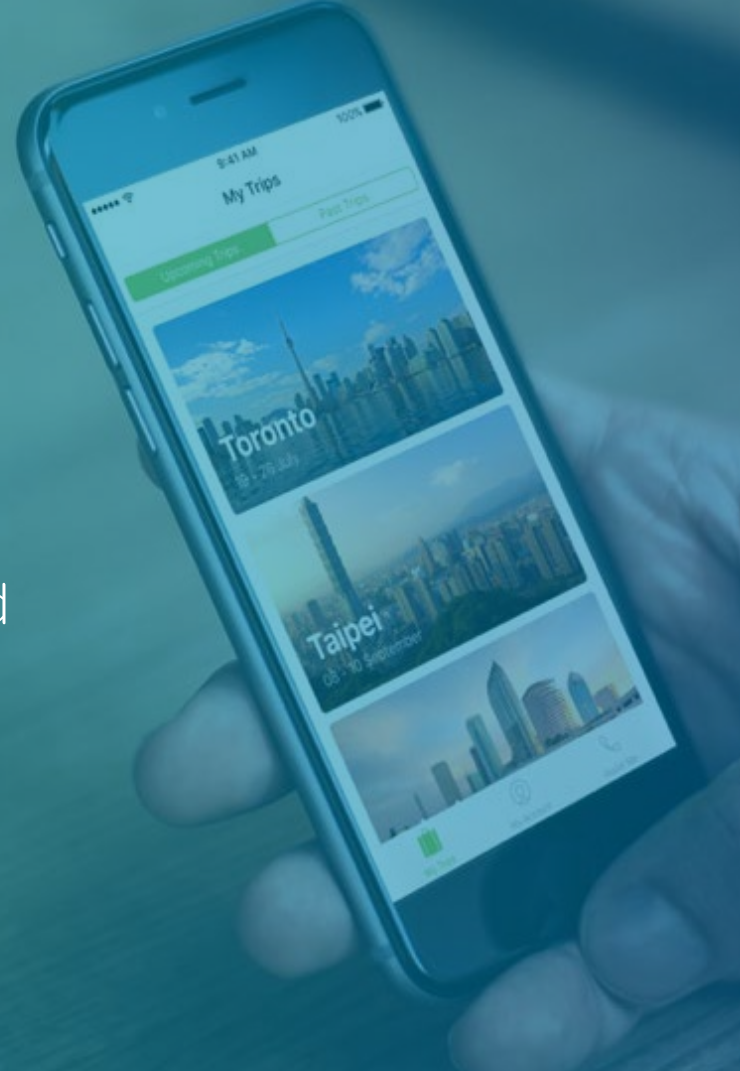


The Engagement Economy in Travel

How travel brands will succeed
in the new mobile world



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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 our digital services transform how they interact with their customers.

digital.travelport.com

Introduction

Increasingly, consumers are choosing brands based on how they make life easier and how seamlessly these services fit with their busy schedules.

These consumers are more informed, more savvy and more selective about the brands they do business with; they seek out those that demonstrate they understand "me", and those they can engage with at a personal level. The core challenge for brands in today's fast-moving world is to gain the attention and loyalty of consumers.

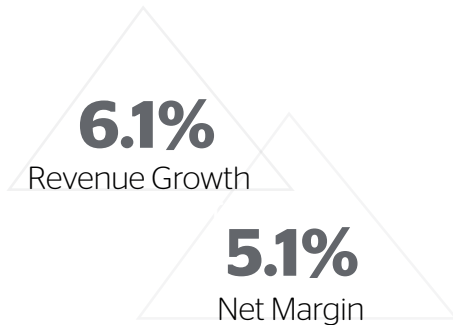
The rise of the digital consumer, powered by the ubiquity of mobile smartphones, heralds a fundamental shift in how brands can connect and add value to consumers lives. Consumers' downright dependency on mobile, coupled with the expectation that their favorite travel brands are also keeping up with the trend, has created a phenomenon we call the -

'Engagement Economy'.

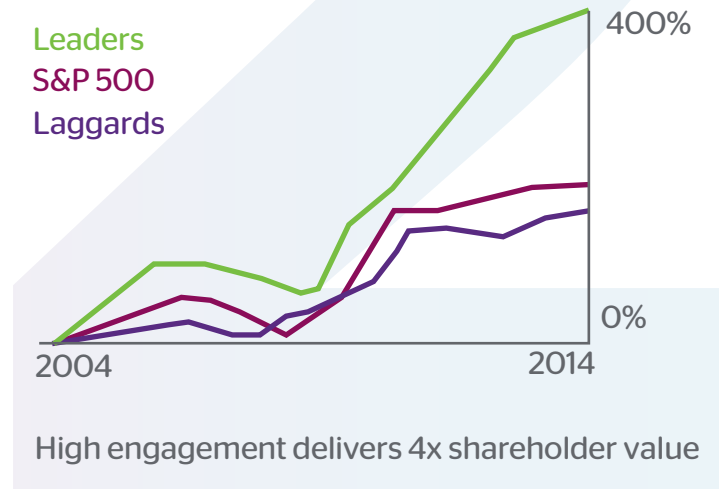
What is the Engagement Economy?

Today's digital consumer is always on. They are always connected and always open to services that demonstrate an ability to remove friction, add value, and make the consumption of services as seamless and automated as possible. The response to this drive for connectedness in the travel industry has been characterised as the Engagement Economy.

Brands that get communication right in the Engagement Economy have a better chance of fostering long-term relationships, leading to the improvements in revenue, profitability and customer loyalty that this brings.



Engagement delivers real business value



Understanding how, when and why travelers want to be engaged is key to successfully participating in the Engagement Economy. Customers expect the brands they do business with to be fully operational and reciprocal in their engagement. Therefore, the onus is on airlines and travel companies to deliver authentic, personalized experiences into the palm of their customers' hand via mobile.

The next two graphs show you the difference between -

- A) The traditional engagement timeline for travel brands with a limited digital strategy compared to
- B) The world of engagement opportunities that exist in the end-to-end traveler journey through a well-planned mobile strategy.

Bringing you from limited engagement...

Trip
Research



Corporate
Booking
Tool



Information
Desk



Information
Desk



Fax/Email
Support

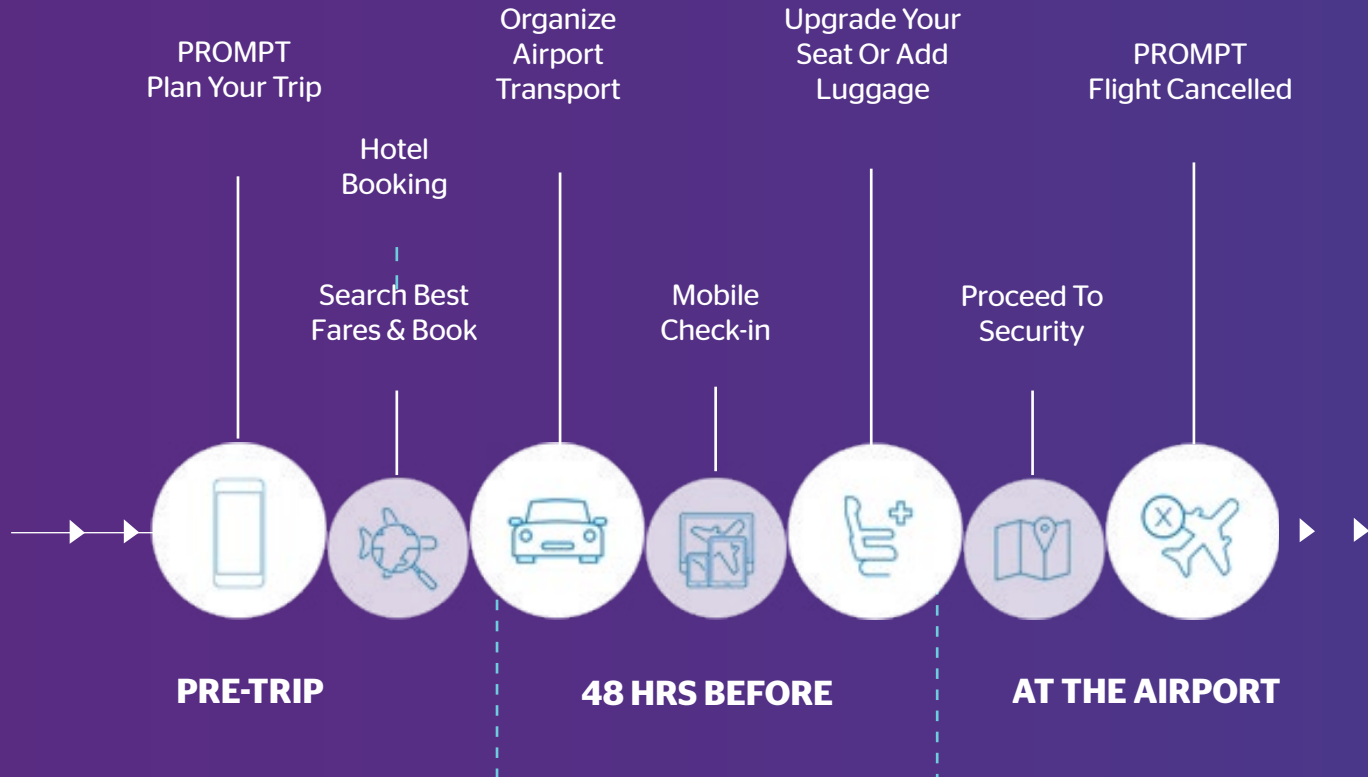


PRE- TRIP

AT THE AIRPORT

AT DESTINATION

...to multiple touchpoints for engagement





PROMPT
Go To Baggage
Belt 10

Real-time Agent
Interaction

Mobile
Boarding

Mobile Itinerary
Updates

PROMPT
Purchase
In-Flight
Entertainment

Book Your
Hotel

Personalized
Trips /Feedback

AT THE AIRPORT

IN-FLIGHT

DESTINATION

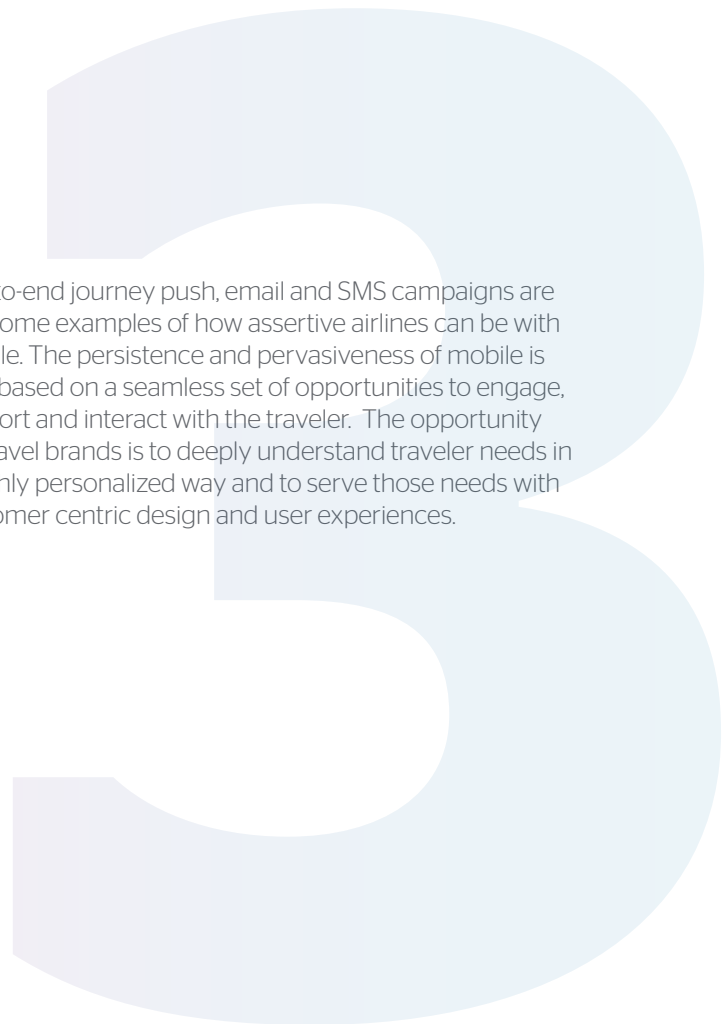
POST TRIP

Big change

Prior to the mobile culture that has burgeoned over the last 5 years, opportunities to engage were more limited than they are today, often not extending beyond the initial booking.

Customers could call advisors on the phone or consult with them at kiosks in the airport. Failing that, they could pay to access the internet in one of the stationary desktops at the airport terminal. We now live in an era where mobile phone ownership has reached unprecedented levels, and the ways that travelers and travel companies can interact are seemingly limitless. With mobile, airlines can create additional touchpoints beyond the traditional half dozen or so identifiable points in the traveler journey.

End-to-end journey push, email and SMS campaigns are just some examples of how assertive airlines can be with mobile. The persistence and pervasiveness of mobile is now based on a seamless set of opportunities to engage, support and interact with the traveler. The opportunity for travel brands is to deeply understand traveler needs in a highly personalized way and to serve those needs with customer centric design and user experiences.



Mobile culture

We have become a society of mobile phone users and we are increasingly placing more value on their importance in our lives. More than 3 out of 10 people would forego in-person interactions and 45% would delay making holiday plans if they couldn't depend on their mobile.

Mobile has now become a primal need



More than 3/10 would stop seeing their friends in person



Almost a 1/3 of Americans would rather give up sex for a year



45% said they would put off going on vacation



46% would be willing to give up a day off work per week



More than 55% would rather forgo dining out for 12 months

The statistics on the previous page say more about the times we live in than the individuals surveyed. The shift in human behavior and dependence on mobile has been so fast, so widespread, and so uniform, that it cannot be attributed to a singular development or device - nor is it the sum of a device's functions. Mobile has modified how people interact and, at the same time, irreversibly changed human behavior. In addition to this, the constant flow of new technologies - such as Apple Watch, Samsung Gear, mobile payments (Apple Pay, Android Pay), virtual reality, augmented reality, bots and artificial intelligence - have conjured up seemingly limitless opportunities for brands to engage and empower their customers via sophisticated apps and mobile services.

What's more, customers fully expect the brands they do business with to be fully operational in the Engagement Economy, and the brands who fail to engage will ultimately suffer.



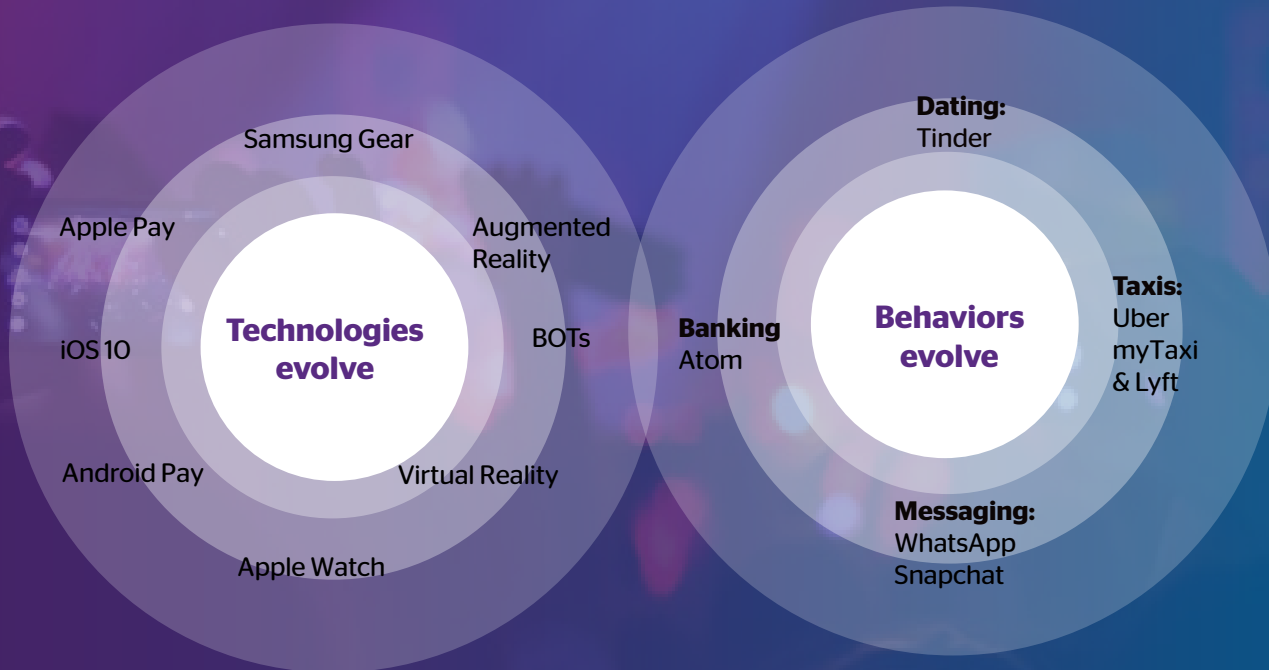
Consumer expectations

The creation of a hyper-connected infrastructure has grown out of putting people in touch with the services they need with those willing and able to provide them.

Mobile-first and mobile-only companies such as *Uber*, *Lyft*, and *AirBnB* have created digital empires without actually owning a fleet of cars or chain of hotels; the key to their success is connecting demand and supply with an understanding of how to enable seamless utilization of those services

Mobile-only communication platforms such as *WhatsApp* and *Snapchat* prove the propensity and willingness for people to make their lives mobile - these changing technologies and pervasive behaviors have fundamentally changed how we socialise, communicate and do business. If you're not meeting your customers on mobile then you're not on-board with the Engagement Economy.

The 'Mobile Culture' of today did not exist 5 Years Ago



“ To win travelers’ business, you have to commit to being there and being useful in relevant micro-moments across the travel customer journey and across devices. ”

Micro-moments matter

The knock-on effect of consumer expectations is that interactions have become instantaneous; in mobile culture, lonely hearts are discarded with a left swipe, opinions are retweeted without thought, and messages are approved with a simple ‘like’. Every time a user interacts with a brand’s digital service, they are making a snap decision, positive or negative, that further informs their perception of the brand.

Are you proactively seeking out opportunities to identify and help your customers? Where are you when your customer is making decisions about your brand in a sub-second time frame?

Engagement Economy and the continuity of attention

“ Mobile is at the heart of maintaining continuity of attention and should be the core focus of travel brands ”

Consumers are demanding that brands continue to add value if they want to garner positive reciprocation in the Engagement Economy. The parameters of how success is judged have changed - success is defined now by how useful product and service suggestions are to the consumer. How receptive they are depends on the value they place on these suggestions in addressing their specific pain points.

Mobile is at the heart of maintaining continuity of attention, and although challenging, it should be a core focus of airlines and travel companies. Consumers are looking for a level of sophistication that translates as understanding and acknowledgement, for example, remembering known preferences from previous transactions. Data on customers can lead to greater personalization and is subsequently a primary driver of revenue and sales in the Engagement Economy.

Better mobile strategy = better engagement

Travel brands can't afford to be complacent in the Engagement Economy era. They must prove their commitment to earning and retaining business by building authentic relationships with their customers.

The old way of travel booking focused on the destination and a single transaction, and there were few opportunities to engage with consumers after this initial exchange. Once they parted ways with their customer, travel companies had little or no opportunity to influence or mitigate the negative aspects of the customer's experience. Unless customers emailed or called, typically during office hours, they were essentially off the radar. Evolution in technology has changed all that.



The days of structured itineraries bundled together in a wallet of essential travel documents are fading fast and a highly engaging mobile strategy is called for to replace the conventional way of doing things. We've moved from a retail-led experience to one which is about instant gratification and the immediacy at which we can access personalized information from our mobile devices. Consumers want relevant and immersive experiences and won't settle for anything less.

However, even now, customers and travel companies are still not benefiting from all that mobile has to offer. They are tolerating less-than-efficient mobile experiences - long loading times, unresponsive website design, limited functionality, and lack of integration.



**Cart abandonment
over 80% in travel industry**



Why a good mobile strategy matters?

In the travel industry we are seeing a huge shift towards personalization and addressing the individual. Current statistics show:

3x

the conversion rates with personal content rather than generic content.

4x

the conversion rates using push notification.

Brands must demonstrate that they understand their customer's preferences and expectations at every step in the travel journey. So long as it is useful to the customer, frequent engagement is valuable to the travel brand since it adds to the customer database, creating a clearer picture of their wants and needs. This information provides the scaffolding for future interactions.

In 2016, research by Wunderman identified the concept of **'wantedness'**, which was immediately seized upon by marketers wondering how they could harness it to improve their bottom line. The study, conducted by Penn Schoen Berland, surveyed a varying demographic of 1000 people and identified the key features of the concept. According to the report, 56% of US and 54% of UK respondents said they feel more loyal to brands that show a deep understanding of their priorities and preferences

“55% of people said that they feel more loyal to brands that show a deep understanding”

By generating multiple touch-points via mobile, creating experiences that are personalized to different types of travelers, travel brands have more opportunities to add value and monetize customer relationships at the right moment in their digital journey.





Does this brand 'get' me?

Consumers crave brands that understand, engage and appeal to them on a personal level - that is one of the chief characteristics of the Engagement Economy. According to research, consumers will share their data in exchange for more experiential benefits, like recommendations or tools that will help with complex or stressful decisions. As travelers our expectations have changed; we now expect an experience where everyone and everything is connected.

Travel can be stressful and emotional, so knowing at which points to reach out to make a relevant suggestion is invaluable to your customers. In so doing, you are delivering on their expectations to always be there and present, to understand me, predict my needs and fulfil them immediately.

In showing that you 'get' your customer and by increasing their feelings of wantedness, you have the opportunity to make a real difference to the brand loyalty of your company. Mobile is the only way of ticking all these boxes, and native apps are currently the optimal method for providing continuity between travelers and travel brands.

Within the context of travel, being where your customers are is challenging given the dynamic and fluid nature of airline operations - people are constantly moving through the travel cycle, and their needs change as the context changes. But to effectively engage your customers you need to be where they are when it matters most.

According to the Wunderman report, **90%** of American and **89%** of British consumers believe that mobile empowers them to make better purchasing decisions. Airlines can capitalize on this by making suggestions that are mutually beneficial to both the company and its customers - whether it's upselling ancillaries or fulfilling a moral obligation such as advising of civil unrest at a destination.

Mobile traveler journey multiple touchpoints for engagement

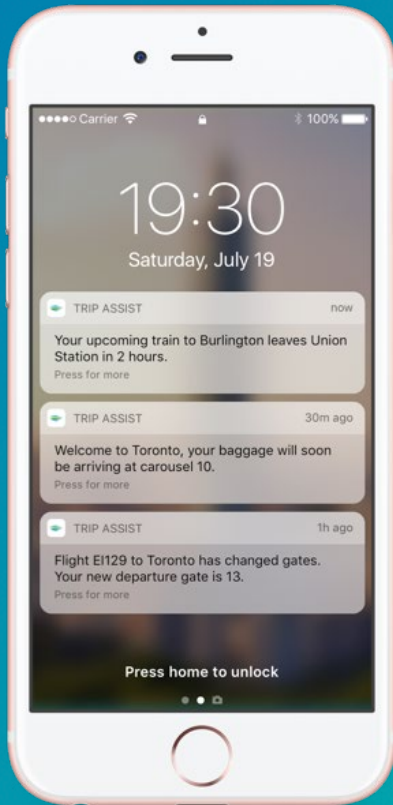
From getting to the airport, check-in, departure and arrival at the destination, there are certain constants associated with air travel. While this is just one simplified example, it can be adjusted for other travel industries. In fact, opportunities for digital engagement even change depending on whether you're flying with a low cost or legacy airline.

At each of these points mobile can support the customer and improve their travel experience by proactively guiding them through the next step, prompting them to smooth their journey with helpful ancillary offers, or by reactively responding to their requests. The negative, unpredictable aspects of airline travel can be mitigated with the help of timely mobile notifications, so your customers don't have to feel frustrated at the lack of communication during high-stress situations.

LOSE engagement, LOSE out

In the world of connected travel, if the continuity of engagement is fractured or interrupted, you run the risk of losing a customer. In the Engagement Economy, loyalty is not a given and it must be earned across every touchpoint of the customer journey.

Through digital technology travel brands can now create more touchpoints with the traveler at every stage of the trip, engaging them and building meaningful relationships. It is within the context of the Engagement Economy that your travel brand will first see returns on investing in a mobile app. **On average, push enabled users launch an app three times more than users that do not have push messages enabled.** Additionally, the right information at the right time delivered via the most personal device - smartphone, watch or tablet - should be the keystone of any engagement strategy.



One *Travelport Digital* client reported a **300%** increase in sales engagement when using our real-time messaging engine (Travelport Engage).

To stay competitive in today's environment travel brands need to reinvent themselves as fundamentally digital organizations, treating the customer experience as a mission-critical deliverable and meeting them on the platforms that they're active on - whether that's social media, or a particular operating software. Travel brands must also strive to create superior digital experiences to win, serve (e.g. self-service, 24/7 support, live chat), and retain (e.g. proactive service) these increasingly powerful - and flippant - customers.

Great mobile experiences deliver engagement & value

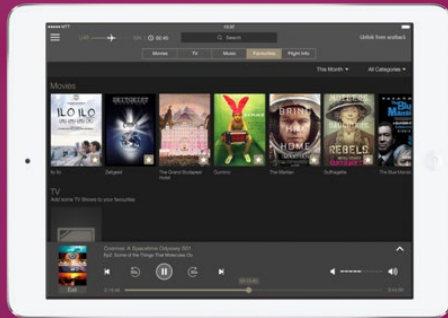
Despite what you think you know about the traveler journey, most travel brands are still making decisions based on a template carved from generalisations. With the correct mobile strategy and app, you are furnished with a tool that enables you to learn more about your customers as individuals in addition to becoming their most trusted travel companion.

You can uncover trends and patterns of behavior that can be used to identify new revenue opportunities, influence customer experience, and have stats with the power to justify investment decisions.



There will be winners and losers

Winners in the Engagement Economy include those who have used digital to drive their competitive advantage and propelled mobile to the front of their customer offer.



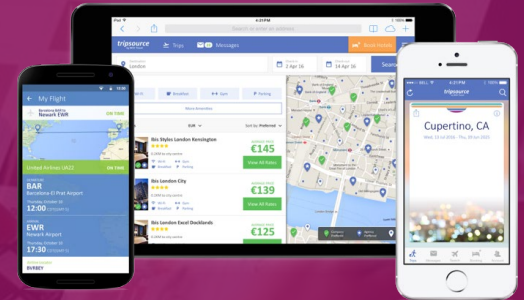
SINGAPORE AIRLINES

1st To integrate with Panasonic IFE



easyJet

6 Mobile first developments in Europe



BCD travel

1st Launched mobile first before responsive web

In the travel industry specifically, *easyJet* pioneered six mobile-first developments in Europe; *Singapore Airlines* were the first global airline to integrate with *Panasonic's* customized inflight entertainment and communications (IFE) solutions, meaning passengers could use their own device to access media and services; *BCD Travel* boldly went where few had dared to go when they launched their mobile-first offering, their app, in advance of the responsive web.

“ Mobile is the future of our business. [It] started as an itinerary management tool, but it’s migrated far beyond that. ”

BCD Travel President and Chief Executive Officer John Snyder



Some brands lost their battle in the Engagement Economy when they failed, or were too slow, in adapting their business model to comply with the changes happening in the digital sphere. They have become much talked about examples of what not to do. *Blockbuster* Video had a huge brand presence and thousands of physical locations in the U.S. alone, yet when *Netflix* was born out of frustration over late fees at a *Blockbuster* video store, it simply couldn't adapt to the new business model based entirely around online ordering and returns via post.

A digital company that was little more than a website with a warehouse of DVDs that they shipped to people in the mail put *Blockbuster* out of business within 24 months and a media rental behemoth was rendered irrelevant. The simple explanation is that *Netflix* had a better business model offering the customer an experience they actually wanted - and *Blockbuster* failed to change quick enough.



Vs

NETFLIX



Another victim of the Engagement Economy was the mobile company, BlackBerry - the business phone of choice before Apple and AT&T stole its thunder and the company's shares plummeted from \$20 billion to \$3 billion.

However, it couldn't quite be characterised as an ambush - BlackBerry was growing its business at the precise time that Apple was launching theirs. And even if Apple did catch up, no one expected BlackBerry to drop out of the race completely.

The difference between the two companies was that BlackBerry didn't understand consumers wanted an experience that was seamless and delightful, new and innovative. BlackBerry stuck with its tiny thumb-numbing keyboard because they thought it's what business people wanted - meanwhile, those same users were being lured by the simplicity and novelty appeal of the new kid on the block, the now seemingly indomitable iPhone. Simply, Apple provided the service that customers wanted. At the beginning this was primarily touch screen technology, closely followed by the App Store and explosion of apps for core services in 2008.

It became a case of boring BlackBerry for business and innovative iPhone with fun apps for personal use. BlackBerry quickly faded into the background as Apple went from strength to strength.

Whether big, once-in-a-lifetime experiences, or small intimate interaction, an engaging mobile experience must meet the expectations of today's connected traveler.

Travelers now expect an experience that is...

Connected [Seamless]

Immediate [Now]

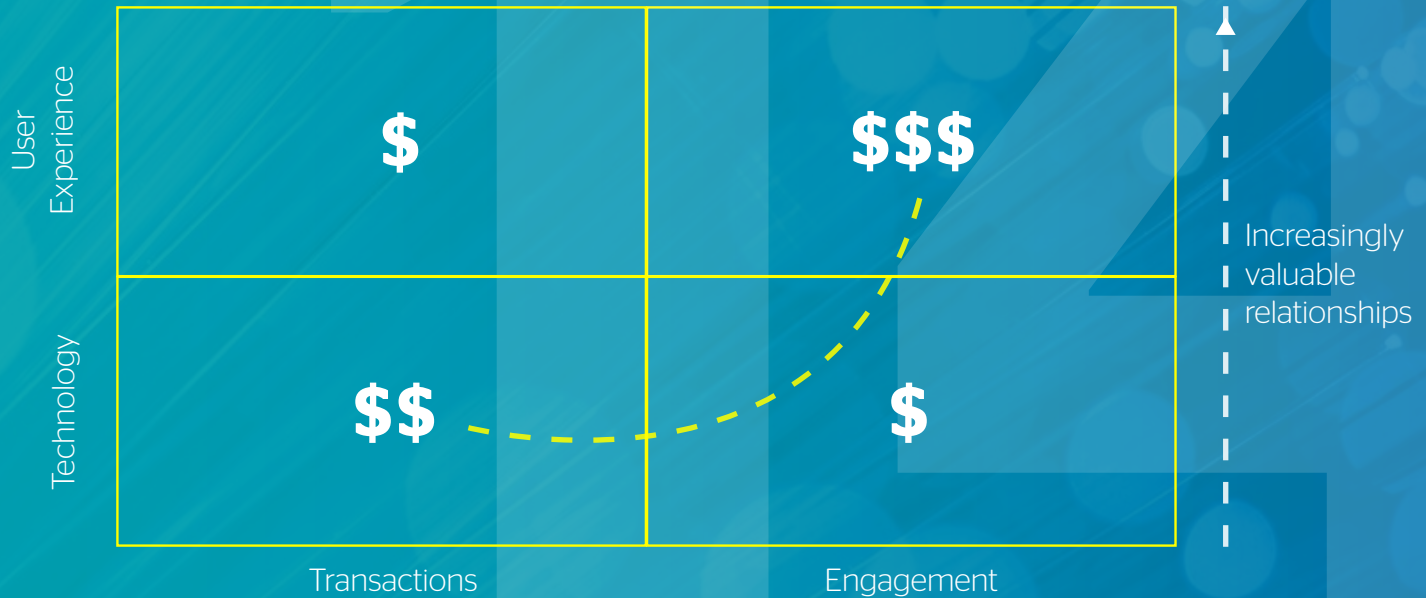
Personal [Me]

Reliable [Trusted]

Engaging [Delights]

New future model

By focusing on improving engagement and a better user experience travel brands can succeed



Planning for the engagement economy

In terms of establishing and nurturing valuable customer relationships, travel brands need to harness the power of technology and transactions. They need to underpin this with an exemplary user experience that maximizes engagement.

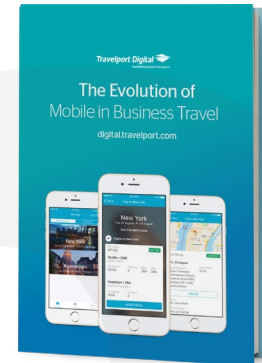
In the Engagement Economy, it's not enough to be present and predict the needs of your customers, you must be poised, ready and willing to fulfil them. If you don't add value to your customers' experience in a highly competitive climate, you could be pipped at the post by a competitor.

Want to know more about what the future holds for travel management companies, airlines and mobile?



EVOM for Airlines:

[Download ebook](#)



EVOM for TMCs:

[Download ebook](#)



About the Author

Fergal Kelly

is the Chief Commercial Officer at
Travelport Digital.

Fergal has extensive experience across multiple industries in commercial, strategy, marketing, and product management. For the last 12 years, he has worked within the travel industry and has a strong track record in strategic execution. Fergal is deeply attuned to trends in the travel sector and future-facing technology, including mobile.

Source:

(1) Wunderman, www.wantedness.com, 2017 (2) What Is the Future of Data Sharing? Quint & Rogers, October 2015 (3) Localytics Data Team, June 2015 (4) Wharton University, Reed, December 2015

Travelport Digital 
Redefining travel commerce



digital.travelport.com



+3531 485 3452



hello@travelportdigital.com