Travelport Digital
Redefining travel commerce

Mobile travel trends 2018

Next is now

Foreword

In December 2016 we compiled our first ever Mobile Travel Trends report. We were pleased but not surprised with the thousands of people who downloaded the ebook, read the blogs and attended the webinars on the subject. Why? Because it seems like every week there's a hot new app or piece of hardware that's set to revolutionize how travel businesses will operate. For some people that brings confusion, but for others it spells opportunity.

So what new tech is set to be adopted widely in 2018? What's going to be a fad and what dominant trends will we see gathering momentum to shape consumer travel. With a better understanding of key predictions and trends, travel brands can make key strategic decisions of where to make digital investments in 2018 and beyond.

Following on from the success of our Mobile Travel Trends 2017 report we've put together a more comprehensive and extensive report for 2018. We've interviewed more thought-leaders, surveyed even more industry professionals and, for the first time, conducted primary research with 955 end-travelers across the globe.

We hope this report illuminates the road ahead, and even if you're not going to launch the next billion-dollar app, you'll have a great mobile strategy that delights your travelers, boosts your bookings and helps you stay one step ahead of the competition.

David MacHale
Digital Marketing Director, Travelport Digital

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Introduction

The digital landscape is shifting faster than it ever has before and so too are the needs of travelers. It took airlines 68 years to gain 50 million users, Super Mario Run passed 50 million users in just 8 days[1] at the start of 2017 (on iOS only making it even more impressive!).
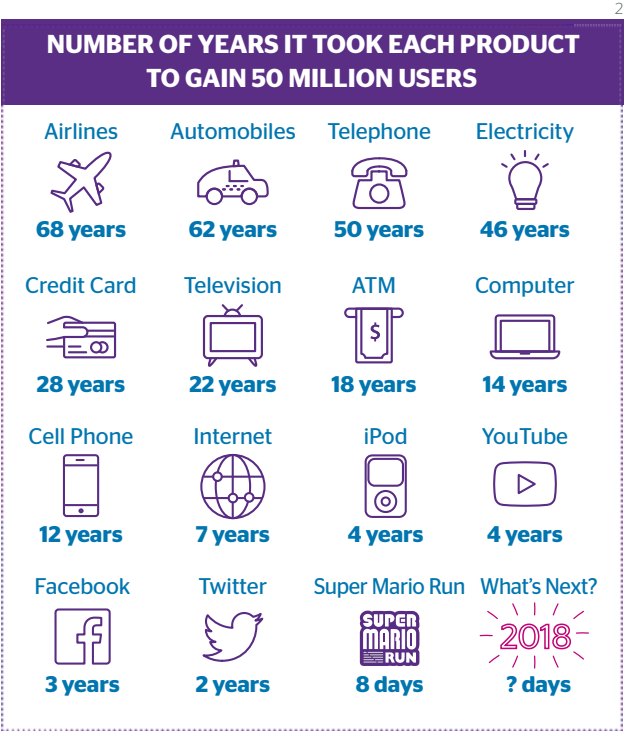
As we transition through this digital transformation the core challenge for travel brands in today's fast-moving world is to **gain the attention and loyalty of consumers.**

Mobile is at the heart of true customer engagement for travel brands, with apps leading the way. While there has been much speculation about the decline in apps, the

numbers speak for themselves; in 2017 the total number of app downloads was estimated to hit 197 billion versus 149 billion in 2016 and they are set to increase to over 352 billion in 2021[3]. Furthermore, recent research by Travelport Digital found that 82% of travelers were downloading the same or more travel apps than the previous year.

Last year our experts highlighted the major mobile trends facing travel brands for 2017 - from the rise of intelligent travel assistants and chatbots to apps moving beyond the homescreen and UX being a strategic differentiator, it's fair to say they were on the money, but what will 2018 bring?

As new technology unfolds the rate of change will accelerate even faster than it ever has before and travel brands need to assess what technology will enable them to connect with their customer at every step of their journey. Smart devices, the messaging explosion, deep personalization, frictionless technology, new mobile payments and voice technology are all shaping how consumers and travelers expect to engage with travel brands in 2018.

[2]

NUMBER OF YEARS IT TOOK EACH PRODUCT TO GAIN 50 MILLION USERS

Airlines	Automobiles	Telephone	Electricity
68 years	62 years	50 years	46 years
Credit Card	Television	ATM	Computer
28 years	22 years	18 years	14 years
Cell Phone	Internet	iPod	YouTube
12 years	7 years	4 years	4 years
Facebook	Twitter	Super Mario Run	What's Next?
3 years	2 years	8 days	? days

We used to think about travel in one place - where brands created a one stop shop and a traveler's experience could be catered for in one place. However, the future of travel will be one wherever the customer chooses it to be, using social, messaging, mobile and even their voice to communicate.

Retailers of any category have to go where their customers are, no matter what channel they're using – because if they don't, another competitor will.

As we move into next year travel brands need to think about things differently as there are now opportunities to engage at every step and through every platform, with this set to explode even further as new technologies emerge. It's important to note that this is not about a potential future, it is the here and now - next is now. Travel brands that capture this space will continue to grow and expand, while others that don't adapt will get left behind.

"The future is already here, it's just not evenly distributed"

William Gibson

Throughout this report we reveal the mobile travel trends that the industry believes will be big in 2018, sharing opinions from Travelport Digital experts and drawing valuable insights from our Mobile Travel Trends surveys. So let's take a look at our compilation of trends that are ready to be embraced by travel brands into 2018 and beyond.

"Over the next 10 years, travel industry experts predict that the digital travel space worldwide will expand at an annual rate of 3.8% to reach $11.4 trillion" *

Nielsen Research [4]

60% of travel brands are looking to enhance or replace their app in 2018*
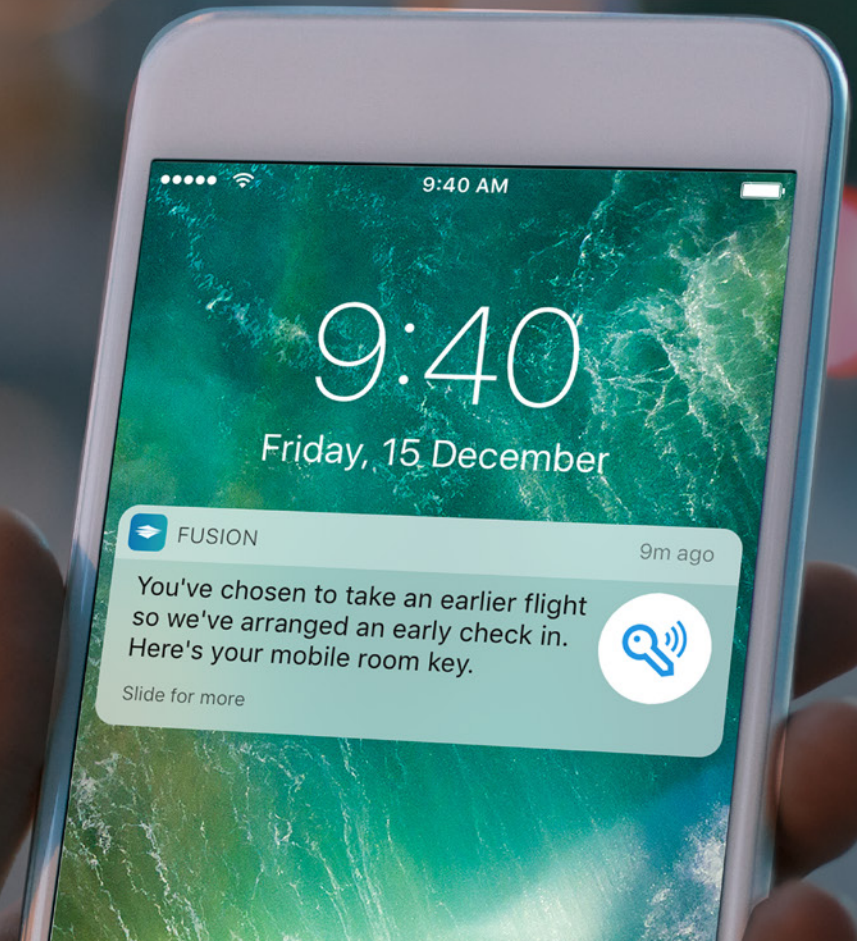
90% of travel brands said that having a mobile strategy is 'critical' or 'very important' to the future success of their organization*

84% of travel brands intend to increase their investment in mobile in 2018*

Travelport Digital Mobile Travel Trends Survey 2017

Extending airline touchpoints

1. Extending airline touchpoints

Brendan Bourke
Digital Consultant
at Travelport Digital

It seems like much of the travel industry, including ourselves here at Travelport Digital, have been talking for a quite a while now about the concept of 'Owning the Traveler'. This is the idea that travel brands, in particular airlines, can add value to the traveler experience over and above their core offering of airline seats and getting passengers from A to B, thus keeping travelers engaged before, during and after their trip.

To date this has consisted of features and functionality such as providing flight status and traffic updates pre-travel, mobile airport mapping to guide travelers through the airport, extending the experience on-board through the use of mobile IFE functionality and enhancing the experience at destination by facilitating ground transportation bookings and destination activities. All of the examples above and similar initiatives have added value to the traveler experience while keeping airline brands front and centre. And of course where appropriate, many of these initiatives also drive improved ancillary revenues.

So quite a lot has been achieved in this area and although at times combining all of the above into one experience can seem a little fragmented, I think we can say that there have been solid strides made to date in terms of 'Owning the Traveler'.

But where do we go from here? How does 'Owning the Traveler' move from 2D to 3D in 2018?

> **"The next stage is all about how we move to seamlessly not only own the traveler experience but also more importantly, help travelers to manage their own experience in the easiest way possible."**

This next level of development will most certainly be powered by data and enabled by data sharing among stakeholders within the travel industry.

United Airlines perhaps gave us a glimpse into how this data-driven future may look. At the 2017 New Generation of Airline Passenger Service Systems' conference United showcased some upcoming functionality built on shared travel data and designed to make the traveler journey as seamless as possible while keeping users within their app at all times.

The example given showed the passenger experience during a flight delay and how data sharing could be used to offer the passenger a late check-in for their hotel and a mobile room key alongside offering the option to choose different flights. And all of this from the airlines own mobile app. Right now this certainly looks and feels like the next big breakthrough. Operational efficiencies for all providers in the traveler's itinerary? Tick! Surprising and delighting the traveler? Tick! Generating engagement and brand loyalty? Tick! If this type of functionality is available via an airline's own mobile app you have to ask why a user would ever uninstall it.

However, this is just one example of how data sharing could be used to enhance the traveler experience. We've seen some similar but smaller-scale initiatives this year such as SAS displaying regional train departures in Stockholm and Copenhagen directly in their app and Southwest Airlines enabling passengers to not only book but also manage hotel reservations from within their app.

The next big step into 2018 and beyond will involve matching data from all segments in a traveler's itinerary which will enable airlines and other travel players such as TMCs to not just efficiently handle disruption as in the example above, but to delight customers while at all times keeping them engaged with their brand's mobile presence. At a time when data privacy and the use of data is such a hot topic, particularly in Europe, it's important to look at how the innovative use of data can impact both businesses and their customers for the good. Exciting times lie ahead!

53% of travel brands feel it is important to engage their passengers via mobile before, during and after their journey*

Travelport Digital Mobile Travel Trends Survey 2017
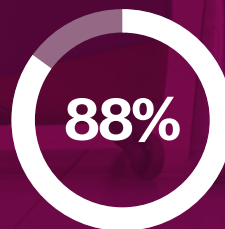
88% of travelers think it would be useful to have access to all their favourite content in one app*

End Traveler Mobile Research 2017 – Travelport Digital

Voice

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2. Voice
The age of touch could soon come to an end

Phoebe Collison
Digital Insights Analyst
at Travelport Digital

With 40% of adults now using voice search once a day[5], it has without doubt earned its place in our list of top trends for 2018. In an increasingly time-sensitive world where we are constantly multi-tasking, it's easy to understand why there has been such an uptake of a technology that enables us to search faster (we speak 150 words per minute vs type 40[5]) and do so hands-free.

Of the top 20 Cortana flight and accommodation searches in the UK 95% are for brands[6], illustrating just how significant it is for travel brands to be present on voice enabled devices. And some are finally taking notice; in the past year there has been a surge in airlines and travel brands getting in on the voice action including easyJet, Ryanair, Expedia, Kayak, Tripcase, Skyscanner and Marriott International.

Travelers are becoming a lot more comfortable having conversations with bots and virtual assistants, with 70% of requests to the Google Assistant being expressed in natural language[7]. From getting flight options and departure times to booking a hotel and Uber, nearly all aspects of a trip can now be managed through voice across multiple devices, from smartphones and smartwatches, to home devices and in car infotainment systems.

This new ecosystem will not only transform how travelers communicate with brands, but how airlines and travel companies engage with their customers too. Outbound notifications from the likes of Google Home, Amazon Echo and HomePod are going to redefine the notifications landscape, moving beyond simple SMS or push message, adding another level of notifications to mobile.

The rise in voice will have an even bigger impact on the lives of 'the next billion' mobile users who, thanks to cheap data plans, low-end smartphones and intuitive apps that let them navigate despite poor literacy, are now online for the first time. One of the defining characteristics of these users is their avoidance of text based apps and web services, with a preference for using voice and images to communicate instead. And there are huge opportunities for travel brands to be clever about engaging with these users in a way that best suits them.

Developing markets are certainly driving the next wave of voice powered technology. In the past few years we have witnessed a regional explosion in areas such as India and Africa resulting in a seismic shift in the market. By the end of 2016 North America accounted for 95% of Alexa and Google Assistant users[8]. Fast forward to 2021 and over 47% of voice device users will be in Asia and Oceania[8]. Recent research from Travelport supports this shift, having

found that 72% of Chinese travelers use voice search compared to just 33% in the UK[9].

> "People often talk about voice search being something futuristic that may (or may not) take off – the reality is that this is the future, we are now living in a world where voice search is ubiquitous"

The sooner travel brands realize voice search is here to stay and start to go to where their customers are by giving themselves a voice, the better equipped they will be to have a more meaningful conversation with today's modern traveler.

31% of travel brands intend to invest in voice technology in 2018*

*Travelport Digital Mobile Travel Trends Survey 2017

23% of travelers have used voice search to research or book a trip*

*End Traveler Mobile Research 2017 – Travelport Digital

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Go to where
the customer is

3. Go to where the customer is

Glenville Morris
Product Director;
Consulting & Digital Insights
at Travelport Digital

There have been many famous mobile quotes over the years *"We too, are standing on a burning platform"*[10], *"It just works"*[11] or *"It's OK, we'll be fine"*[12] to name a few. Now it's time to add another to that list.

"Rather than trying to move 1.3 billion Chinese to our app, we moved to WeChat. We should be on apps that people really use! Not just do our own".[13]

That quote from KLM's VP of Digital Strategy Guido van Til speaking at the Aviation Festival in September 2017 perfectly encapsulates the theme of 2018's most dominating trend - 'It's time to go where the users are'. Next year will see the dawn of a new age, the age of the customer - and in this new age the customer is wherever, whenever and on whatever platform they choose to be on – and they'll expect your travel brand to be there too.

So, as well as interacting with your app (on their phone, watch or tablet) travelers in 2018 are going to also want to chat to your virtual assistant on messenger about their hotel booking, ask an Echo or Home about their flight status, use iMessage to change their seats or show their Singapore Airlines boarding pass to the gate agent as they board the plane without ever leaving their WeChat 'chat'. These travelers of tomorrow will expect, in fact demand, that brands (and not just in travel) are accessible, anywhere and everywhere and they will want to set the terms and timings of their interactions to make them

as seamless and friction free as possible. And for once a trend is not just marketing hyperbole, this shift in the communication landscape is obvious in the numbers the industry is seeing:

- 330 million used messenger to contact a business for the first time this year[14]
- Since launching in June 2017 easyJet have had over 30,000 flight status voice searches on their Alexa Skill[15]
- In just 90 days Oscar (the Air New Zealand bot) had 55,000 conversations[16], typically receiving between 300 and 350 queries a day
- KLM have issued 1.4 million online boarding passes via messenger[17].
- 20% of brands will abandon their mobile apps by 2019[18].

Bots... messaging... voice... it's clear to all that that the travel conversation is changing rapidly.

Mobile as a single-entry point for communication with a traveler has certainly had a good run though as apps have been operating in a device silo for nearly 10 years now but engagement is not just about apps anymore. So whilst thinking 'mobile first' has been absolutely transformational for many brands, it's no longer going to be enough to satisfy the modern-day traveler as they move between channels 24/7.

The on-demand generation now expects exactly as the name implies, an 'on-demand' conversation and if you as a travel brand are not on a platform where and when the traveler wants you to be next year, don't expect that 'demand' to be there for much longer come 2019.

> **"Apps didn't die last year and they won't be dead in 2018, or even 2019, but they are becoming an increasingly niche part of the digital journey, a journey that is now multi touchpoint and now more so than ever, multi-platform."**

33% of travelers expect to communicate with travel brands via social and 51% via text or messaging*
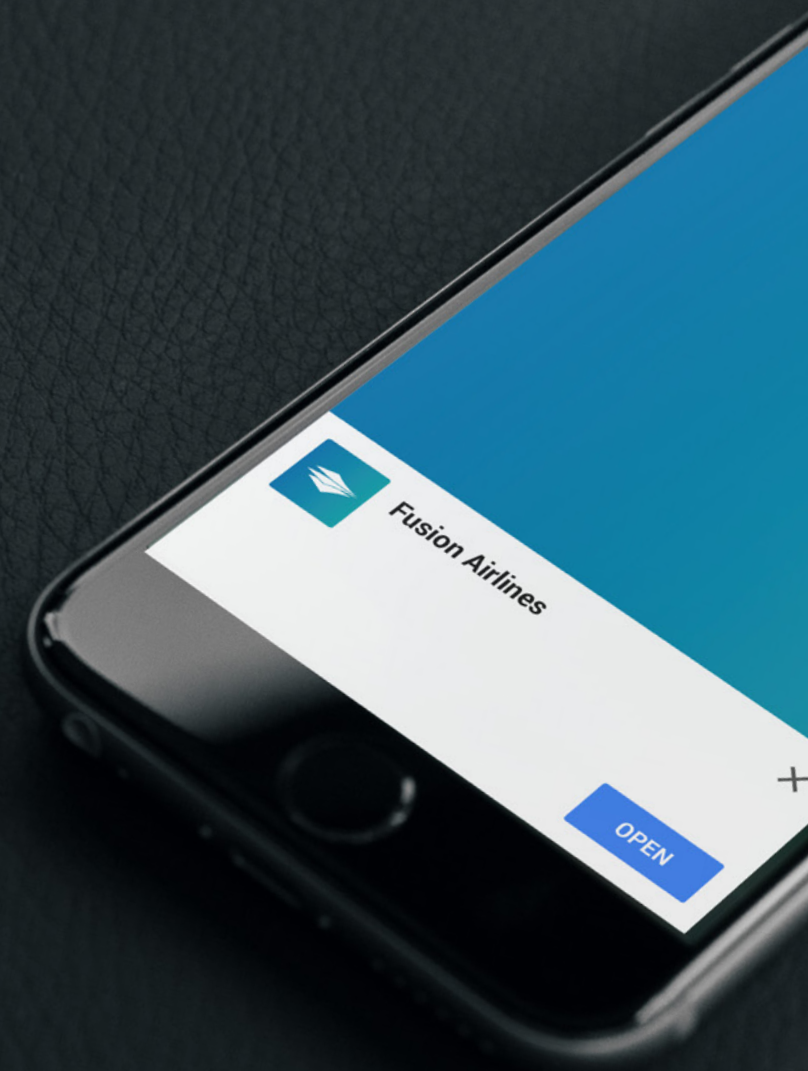
25% of travelers have researched or booked a trip using a chat platform*

65% of travelers would be open using a chat platform to research or book a trip in the future*

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The changing face
of mobile apps

4. The changing face of mobile apps

Ronan Morrissey
Product Director
at Travelport Digital

Trend watchers have been declaring every year 'the year of mobile' since 2012[19]. Regardless of when mobile arrived few will argue that mobile devices and apps have become a mainstream channel for engaging with users and travelers, and with 60% of all searches now on a mobile device[20], it's a percentage that is too big to ignore.

Travel brands that rely on users interacting with their traditional website via mobile can result in disengagement and booking abandonment.

"61% of users are unlikely to return to a mobile site they had trouble accessing and 40% will visit a competitor's site instead."[21] – Google.

With 85% of time spent on mobile using an app[22], progressive travel brands have recognized the importance of having a dedicated mobile app to service their travelers. There are significant benefits for investment in native apps, such as the ability to access device hardware like the GPS/NFC antenna to deliver value add services, bespoke mobile design booking and search flows which result in higher conversion, and the ability to engage with the user on a device that they always have on them. However, developing a mobile app is difficult; you have to address multiple form factors and platforms, manage the approvals process of the app stores, support users on older app versions and build teams with bespoke skills in mobile UX and development.

Enter the Progressive Web App (PWA); a mobile application built using the latest innovations in web standards that deliver near native mobile user experiences. Consider them apps that combine the best of the web and native apps with zero friction for the users. Customers can visit your website and with just one click have your app on their home screen. With PWAs you don't have to invest in the creation and management of a website and mobile apps (and the inherent device compatibility issues). By building a new SEO-friendly and PWA enabled website you'll reduce your operating costs and your travelers will get a rich, dynamic and mobile app experience without being asked to download, install or register anything.

There are a number of advantages that PWAs offer over mobile websites or native apps.

- **Offline data access:** PWAs will work when travelers don't have data access
- **Maintenance:** Every user will get the latest version when they visit the app so there are no maintenance issues supporting users on older versions of the app. Better still your PWA will adapt to work on tablets as well as mobile and desktops.
- **Accessibility:** There is no need to drive users to visit an app store to discover your PWA, they are as discoverable as any website.

- **User Experience:** PWAs will live on the phone like an app, have lightning response times and you won't lose the benefits of native apps (i.e. the ability to send push notifications, presence on phone home screen etc.)
- **Security:** PWAs connect via HTTPS so there won't be any security or data privacy concerns.
- **Performance:** 53% of users will abandon a mobile site if it takes more than three seconds to load[23] (average page loads is 19 seconds). PWAs often load in under one second due to the underlying page caching technology.

"The PWA platform was introduced around two years ago but it looks like 2018 will see the tipping point in travel businesses utilizing this new technology".

Early adopters in 2017 have seen some tremendous benefits from their experiments with PWAs. Visit the Twitter website on mobile and you'll get their PWA which requires less than 3% of the storage space of their old native app. This new speedy web app has resulted in 75% more tweets and visitors looking at 65% more pages[24.]

So is the native app dead? Absolutely not, as there are still some limitations to PWAs, specifically when it comes to Safari which doesn't yet fully support PWAs. This means that as of today Safari does not support some of the most interesting components such as push notifications and offline mode. More generally PWAs still have limitations using device hardware such as NFC or Bluetooth support.

As a result, you might not be able to deliver all of your desired app use cases. Converting your apps and web code bases to support PWAs also isn't a simple or quick task. Apple confirmed in August of this year that they are planning to support PWAs and it will be interesting to track their pace of development.

The best bet would be to keep your successful native apps but to start to experiment with PWAs and maybe consider rewriting those apps that haven't quite hit the expected highs in the eyes of your customers. Maybe 2018 will be the year mobile reinvents itself!
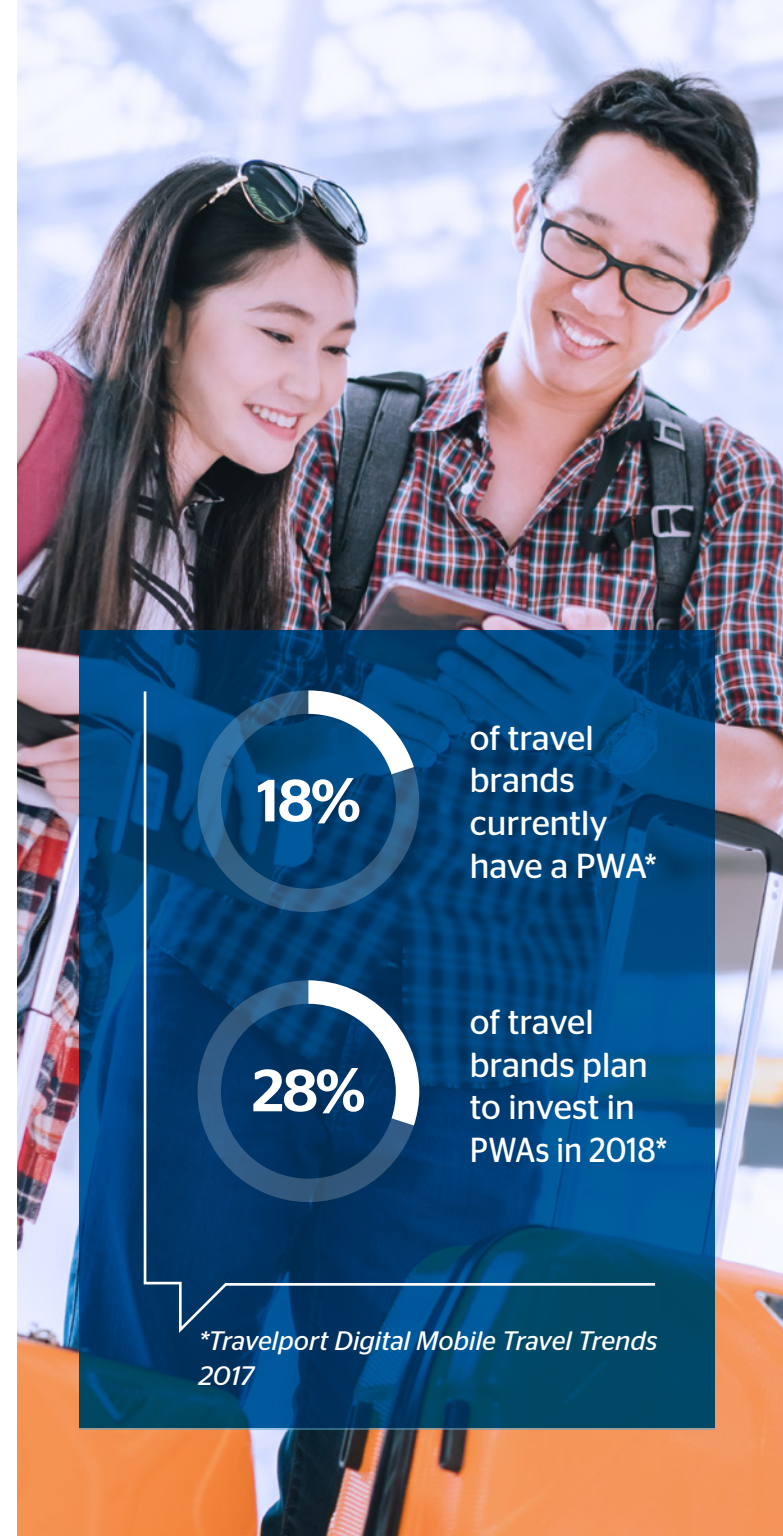
18% of travel brands currently have a PWA*

28% of travel brands plan to invest in PWAs in 2018*

Travelport Digital Mobile Travel Trends 2017

The death of travel friction points

5. The death of travel friction points

Ailsa Brown
Vice President Asia Pacific at Travelport Digital

The overall fall in average prices for air travel has led to a huge upsurge in the number of travelers. However, airport congestion, baggage restrictions and airport security delays have led to travel becoming a stressful experience.

In recent years airlines and TMCs have turned to technology to improve the traveler's experience and give them back some element of control. We have seen the introduction of mobile boarding passes, personalized inflight entertainment systems, on board WIFI and of course enhanced self-service capabilities via mobile apps. However, many of these are isolated experiences of innovation interspersed between periods of frustration for the traveler.

In 2018, I believe we will see the elimination of most friction points as more capabilities are enabled through a personalized experience delivered primarily via mobile channels.

> **"Mobile will play a central role in shaping the 'day of travel' experience, enabling travel brands to take customer service to another level by proactively providing travelers with a frictionless end-to-end mobile experience pre, during and post trip".**

These frictionless experiences will be delivered by seamlessly interconnecting some existing innovations with new technology.

We've seen growth in the usage of mobile boarding passes but what if travelers didn't have to check-in at all and it happened automatically? Having access to the passengers' details will allow TMCs or airlines to check-in the traveler as soon as the check-in period opens and make the boarding pass available via the mobile app. Alerting the user to the presence of this boarding pass is a great opportunity to allow the user to choose their seat or pre-order some ancillary services. These additional purchases can be done using payment wallets such as Apple or Android Pay, so a secure payment can be made with just a tap, click or touch of a smartphone. Both check-in and payment often require the user to input lots of data manually; in a frictionless future technology will make this as simple as possible by automatically ingesting card details or passport information via the phone's camera.

Travelers often feel out of control when they are traveling, therefore it's important that travel brands use the power of mobile to share the right information with them at the right time. However, interacting with your customers is no longer through the channel that you want. Travel brands need to go to where their customers are, allowing them to get information or complete the action they want on whatever channel that is most convenient to them.

Whether that be asking Alexa a few days before their trip what terminal their flight is departing from, chatting on Facebook messenger asking about their baggage allowance and how to purchase additional bags or chatting to a customer service agent from within your app to modify their trip; you must be where your customers are to eliminate the friction of customers trying to find out how to interact with you.

Even outside of the app experience friction points are now being eradicated by new mobile technologies. App reviews and ratings have historically been a key feedback exchange between a travel brand and it's travelers, but the flow of taking users out of an app that very moment and into the App Store to give feedback has caused friction in the past, in turn leading to a negative view. However, Apple's new 'in app prompt' released in June 2017 now allows travelers to rate an app without ever leaving the app experience. This frictionless feedback flow has seen some incredible results, most famously Instagram doubled their ratings by adding 2 million in just one week[25]!

Travel brands are also seeing great traction. One of Travelport Digital's customers, BCD Travel, has seen a significant positive impact on ratings on their TripSource app since they implemented the in app prompt; receiving a 899% increase in 5-star ratings, with 4 and 5-star ratings now making up 90% of their overall ratings across the five biggest markets for this global TMC.

Show customers that what's important to them is important to you. Why limit the frictionless experience to just booking? Travel brands should be looking at the entire travel experience for opportunities to remove friction for the traveler - after all, whether they choose you for their next trip depends on how frictionless the last experience with you was.

36% of travel brands plan to invest in auto check-in in 2018*

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38% of travelers think interactive chat is important in the overall app experience*

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The impact of blockchain on the travel industry

6. The impact of blockchain on the travel industry

Samir Shah
Head of Market Intelligence at Travelport

Blockchain continues to be headline news but what exactly is it and how will it drive change in the travel industry? A blockchain is a distributed ledger of records arranged in data batches called blocks that use cryptographic validation to link themselves together. Put simply, each block references and identifies the previous block forming an unbroken chain, hence the name. However, the clever bit is that the ledger is not stored in a master location or managed by any particular body. Instead, it is said to be distributed, existing on multiple computers at the same time in such a way that anybody with an interest can maintain a copy of it.

In today's ever connected world establishing trust and ownership is critical. Blockchain allows individuals and organizations, independent of each other, to rely on the same shared, secure and auditable source of information. This is big news for the travel industry and something that will start to flourish as we move into 2018 and beyond.

Originally pioneered in 2008 as a way of recording and legitimising bitcoin transactions, bitcoin is the most well-known application of blockchain technology to date and a well-established currency accepted globally by many leading brands including Microsoft and Expedia.

However, blockchain's potential is not restricted to just cryptocurrencies or the financial industry, it is being hailed as the new Web 3.0 with the potential to disrupt many industries, including the travel industry. One area of disruption will be smart contracts which will help one exchange money, property, shares, or anything of value in a transparent, conflict-free way while avoiding the services of a middleman. The sharing economy has flourished under Uber and Airbnb. However, users have to rely on an intermediary like Uber to hail a ride. By enabling peer-to-peer payments, blockchain opens the door to direct interaction between parties — resulting in a truly decentralized sharing economy.

> **"Across the travel value chain blockchain has the potential to streamline payments, remove counterparty risk, improve customer experience, and boost data security".**

If you take an example of having all hotel properties in a city in a blockchain database, this would mean that search companies would still be necessary to help users find what they are looking for and offer a curated list of hotels. However, anyone would be able to source rooms from the blockchain and thereby the market would see increased competition rather than intermediaries setting the distribution rates.

TUI has already moved all of its hotel contracts onto its private blockchain. Using smart contracts, which execute automatically on the blockchain, TUI can easily manage and automate a large part of bedstock and hotel capacity between all the markets it operates in[26].

Airlines are also beginning to get in on the action with Air New Zealand exploring blockchain technology to improve efficiency and security of services such as booking and baggage tracking and Lufthansa looking at use cases to put booking, rebooking and traveler itinerary information on the blockchain[27].

Blockchain is a disruptive technology because of its ability to digitize, decentralize, secure and incentivize the validation of transactions. Like any new technology critical mass is essential for adoption and a wide swath of industries are evaluating blockchain.

In 2018, blockchain will make further headlines as more travel companies start accepting bitcoin and other cryptocurrencies as a form of payment. In addition there will be initiatives to transform the way the entire travel industry processes and manages online payments and inventory. Using distributed architecture and encryption to authorize transactions blockchain helps remove the middleman making mobile payments more efficient, cost effective and accessible – even to consumers that don't have bank accounts.

Over the past three years over 2,500 patents have been filed and over 90 corporations have joined Blockchain consortia. This year alone blockchain initiatives have received over $2 billion of funding, however this is the just the early stage; I expect this to increase exponentially into 2018 before the technology becomes mainstream by 2025.
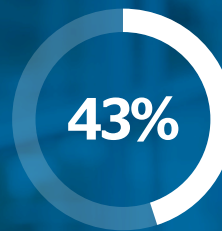
43% of travel brands are exploring the use of blockchain*

Which areas would you be interested in using blockchain technology for?*

- **35%** payments
- **26%** loyalty
- **20%** supply chain
- **17%** contracts
- **2%** other

Travelport Digital Mobile Travel Trends Survey 2018

Predictive analytics

7. Predictive analytics
The new face of personalization

Stephen Oman
Director of Data Analytics
at Travelport Digital

It's often said that it is difficult to make predictions, especially about the future. Statistics helps a lot with this, such as estimating the volume of people likely to be travelling from Abaeté to Zyryanka during March, or the number of hot breakfasts that will be ordered on an early morning flight from Johannesburg to Doha. Predictive analytics using statistical models have been used to maximize yield and predict capacity for many years.

However, it is more difficult to predict the likelihood that a given traveler will purchase that breakfast, need that seat with the extra room or which hotel they need to stay in. Yet this is what modern travelers expect. Their experience with online retailers is personalized to their wants and needs and delivered at the right time and in the right way.

A major trend in predictive data analytics over the past few years has been the adoption of machine learning to reduce this difficulty. Machine Learning is a type of Artificial Intelligence (or AI) that relies on detecting patterns in large amounts of data. AI has had a rocky past, with much promised by researchers but not a lot delivered. Lately though, AI has started to be successful, giving rise to autonomous vehicles, ultra-personalized news feeds and even machines that can beat the best human players in the board game Go. Amazon is a pioneer in leveraging Machine Learning techniques on their website and in their outbound email content. They can examine the items you search for, what product pages you read and what you buy to accurately determine other things that you might be interested in. While not without its flaws, it's success has helped Amazon become the third largest retailer[28], predominantly without a physical shopping location. There are clear opportunities in travel to adopt AI in a similar way. Borrowing from the experience of retailers, targeting customers with relevant, personalized offers and services leads to simpler searching and better conversion rates. For example, if we know a traveler's preferences for a particular type of hotel room, then those could be promoted in search results.

To deliver such personalized services, a travel brand must get to know their customers using three key criteria: **time, location and context.** These criteria set out when the time is right to engage with a customer, where the customer is at that time (the time might be right, but the customer is not in a position to take action) and how the service on offer relates to what the customer is trying to do. As this interaction will likely differ from person to person, using predictive analytics in this way is becoming an indispensable tool in getting personalization right.

Starwood Hotels are a great example of a hotel group using predictive data to create a more personalized experience. The more a guest stays at a Starwood Hotel, the more their preferred guest app learns about them. They track their interests over time and use that data to suggest activities and recommendations, and if the app is installed on a guests phone, the app experience changes when it senses they have entered one of the hotels to reflect this[29].

Machine Learning algorithms have a voracious appetite for data. The more data that can be collected, the more accurately they can detect useful patterns. In particular, mobile is a vital source of such data as people carry their phones everywhere and increasingly use it as their primary way to interact with brands. Mobile therefore proves a way to gather information on travelers' preferences, what they like and need at the various points during their trips.

> **"Coupled with the data that has been accumulating over a long period of time on searches and purchases, predictive analytics can be used to determine when travelers are likely to be receptive to personalized offers and which offers to present"**

A number of airlines have started using the abundance of data available, to deliver a more personalized experience. Lufthansa introduced a customised system that analyses data on customer behaviour to determine the best time to offer additional services. Since the system was launched, the number of customers who took an upgrade offer has doubled. United Airlines is another good example, they use a "collect, detect, act" system that analyzes 150 variables in a customer profile. Everything from previous purchases to customer priorities is measured in order to present a tailor-made offer. This system has increased United's year-on-year revenue by more than 15%.[30]

As we move into 2018 and on to 2019, we'll start to see new entrants specialising in mobile travel analytics enter this space. They will help travel brands leverage this rapidly growing capability by investigating ways to unlock their data and deliver the personalized services that their travelers are now expecting.

83% of Millennials said they would let travel brands track their digital patterns if this would provide them with a more personalized experience*

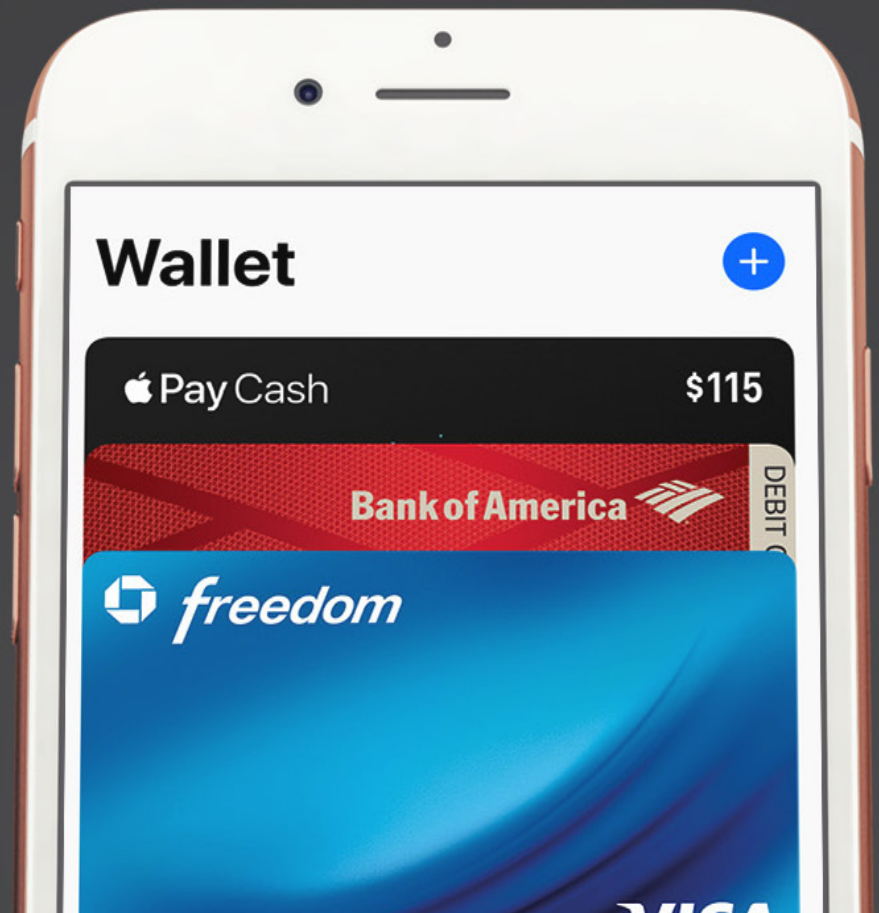*Study by American Express [31]
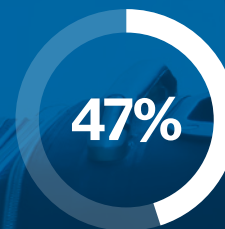
47% of travel brands plan to invest in analytics in 2018*

Travelport Digital Mobile Travel Trends Survey 2017

Mobile payments

8. Mobile payments
Fast becoming the new commodity of the commerce experience

Eric Booth
Product Marketing Manager
at Travelport Digital

Since 2010 it seems that every year has been dubbed the year of mobile payments. The reality however is that it's only now being truly implemented on a wider scale as the popularization of smartphones has made consumers more accustomed to anytime, anywhere commerce. While the concept of mobile payments is nothing new, the changes in consumer behaviour are, and as we move into 2018 and beyond mobile devices will drive the on-demand economy more than ever before.

For the first time, demand and infrastructure are maturing and coming together to make mobile payments easy, secure and intuitive in a way that they never have been before. With the total value of m-commerce transactions expected to reach $210 billion by 2019[32] (up from $8.7 billion in 2015) we can see the potential upside for travel brands in embracing this capability. Technologies including mobile e-wallets and enhanced connectivity through near field communications (NFC) and Bluetooth are transforming the way consumers interact on their phones for payments and with the major players such as Apple, Google and Samsung delivering their own version of the mobile wallet there is little doubt that this technology will continue to convert users in the coming years as confidence grows.

As we move into 2018 the mobile payment space should also get more competitive as Amazon's long-standing patent on single click payments has come to an end. The ability to drive repeat business in a single click has been pivotal to Amazon's success and this is big news as Google and Apple introduce their own one-click solutions. Popular social media and messaging apps such as Facebook and WhatsApp will also drive further adoption by opening up social media as a commerce channel by enabling consumers to make payments directly from within the app.

The convenience of single click booking based on stored payment details enable the kind of seamless experience that consumers are demanding and on it's own will undoubtedly have a significant impact in a channel which is notorious for high abandonment rates. By simplifying the flow between consumers and products, there are fewer opportunities to drop out of a transaction and increase revenues as a result.

Another key development for mobile payments as we move into 2018 is the rise of blockchain. As we mentioned in our earlier trend, this technology will breathe new life into the adoption of mobile payments by providing tighter security, lower fees and instantaneous payments. As blockchain becomes more established it will drive even greater adoption of mobile payments so the travelers experience can become easier, faster and more satisfying.

"Whether we like it or not, digital wallets, mobile payments and consumer demands are steering us towards a cashless world and with the emergence of technologies such as blockchain the speed of this transition will only get quicker".

While this may not come as a surprise given the increased usage of smartphones and smart devices it's important for travel brands to acknowledge this shift before it's too late. For the majority of travel brands their key goals still revolve around increasing engagement, driving revenues and providing a better overall travel experience and mobile payments will play a significant role in helping achieve this.
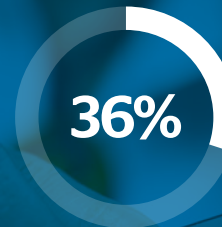
36% of travel brands plan to invest in enhanced mobile payment platforms in 2018*

Travelport Digital Mobile Travel Trends Survey 2017

$210 billion the total value m-commerce transactions are expected to reach by 2019*

TechCrunch

Behavioral Trends

So with our 2018 mobile travel trends revealed, how does consumer behavior align to our predictions? We surveyed 955 end travelers to find out how they are using mobile for travel going into 2018.

We investigated what they use apps for, how often they use them and explored if they were ready or expected to use emerging technology including voice, chatbots and messaging apps.

Apps remain the 'go to' for traveler engagement

The ongoing growth of mobile has impacted how travelers are using apps on their phone for travel, with app usage stronger than ever. 64% of travelers currently have a travel app installed on their phone and 69% use those apps on a regular basis.

Furthermore, our research found that travelers are still installing multiple airline apps on their phone; 36% of the respondents currently have 2 or more apps installed, giving travel brands a prime opportunity to utilize apps as a marketing platform and drive engagement throughout the end to end travel lifecycle.

How many airline apps do you currently have installed on your smartphone?

- 25% one
- 22% two
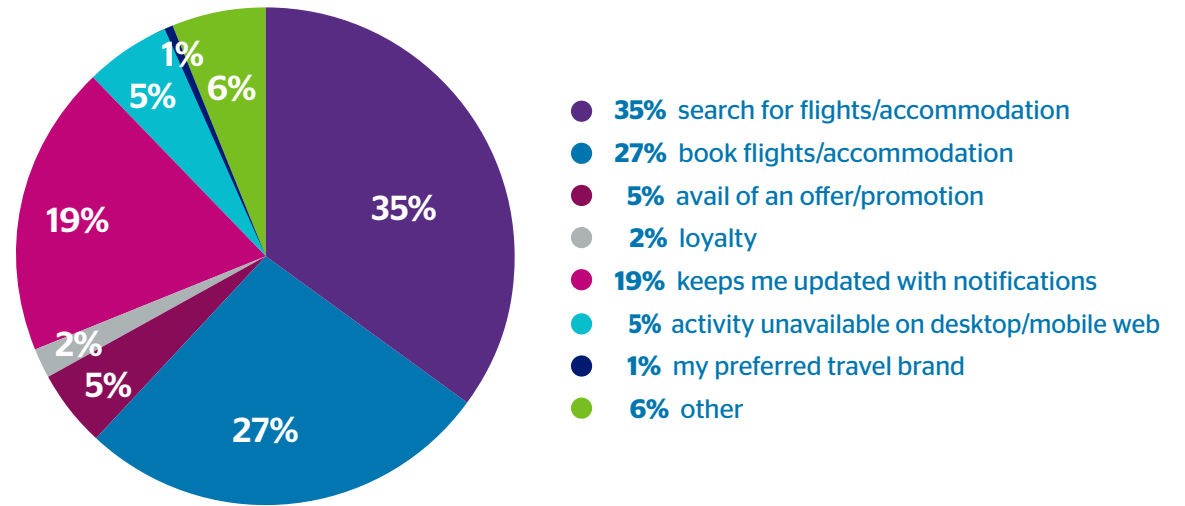- 9% three
- 5% four or more
- 39% none

With travel brands now putting a key focus on great user experience it comes as no surprise that the primary reason travelers are turning to apps is to search and book a trip, with the added benefits of relevant and timely alerts and notifications making the pull even stronger.
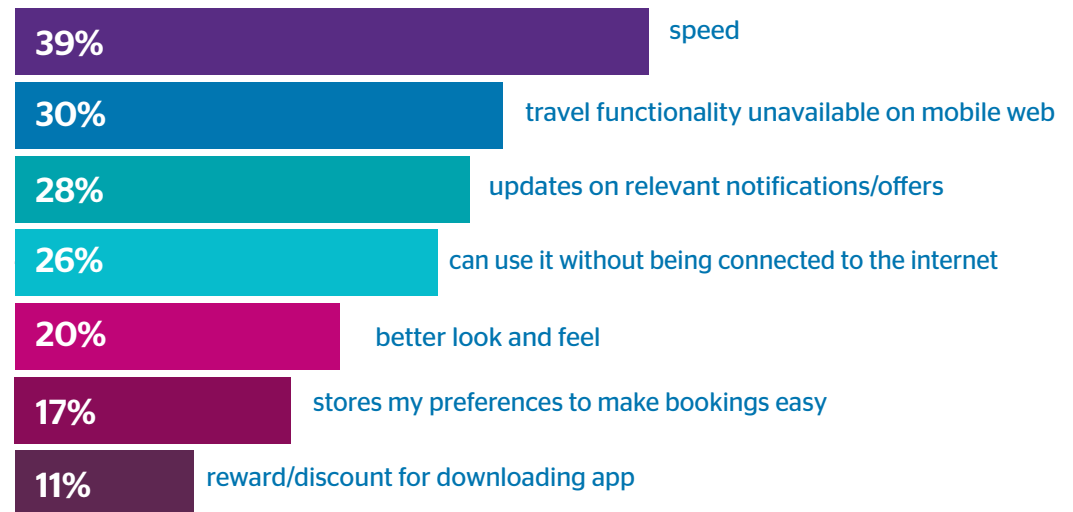
The findings also revealed that app specific functionality, (such as mobile boarding passes), great user experience, speed and personal preferences play a key part in why travelers prefer to use a travel app over mobile web.

While there is still space for mobile web travel brands, PWAs haven't quite claimed the app space as of yet - with travelers still prefering to use travel apps over mobile web, especially for searching and booking for a flight as well as to check-in and generate a mobile boarding pass.

Which of the following best describes your reasons for downloading a travel app to your smartphone?

- ● **35%** search for flights/accommodation
- ● **27%** book flights/accommodation
- ● **5%** avail of an offer/promotion
- ● **2%** loyalty
- ● **19%** keeps me updated with notifications
- ● **5%** activity unavailable on desktop/mobile web
- ● **1%** my preferred travel brand
- ● **6%** other

Why would you download a travel app and not just use a mobile website?

39%	speed
30%	travel functionality unavailable on mobile web
28%	updates on relevant notifications/offers
26%	can use it without being connected to the internet
20%	better look and feel
17%	stores my preferences to make bookings easy
11%	reward/discount for downloading app

Why would you download a travel app and not just use a mobile website?

App		Website
63%	checking in to a flight	**37%**
62%	generating a boarding pass	**38%**
58%	searching for a flight	**42%**
53%	searching for accommodation	**47%**
52%	purchasing additional flight items (i.e Wifi, extra bag, priority boarding etc)	**48%**
52%	searching for discounts or offers	**48%**
50%	booking a flight	**50%**
50%	making a last minute booking	**50%**
49%	booking accommodation	**51%**
48%	searching for things to do in destination	**52%**
46%	booking things to do in destination	**54%**
46%	looking for car rental	**54%**

User experience plays a key role in brand loyalty

A brand's reputation is defined by the experiences it delivers. If a user has a bad app experience - if it is difficult to navigate or frustrating to use travelers won't hesitate to uninstall it, leading to customer churn. It's imperative that travel brands get the user experience right, building a deep understanding of each of the customer touch points throughout the end-to-end travel lifecycle.

Travel brands who get the user experience right reap the rewards with 85% of travelers saying they would be more likely to book a trip with a brand that had a good user experience, conversely if they had a bad experience on their app 69% would be unlikely to book with that brand again.

Communication at every touchpoint

The power of push notifications is not waning, 52% of travelers find push notifications related to travel useful with trip status and flight search/booking notifications ranked the most important with discounts and offers following closely behind.
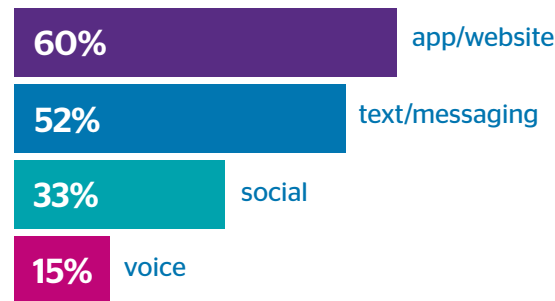
However, while push notifications still have their part to play, with the messaging explosion travel brands need to look at every touchpoint through which they can engage their customers, as travelers now expect to be communicated to through whichever channel they choose, primarily preferring apps and messaging platforms.

As we move into 2018, travel brands need to look at every touchpoint with which they can engage with their travelers. It's no longer just about owning one stage in the journey, there is now an opportunity to own the customer across the entire travel lifecycle - pre, during and even post trip. Those that go to where the customer is, engaging them with relevant, contextual information through the channels the customers choose, will win in 2018.
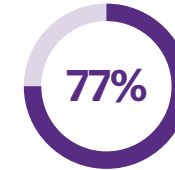
What sort of travel notifications do you find useful?

- **79%** trip status
- **76%** price change of flights looked at
- **68%** discount or offer
- **68%** reminder of booking in progress

How do you expect to be able to communicate with your travel brand/airline now?

- **60%** app/website
- **52%** text/messaging
- **33%** social
- **15%** voice

80% of travelers use a smartphone app to research a trip

77% of travelers use a smartphone app to book or pay for a flight

65% of travelers would be open to using a chat platform to research or book a trip in the future

88% of customers think it would be useful to have access to all their favourite content in one app

Conclusion

With technology evolving and growing at such a rapid rate, especially in the mobile travel space, 2018 will bring a huge amount of opportunity for travel brands to engage with their customer throughout the entire end-to-end travel lifecycle. However, it is the consumer who will chose how and where they want to be communicated to.
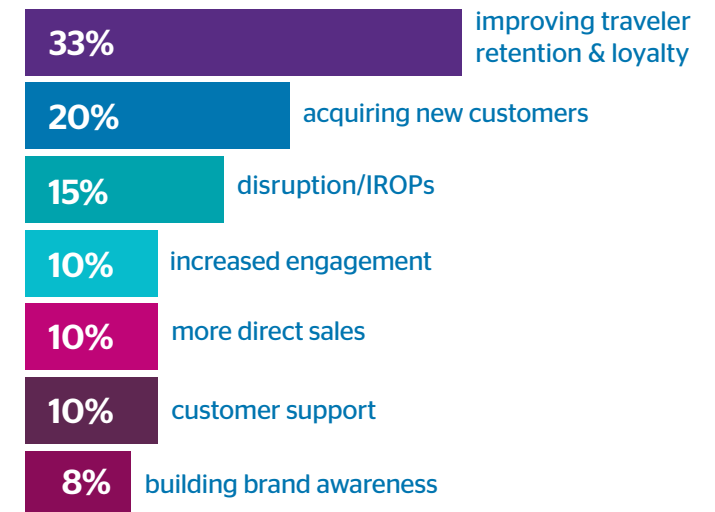
2018 will bring an abundance of opportunities for travel brands to be clever about the way they engage with travelers in a way that suits them best. It's no longer about just 'apps', travel brands need to also be on other mobile channels including chat, messenger and voice. With changing traveler needs, a 'one size fits all' approach will no longer work. Travel brands need to understand and embrace emerging technologies that leverage mobile to further enhance the customer experience, allowing travel brands to be clever about the way they engage with travelers in a way that suits them best.

Throughout this report we have looked at the eight trends that we believe will help travel brands address the challenges they face into 2018 and beyond. From data sharing, enhanced personalization and the elimination of friction points to make the customer journey as seamless as possible right through to the changing face of apps, voice and the messaging explosion bringing travel brands to where the customer is, next year will have it all.
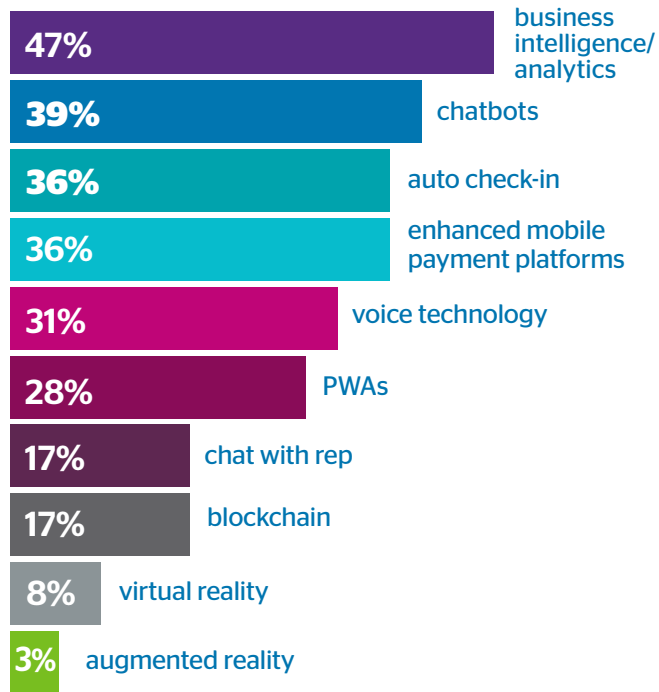
There is so much opportunity and potential on the horizon for the next year, with mobile at it's core. However, with so much to plan for, it's important to remember that next year's mobile strategy doesn't need to incorporate all the trends, but travel brands need to keep them on the radar going into 2018 and beyond so they don't get left behind.

How mobile travel will impact travel brands in 2018 – key findings from our research with senior industry professionals

What is the biggest challenge you feel mobile could help your organization address in 2018?

33%	improving traveler retention & loyalty
20%	acquiring new customers
15%	disruption/IROPs
10%	increased engagement
10%	more direct sales
10%	customer support
8%	building brand awareness

In 2018 what areas of mobile development do you intend to invest in?

- **47%** business intelligence/analytics
- **39%** chatbots
- **36%** auto check-in
- **36%** enhanced mobile payment platforms
- **31%** voice technology
- **28%** PWAs
- **17%** chat with rep
- **17%** blockchain
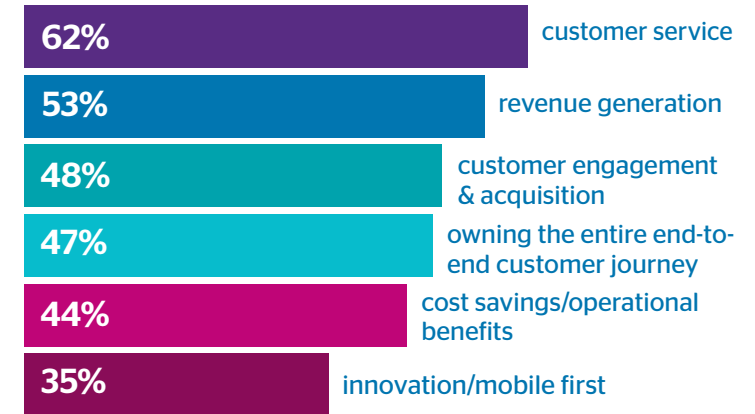- **8%** virtual reality
- **3%** augmented reality

How do you feel about your organizations level of investment in mobile?
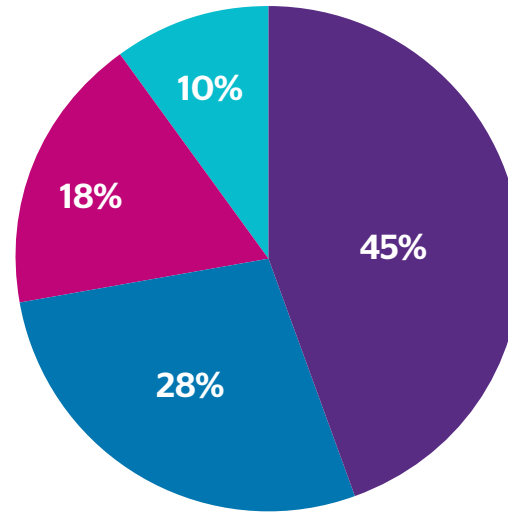
- **45%** we're investing but not enough
- **28%** we're investing enough to keep up with competition
- **18%** we're investing a lot as mobile is a big focus for us
- **10%** we aren't investing in mobile at all

What mobile goals are important to your organization in 2018?

- **62%** customer service
- **53%** revenue generation
- **48%** customer engagement & acquisition
- **47%** owning the entire end-to-end customer journey
- **44%** cost savings/operational benefits
- **35%** innovation/mobile first

Sources

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Contributor biographies

Brendan Bourke
Digital Consultant
at Travelport Digital

Brendan has over 18 years digital and mobile experience working on both the client and agency side. Prior to joining Travelport Digital, Brendan worked at both Aer Lingus and Emirates. At Travelport Digital Brendan works with customers on their mobile strategies with a specific focus on mobile marketing and engagement.

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Phoebe Collison
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Phoebe has worked at Travelport Digital for 4 years in various Marketing, Product Research and Digital Insights roles. Phoebe's current role involves keeping pace with new technologies and industry developments, competitor analysis and advising customers on best practice mobile marketing.

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Glenville Morris
Product Director
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Glenville has over 12 years experience as a digital and mobile professional in the travel, entertainment & retail sectors. Prior to joining Travelport Digital Glenville worked at easyJet across analytics, mobile marketing and was the product owner for easyJet mobile. At Travelport Digital Glenville heads up the Digital Insights team looking at market trends, operating system updates and how new mobile technologies will affect the travel industry.

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Ronan Morrissey
Product Director
at Travelport Digital

Ronan has over 13 year's experience in product development, digital strategy and innovation consulting across travel, fintech and technology industries. At Travelport Digital he is responsible for the travel agency and travelers engagement suite of products. Prior to joining Travelport Digital Ronan worked at Mastercard Labs' and has also held a variety of leadership roles with Barclays Bank.

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Ailsa Brown
Vice President Asia Pacific
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Ailsa has responsibility for the sales and commercial strategy in APAC, with a focus on supporting airlines to drive and accelerate their mobile strategy. Prior to joining Travelport Digital, Ailsa held a number of senior leadership roles at Travelport, most recently Senior Commercial Director for SE Asia & India Subcontinent, developing airline relationships and driving the commercial performance. Ailsa is a highly regarded commercial leader with over three decades of travel industry experience, 20+ focused on the APAC region.

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Samir Shah
Head of Market
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Samir is Head of Market Intelligence at Travelport and is based in the UK. Travelport's Market Intelligence function gathers insights through a combination of market research, customer research and competitor intelligence. Prior to joining Travelport, Samir held a number of strategic-centric roles at Genworth Financial (originally part of GE Capital) and PricewaterhouseCoopers.

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Stephen Oman
Director of Data Analytics
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Stephen is the Director of Data Analytics in Travelport Digital, helping our customers get the most from their mobile products through the application of data analytics and machine learning. Prior to joining Travelport, Stephen spent many years in the telecommunications sector, delivering personalization-based products to Mobile Network Operators around the world.

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Eric Booth
Product Marketing Manager
at Travelport Digital

Eric has 13+ years experience as a digital and product marketing specialist within the online services, entertainment and travel sectors. With experience working in both B2B and B2C environments Eric's key focus at Travelport Digital is to bring new products to market, articulate product value propositions and drive product demand by connecting customer the needs to product capabilities.

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Travelport Digital

Redefining travel commerce

About Travelport Digital

At Travelport Digital we deliver innovative digital travel solutions for airlines, TMCs and travel agencies to meet the expectations of today's ultra-connected travelers. We create superior, end-to-end travel experiences across multiple devices and channels with the latest in mobile technology, great UX and design, a travel focused product set and close collaboration with our clients. Our work enables airlines and travel companies to leverage 'every moment in travel' with mobile and digital services that transform how they interact with their customers.

– **35+** million app downloads (as of October 2017)
– **100** number 1 travel apps in App Store / Google Play
– **775** App Store promotions in the last two years
– **4.5** average app star rating
– **330+** mobile experts dedicated to travel
– **34** industry awards for our apps (2014 – Present)

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