

Secrets revealed:

Growing airline and travel
revenues through mobile



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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 & 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.

digital.travelport.com

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Introduction



Introduction

51% of US travelers prefer to book on a mobile device.

It wouldn't be any great shock to readers that travel sales are increasingly moving mobile. We're seeing a huge shift from brick-and-mortar and website-led sales to purchases straight from airline apps. This move in usage has seen mobile account for a massive percentage of revenue for travel brands. In fact, digital travel sales are expected to reach \$189.6 billion (€161.3 billion) for 2017, of which 40% is said to be purchased on mobile according to research by eMarketer. Among mobile internet users, mobile apps will account for 84.9% of total mobile time spent, with mobile web browsing making up the remainder.

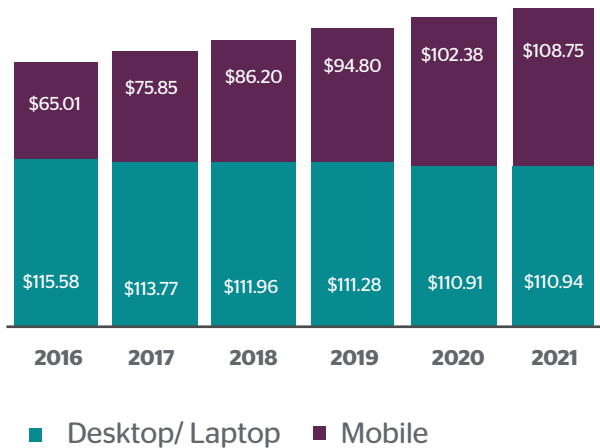
Mobile is no longer to be seen as an extension of desktop web marketing. It's a platform in its own right, with its own set of tactics and strategies. And within mobile, there's a divergence between the strategies behind native apps versus the more standard mobile-enabled sites. Take advantage of the unique capabilities of native apps and you've a head-start on your competitors. Apps that are mobile-native can deliver on multiple engagement points and sales opportunities that just didn't exist within the traditional browser platform.

In this e-book we'll share the secrets that have helped our global travel brands drive *billions* of dollars in revenue through mobile. We'll take you on a journey through an acquisition process to ensure prospective customers start engaging with your brand on mobile, to embracing a sales-first strategy with frictionless bookings, solutions for cart abandonment, and suggestions for loyalty profile features.

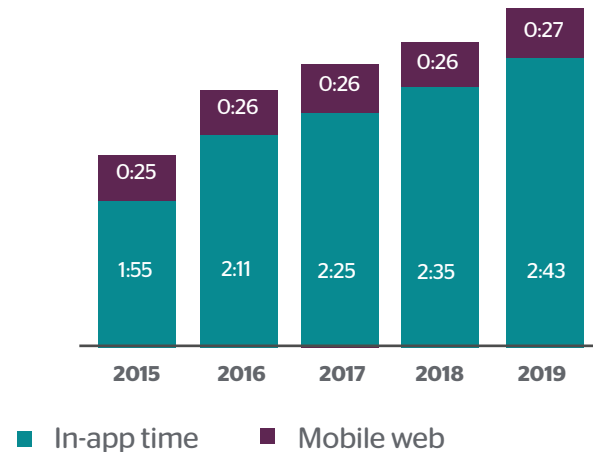
Then we'll delve into A/B testing for tweaking your app, boosting ancillary sales via mobile, and making the most of the intelligence you can draw from users through mobile interactions.

Now let's dive into the most important first step in any native app marketing - letting your customers know your app is out there.

US digital travel sales by device, 2016-2021
(all figures in billions).



Average time spent per day with mobile internet among US Adults vs. Mobile web 2015-2019
(figures in hours:mins).



2

Acquisition
strategies: getting
people onto your app



Acquisition strategies: Getting people onto your app

Only 9% of users will stay on a mobile site or app if it doesn't satisfy their needs and 29% of smartphone users will switch to another site.

Building a great app and getting it to market is just the starting point - now you need to get people to download it. Draw users to your app with a clear campaign to get their attention. Give a solid app description on the app store, visuals and video demos, and optimise the keywords used in your campaign metadata to draw your audience to your site and ASO. Harness the wealth of non-digital platforms too - the airport and aircraft seat-back ads, and PR.

Media Content

For travel brands, adopting a robust mobile app marketing strategy as opposed to more traditional marketing efforts is crucial for success. Consider a mix of the following:



PAID:

PPC, mobile advertising, social advertising and retargeting.



OWNED:

Seatbacks, airport advertising, inflight magazines, email and website.



EARNED:

App store promotions, high app store ratings & reviews and social shares.

Inflight opportunities to promote app downloads



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Embrace a mobile-focused revenue strategy



Embrace a mobile-focused revenue strategy

Apps accounted for **57%** of all mobile travel bookings in the first quarter of 2016.

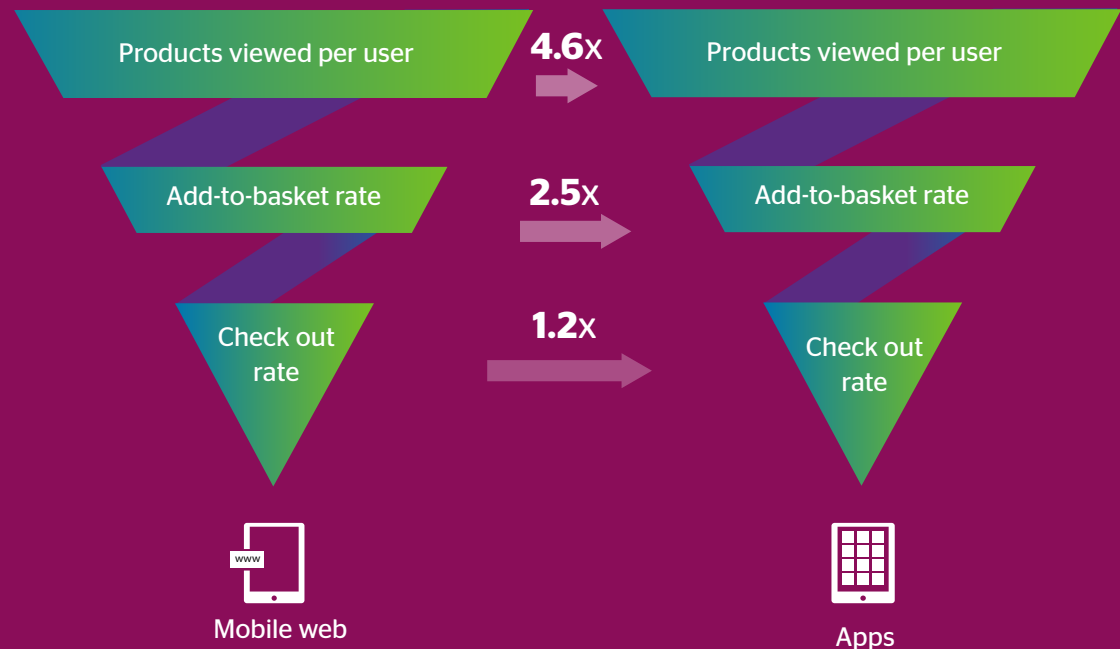
Moving from a desktop focus to mobile gives you options to engage your travelers throughout their trip and planning, beyond the initial booking and online check-in, and keep them locked-in. It's where you need to be to provide the easiest option for booking flights and optimize on those precious upsells, cross sales and airport retailing opportunities.

Native apps have a proven ability to retain new users and sustain a stronger user base of potential buyers due to their usability, but also convert at much higher rates than their desktop or mobile web counterparts. Native apps convert three times more bookings than the responsive web design, for example.

Global retail conversion funnel

Throughout the full funnel, app users browse more, purchase more and lead to better conversion rates than mobile web and desktop users.

Retail conversion funnel apps versus mobile web



Apps convert **3X MORE** product viewers than **MOBILE WEB**

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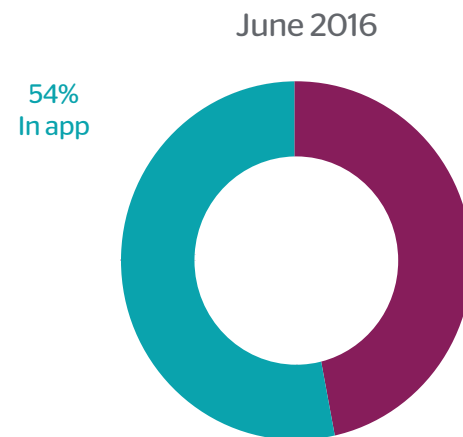
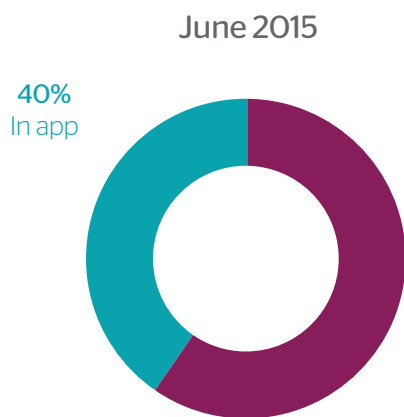
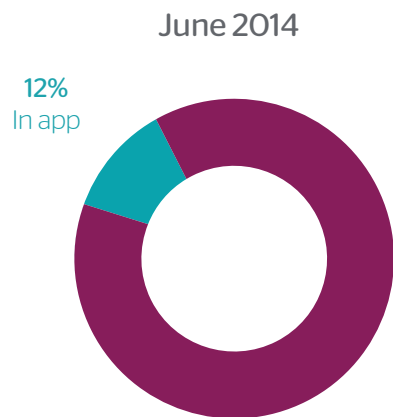
In-app is up for
committed travel brands



In-app is up for committed travel brands

In 2016, for the first time, orders from mobile apps saw higher values than that of desktop and mobile web respectively. An average of €111 (\$127) is spent in-app, versus €87 (\$100) on desktop and €79 (\$91) on mobile web.

Over the past two years, travel brands that invested in their apps saw constant growth in app bookings from 12% to now 54% of all mobile bookings.



Share of in-app bookings among committed travel

Travel brands can encourage mobile adoption further by offering 'mobile only' deals. For example, airlines when launching new routes or seat sales, 'mobile only' usage can be encouraged whereby discounts are available only to users who use the mobile app.

What does that mean in monetary terms? easyJet, for example, generated more than £600 million (€672 million) through its mobile channel last year. This level of ROI shows what's achievable if you have the right mobile app revenue strategy in place.

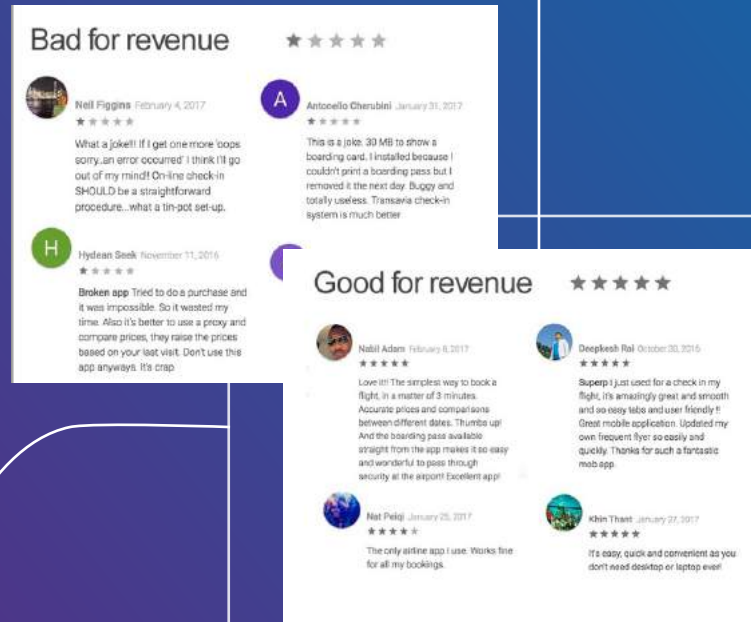
In 2014 in the UK alone, travel companies lost £2.7 billion due to a poor mobile experience.

Seamless design, with easy to use and intuitive search functions, FAQs, booking and manage my booking functionalities are essential. They can set the difference between repeat usage and top app reviews, and poor ratings and fewer users.

Better ratings = More downloads = better revenue

Higher App Store ratings are not simply a vanity metric - they are a key driver for your mobile revenue stream. Boosting your average star rating from 2 or 3 to a 4 has been shown to double downloads. As people download your app and realise the value it provides, the more revenue you can expect to realise from it.

Your ratings matter



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Frictionless booking



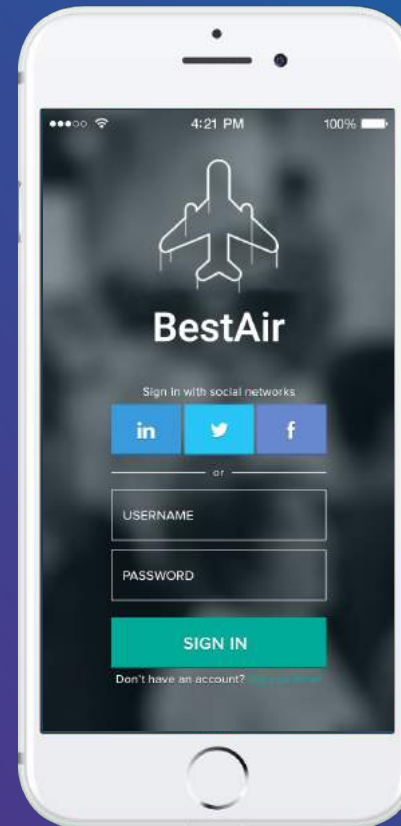
Frictionless booking

To ensure your app is your customer's go-to, you need it to be as intuitive and usable as possible. Usability cannot be underestimated in terms of app stickiness and associated revenue.

Time is the one variable travelers won't compromise on. From loading speed to bookings, the quicker and more efficient the process, the better the user experience. A well designed native app experience reduces the time customers have to spend reaching revenue goals such as a flight or hotel booking.

You can make sure to eliminate friction from the very start of your acquisition process by removing as many steps from onboarding as possible, so it's easy for customers to start their travel planning.

Account registration with social media logins remove friction



Travel apps that force users to register for an account with cumbersome forms lose users straight away in the registration process. Offering easier alternatives such as social media login can be a better way to lock-in customers. Many users will already be logged into their Facebook, Twitter or Gmail accounts, and so you're essentially removing a lot of the registration hurdle for them.

HotelTonight is a prime example of a company optimizing its travel booking to be as friction free as possible. HotelTonight moved away from its mandatory registration system for bookings, trying out a simpler inline checkout, asking customers for the basic details necessary for booking. It gave the speedy ApplePay option, and the capability to sign in or sign up of the customer's own accord.

Eliminating mandatory signup and collecting the required fields (first name, last name, email) in-line on the booking screen increased conversions by 15% for HotelTonight.

Other friction eliminators

Travel brands that want to ensure their flight, search and booking flows are fast and easy to navigate should look to incorporate the latest OS enhancements such as Touch ID, Apple Pay and Passport Scanning to name a few.

Apple Pay and credit card scanning are key friction eliminators. Payments can be made as simple as the touch of a fingertip or card, saving time and hassle associated with the more traditional manual keying-in of card details. If we consider the US alone, mobile payments are set to triple to €24 billion (\$27.5 billion) by the end of the year. It's hard not to see the opportunity for airlines to increase new and existing mobile revenues by embracing new mobile payment technologies to deliver a more frictionless retail travel experience.

Incorporating other features such as loyalty integration, automatic check in and the aforementioned passport scanning further serve to simplify the travel experience, ensuring better adoption and engagement of your airline app, and added revenue for your business.

A positive user experience



increases customers' willingness to pay by 14.4%



reduces their likeliness to switch brands by 15.8%



increases their likelihood to recommend a product by 16.6%

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Cart abandonment



Cart abandonment

Travel booking has reached a point of no return in the battle for consumer spending. Customers have grown accustomed to instant gratification and won't accept long wait times for search results to load, with 47% of online shoppers expecting a web page to load in two seconds or less.

Google tested 900,000 mobile sites globally and found the average time it takes to fully load a mobile page is 22 seconds. They also discovered 53% of people polled would abandon a mobile site if it took more than three seconds to load.

Mobile users expect rapid load times



Cart abandonment rates for the travel industry are notoriously high at over 80% according to a SalesCycle survey, so it's clear there's a need to optimize the booking experience to make sure consumers advance through the path to purchase.

Many of them, 39%, abandon their cart as they're still researching and looking for their ideal booking, but there are a few things you can do to prevent this. 53% of shoppers abandon their cart when shown the total price for their transaction. Instead of hiding the extra add-ons, be upfront about total booking costs to prevent customers from balking later down the process.

And provide as much information to customers as you can, straight away, with user reviews if possible. If they know you're offering an excellent product, then they'll be less likely to look elsewhere. Provide local info on destinations too, to save customers clicking away to find tips.

The checkout process needs to be simplified to the point that a single button press is all that's necessary to complete the purchase

at least 15% of eCommerce transactions are abandoned because the checkout process is too cumbersome

(some reports suggest up to 27%). This equates to losses of some €3 billion (£2.7 billion) for the travel industry according to Jumio.

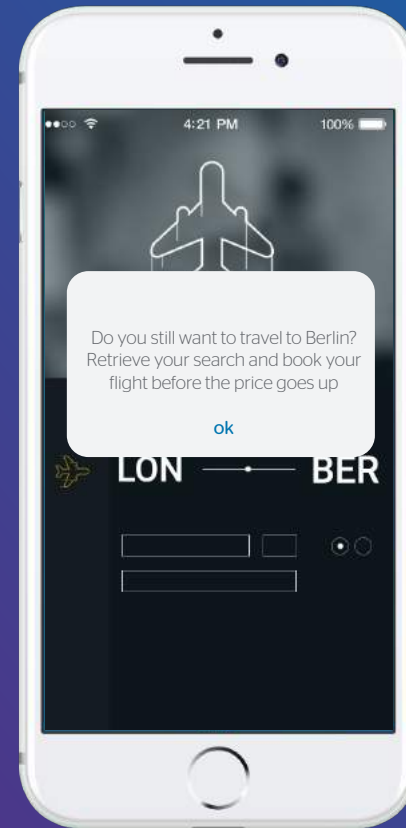
Cart abandonment tactics

To keep customers engaged after they leave your app, you might decide to send a push notification or SMS out to them an hour after an incomplete purchase, with an email after 12 hours, for example. Throwing in a coupon with the message could sweeten the deal enough to get the customer to commit to booking. As many as 87% of customers would consider returning to their booking after an abandonment.

These cart abandonment tactics, combined with using saved search functionality or last searched widgets help boost bookings after you've done the hard work of getting people to use your app in the first place.

87% of customers would consider returning to their booking after an abandonment.

Push notifications can re-engage app users



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Loyalty & profile features



Loyalty & profile features

Event conversion is **3x** more likely if the message is personalized.

As users ourselves we know how much easier it is to make and pay for bookings when our details are saved from previous purchases, but personalization can go so much further than 'that'.

Whether your customer is on the trip of a lifetime or a short weekend break - you have the info to know where they are, when and why. Build your platform to envelop their needs at the right times and contexts with an always connected, immediate, personal, reliable and truly engaging user experience to keep them coming back.

You can make booking a trip easy with saved searches, bringing customers right back to where they left off on their holiday hunt.

By combining these with the mobile payment technologies mentioned previously, booking is a cinch. There are long term revenue gains from acknowledging customer loyalty; we're more inclined to return to the same app when we know our loyalty is acknowledged with benefits for sticking around.

Additionally, if your travel brand has a loyalty program in place, you will want to ensure that it's fully integrated into the native app. Users overwhelmingly prefer to use in-app loyalty functionality - 60% of airline customers prefer to access loyalty programs via an app. By having this one integrated feature you will increase repeat usage of the app and help drive more bookings through the funnel.

Usage for top travel activities

Research by Google shows that airline customers prefer mobile sites and mobile apps for different travel activities.

App & mobile site usage for top travel activities

■ Prefer App ■ Prefer Mobile Site



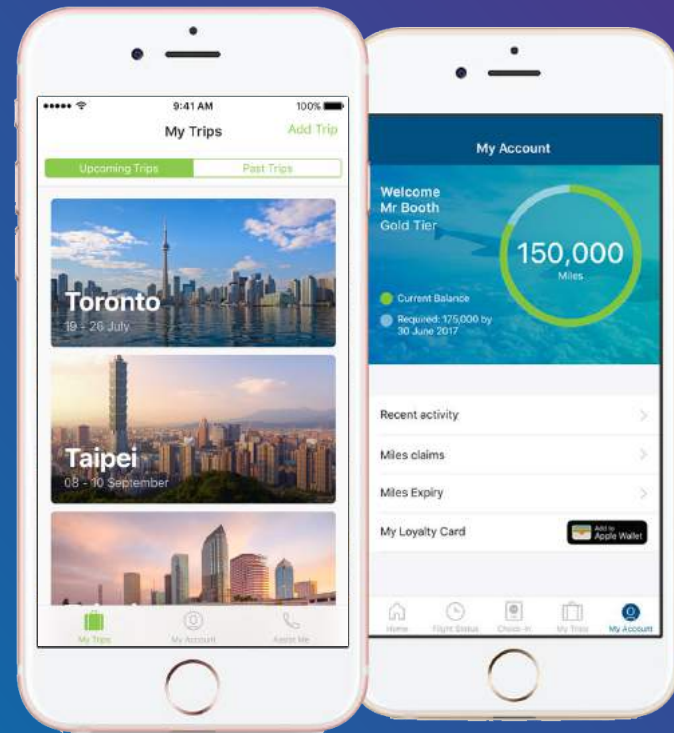
Building user profiles

60% of users prefer to use an app for loyalty programs rather than just **15%** who prefer web.

Personalization is also incredibly important as an enabler for travel brands to drive long term loyalty among their customer base. You should aim to extend user profiles and preferences beyond just saving their credit card information and the information required to book a trip; this is key to taking personalization to the next level.

To help build out more meaningful profiles you should capture and leverage data such as trip history to identify favorite routes, affinity or loyalty programs, types of hotels and rental cars, spending patterns and even user movement over times of the day. Users should be able to add to the profiles and preferences, but they should only be prompted for this at times when it makes sense.

Use personalization and profile data to engage the app user



8

A/B Testing: ongoing tweaks



A/B Testing: ongoing tweaks

With mobile interfaces, even the tiniest of changes can make a significant difference in the user experience.

A/B testing gives you the opportunity to try out two or more app screens to see which performs best. You might start with small tweaks, taking a variable at a time, focusing on the simplest and most important elements like headlines or copy, navigation, color schemes, or the all-important click-through booking button.

Sometimes it's not just about testing what you're adding, but also what you can remove. Simplify and eliminate clicks and steps in the user's purchasing process to reduce cart abandonment. Get rid of superfluous copy and functionality that doesn't contribute.

A/B testing allows you to backup your guesswork with the hard data of testing. Your app is an ongoing strategy that's going to need constant review to make sure it helps increase revenue via engagement, booking flows, and ancillary upsells. A/B testing is a critical part of this.

A/B testing for travel brands

Mobile app A/B testing makes apps better in real-time. Here are some examples:

- Booking flow A/B testing
- Airline checkin flows
- A/B testing of ancillary layouts
- A/B testing of registration flow
- Test the optimal layout of airline seats and bag presentation
- Colours, style and copywriting can all be tested

Mobile app A/B testing for better user experience



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Ancillary sales via mobile



Ancillary sales via mobile

Ancillary revenue has grown by **163%** since 2010.

Ancillary revenue is maximised when you can offer custom-fit booking additions. These could be automated based on your passenger's location and how they interact with your app. Perhaps you know your customer is on the way to the airport but their flight is delayed - let them know with a push notification and perhaps pop a meal voucher in-app. Give passengers an alert to the option to book more bags the night before their flight if they're traveling long-haul or staying for an extended period of time.

Or entice them with a seat upgrade or in-flight media or food purchases whilst they're sitting waiting at the gate. The more relevant and personalized your deals, the more likely customers are to buy them.

Earning opportunities don't end at the gate either. In-flight upgrades like Wi-Fi and entertainment can be purchased and accessed directly from a phone or tablet onboard the plane. It's just a case of making those features available and visible to passengers.

Mobile location-based services will be worth €38 billion (\$43.4 billion) in 2019.

Timing of ancillary availability in mobile

The 48-hour period prior to departure is a key timeframe for engagement in the airline ancillary sales pipeline. Approximately 30% of travelers will buy enhancements to their journey if it improves their comfort.

However, it's on the day of travel where mobile comes into its own. See the ancillary opportunities at each stage of the traveler journey from the night before their flight, day of flight and right through to arrival at destination.



10

Increase urgency



Increase urgency

Consider the busy exec who is in a taxi, running late for their flight. Advising them of relevant information, like traffic conditions near the airport, or current queuing times at security/passport control allows them to plan how best to navigate the terminal. If they now know traffic is heavy and the queue at security is long, they might choose to opt into security fast tracking or priority boarding to get back on schedule.

Frequent flyers can also be targeted based on their travel history and the personal details you've stored about them. With their travel dates, destinations and security details all at hand, you can offer travel insurance with one click, or airport transfers at their destinations.

With lockscreen notifications, you can make sure you're in the eyeline of your customers without them even being on your app. This targeted mobile push messaging can increase ancillary revenue by 55% - 100% and helps to own the traveler by preventing them from buying from your competitors.

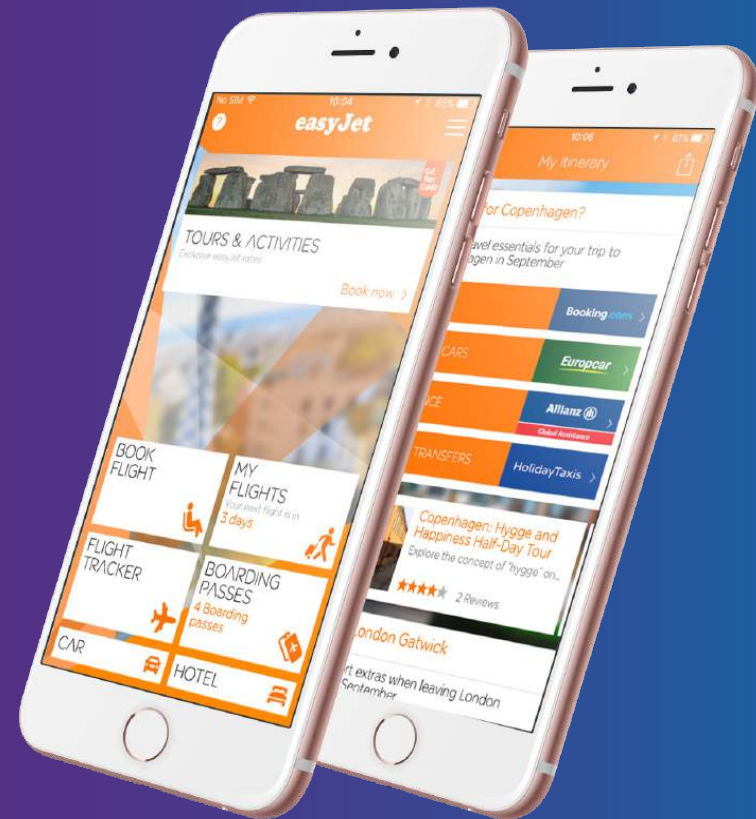
mCommerce context is not just about making relevant offers to your customers, but making them at the right time and place so they become irresistible.

Real revenue gains from ancillaries

easyJet now generates 20% of booking revenue through its mobile app.

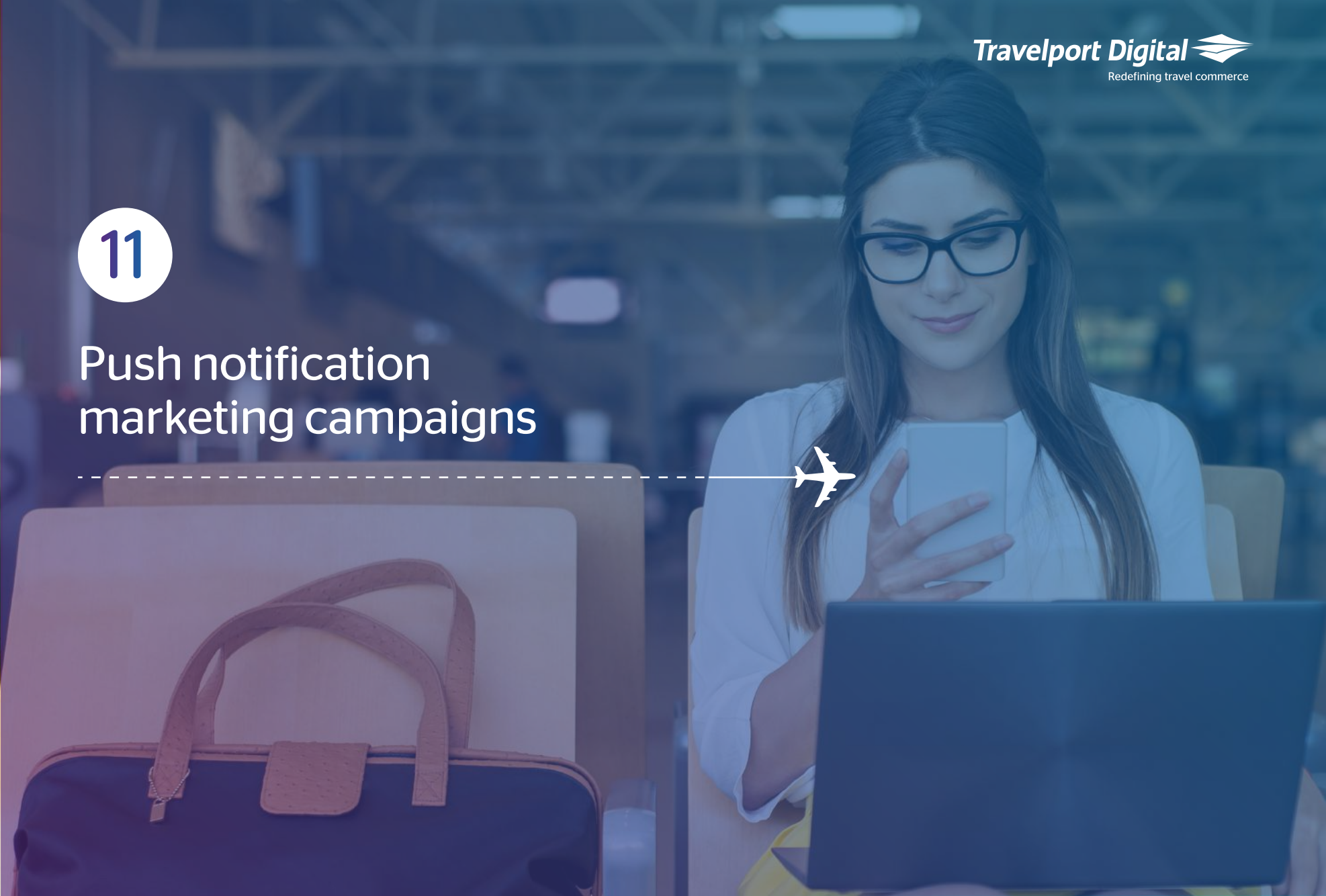
Since the airline added ancillary buying opportunities on mobile and at check-in, it's experienced a 43% growth in sales year on year.

easyJet mobile app ancillary opportunities



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Push notification marketing campaigns



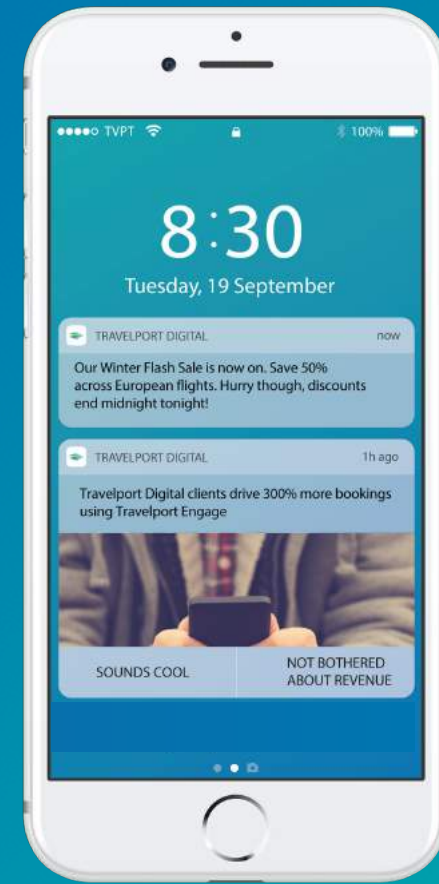
Push notification marketing campaigns

On average, push-enabled users launch apps three times more than users without.

As we've explored, push notifications are an incredibly powerful way to engage with existing customers to improve the user experience and add revenue throughout their journey. But they're also a highly effective way to boost bookings as part of an integrated marketing campaign.

Perhaps you've just launched a seasonal holiday sale and you want to send a message to your app users to let them know. Maybe you want to announce a new airline route or flash sale in a particular country. Using a broadcast push notifications you can send a message to your whole user base. Our client data shows 300% more bookings on the days when push notification marketing campaigns are used.

The power of push notifications



Segmentation is key. Personalized messages based on demographics such as where a person lives or what their previous buying behavior has been will typically generate up to 3 times more conversions. You could extend your segmentation by sending more personalized push messages to users based on their origin, destination, and route; the date of their trip; the cabin class they're traveling in; their nationality and language; frequent flyer status; age and gender.

One word of warning though. The frequency of sending these types of messages needs to be carefully managed. Your hard work in building a great acquisition strategy can be undone by delivering too many promotional marketing campaigns.

60% of people will uninstall an app if they feel they receive too many of these types of notifications.

12

Making the most of mobile intelligence



Making the most of mobile intelligence

Data analytics for mobile is a whole different kettle of fish to traditional web. The rules for engagement have been written since the dawn of web analytics, but those same principles don't translate directly over to mobile. With the web we know what to analyze: the number of visits, pageviews, quantify the time a user spends on a page, bounce-rates, CTA conversions and the works.

But with mobile, you'll be honing in on app performance, install and uninstall numbers/rates, cost per install, push message engagement and monthly active users. Having a clear set of objectives related to your mobile strategy is key otherwise you will never know if you are succeeding or how to make decisions in the future.

- Average order values on apps are worth 27% more than orders on desktop.
- It is expected that \$94 billion will be generated in travel bookings via mobile by 2019.
- Companies that set high goals for mobile customer engagement and achieve those goals observe net margins and revenue growth 5.1% and 6.1% higher than their industry average.

As we've explored, insights into customer spending habits are valuable to ensure you deliver a personalized, timely and contextual experience. It will allow you to know when to prompt travelers to book their hotel, transport, or even their next holiday booking, knowing where they're likely to want to go.

A large 24% of travelers are open to receiving offers after their trip, so it's essential to be aware of this and time your messages and engagement accordingly.

To simplify a data analytics strategy that informs your mobile revenue plans you will want to break it out into how to acquire users, understand behaviors and grow value.

With mobile analytics, you want to know - for example - when you acquire a new mobile traveler, which of your marketing channels was responsible. This will allow you to measure the most cost-effective user-acquisition channels. You will also want to measure attribution; look at all the touchpoints that contributed to an install or booking and how users engage with your app — where they enter, where they exit, how long it takes them to convert - their lifetime value etc.

13

Understand behavior
and grow value



Understand behavior & grow value

With travelers using your app and interacting with its features, you'll want to understand what those users are doing, what they need, and identify any points of friction. An omnichannel approach to analytics is required to see what device is being used for what purpose.

Consumers use multiple devices in the buying journey, from travel inspiration to searching for flights/hotels, to booking. For example, 25% of all cross-device transactions completed on a desktop started on a smartphone, and 35% of those completed on a smartphone started on a desktop. A traditional analytics approach just looks at activities on a single device, providing only a partial view of a multidevice journey. Travel brands should use a more advanced cross-device analytics approach

Check out what features are being most heavily used in the app, what's not being used and how to improve the user experience by utilizing data analysis. This way you can see the growth and value of your product's features, investigate what effects they have on the user's purchasing habits and how this leads to improved conversions in the long run.

Leveraging this data will allow you to present the right products at the right stage in the booking flow. It will help you drive additional ancillary sales at the optimum time throughout the travel lifecycle. And it will help improve the segmentation and personalization of push notifications that will help upsell premium seats for example.

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App analytics tracking engagement & value



App analytics tracking engagement & value

Use analytics to understand the different audiences; how they use mobile when they are travelling and then how best to offer them messages based on these insights.

At a basic level, travel brands should have the following analytics tracking in place.

Fundamental app analytics



15

Mobile is the new,
dominant value pocket



Mobile is the new, dominant value pocket

Almost ten years ago the world of travel started to embrace the concept of e-commerce. Executive's focus began to slowly shift from systems of record to e-commerce as a share of quantity of the economic value created in the organization's value chain. Five years on, it's clear that the digital landscape is changed forever, with forward-thinking travel brands focusing on an omnichannel approach to their e-commerce strategies.

Today, with the world of mobile opening up a world of possibilities there's a shift in how consumers use technologies such as wearables, AR/VR and mobile payments and how these technologies impact behavior particularly related to travel. Some of these capabilities exist within the traditional sphere but increasingly these new possibilities exist outside of the traditional digital or desktop realm.

These new opportunities bring a different set of challenges when it comes to skills sets, organizational structures, and marketing strategies. Today, mobile is being viewed as a new, separate value pocket for airlines and travel companies around the world.

Travel businesses can't afford not to invest in mobile.

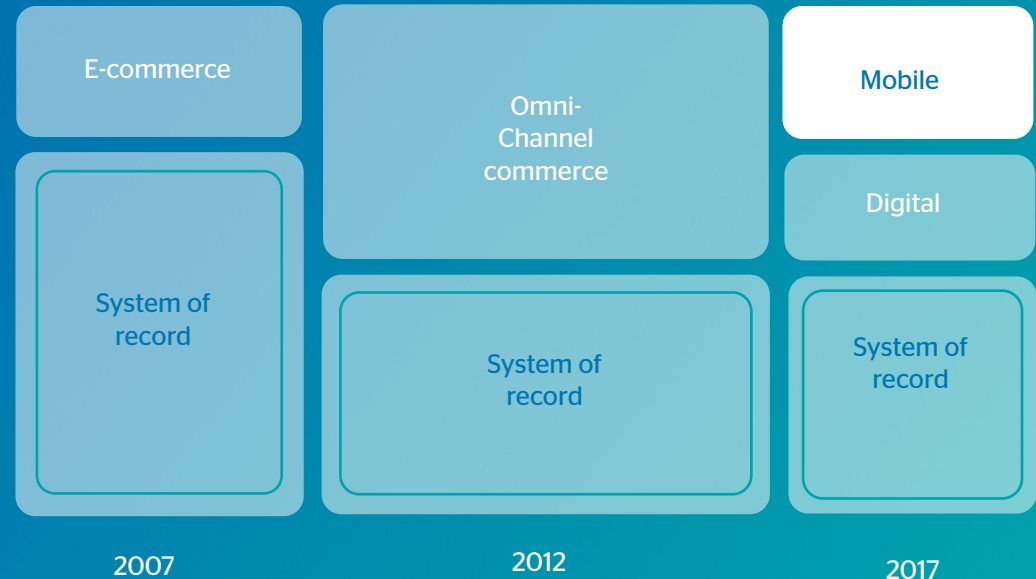
Due to this shift of quantity of economic value mobile creates in an organization's value chain mobile should receive a relative share of CAPEX and OPEX to capture this potential value. Those responsible for driving business strategy need to realize that they cannot afford not to invest in mobile. Mobile represents a value pocket equal to digital today that will continue to grow over the next 5 years.

Despite the relative size of the icon on the device, mobile is huge in terms of value. You only need to think of mobile only travel brands like Uber, with gross-bookings of \$20 billion in 2016, to see why a shift in thinking is now required to future-proof business growth.

Key value drivers in mobile

- Mobile marketing is overtaking any other medium. Mobile presence is therefore required to benefit from the growth of marketing spend
- Consumers are increasingly turning to good mobile experiences due to the ease of use and speed, leading to improved conversions
- Mobile enables contextual design to drive personalization strategies for pricing and ancillary upsell
- Mobile enables contextual design to drive personalization strategies for pricing and ancillary upsell
- Overall customer experience outperforms any other channel, leading to improved repurchase intention
- Exponential number of interactions in mobile lead to strong brand awareness
- Mobile in the customer journey leads also to major productivity improvements for the travel company

Omnichannel approach to e-commerce



16

Conclusion



Conclusion

Consumer behaviors are changing. We're always-on, with our mobiles constantly by our side, throughout every day and journey. The bar has been set high by the big tech brands to provide a seamless, high-quality user experience. Travel companies need to follow their lead before their brands become irrelevant and replaced.

We need to be mobile ready with a top-class level of engagement to reap maximum revenue potential and set ourselves apart as top brands. At this stage, you have an idea of how to get your booking system as friction-free as possible to keep customers from wandering and can back this up with push notifications to help counteract cart abandonment.

You know loyalty needs to be rewarded, and personalization prioritized. And that the timely and contextual nature of mobile brings added openings for ancillary sales than its more traditional browser counterpart, and with that, intelligence mining opportunities for discovering how best to target consumers.

By ensuring you've got the right mobile tools in place, an up-to-date plan to drive revenue and the proper investment required from your board you'll be finely placed to take advantage of the opportunities that exist in this expanding and exciting space.

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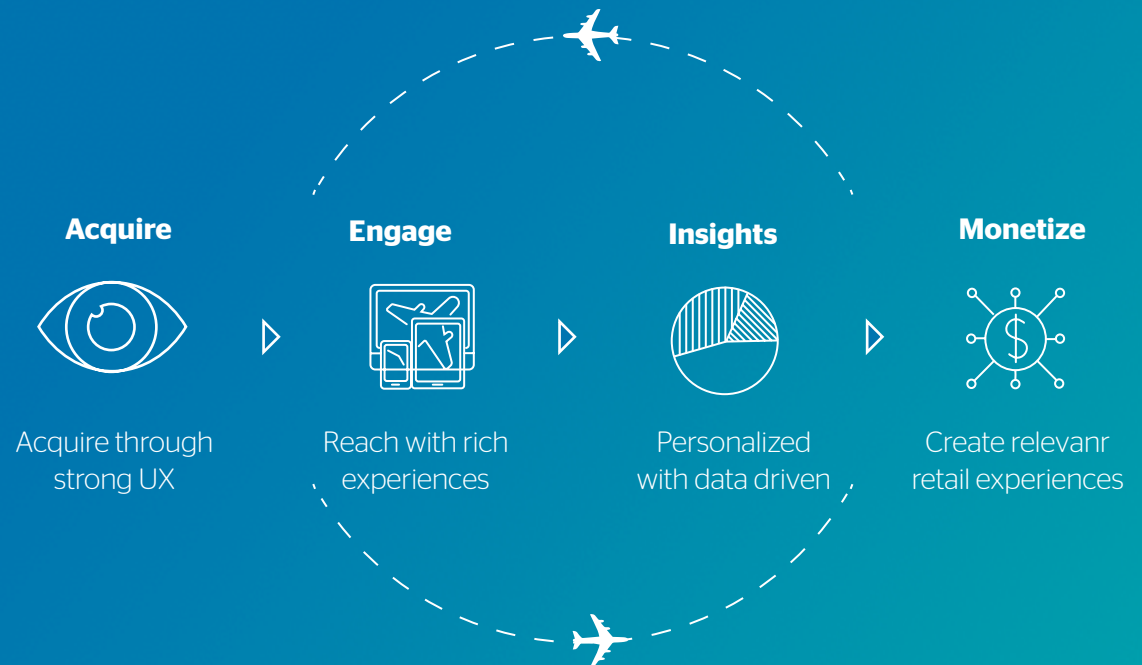
Travelport Digital at a glance



Travelport Digital stats

Travelport has a proven track record of delivering award-winning solutions for airlines and TMCs that provide unique ways to provide a more compelling and engaging traveler experience.

- **32+** million app downloads (as of July 2016)
- **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
- **280+** mobile experts dedicated to travel
- **27** industry awards for our apps (2014 - Present)



Acquire by providing high-quality user experience that delivers core mobile capabilities to address the needs of the traveler.

Engage by helping manage the flow of information to and from the customer.

Insights providing you with user analytics to better inform the user experience and future investment decisions.

Monetize through a combination of core functionality, real-time messaging and self-serve options for the traveler we provide you with the opportunity to generate significant returns on your investment by opening up a new revenue stream and helping reduce operational costs.



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Travelport Digital 
Redefining travel commerce