



MOBILE IN TRAVEL: THE END-TO-END IMPACT

The perspectives of suppliers, online travel agencies, and other industry players on the challenges and opportunities



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Mobile in Travel: The End-to-End Impact | The perspectives of suppliers, online travel agencies, and other industry players on the challenges and opportunities

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Author: Martin Cowen

Editor: Sean O'Neill

Design: Sensical Design & Communication

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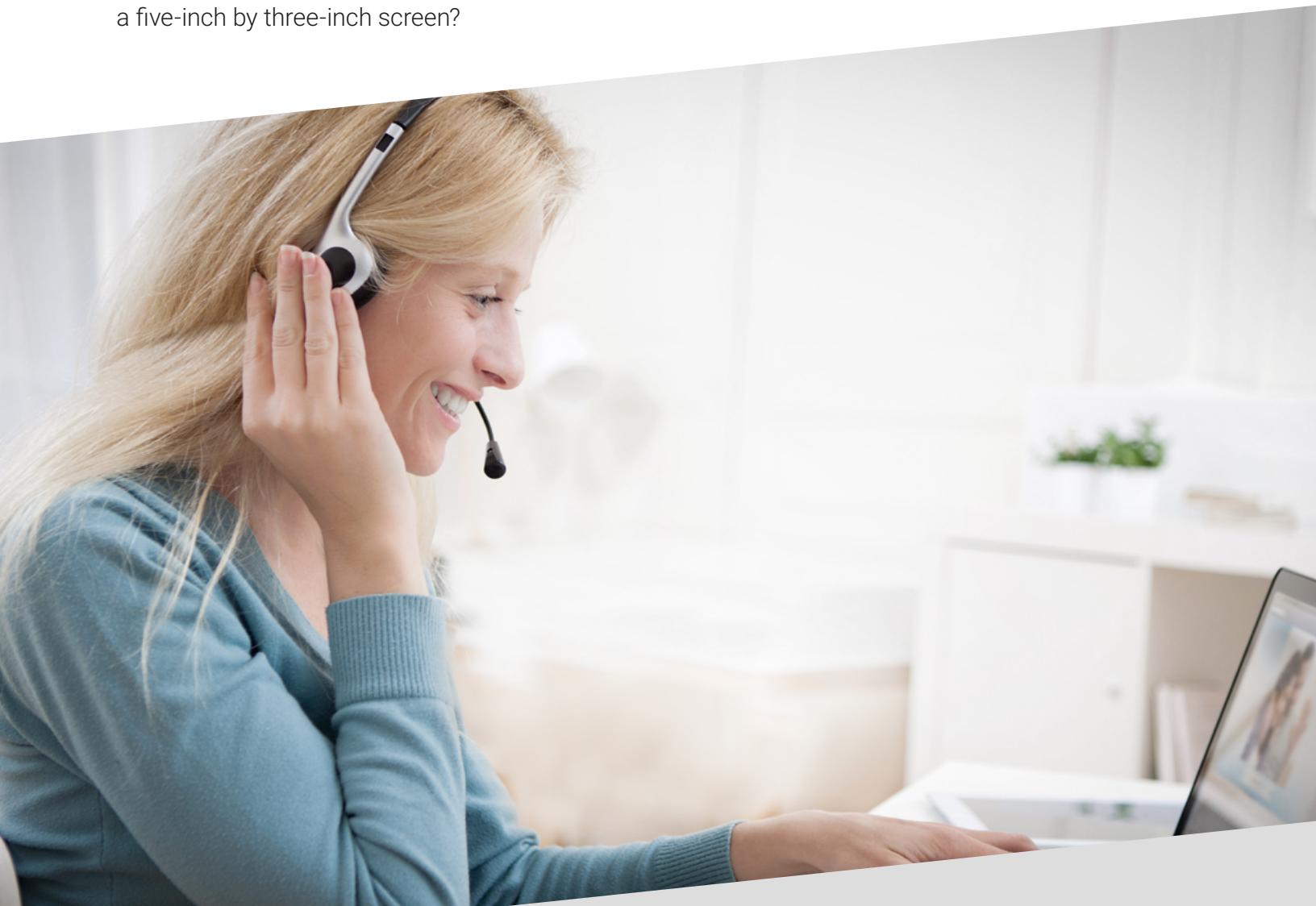
INTRODUCTION

The way we live our lives is changing at an unprecedented rate, with mobile driving a sea-change in the socio-economic paradigms of 21st-century life. Travel, as one of the most mature digital commerce sectors, is at the sharp end of this technological shift.

Each stage in the travel cycle has transitioned to mobile. This shift is prompting a rethink in how players in the travel industry engage with each other and with travelers in this here-to-stay, mobile first, always-connected environment.

Most people are familiar with what mobile can do in travel, from search to booking via maps and Twitter chats. But how does this scale of information end up being instantly accessible on a five-inch by three-inch screen?

This paper will explore trends and look into the technical and commercial conversations which need to take place between varied stakeholders, such as suppliers, agencies (online and corporate) and technology providers, so consumers get everything they need in the palm of their hands. Or on their wrists.



THEMES AND TRENDS

The mobile ecosystem is made up of technological innovations and consumer trends in equal measure, with travel companies in a constant battle to keep one step ahead of both dynamics. The following themes and trends are an indication of some of the top-line conversations businesses need to have in order to deliver a mobile-enabled, end-to-end experience.

THE EVOLUTION FROM PULL TO PUSH

By their very nature, mobile devices are with us at all times. In a marketing context, this means messages can be pushed to consumers 24/7. Online or desktop advertising is limited to the time the potential consumer is in front of their screen. Mobile changes all this.

Email marketing is a good example of how mobile is changing the game. August 2015 was a tipping point, which saw mobile open rates exceed 50% globally for the first time, according to a global study of 13 billion opened emails by specialist agency [Litmus](#).

In travel, the opportunities for push marketing are endless. In-app notifications are proving to be an effective channel for marketers. A report from [Urban Airship](#) found travel and transportation outperforms most other verticals when it comes to getting a response from users to in-app messaging.

Only the non-profit and charities sector had a stronger engagement rate than travel and transportation on Android devices, with only entertainment higher on iOS.

As a sign apps are maturing at different rates, the report found that Android users respond to push notifications at more than twice the rate of iOS users—20% compared with 8%.

OMNI-CHANNEL CONSISTENCY

In most cases mobile exists as part of a traveler's digital arsenal. While there are some mobile-only businesses in travel, the vast majority of consumers will access information from different devices.

An [Expedia Media Solutions/comScore study](#) released in 2015 showed three out of every four UK travelers owned a PC, a tablet and a smartphone. One in three US households had access to five or more devices.

A truly consistent omni-channel approach means more than just continuity of font and palette and should be reflected in the corporate structure. Departments should share ownership of any data, device or detail. For the organization to deliver customer needs, everything needs to be connected behind the scenes.

Criteo, a performance marketing agency, looked at [cross-device purchase patterns](#) for retail sites in the US—not specifically travel. It was able to drill down into how usage differed depending on where the customer ended their path to purchase. It found 35% of users who completed their purchase on a smartphone used multiple devices; for purchases completed on a tablet, it was 43% and for desktop, it was 37%.





The same report also found apps were used more often for travel purchases than mobile-enabled websites, although desktop still dominates, for now at least.

DIGITAL WALLETS AND PAYMENTS

UK research group [Juniper](#) claims 2019 will be the tipping point when mobile and tablets account for a bigger proportion of the world's digital spend than desktops and laptops.

In 2015, Phocuswright found half of US flyers shopped for flights via smartphone with just over a quarter booking on the device¹. Phocuswright's [European Online Travel Overview Eleventh Edition](#) published earlier this year predicts gross mobile bookings in the mature European markets will reach €35 billion by 2017, equivalent to nearly a quarter of the total online figure.

1. Phocuswright: U.S. Traveler Technology Survey Sixth Edition (March 2016)

But at the same time, a report from [Jumio](#) identified problems with payments as the reason why more than one in four British shoppers abandoned a mobile travel purchase. The problems are two-fold—the specific difficulty of filling out payment details on a mobile interface, compounded by general concerns about security.

Mature markets are operating at a different stage in the mobile adoption cycle from the new travel powerhouses of India and China. While North Americans and Europeans have come to mobile from offline via desktops, many in India and China have leapfrogged desktop and gone straight to mobile.

PERSONALIZATION

Mobile lends itself to personalization but travel suppliers and sellers need to treat that accessibility to the customer with respect and send them relevant offers.

Travelers can be contrary. Travel data specialist Boxever called this “[the data-sharing disconnect](#).“ It found while 56% of consumers want offers tailored to their interests and needs, 49% are reluctant to share data.

The connectivity of systems is one of mobile’s biggest challenges and personalization sits at the zenith of cooperation. Something which seems simple to the traveler—sending them an upgrade offer after check-in—requires the airline inventory, ad tech, payments and CRM functions, among others, to align perfectly. Having even a single element out of sync with the others can blight conversion ratios and create a data-sharing disconnect, which can tarnish the image of the brand.

GEOLOCATION

GPS is one of the features that makes smartphones smart.

Knowing exactly where a customer is opens up a wealth of opportunities for travel companies and their partners, particularly while the traveler is actually traveling. Location-aware products and services are emerging as a new frontier in digital commerce.

Travel management companies can use supercharged versions of the consumer-facing GPS tools to make sure they know where their clients are. In the current geo-political climate, traveler tracking for corporates is increasingly important. In fact, the GBTA’s round-up of its [2016 conference](#) said that duty of care was the dominant theme at the event.

THE FUTURE—ARTIFICIAL INTELLIGENCE, VIRTUAL REALITY, WEARABLES, INTERNET OF THINGS AND MORE

If we accept that smartphones were invented in 2007 with the launch of the first iPhone, then how should we view other nascent technologies, still in their relative infancy, and how will these change the theory and practice of mobile travel?

The Apple Watch is the highest profile example of a wearable device and was launched with great fanfare in April 2015. Global travel giant booking.com was quick off the mark and allowed wearers to book hotels directly from the [watch](#), a sign wearables can be used for transactions as well as service.

Virtual reality (VR) is another concept which appears to be coming into the mainstream this year. It can become part of a modern brick-and-mortar travel agent’s toolkit in the same way as offering travelers a dedicated app or mobile concierge service can be part of their service proposition.

Artificial intelligence and voice recognition are also part of the mainstream, led by Google Voice, Apple’s Siri and Microsoft’s Cortana, all fighting for mainstream recognition.

The [KPBC Internet Trends 2016](#) found 65% of US smartphone owners used voice assistants in 2015 and this will continue to increase as the technology improves.

The Internet of Things knits together a lot of these future-gazing concepts. Already apps such as Hive allow people to control their heating from their phone (and there are some smart home Apple Watch apps as well).

Google is often a bellwether for technology advancements and its \$3.2 billion cash purchase of smart homes business [Nest](#) show how seriously it is taking the smart home concept.

Hotels in particular are looking at smartphone/Internet of Things combinations for opening rooms and even opening and closing the curtains.

As with all future gazing, it is easy to get carried away with the possibilities. But smartphones are central to a number of products and services which simply would not have been possible a few years ago. There is no reason why emerging technologies cannot have the same impact and travel, as always, will be one of the sectors leading the way.



SUPPLY CHAIN PERSPECTIVE

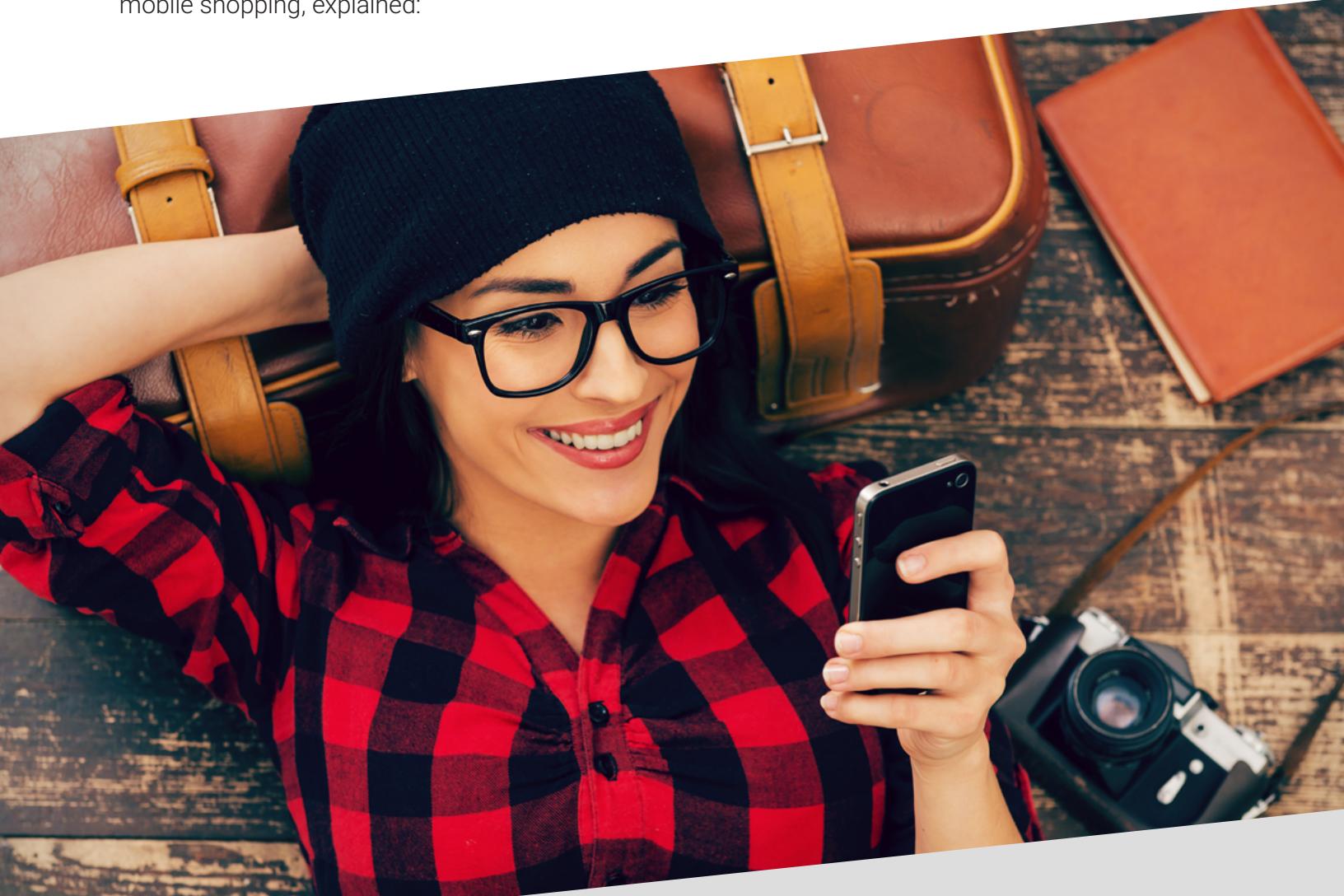
In this section, a cross-section of travel firms talk about the specific ways in which mobile has directly impacted their business—both in terms of current thinking and future development. A number of senior Sabre execs also share their insight and perspective on how the tech roadmap is being driven by the demands of its partners, which in turn reflect the desires of the modern-day traveler.

MOBILE FIRST

“Mobile first” is a phrase that has entered the digital commerce vernacular and many travel firms have adopted it as their mantra. Expedia Inc. has re-architected its global platform accordingly.

Akshaya Murali, Expedia’s head of product—mobile shopping, explained:

“Our mobile website is potentially the largest e-commerce site in the market built in responsive HTML5 and we are constantly optimizing the Expedia global platform so that it works for mobile web and apps.



"We made the decision to go responsive two years ago and we continue to focus on making sure that the responsive site comes first, so everything is built and tested and implemented for phone web first. We then think about what it looks like on a screen with more real estate.

"On a phone app, because we're building natively, we have the opportunity to build uniquely. With apps, it's very much about how they feel in your hand, the animations, the transitions, the response times."

Mobile first often sits at the heart of deeper strategic thinking. Fontainebleau is one of Miami's leading luxury hotels. Josh Herman, its director of marketing and PR, said:

"Everything we do starts with mobile because our audience is mobile. We launched the fully responsive site in September and mobile bookings have gone through the roof—traffic is nearly 300% up and revenues have doubled."

"But we don't think of mobile in silos, talking distribution here, customer service there. It is genuinely at the forefront of everything we do at the property."

But its mobile first approach goes deeper, with its redesign prioritizing the mobile booking engine and working out from this.

"Previously we were getting traffic to our old mobile site but the conversions just weren't there. We wanted to shift that and make it easier to book on mobile than desktop, aiming for immediacy."

"We did this by cutting back almost by half the number of fields needed to complete a booking on mobile compared with desktop."

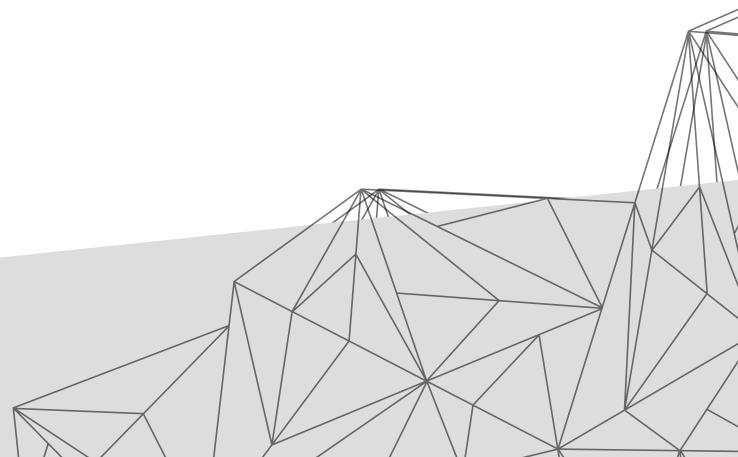
BUSINESS TRAVEL BENEFITS

The shift to mobile is also happening in business travel. Evan Konwiser, vice president for the digital traveler at American Express Global Business Travel, said:

It's important to think about the role the travel management company plays in the ecosystem, of bringing together suppliers to make a journey seamless for our travelers. At GBT, we're looking at ways to collaborate with our key suppliers so that the traveler is serviced consistently between a hotel or airline app and our own.

For us, it's all about utility to the traveler, and deep integration into the TMC servicing environment is one of those things. While there are many apps to order a car, only one can allow you to communicate with your travel agency with all the context of your trip—the one offered by your TMC. This is particularly important for duty of care, but equally applicable for disruptions.

"...We continue to focus on making sure that the responsive site comes first, so everything is built and tested and implemented for phone web first."





Travel apps have been developed in response to wider consumer mobile trends. Ben Newell, vice president for product management at Sabre, noted the demand to provide a one-stop shop to simplify and enhance the traveler experience. Sabre is developing an Integrated Product Platform (booking, itinerary management, expenses

and messaging integrated into one mobile app)—obviating the need for the traveler to switch between apps on the road to manage his or her itinerary in real time.

Carlson Wagonlit Travel is developing its CWT To Go product along similar lines, aware that the needs of its business travelers exist within wider mobile trends. Traveler experience is a top priority for CWT, said Patrice Simon, its vice president for emerging products and innovation. He added:

"The aim is to stop the traveler from having to switch between apps—reducing the friction and providing a better user experience."

"We've been active in the mobile space since 2011. In 2012, we bought WorldMate as part of a broader mobile strategy, which allows us to control our roadmap. We deliberately wanted a consumer-based business to help us bridge the gap between leisure and business travel."

"Feedback from our user surveys show us that we've incorporated almost everything the traveler needs on a trip into CWT To Go, and if there is a gap, we try to fill it. For example, we recently added hotel booking capabilities, Uber functionality and airport maps because a lot of travelers asked for these tools.

"The aim is to stop the traveler from having to switch between apps—reducing the friction and providing a better user experience."

Business travelers may want a single app for all their trip components, but this desire exists alongside the fact many leisure travelers in mature markets are multi-channel and multi-device.

MULTIPLE-CHOICE TESTS

Inspiration, for example, can come from a variety of sources. General search sits alongside online reviews, family and friends, digital marketing and traditional offline channels—but there needs to be a central repository where the traveler can keep all their searches.

Expedia recognized this need and developed a dedicated product, Scratchpad, to allow the same customer to access their previous searches across smartphone, laptop or tablet.

Murali said:

"The user expects us to remember who they are regardless of which device or platform they are on. We released Scratchpad in 2014 and it allows users to store travel searches and quickly pick up where they left off. It is important that we seamlessly connect the user experience across devices and platforms. So far, we've seen that customers are three times more likely to convert when they use Scratchpad."

"Mobile is starting to generate the data which is helping us work this out."

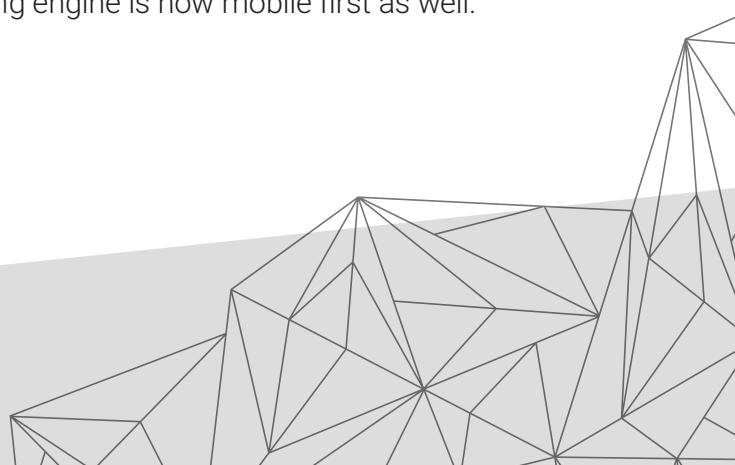
Mark McSpadden is head of Sabre Labs and recognizes the problem Expedia's Scratchpad was developed to alleviate. "Apple calls this 'continuity' or 'hand-off', what happens when you start on one device and end on another."

Before inspiration begins, there's a need to know why a person is traveling. He continued:

"More and more, the industry wants to figure out what the intent of the trip is because that dictates where the customer is interested in going, how that trip will be booked and then, for the supplier, what and how to merchandise appropriately for that trip.

"Mobile is starting to generate the data which is helping us work this out."

As the mobile ecosystem expands, the commercial and technical complexities are growing at the same time as the consumer is expecting things to get simpler. This is why testing has become even more important. Expedia has built a proprietary A/B testing engine and, as a consequence of shifting its global platform to mobile first, this testing engine is now mobile first as well.





Murali said:

"We continue to invest, optimize and execute A/B testing across the product lines of Expedia. More than 1,300 A/B tests were completed in 2014, up by nearly 70% on the previous year. All the apps are built almost 100% natively and we A/B test across every device and app.

"With mobile, we write the code, test it with binary and send it to Apple, Samsung, other device manufacturers. Then when we get the results back, we implement them into the same dashboard we use for desktop, so the tools on the server side are the same for desktop, apps and mobile web; it's just that the client and platform is different."

LESS IS MORE

Sarah Kennedy Ellis is vice president of global marketing for Sabre Hospitality Solutions and was formerly in charge of Sabre Labs, giving her a dual insight into the importance of testing.

"When we look at the shopping experience, it's all about less is more and finding the minimum number of steps needed for a guest to be comfortable making a booking on their mobile device.

"Over the past year we've spent a lot of time on 'how do you create a better mobile experience and increase conversions,' whether that is booking the room in advance or booking an upgrade or service on-property."

The less is more approach can be distilled into its purest form with a one-click booking option.

"We're committing a lot of investment and innovation into this and have a number of pilots running with our customers around what exactly is the best way to do one-click bookings," she confirmed.

One of the most relevant benefits of mobile is one of the most simple—devices are portable and are with us when we travel, which means suppliers are able to engage with their clients during the trip itself.

Fontainebleau's location-specific approach uses a phone's GPS capabilities to present a different mobile website to guests once they get within a certain radius of the hotel. Herman said:

"We're flipping the funnel process so you only get what you need on-property. We know you've already booked, so the website needs to be different. We had deep internal discussions to find out what it was that guests needed onsite—amenities, promotions, tickets to our nightclubs, what's on the menu."

Fontainebleau also uses mobile to improve its internal operational processes.

"Something as simple as sending an email to a guest's mobile device to get an idea about arrival time means the housekeeping and service teams can prioritize their work-flow accordingly. And we know from the customer satisfaction scores that guests really like our mobile check-out and payment option because it takes away the frustration of manual check-out on departure and also helps us operationally as well."

Some components of the trip itself are changing as a direct response to services that are only in existence because of mobile. CWT's Simon has observed "an explosion in the on-demand economy. Clearly, ground transportation is of particular interest, which is why CWT To Go includes that functionality, but we're looking into other products as well."

A food delivery integration, for example, may be much welcomed by travelers who arrive at their hotels after room service hours or don't have time to find and drive to a restaurant.

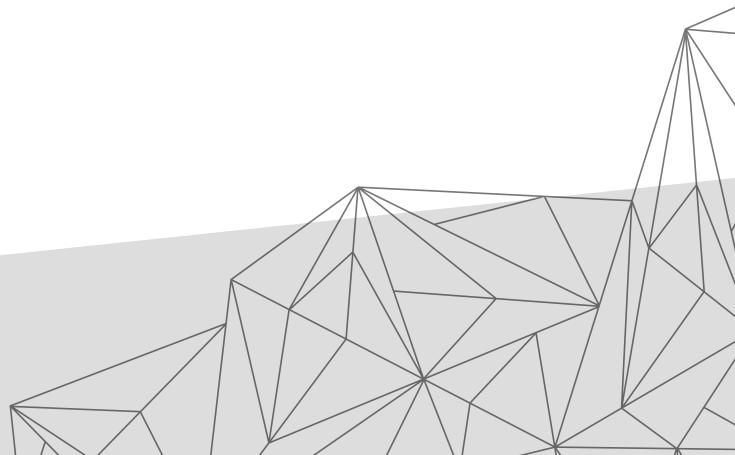
"We are now thinking about whether there is a case to aggregate these providers," Simon said. "Again, our goal is to provide a best-in-class customer experience. We are always asking ourselves what we can do to give the traveler more convenience and greater care."

FRESH THINKING

Messaging is reinventing itself as one of mobile's most compelling propositions. A decade or so ago, phone messaging was texts and emails sent to a device. Now messaging is about apps, machine learning and artificial intelligence.

Newell, from Sabre, explains "the biggest advantage in-app messaging has over email and SMS is the ability to embed rich content."

Over at Sabre Labs, McSpadden is equally enthused about messaging apps and the ability for other apps to be integrated into platforms such as Facebook Messenger and to operate on a conversational level with the traveler and each other.



"Facebook Messenger makes these interactions conversational, and you've seen travel brands such as KLM and Hyatt taking this up early on.

"We see these conversational interfaces working in three ways: conversational shopping and booking at the point of purchase, conversational merchandising and conversational service and support."

"The biggest advantage in-app messaging has over email and SMS is the ability to embed rich content."

Newell sees wearables as a natural progression in the evolution of mobile devices.

"Consumer expectations have changed over time to have all capabilities available on the smartphone. And as wearables become more mainstream, there will be a similar expectation around what functionalities these devices should have."

McSpadden pointed out the Apple Watch is just over a year old and use cases are still being worked out.

"We're looking at the watch for easily snackable pieces of information, stuff which takes two seconds or less to digest. People look at their phone 150, 250 times a day depending on what surveys you believe, and there's no reason why a lot of this behavior cannot be transferred onto a watch."

Mobile technology is moving so quickly the next game-changer is rarely far away. McSpadden is particularly interested in biometrics, from Apple's fingerprint recognition Touch ID to [MasterCard's "pay by selfie."](#)

"Biometrics to the smart watch will be what GPS is to the mobile and somewhere in the future there could be a bunch of interesting roles for biometrics within travel."

Privacy is a concern in this context, and is never far from the surface when talking about the potential uses of new technologies. McSpadden wonders if "biometrics crosses the line" but added "the evidence is strong people will give up privacy in return for improved customer service."

It is something Sabre is closely looking at. Kennedy Ellis thinks over time privacy will be a service suppliers can offer their clients.

"We're looking at the whole ecosystem of a traveler and the idea of timeboxed permissions—how can we give the traveler the ability to limit when their data is available, such as between these dates, for this trip only, even within an hour window.

So we're looking at giving control back to the traveler, allowing them the chance to have a personalized experience while taking away some of the trepidation around sharing all of their data all of the time."

Timeboxed permissions for data sharing are just one example of the innovative thinking required in order to deliver the end-to-end mobile experience for travelers. From A/B testing to artificial intelligence via mobile check-out and automated expense claims, the travel rulebook is being re-written by mobile, and that rulebook is constantly updated and amended.

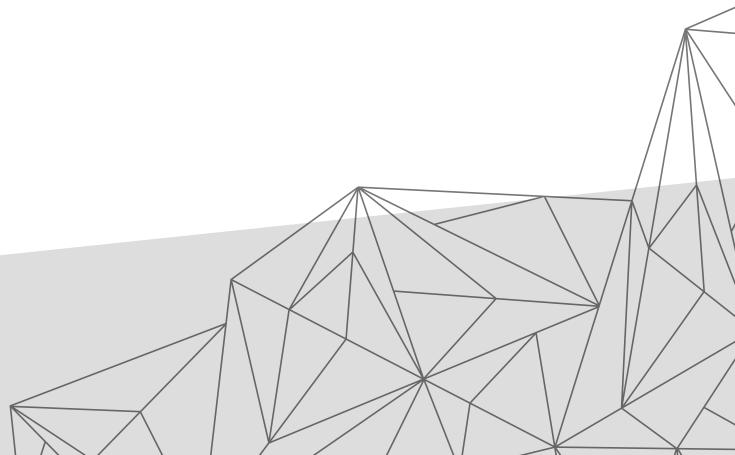
CONCLUSION

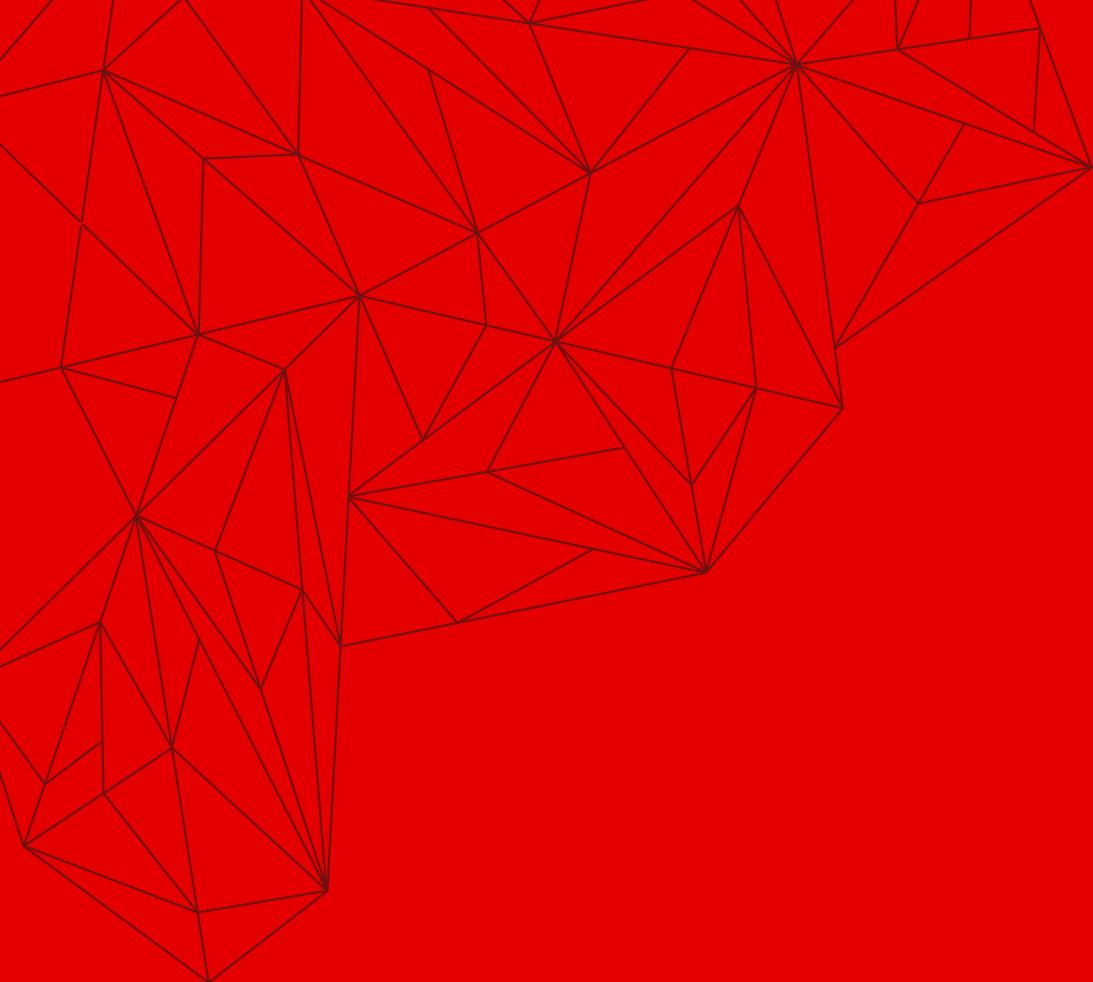
As you build on your mobile strategies, here are some key considerations: From using apps for inspiration, machine-learnt responses during the booking process, maps to navigate airports and automated hotel check-outs, **mobile is embedded in the end-to-end travel experience.**

As mobile matures, new trends will emerge.

These trends could come from existing technologies morphing into new products such as in-app messaging; use cases emerging for nascent devices such as smartwatches or facial recognition, or even from devices or platforms that haven't been invented yet. How will these impact your ongoing mobile strategy?

Across all regions, verticals and channels, mobile in its widest sense is forcing travel suppliers, agencies and their technology partners to **rethink every touchpoint and interaction** they have with each other and ultimately with the travelers themselves.





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