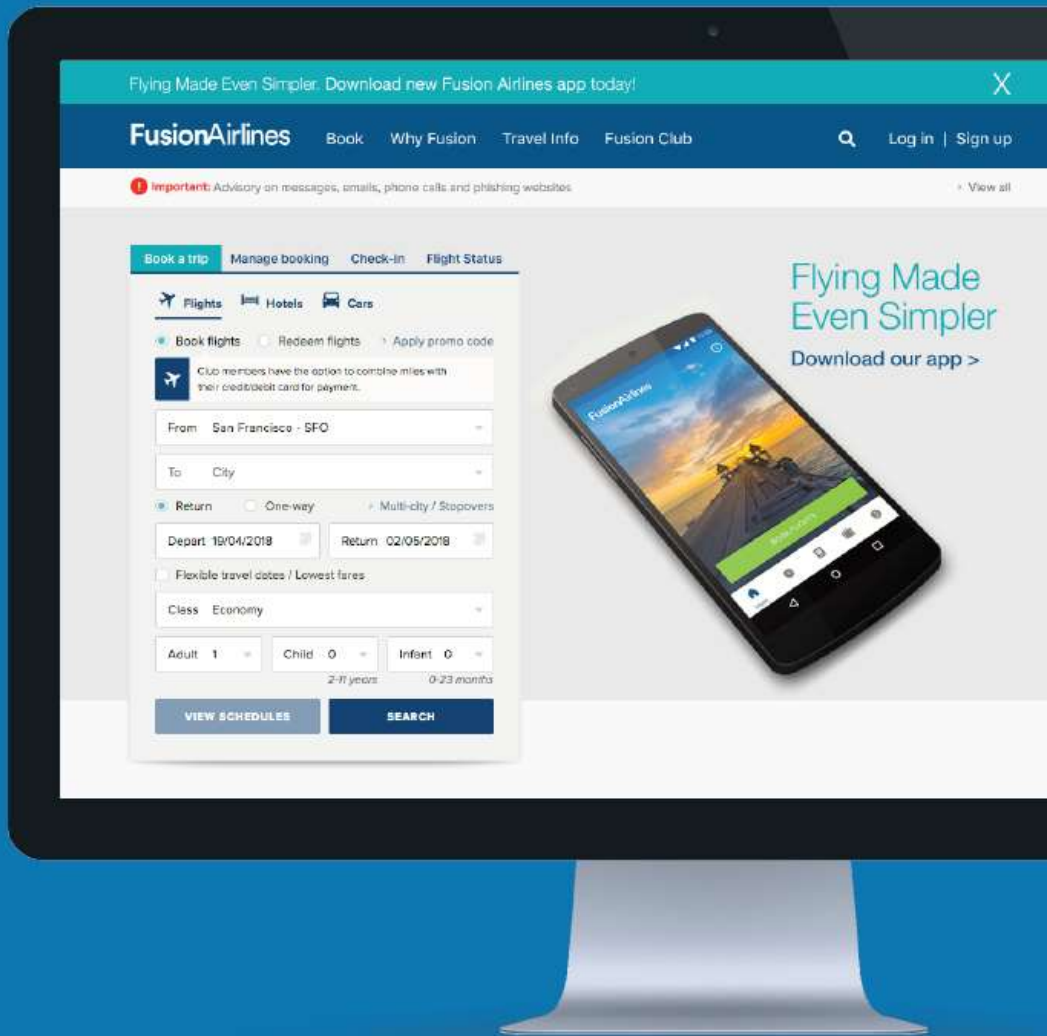
- Any airline website will be THE primary source for app acquisition from day one; because there is no other owned channel that has more passenger eyes or has more marketing budget spent on it than your dot.com. As this is such an important channel use it wisely and widely, from homepage banners to top level navigation links and literally everywhere in between. Your site should be a springboard for thousands and thousands of downloads every single week.

- Homescreen takeovers, countdown banners, footer links, microsites, carousel ads and app store badges on check-in pages are just few ideas of how you could use this prime real estate web space to promote your airline app.

- Create separate tabs on your landing page for major functionality (check-in, Apple/Google Pay, Passport Scanning etc) with screenshots & explainers. Use homescreen banners to list out why your passengers should download the app, drive home the use cases. Utilize this space to announce forthcoming features as well, again using explainers on how this new functionality will benefit them, the passenger, making your app even more compelling for them to use. Add videos to your pages to showcase the app in action. Don't forget to add app store badges to every webpage for quick and easy access to download the app.
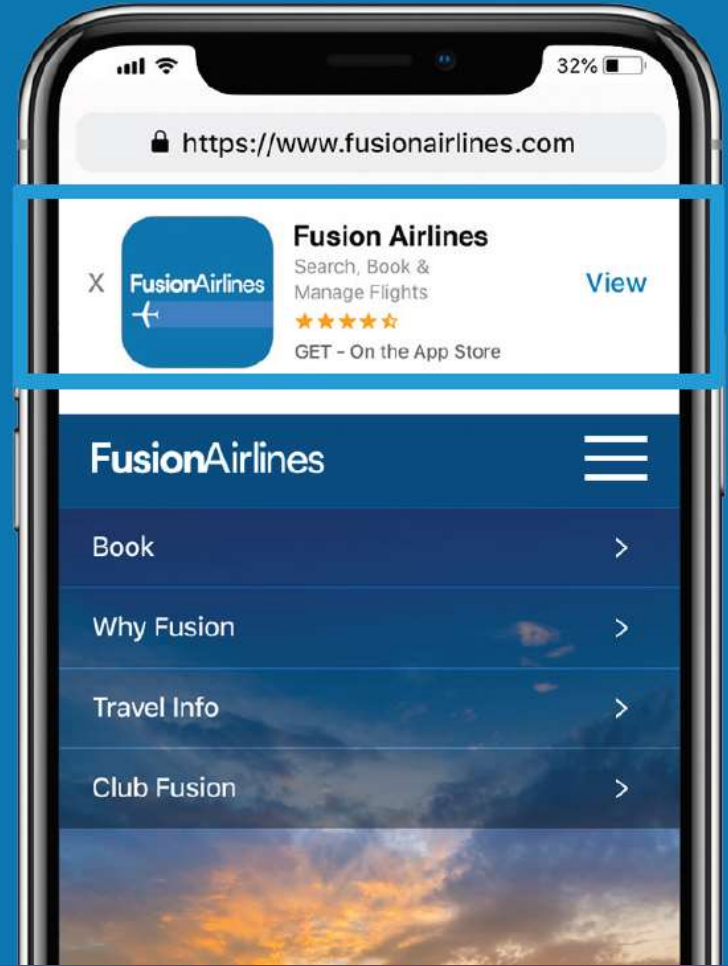
- When a mobile user visits your site an App Store banner will be visible, linking directly to your App in the App Store with no typing or searching needed.

- This is probably one of the quickest wins for any airline to implement, and it's also one of the most effective. Smart banners or 'Smart App Banners' as Apple name them are a great tool to increase adoption and usage of your airline app, simply by being the first thing your passengers see when they visit your website.

- They appear at the top of the screen when a user goes to your website on a mobile device. It works on both iOS and Android phones. This banner includes your app icon, current app ratings and a call to action to 'GET - On the App Store'. The 'View' option links directly your app in the App Store with without any typing or searching required. If a user has already downloaded your application the CTA changes to 'Open', reminding them to use your app once more. The root URL of your website is the obvious place for these banners to sit, but the code that triggers this display can, and should, be added to any high traffic page of your airline website for maximum effect. This acquisition driver is not limited to iOS though, the exact same functionality is available for Android too, it's just named differently - 'Native App Install Prompts'. Both operating system banners require just one line of code to be added to your website.

5

The Day
of Travel

- When it comes to using owned marketing to drive installs, airlines should think outside of the obvious digital channels that many traditional marketeers will focus on.

- Try to align the messaging in the ad to the airport context to really make an impact. An advert showing your app's mobile boarding pass will likely resonate with users who are queuing at a check-in desk for example.

- Target travelers who are not yet using your app by including app upsells on paper boarding passes letting them know that they could be using the app instead to check-in and get a mobile boarding pass.

- Use 'Did you know…' pop up banners during the check-in flow or on booking confirmation screens on your website - 'Did you know you can book your next flight on our new app?,' 'Did you know you can get your boarding pass on your phone?'

- Consider every single trip touchpoint your airline has control over, and are already engaging with your passengers at, online AND offline!

- For example, using in-airport signage in high traffic areas such as at security or check-in can drive significant numbers of downloads simply by capturing thousands of potential app users in situ.

6

Onboard and Inflight

- Whatever type of airline you are (LCC, Legacy/Network, Regional or ULCC) there is one thing that all airlines have in common; millions of passengers are sitting on your planes every year. That equals a lot of idle time on flights!

- That's why seatbacks, inflight magazines, bistro leaflets and even onboard meal napkins are the perfect canvas to promote your app to this captive audience. Plus, this onboard owned channel is even more effective now as QR codes are instantly recognized by cameras in both iPhones and Android devices without having download a separate app.

- Magazines/Onboard Leaflets

- Dedicate full-page features on the app – focus on communicating how it could enhance their journey, especially their return journey.

- Call out key value statements, not just a list of features. For example, 'Stay informed of any changes to your inbound flight with our real-time notifications'.

- Add QR codes for quick and easy download as well as for tracking purposes.

- Think about what seatbacks your airline supports, if they are digital then play your app promo videos before the onboard safety announcements. If they are card ads, make sure to use compelling screens for visual impact and again use QR codes for search free, frictionless downloading from the app stores.

- Get cabin crews to announce the app before the doors close – "Scan the code in front of you right now to download our new app", "Want to choose a better seat for the way home, download now" etc.

7

Go
Social

- Many, if not all airlines have spent considerable time and effort building huge followings across social media platforms such as Facebook, Twitter and Instagram.

- With 'Travel' now being the number one search term on Facebook and Instagram, our final quick win is one of the most obvious owned marketing channels to use. As with all the marketing wins mentioned throughout this eBook, using social to promote your app should not be limited to a launch post or one off 'new app' tweet.

- Posting on social media is an incredibly effective way to announce your app and all its benefits from day one. However, it's even more effective as a tool to shout about new functionality (who reads the app store updates anymore?!).

- Don't limit your use to just organic posts either, each platform has a myriad of paid options to choose from that will allow you to engage with your passengers, whether they've got the app installed on their devices or not.

- 1. Use social as a springboard to launch, starting before the 'go live' date with a teaser campaign to say the app is coming soon.

- 2. Announce new functionality here first and link to the new versions in the app stores.

- 3. Post walkthrough videos of your app in action or use your app promo videos. Videos receive nearly 40% more engagement than image posts on Instagram, and twice the amount of comments.

- 4. Invest in install ads (where passengers don't have your app already) as well as 'Engagement Ads' (for passengers who have your app installed) to allow a deep link directly into your app.

- 5. Keep the conversation going about your app beyond launch!