

FlyNow: Essential Product Definition Tools

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VISION STATEMENT

For the modern explorer on a budget who needs an escape, FlyNow is a mobile application that puts “anywhere” within reach. In less than 2 minutes, users can choose from recommended getaways, book seamlessly, and embark on their next adventure. Unlike conventional web-based travel services, FlyNow takes the work out of spontaneity and plans your journey from start to finish!

PRODUCT OPPORTUNITY ASSESSMENT

VALUE PROPOSITION

In our fast-paced world, digital natives can accomplish nearly anything immediately, spontaneously, and with the convenience of a mobile application. They cannot, however, find such benefits in the area of travel. Planning a vacation by conventional means is slow, complicated, and unrelentingly expensive. The collection of moving parts is often un-navigable, and each separate component must be prearranged far in advance.

We at FlyNow envision a mobile application that brings travel up to speed. A comprehensive travel tool bringing “anywhere” within reach, FlyNow will provide its users with three key benefits: it will (1) save you money, (2) enable your spontaneity, (3) make your discovery & exploration of the world quick and effortless. **With FlyNow, you can find and book your next spontaneous getaway quickly, effortlessly, and cost-effectively, all from the convenience of your smartphone.**

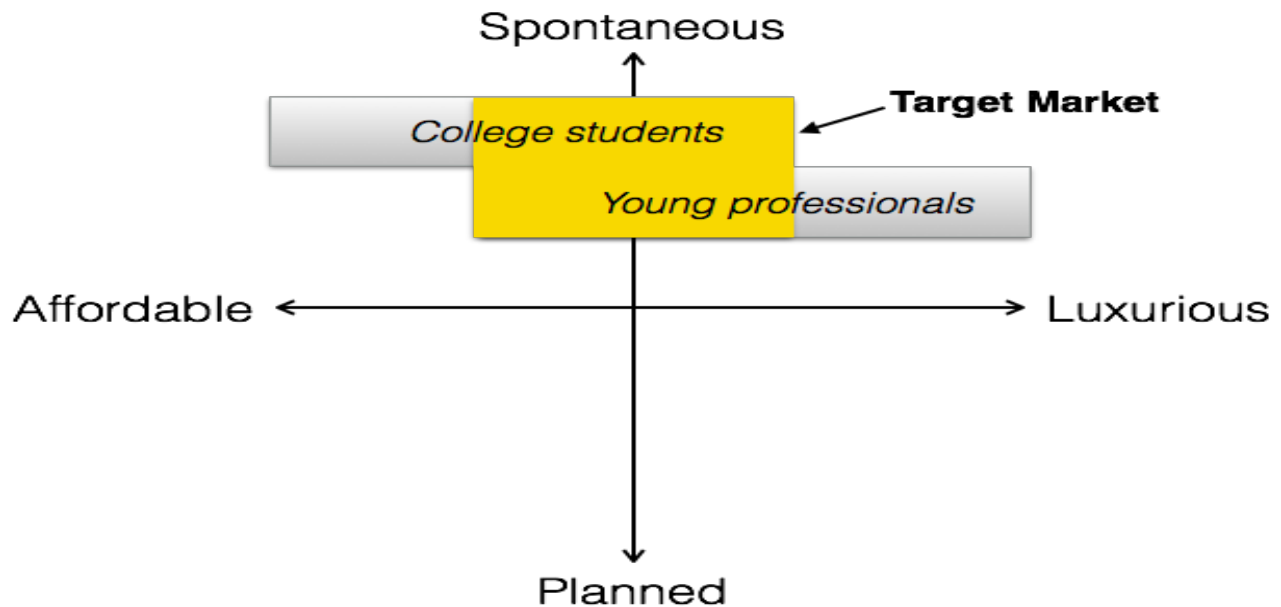
FlyNow will save its users money by recommending only the most affordable travel options. Because users will not have specified their desired destination, they will feel confident that the choices provided are the most affordable ways for them to get away. This prioritization of affordability over destination has the added benefit of encouraging spontaneity, bringing users to places they never thought about visiting before. The application’s mobile nature also lends itself to last-minute booking from anywhere. Finally, the application will dramatically simplify the travel planning process because users will search, discover, and book getaways in one place. FlyNow travelers will spend less time planning and more time enjoying their vacations.

TARGET MARKET

Our target market consists of 2 audience segments:

1. Unattached professionals under 40 who crave a quick and affordable getaway now
2. College students who are spontaneous and want an affordable weekend vacation

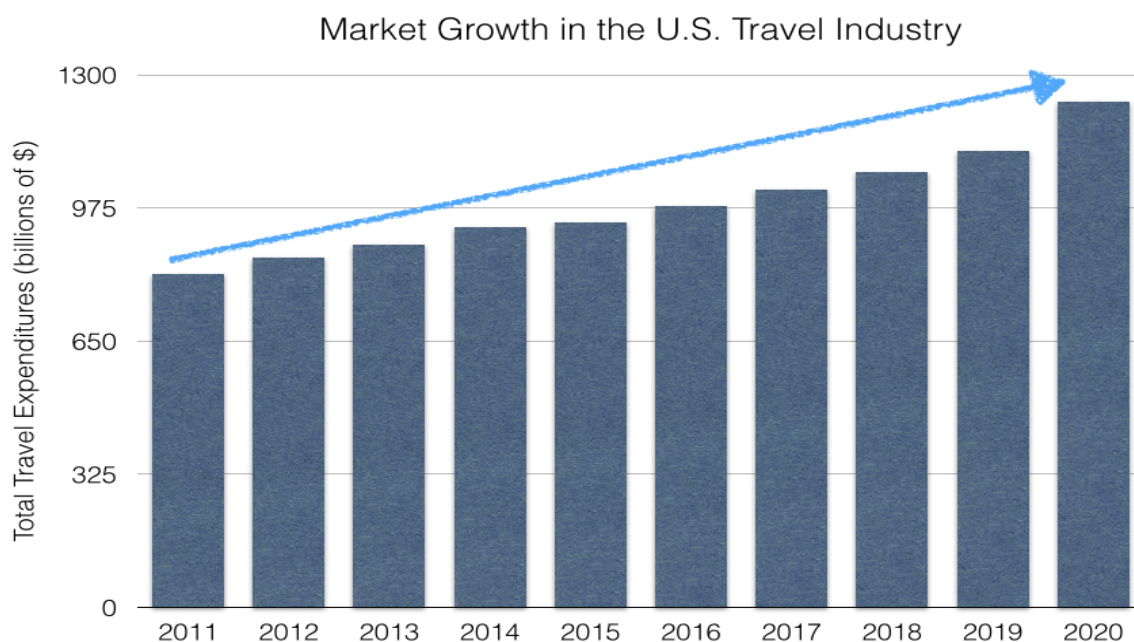
As seen in the diagram on the following page, FlyNow targets the overlap (in yellow) between the two audience segments as the two segments are too big to go after right now. By carving this niche market out, FlyNow will be able to cater to individuals from a broad variety of backgrounds and socioeconomic levels while maintaining the overall vision of the product and value proposition.



MARKET SIZE

According to a 2014 report published by the [U.S. Travel Association](#), total travel expenditure in the US was \$927.9 Billion in 2014. That number is forecasted to reach \$1019.6 Billion by 2017. Growing at a steady rate of 3-5% in recent and forecasted years, the travel industry is growing larger than ever, as seen in the graph below. We hope to take the significant millennial traveler portion.

FlyNow targets leisure travelers, and in 2014, total leisure travel spending was reported to be \$621.4 billion dollars by the U.S. Travel Association. The average number of leisure trips taken by travelers in the U.S. averaged 4.75 in 2014, and FlyNow target millennials. The *best-case scenario* market size for the millennial travel industry has been estimated to be at roughly [\\$240 Billion](#) and rapidly growing.



COMPETITIVE LANDSCAPE

Traveling is one of the wonders of the modern world, for this reason it should come to no surprise that there are plenty of products out there to help users with all aspects of travel. As there are many different travel services and products catering to different problems, they seem to differentiate themselves with respect to the different needs and priorities that they aim to solve. For this reason in this analysis of the competitive landscape, we will be focusing on the products that are tailored to similar problems that we are attempting to solve:

1. Escape Quickly -- products whose goal is to provide users with a quick and easy getaway:

- LuckyTrip: Lets you plan a complete trip in just one step - picking your budget. It selects the cheapest flights from SkyScanner and the hotels from booking.com and also provides a suggestion as to something cool to do at the destination. Its incredibly simple UI (one slider and one button) that decreases cognitive load is what sets LuckyTrip apart from the rest as FlyNow's greatest competitor. Their partnerships with TripAdvisor, SkyScanner, and booking.com are a huge plus for them. As we deem LuckyTrip to be our largest competitor, here is a more in-depth analysis: LuckyTrip is a mobile application that was recently featured on TechCrunch. The main praise for the aforementioned functionalities is LuckyTrip's differentiator: the incredibly simple UI. Its related value proposition is that it lets you book a random trip (flight and hotel), under a budget, and tells you something to do there as well. Given that it was recently released, there is not too much information regarding its market size or share. We wanted to point out that every one of its App Store reviews is 5-stars (even if there are only 17 to date) and this is something that we will be monitoring as they are a significant threat to us. We believe that their weakness lies in the fact that the app makes all of the decisions for the users and has the potential of forcing users to press the "lucky" button repeatedly and indefinitely. This is where we have our largest competitive opportunity: by providing users with a limited and minimal choice of destinations to travel to. We don't see this as an opportunity for LuckyTrip as it would go completely against their entire UX. Furthermore, via our strategy of going to airlines directly, we will be "cutting out the middleman" in the flight pricing aspect of the product. As LuckyTrip's partnership with SkyScanner implies they will use SkyScanner for the flight bookings, our margins will be larger in this aspect. This business advantage is something that we can use to lower prices or generate greater revenue and profits via the larger margins.

Several other similar competitors exist with this business objective (we aren't as concerned about them as competitors due to lack of market penetration, but we are still continuing to monitor them):

- Lastminute.com: All-inclusive site to book every part of your trip quickly. They also have "deals of the day" which is an interesting feature that can translate to the value proposition of letting users find a good deal each 24-hrs.
- Tripaya: Users give the site a budget and what they are interested in and the site will show you the best European destinations for a quick getaway. This is very nice even if restricted to Europe. The UI is comparable to traditional websites like Expedia. We plan on drastically improving the experience.
- GTFO (Get The Flight Out): Very similar app idea where users save their airport of departure and with one button you are presented with multiple flight options to get away. Our analysis is that users can't pick flights in a short-enough time frame for it to be considered spontaneous (some flights are in multiple weeks). Also the flights aren't cheap

and the user needs to scroll through pages of options before selecting a flight so this process isn't fast or smooth.

2. Cheap Flights/Competitive pricing -- products whose goal is to give customers the lowest price whilst allowing for general search queries like "I want to go to Africa":

- SkyScanner: SkyScanner is a global search engine that enables people to find comparisons for flights, hotels and car hire. The service is free to users and directs you to the airline, hotel, car hire provider or travel agency to complete the booking process. SkyScanner also has the "Cheap Flights" feature, which allows you to browse amongst a list of cheap flights to popular destinations. As we deem them to be our biggest competitor in this group here is a more in-depth analysis: SkyScanner receives 35 million visitors per month and generates an annual turnover of \$140 million per year. Their significant strength is in finding the lowest flight fares - beating the bigger operators like Expedia and Travelocity. Their strength is also the biggest threat for us: they are able to use their search technology to deliver the cheapest option for a given destination. We differentiate ourselves by providing a fast and intuitive UI that makes these decisions for you. Even if they might provide cheapest fares, the booking process is intricate and takes time. This is their greatest weakness: they have a terrible user experience, and the only reason they get away with it is due to their pricing. This provides us with a significant opportunity to streamline the booking process cutting down on the time that users spend with the product and increasing satisfaction with the experience.

Several other similar competitors exist with this business objective (we aren't as concerned about them as competitors due to lack of market penetration, but we are still continuing to monitor them):

- Kayak Explore/Buzz: A feature on the popular Kayak travel agency website that allows you to use an interactive map to see the prices for flights across the country and globe. However it is not spontaneous and after you pick your destination users go through the usual Kayak process of scrolling and price-comparing to book. Similar to above, we differentiate ourselves by making decisions for the user to cut down on the time they spend using the product
- Google Flights: This product pretty much combines all of the above into one. The calendar lets you monitor varying prices, you can pick general geographical locations, it gives you tips on how to save money when booking, includes the signature "I'm Feeling Lucky" button, it has a frequent flyer filter, it uses a proprietary search algorithm. Google Flights is definitely a big competitor even if the booking process is still very intricate - this is how we can differentiate ourselves.
- Adioso: Similar to Kayak but has the added functionality allowing for customized search queries like "best museums in the world" or "from SFO to anywhere under \$500" or "where my friends are".
- Hopper.com: Users put in their destination and hopper tells you when you should plan your trip there for the cheapest. Hopper will "watch the trip" for you and send you a push notification when the price is dropped/optimal. Then it takes just a swipe and a few taps to book.

We will be analyzing these competitor's relative strengths and how we differentiate ourselves in the Differentiator and Achilles Heel sections that follow.

DIFFERENTIATOR

FlyNow enters a highly populated space containing several web and mobile applications designed to help users find cheap flights and spontaneous vacations. However, none of the existing products sufficiently solve the problems associated with spontaneous travel for the American market. FlyNow has a few differentiating qualities that make it competitive. First, the fact that FlyNow is a mobile application provides a clear advantage over web-based travel platforms in that it offers users the ability to engage with the product from anywhere, not just in front of a computer. This lends itself to greater spontaneity and a more interactive and intuitive user interface, both of which data suggests will be embraced by customers.

The above differentiator gives FlyNow a clear advantage over most products in the space. There is, however, a small subset of mobile products that follow a similar model. We identify the greatest competitor of this type as LuckyTrip, a mobile application to which users input their budget and from which they receive recommendations of the cheapest, flight, accommodation, and activity combinations synthesized from TripAdvisor, SkyScanner, and booking.com. What differentiates FlyNow from this app is cost, market, and **usability**. FlyNow will partner directly with airlines, cutting out third-party websites and taking advantage of flash deals and other airline-specific ways to save. Customers will be confident when using FlyNow that they've been presented with the most affordable flights out there. Furthermore, FlyNow will serve the American Market, unlike LuckyTrip, which serves the European market. While this is not a necessarily sustainable differentiator, it provides a small first actor advantage to the product.

Finally, the key differentiator is that **FlyNow abandons the traditional search engine convention in favor of a recommendation format, reducing users' cognitive load and providing them with an ease of choice**. This model necessarily prevents customers from planning their trips in advance, allowing for the ease and simplicity stated in our value proposition. Unlike LuckyTrip, which has users shuffling through different options by repeatedly hitting a button, FlyNow has done all the due diligence and presents a finite number of options all at once.

ACHILLES HEEL

The travel market is somewhat saturated and very competitive for startups due to a few Barriers to Entry:

- The high startup costs are associated with entering the market, acquiring customers and generating volume to negotiate deals and commissions for referrals to larger booking websites - a common industry approach.
- Alternatively, FlyNow could secure relationships with airlines directly so that customers can book through us. If we can cut deals with airlines for flights that boost tourism, similar to Ryanair and Easyjet's business model for small cities in Europe (you can book a flight to small town in southern Europe for under \$20), we could offer extremely low-cost flights for select locations. However, this will require significant negotiation and time investment.
- FlyNow would also require significant app development and testing before release as there are so many competitors in this industry that a bad user experience can turn customers away in a heartbeat.

Nevertheless FlyNow has a significant opportunity:

- Deliver a fast and intuitive way to book a spontaneous trip under budget. This is something that our competitor LuckyTrip has been able to address elegantly generating partnerships with big players like SkyScanner, booking.com and TripAdvisor.

MARKET WINDOW

There will be a short window considering the competition in the market and presence of products like Kayak Explore that offer similar services though not yet up to the mark and LuckyTrip founded in 2014 and already in the app store. Even if Google Flights was made back in 2011, as soon as we put up our app, it will be rather simple for Kayak/Google to catch on if we are conceived as a threat. We need to enter now to leverage the rise in open-and-swipe apps that are on the rise.

SUCCESS CRITERIA

FlyNow's success is based on its ability to excite customers to purchase their first get away and delivering an exciting experience.

Trends around profitability, customer acquisition and experience management will be measured using three distinct metrics:

First Ticket Purchased as a Percentage of App Downloads – This metric measure the conversion rate for users who have downloaded the app. It provides feedback on user trust in the product and the time to first purchase for an average user. It is also an indicator of revenue growth over time.

Second Purchases as a percentage of First Purchases – This metric gives leading indication for customer satisfaction with experience. Second purchase trends over time will provide data on increase or decrease in customer satisfaction and could provide data to segment customer data based on experience satisfaction. In addition, it will also provide information on the frequency of purchase and overall customer lifetime value.

Cost of Acquiring Customers – On the cost side, it is extremely important to get a clear indication of how much the company spends to acquire each customer (for their first purchase) and then contrast it to the overall customer lifetime value. The metric will provide a report on the health of the business model. Essentially, it looks at how efficiently the marketing and user acquisition budgets are being deployed.

RISK ASSESSMENT

FlyNow is entering an extremely competitive market with various dependencies that need to be taken into consideration. Below are the risks FlyNow faces:

1. The ability to foster airline partnerships – Airlines have strong partnerships with existing travel services like Kayak and Google Flights. Building a new partnership with FlyNow may irritate existing competitors leading to undercutting strategies.
2. Insufficient market supply of cheap tickets to attractive destinations – FlyNow's success is based on its ability to find affordable tickets to attractive destination in large numbers. If the market is low on supply of such tickets, it would hamper FlyNow's ability to provide a reliable service to users.
3. Highly competitive market with low development cost for competitors – The market is hyper competitive and large incumbent companies like Kayak, Expedia and Google flights

have the developmental capital to copy the product's features and offer competitive discounts to decrease switching costs for customers.

Lack of traction with potential advertisers – FlyNow's long term profitability growth is dependent on its ability to expand its core services by providing additional travel services as advertisements from hotels, car rentals, etc. But if FlyNow fails to gain traction with advertisers it would threaten the long-term sustainability of the business.

MINIMUM VIABLE PRODUCT (MVP)

We used the Power of Ones to narrow down our one goal going into the MVP - to find out if there is a market for a spontaneous travel app, and what that market size might be. We will accomplish this by providing a minimal set of features to determine the level of interest in such an app. We are targeting young students and professionals, and have settled on providing a mobile-only platform.

Our minimum viable product is a mobile application that notifies users of the cheapest flights out of an origin airport within a 24-hour window and allows them to purchase tickets in-app. We hypothesize that students and young professionals who like traveling or want to get away for a weekend will take advantage of cheap flights to anywhere. The vision for our product is to provide users with the simplest way to travel spontaneously, and this minimum set of features aligns with that idea. We will have an option for users to select one-way or round-trip tickets.

We came up with a few user stories to get into the mindset of what a potential customer might want:

As a traveler, I want to view flights without a destination. Data shows that most travelers don't know where they're going when they begin their searches. This story inspired the idea to show flights from all nearby airports rather than just one at a time.

As a college student, I want to be notified of cheap flights so that I can save money.

This story made us think about how students and other users would get back home from their getaway, prompting us to offer the choice between one-way and round trip tickets.

As a user, I want to be able to purchase tickets in the app so that it's more convenient for me. Users favor convenience, but also security. We want to make sure that users' information is secure.

As a user, I want to purchase tickets for or with friends because I don't always want to travel alone. This gave us an idea for features that we could implement in the future, such as social media integration.

Writing these user stories helped us think of functionalities that would be valuable to potential users, both now and in the future. We narrowed down the features that we would include in the MVP to the following: Allowing users to see cheapest flights with located-based searches, showing flights from multiple nearby airports rather than just one, having push notifications when flash deals pop up, purchasing tickets in-app, safe storage of user information, and the ability to select between one-way or round trip.

In regards to non-MVP features, the primary ones we decided we'd remove from the MVP but look to include in the scaled version would be social media integration (to allow individuals to share their trips on Facebook/Twitter), further integration of user data/interests into travel recommendation (with Facebook integration), and strong integration of ground transportation partnerships (such as Uber) & hotel accommodations.

MVP FOLLOW-UP

The minimum viable product (MVP) is the minimum set of features FlyNow can incorporate while remaining valuable, usable, and feasible given consumer demands and company resources. Our goal for the MVP centered on these tenets. We want to remain valuable to customers by providing a streamlined and spontaneous means of finding the next getaway, all while beating out competitors with a unique value proposition and an eye towards price. We want FlyNow to be highly usable with a succinct set of functionalities that are intuitive to use, including push notifications, in-app purchases/payments, and a simple interface that allows users to put in their desired departure location and then instantly receive flash fares over the next 24 hours. Finally, we wanted to keep the product feasible within the realm of the course, so some additional functionality we had to cut (that we do hope to have in our scaled/extended product) include social media integration, further integration of airline partnerships, and more in-depth passenger data that brings in customer interests when recommended destination cities.

The reasoning for moving forward with the minimum functionality of an application that aggregates data on airlines, has a minimalist design (only allowed customers to put in departure city), and allows for in-app booking and payments was that, in general, we want the product to be as easy-to-use as possible. We want our target customers to be able to go into the app, put in their city, and within 5 minutes be on their way to the airport for a spontaneous and fun getaway to a cheap destination. The functionality we removed, namely the social media integration, is something that will be helpful once the application has gained traction across the United States, but it is definitely not a necessary component and would only serve to enhance the customer experience later on down the line when we have started to see downloads and bookings. Additionally, the integration of in-depth passenger data (utilizing tools like Refresh and other analytic software) to tailor travel recommendations will be a time- and cost-intensive endeavor and is something that will benefit the customer experience but is not crucial to the usage of the application.

This product will cater to travels of all backgrounds and socioeconomic levels, but the primary target customer group that we have in mind is young urban professionals who are incredibly busy with work and commitments and they need to be able to have an easy way to find a quick and cheap getaway. The value that FlyNow provides to “yuppies” is an intuitive application that allows them to achieve the objective of booking a spontaneous getaway trip without having to waste time searching for flights, comparing prices, and looking to find local attractions. Many travel sites incorporate too many features/options and require significant planning in advance as well as a big price investment. FlyNow seeks to tackle all of these problems by providing cheap spontaneous travel options in a snap, both in-app and through push notification. By removing bulkiness from the interface, we want customers to be able to open, tap, book, and go!

In terms of usability, this is the factor that differentiates FlyNow above competitors. Instead of having customers put in various dates, times, price points, seat preferences, frequent flyer miles, and all that information, we provide an incredibly straightforward interface. All user information (including TSA travel info and payment information through Apple Pay/Android Pay) is stored securely to prevent time wasted. Efficiency is KEY to appealing to young urban professionals. Time is money, and saving them time (and money) while providing a fun way to travel spontaneously is the main benefit FlyNow brings to consumers. Competitors like Travelocity and Orbitz do allow for travel booking, but we plan to carve out a niche market with an easy-to-use app-based service for customers who want an escape without a particular destination in mind.

Feasibility was another major consideration we took into account when developing the MVP for FlyNow. We have approximately ten weeks to develop the target market, working prototype, and deliver business campaigns to build out demand for the prototype, all with minimal funding. While we have the technical talent and business expertise, most of the additional functionality (such as data sourcing and social media/airline integration) requires heavy capital investment and is not highly necessary to the minimum viable product. For the semester, our goal is to have a functional service that can be delivered to potential users as well as investors. Overall, given the vision for our product, if we are able to prove to investors that we have a viable product-market fit, we will certainly be able to build out the full stated functionality for the app AND go above and beyond with new benefits for consumers.