

CarTrawler Thought Leadership Series on Revenue and Loyalty for 2017

## Ancillary Revenue Goes Mobile: the Best Methods Used by the Top 25 Airlines

IdeaWorksCompany finds Air France, Emirates, Indigo,  
and Ryanair provide great mobile retailing examples

Researched and written  
by Jay Sorensen

Edited by Eric Lucas



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# Ancillary Revenue Goes Mobile: the Best Methods Used by the Top 25 Airlines

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## Contents

Earth's largest store is the mobile phone with 7+ billion retail outlets .....	4
Responsive design and mobile apps create better storefronts .....	5
IdeaWorksCompany reviewed the app offerings of 25 airlines.....	7
Choose your view as window or aisle.....	10
Baggage poses a challenge for mobile e-commerce.....	11
Book now, pay later motivates impulse buying.....	12
Airline apps sell more than assigned seats and bags.....	13
Retail-responsive apps are the ultimate design objective.....	15

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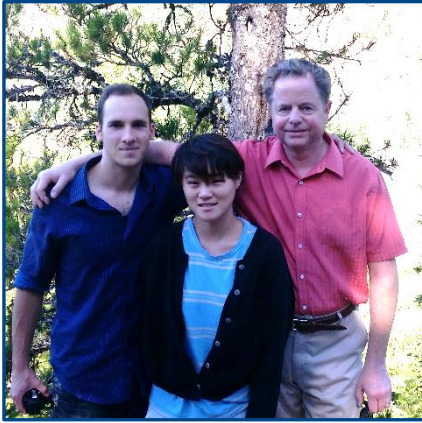
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## About Jay Sorensen, Writer of the Report

Jay Sorensen's research and reports have made him a leading authority on frequent flyer programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposiums in Abu Dhabi, Dubai, and Singapore, and has testified to the US Congress on ancillary revenue issues. His



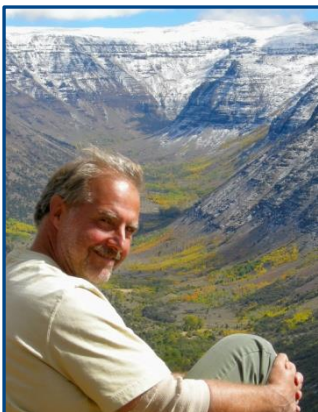
*Jay, with son Aleksei and daughter Annika, in North Cascades National Park in Washington.*

published works are relied upon by airline executives throughout the world and include first-ever guides on the topics of ancillary revenue and loyalty marketing. He was acknowledged by his peers when he received the Airline Industry Achievement Award at the MEGA Event in 2011.

Mr. Sorensen is a veteran management professional with 30 years experience in product, partnership, and marketing development. As president of the IdeaWorksCompany consulting firm, he has enhanced the generation of airline revenue, started loyalty programs and co-branded credit cards, developed products in the service sector, and helped start airlines and other travel companies. His career includes 13 years at Midwest Airlines where he was responsible for marketing, sales, customer service, product development, operations,

planning, financial analysis and budgeting. His favorite activities are hiking, exploring and camping in US national parks with his family.

## About Eric Lucas, Editor of the Report



Eric Lucas is an international travel, natural history and business writer and editor whose work appears in Michelin travel guides, *Alaska Airlines Magazine*, *Westways Magazine* and numerous other publications. Founding editor of *Midwest Airlines Magazine*, he is the author of eight books, including the 2017 *Michelin Alaska* guide. Eric has followed and written about the travel industry for more than 25 years. He lives in Seattle, Washington, where he grows organic garlic and heirloom corn; visit him online at [TrailNot4Sissies.com](http://TrailNot4Sissies.com).

*Eric, at his favorite summer retreat, Steens Mountain, Oregon.*

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## Ancillary Revenue Goes Mobile: the Best Methods Deployed by the Top 25 Airlines

**Earth's largest store is the mobile phone with 7+ billion retail outlets**

Mobile literally covers the earth with a mobile phone subscription for every person. The United Nations believes we share the planet with 7.4 billion fellow humans.<sup>1</sup> The UN also estimates there are nearly 7.4 billion mobile phone subscriptions worldwide.<sup>2</sup> Mobile has leapt beyond the somewhat aged miracle of the internet; by comparison only 47 percent of the world's population accesses the web.<sup>3</sup>

This report applies the rise of the mobile age to the ancillary revenue revolution. IdeaWorksCompany researched the in-path booking capabilities of the mobile applications offered by the world's largest 25 airlines. It's a varied list which includes traditional global network airlines and eight low cost carriers.

It's a quickly changing world we inhabit with the availability of immense computing and video capability in everyone's pocket, purse, or backpack. Of course, internet-based retail remains relevant, but savvy retailers also know it must be supported by the development of applications for smartphones. The 30+ year old technology of the internet<sup>4</sup> was the original innovation that enabled airlines to directly solicit consumers and fundamentally change how travel is sold. It's this origin that also establishes the potential for mobile retail in the travel industry.

As with the internet, it's the size of the pipe feeding the device that ultimately determines the appearance and capability of an online storefront. Broadband connections enable the best e-commerce potency. When measured by this criteria, the global saturation of mobile drops to just under 50 percent when measured by broadband subscriber access.<sup>5</sup> But global non-mobile broadband subscriptions, such as those for personal computers, are even lower at less than 12 percent of the world's population.



*In Rio de Janeiro's favelas, mobile not only creates economic connections; it's also an ever-present tool to stop violence against women and girls.*

*Photo: UN Women/Gisele Netto*

<sup>1</sup> United Nations, Department of Economic and Social Affairs, Population Division stats reviewed January 2017.

<sup>2</sup> International Telecommunication Union (UN), Key ICT Indicators spreadsheet reviewed January 2017.

<sup>3</sup> International Telecommunication Union (UN), ICT Facts and Figures 2016.

<sup>4</sup> Based upon the first domain name registered (Symbolics.com) on 15 March 1985.

<sup>5</sup> International Telecommunication Union (UN), ICT Facts and Figures 2016.

Mobile does have its limitations. As with the internet, subscriptions in developing countries and less developed countries fall even further. Payment methods also remain an issue for lower income consumers. Smaller priced items may be easier to buy . . . but buying air travel costing 1,000 Malaysian ringgit (US\$225) or 1,000 Brazilian real (US\$315) will likely pose a challenge if the consumer doesn't have a debit or credit card.

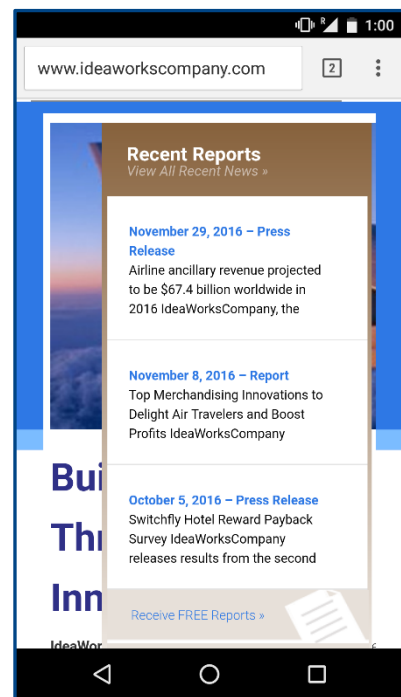
Consumers spread purchase, research, and browsing activities across multiple devices, such as desktops, laptops, tablets, and smartphones. Not surprisingly, traditional internet devices are used for exploring travel destinations and researching hotel and activity options. Add-to-cart rates, which track the percentage of site visitors who add a product to a shopping cart, are highest for personal computers. The global rate is 10.4 percent for traditional devices, and falls to 6.2 percent for smartphones, based upon an evaluation of 1.9 billion shopping sessions analyzed by Monetate.<sup>6</sup> Embracing mobile retail is clearly more complicated than simply shrinking your website to fit a smaller screen.

### **Responsive design and mobile apps create better storefronts**

Mobile access has become a must-have design criteria for e-commerce. Websites which ignore attempts to integrate mobile browsing are now condemned as being "non responsive" in the lexicon of web design. Companies seeking some type of accommodation can redesign sites to become "mobile responsive." The growth of these websites reflects the prevalence of mobile internet browsing.

One option is to use architecture to detect a particular device, such as an iPhone 7 or a Samsung Galaxy S6, to serve up a display to meet the needs of a specific screen size. Or these sites might merely detect the presence of a mobile device and deliver a decent display that serves the widest array of mobile screens. But more companies now consider mobile responsiveness as the first design criteria and make desktop and laptop screen display a secondary consideration.

Let's use the IdeaWorksCompany website as an example of this evolution. The site now has 25 percent of its sessions served over mobile phones. That's up from last year's 14 percent share. Recently, changes have been made to create a more responsive website. The typical trajectory of improvement is to improve the responsiveness of a site and to ultimately commit to a second site to support mobile browsing; websites have become a continuing work-in-progress.



*Oops . . . not living by example! This is how the IdeaWorksCompany.com website appeared on a smartphone in 2016 before it was made to be more mobile responsive.*

<sup>6</sup> Monetate eCommerce Quarterly Report, 3<sup>rd</sup> quarter 2016, reviewed at monetate.com.

Consumers are doing more than just browsing, they are also booking travel via their smartphones and tablets. In an analysis of data from 1,000+ travel advertisers worldwide, mobile was found to represent 27 percent of online bookings for the 2<sup>nd</sup> quarter of 2016.<sup>7</sup> For air travel specifically, the mobile share was 12 percent. This includes bookings made via regular, responsive and mobile websites, and travel apps. Not surprisingly, smartphones are especially popular for bookings made 24 hours or less before departure.

Mobile websites operate separately from a company's regular website. When visiting the desktop site, the architecture will detect the mobile device and redirect the query to a separate website. These may include "mobi" in the web address. These sites are designed to deliver the best browsing experience for mobile users. Of course, this design requires the company to create dual sites, in desktop and mobile formats.

<b>Key Mobile e-Commerce Options</b>	
<p><b>Responsive Website</b> <i>(or Responsive Design)</i></p>	<p>Redesign an existing desktop website (for personal computers) to provide an optimal viewing experience. The site is easy to read and navigate on a wide range of screen sizes and minimizes the need to resize screens. These sites provide mobile users easy reading and navigation with a minimum of resizing, panning, and scrolling. “Adaptive design” determines the device type to deliver a tablet, smartphone, or desktop version of the site.</p>
<p><b>Mobile Website</b> <i>(also called a web app)</i></p>	<p>Create a new website tailored for display on mobile devices. When a consumer visits a website, the presence of a mobile device is noted and the query is seamlessly redirected to the mobile counterpart. There can be a one-size-fits-all feature quality for these websites which helps minimize development cost at the expense of a tailored experience for specific devices. Consumer need not download an app to enjoy a good browsing experience.</p>
<p><b>Native Application</b> <i>(typical airline app)</i></p>	<p>Build an application that can be downloaded at an app store such as Google Play and the Apple App Store. These offer a great user experience because they optimize the capabilities of a specific device. Development costs are higher because two versions are required for Apple iPhone and Android smartphones. Requires sometimes-reluctant consumers to accept and download the app.</p>

Native applications, or apps, bypass browsers such as Google Chrome or Internet Explorer through user-download of a customized program. The app is designed to perform specific and repeated functions such as booking itineraries, tracking flights, or redeeming reward travel. They are not intended to present a broad spectrum of visual content such as press releases, reports, and editorial. Apps can also be designed to deliver benefits in the absence of an internet or data connection, such as displaying the buy on board menu or onboard entertainment options. Two versions are typically maintained by a company, one for Android-equipped phones and the other for the Apple iOS platform.

<sup>7</sup> “Travel Flash Report October 2016 edition” reviewed at Criteo.com.

Consumers must feel the value offered by the app justifies placement on their mobile device. This behavior is similar to frequent flyer program participation. If consumers don't feel rewards are compelling or frequent enough, they won't join. Launching an app can be viewed as the first step; the challenge lies in boosting its actual adoption. In the US consumers feel saturated with apps. Research by comScore discloses 49 percent of smartphone users (age 13+) stopped downloading apps during the 3-month period ending June 2016.<sup>8</sup> Beyond technology, successful apps also require marketing, promotion, and branding to gain traction in the marketplace.

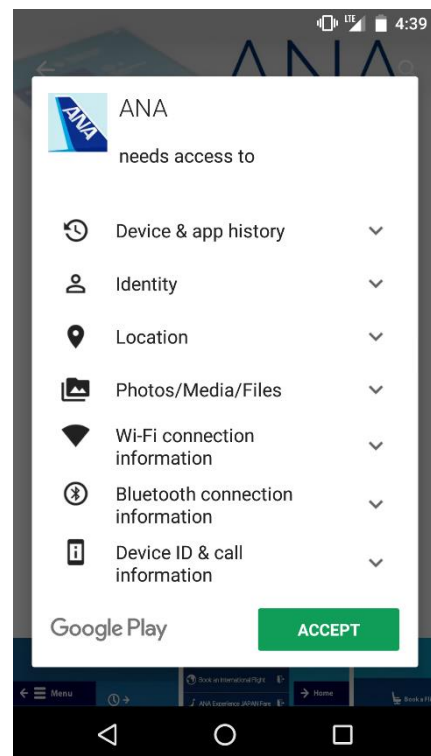
### IdeaWorksCompany reviewed the app offerings of 25 airlines

This report focuses on the applications designed for Android-equipped phones. The Android platform rules the world with an 87.5 percent global smartphone market share as of the 3<sup>rd</sup> quarter of 2016.<sup>9</sup> By comparison, Apple's iOS platform, which powers iPhones, had a 12.1 percent share percent for the same period. IdeaWorksCompany searched for English language applications for the world's largest 25 airlines based upon passenger traffic data provided in the July/August 2016 edition of *Airline Business* magazine.

Applications were usually found at the Google Play Store; sometimes a further search was required and the app was downloaded at the airline website. Apps have entered the mainstream with Android versions offered by 24 of the 25 airlines; an app could not be found for China Eastern. Apple iPhone was more popular with apps offered by all top-25 airlines. With the exception of LATAM, all Android apps provide flight booking capability.

Ancillary revenue is increasingly generated through the sale of branded fares which bundle service features into fare products. These can best be described as "good, better, and best fares." When features are sold using this method, the need to sell individual components, such as assigned seating and checked bags, is reduced. Simply said, the top-price branded fare typically includes these features and much more.

Many airlines continue to rely upon the a la carte method. Internet websites allow consumers to book a low-price seat-only fare on their desktop and proceed through the booking path by clicking and buying additional features. It's often a challenge to offer mobile users this same functionality through a responsive website or native application. This report assesses the ability of airlines to duplicate this effort through mobile applications.



*Captain may I? All Nippon Airways' app was among the most invasive with 7 permissions required before a consumer can begin downloading.*

<sup>8</sup> "2016 US Mobile App Report" by comScore, page 21.

<sup>9</sup> "Google Android hits market share record with nearly 9 in every 10 smartphones using it;" CNBC.com article dated 03 November 2016.



The following table provides a summary of the surveys conducted by IdeaWorksCompany to assess a la carte features offered in the booking path. That's the crucial selling process which begins when a consumer queries a city pair and ends with the last step of making payment. The most popular a la carte features are seat assignments, pre-pay bag fees, and surprisingly . . . book now – pay later. Other items are noted as they appear in the apps with additional details such as the city pair queried and the total number of downloads posted at Google Play.

<b>Mobile Apps of Top 25 Airlines</b>						
Key a la carte features – Largest airlines based upon traffic						
Airlines <i>Alphabetical order</i>	In-Path Functionality ☹ uses opt out				City Pair Queried	Google Play Downloads
	Assign Seats*	Pre-pay Bags	Pay Later	Other Offers		
Air Canada				Airport Lounge Cafe Voucher	YYZ-YYC	100,000
Air China		n/a		Printed Receipt Trip Insurance ☹	PEK-CAN	500,000
Air France		■	■		PAR-MIL	1 million
AirAsia Group	■	■☹		Mobility Assist Pre-Order Cafe Trip Insurance	KUL-SIN	5 million
airberlin	■				TXL-ORY	500,000
American	■		■	Cabin Upgrade Credit Card Offer	DFW-SFO	1 million
ANA	■ <i>no fee</i>	n/a			TYO-SEL	1 million
British Airways					LON-BCN	1 million
China Eastern	No android app found					
China Southern		n/a		Cabin Upgrade Trip Insurance ☹	PEK-CAN	Airline site download
Delta Air Lines	■			Bundle: Wifi & Priority Board Bonus Miles Cabin Upgrade Trip Protection Wifi	ATL-FLL	5 million
EasyJet	■	■			LON-BCN	5 million
Emirates		n/a	■	Cabin Upgrade	DXB-AMS	1 million

- table continued on next page -

Mobile Apps of Top 25 Airlines, continued						
Airlines <i>Alphabetical order</i>	In-Path Functionality <small>☹ uses opt out</small>				City Pair Queried	Google Play Downloads
	Assign Seats*	Pre-pay Bags	Pay Later	Other Offers		
GOL	■	n/a			SAO-NAL	1 million
Hainan	<i>App not available in English; Chinese version supports booking</i>					5,000
Indigo	■	■		Airport Lounge Pre-Order Cafe Priority Check-in & Bag Delivery Trip Insurance	DEL-MAA	1 million
Japan Airlines	<i>App not available in English; Japanese version supports booking</i>					500,000
JetBlue	■			Fast Track Pet in Cabin Trip Insurance	JFK-SEA	1 million
LATAM	<i>Can't book flights with app</i>					500,000
Lion Air					CGK-DPS	500,000
Lufthansa	■		■	Rail Tickets Trip Insurance	FRA-BCN	1 million
Ryanair	■	■		Airport Parking Airport Transfer Biz Plus Savings Fast Track Trip Insurance	DUB-BCN	5 million
Southwest		n/a			MDW-LAS	5 million
Turkish Airlines		n/a			IST-BCN	1 million
United	■		■	Airport Lounge Cabin Upgrade Bundle: Priority Check-In, Board, Bags, Fast Track	ORD-SFO	5 million
<p>* – Seats may be selected in the booking path. Fees typically apply for extra leg room seats; fees for regular seats might not apply.</p> <p>n/a – Not applicable, the airline does not offer “seat only” fares which charge a fee for a checked bag.</p> <p>App research conducted by IdeaWorksCompany January 2017 using Android version 6 phone.</p>						

Mobile apps are becoming competent a la carte retailers. In particular, the apps offered by AirAsia, Delta, Indigo, Ryanair, and United offer five or more a la carte options in their booking paths. That’s a noble achievement in a device having a screen that’s a sixth the size of a laptop screen. Airlines were found to offer a varied buffet of goodies, such as airport lounge access, bonus miles, rail ticket connections, and even paying to have your pet join you in the passenger cabin.

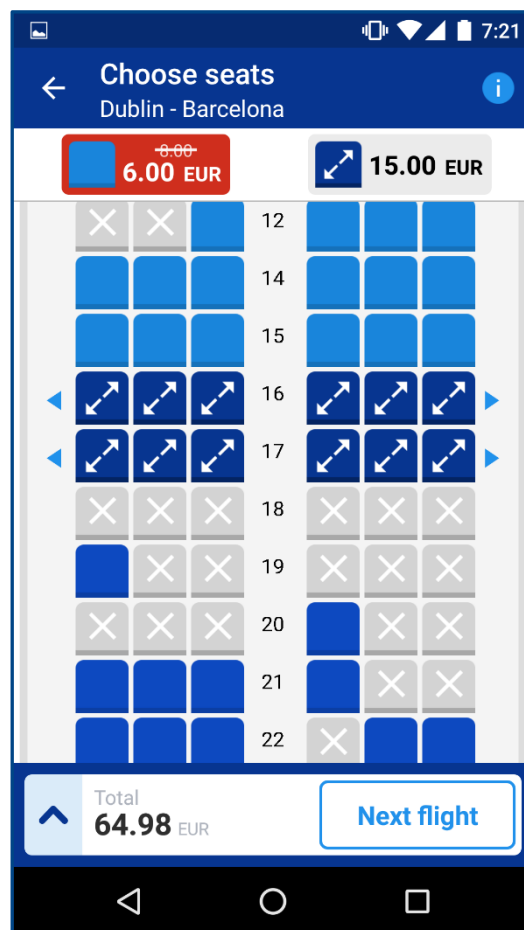
## Choose your view as window or aisle

Assigned seating has become the a la carte feature every airline can agree upon, from global network giant to medium-haul low cost carrier. It's the most prevalent a la carte feature and was found on 50 percent of the mobile applications surveyed. Assigned seating has certainly gained traction as a revenue-producing feature. But not all carriers charge a fee; All Nippon Airways allows passengers to select seats without any fee. Some airlines selectively charge fees for seats offering extra leg room or for those located in the front of the cabin. The traditional low cost carrier model assesses a fee for any seat selected by the consumer.

Ryanair provides an exceptional example of seat assignment done right. Appearing to the right is a screen shot of the seat map offered for a Dublin to Barcelona flight. As the consumer scrolls through the rows, the icon and pricing change to reflect the seats being viewed. Color coding readily indicates seat pricing, while double arrows indicate more leg room. Ryanair practices good retailing by alerting consumers to special pricing, such the €2 discount for rows 12 – 15 (see red box on screen shot).

Examples of poor retail practices were found on the apps offered by other carriers and include the following:

- Prices are not displayed until the seat is selected, which discourages the consumer from clicking and shopping.
- The selection of seats on a flight is limited because most are reserved for elite FFP members or for assignment at the airport.
- Once selected, the fee no longer appears as a separate item and is merely bundled into the overall purchase price.
- The selling features of a seat are not immediately obvious or confusing labels are applied. For example, one US airline brands a particular seat “Core” which is undefined and not intuitive.



*Ryanair's booking path seat assignment map.*

The retail art associated with seat assignments is far easier in the large store window provided by a personal computer monitor. It becomes exceedingly difficult on a smartphone screen. Shoppers are more likely to buy when they understand three things. First, the price of the product is very apparent. Second, the main feature of the product (such as extra leg room) is presented or easily learned. Third, the buyer has confidence it's easy to put the item “back on the shelf” if they change their mind before the booking is final.

## Baggage poses a challenge for mobile e-commerce

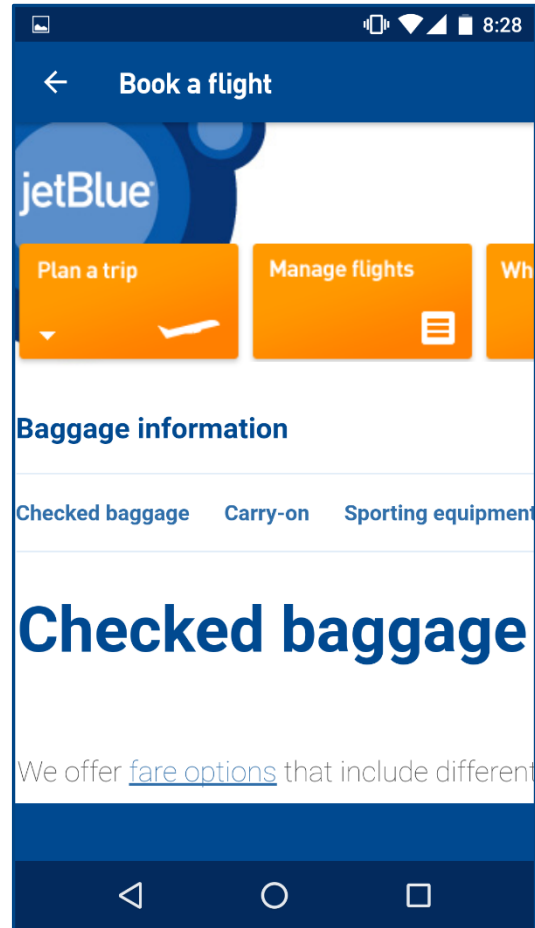
Checked baggage offers the largest opportunity to boost a la carte revenue. But too many airlines staff this part of the store with the equivalent of poorly trained and unequipped sales people. It's a shame because tremendous revenue is lost to a lack of information which effectively encourages consumers to close their wallets. This of course likely defers the purchase decision to the day of departure and forces the transaction to occur at the airport counter. The best sales people know the value of closing the sale as soon as possible.

Baggage is a crucial part of a passenger's journey on an airline. But it's amazing how it's seemingly treated as an afterthought by airlines. Too often the consumer is merely provided a link to a very broad display of information. Rather than leading to prices tailored for the flight already chosen by the consumer . . . the link leads to a generic non-responsive website page.

If the consumer has abundant time and exceptional eyesight, they can navigate the maze of detail to maybe find the policy for their particular trip. JetBlue has enjoyed tremendous financial success from its branded fare strategy. The carrier offers a Blue fare which does not include a checked bag. So its baggage policy remains an important consideration for shoppers. Unfortunately, as shown to the right, the path to knowledge is very unfriendly for mobile shoppers.

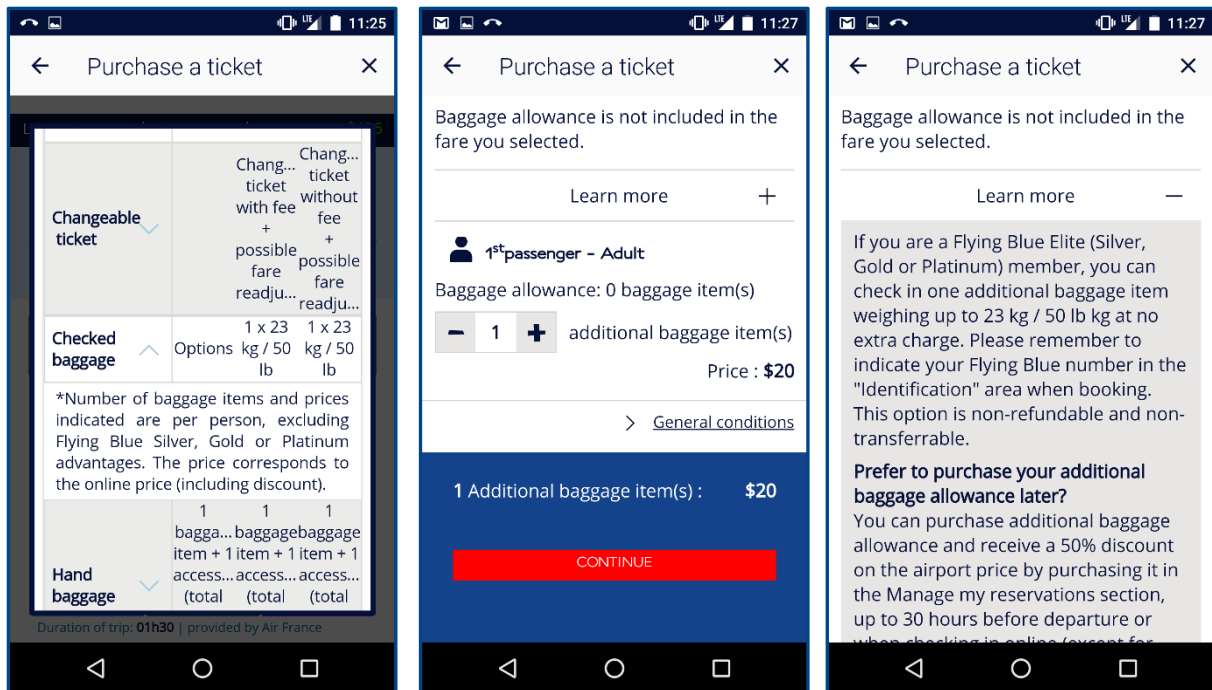
The carrier is certainly not alone because this condition exists on many websites. What must be frustrating for the consumer – in today's age of personalized technology – is knowing the website (or app) is fully aware of the itinerary selected by the consumer. This should create the capability to serve up the appropriate baggage information. Imagine spending time describing your desired car to a salesperson. And the salesperson responds by saying, "Oh how nice . . . we have an entire lot of vehicles for you to go out and browse, go out the door and look." You'd comment to yourself, "They don't seem to care about my needs very much."

The best method provides three levels of detail for the consumer. First, the consumer is gently informed whether bags are included with the fare offered. Second, the pre-payment screen readily displays the fee associated with each baggage choice. And third, the option to click for more details is provided.



*Not a smart phone. This in-path link takes the consumer to a non-responsive web page that offered general information for all routes.*

The Air France mobile app demonstrates this recommended practice. Consumers may click a link to compare fares which describes the features of the Economy Light, Standard, and Flex fares (left image below). It's easy to scroll to the checked baggage section of the summary. Later in the booking path the ability to pre-pay baggage is offered (center image below). Clicking on the + symbol easily adds a checked bag along with instant display of the price. The "Learn more" link provides more details along with a helpful prompt that pre-pay provides a 50 percent discount off the airport price (right image below).



All together now. The Air France mobile app provides a consumer friendly and retail savvy collection of screens for pre-paid baggage. Shown above are the pre-pay baggage screens associated with a Paris-Milan itinerary.

Air France does stumble with its integration of Alitalia flights. It's very easy to book an Alitalia flight believing it's operated by Air France. For Alitalia flights, the pricing information for checked baggage is not offered beyond noting the fees are payable at the airport. That's the trouble of including partner airlines in the booking path; the consumer expects a seamless experience within the environment of the app store . . . regardless which company may operate the flight.

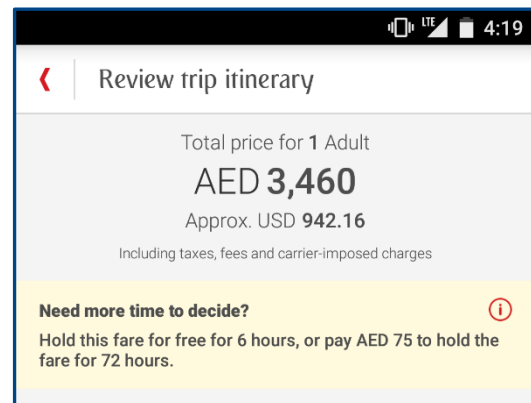
### Book now, pay later motivates impulse buying

Mobile might be the perfect platform to encourage impulse purchases. This always-with-you store allows consumers to impulsively pull out their smartphone to shop for a trip while having coffee with friends. Just complete the booking process and select "pay later" and wait until everyone in the group confirms their desire to take the trip. It's easy to share an itinerary with others and for the application to send a text reminder before the space is canceled at the end of the hold. Perhaps that's why five airlines (Air France, American, Emirates, Lufthansa, and United) included the feature in their mobile apps.

Emirates is offered as an example because the airline is an unlikely proponent of ancillary revenue. The carrier has traditionally prided itself on an all-inclusive approach to pricing its product. Only within the last year has Emirates raised the profile of its a la carte activity.

After the consumer confirms their itinerary, they are presented the “Hold my fare” option. Provided the booking is made 24 days before departure, the consumer may select a free-of-charge 6-hour hold, or opt to pay a fee for a 72-hour hold. The fee varies, but for a Dubai-Amsterdam booking displayed to the right, the fee was AED 75 (US\$20). Clicking on the info button provides more details for the consumer.

Air France offers consumers an exclusive benefit via its app. The Time to Think reservation hold feature is offered free of charge for a 24-hour period. Normally this feature costs US\$8-20 for a 3-day period at the website. The airline should better highlight this no-fee benefit as another reason to download and use the mobile app.



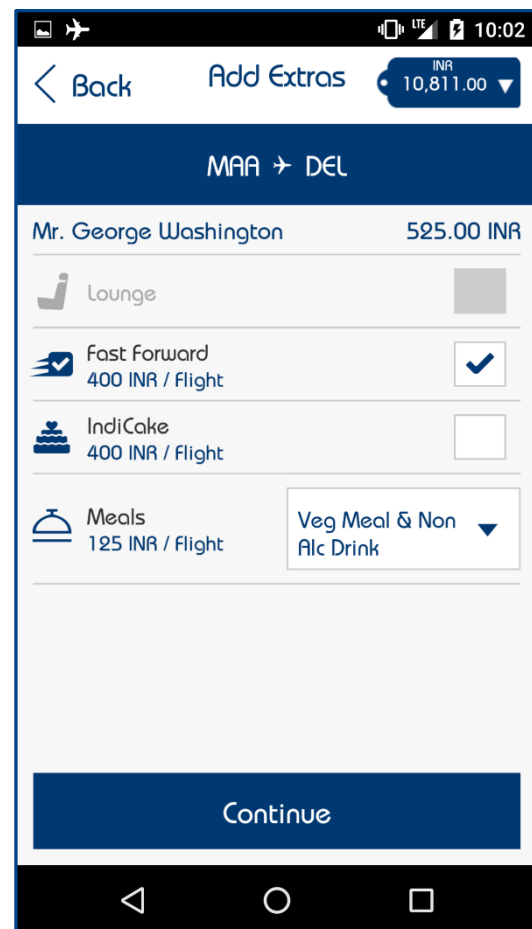
Screen shot portion showing Emirates’ “Hold my fare” feature for a Dubai to Amsterdam booking.

### Airline apps sell more than assigned seats and bags

Airlines need not limit their sales to assigned seats and pre-paid baggage. Mobile apps offer the versatility to sell much more. But caution is advised, because display space and customer patience have limits on a mobile device.

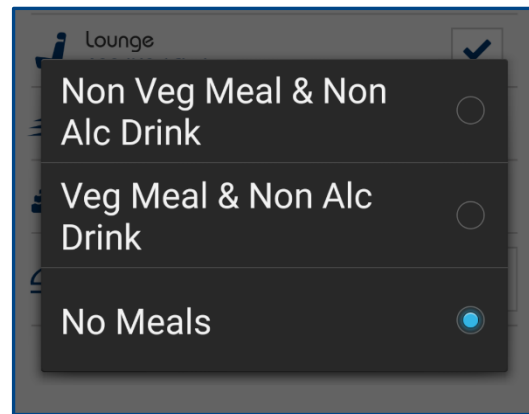
Indigo provides a good example of clean and efficient design. After selecting insurance, assigned seats, and pre-paid bags, the customer is invited to add “Extras.” Clicking on this option opens a new screen. Indigo displays their a la carte menu just like items appearing on a shelf in a store: Lounge, Fast Forward, IndiCake, and Meals.

Consumers can easily click to buy various items. And most impressively, they can easily unclick to instantly remove an item from the shopping cart. As displayed in the image to the right, an item is shaded when not offered on a particular segment (there’s no lounge at Chennai-MAA airport).



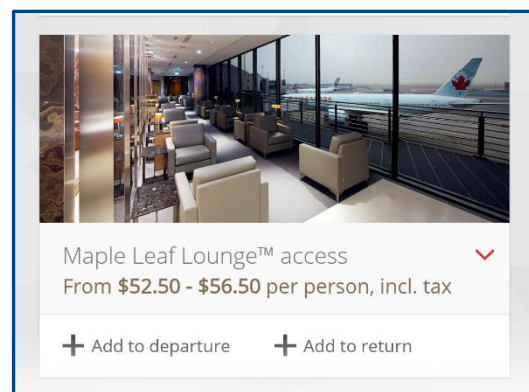
Indigo screen shot displaying optional extras available on a Chennai – Delhi flight. IndiCake is just that . . . the treat of a sweet delivered inflight.

Unfortunately, this particular screen is a little too efficient. Additional details for the optional extras could not be found; there were no links for further information. The ability for the consumer to click further to learn more is a retail necessity. The single exception on the screen is meal selection, with a simple drop down box providing two entrée choices. But even here, the additional description is limited to abbreviated words. The opportunity exists for better retail treatment with images of the typical meal served, even if a specific entrée can't be selected. More details simply help guide consumers to make the decision to buy.



Portion of Indigo screen shot displaying abbreviated meal options for a Chennai – Delhi flight.

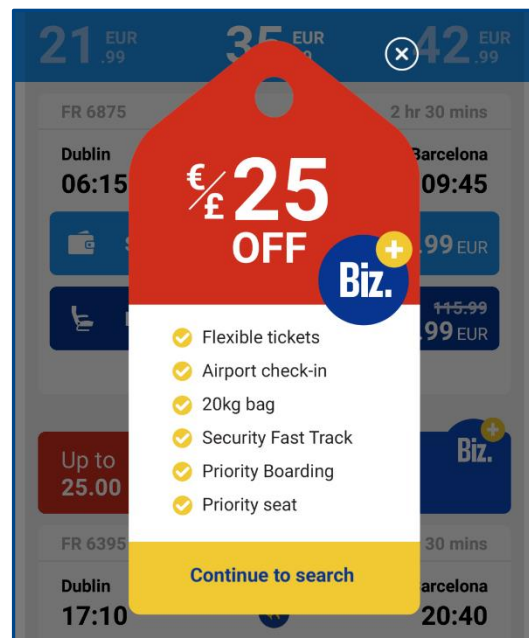
Mobile applications are great platforms to create personalized offers. The key can be the travel behavior already known to the airline through past purchases tied to the user's booking account.



Portion of Air Canada screen shot displaying lounge access option for a Toronto – Calgary flight.

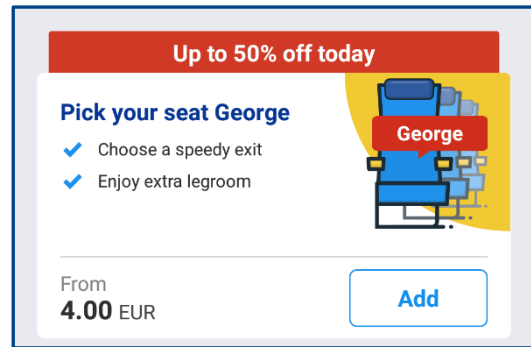
While booking travel on the Air Canada app, the offer to purchase airport lounge access didn't appear when the lowest Tango fare was chosen for a Toronto to Calgary flight. But when a trip was booked using the higher Flex fare – *voila* – the Maple Leaf Lounge access offer appeared. That's a conditional sales pitch that acknowledges consumers who buy business-type fares are better candidates for the comfort of airport lounge access.

Ryanair, and its Ryanair Labs group, have obviously been very busy. Its mobile application was the most advanced of those reviewed for this report. Early in the booking process it tempted with a big €25 or £25 discount off the price of a Business Plus fare. Perhaps this was inserted because the mobile app was freshly downloaded just minutes before. Or maybe Business Plus bookings were light for the flights queried. Regardless, the special offer wins high marks for creating a very effective retail pop-up in the booking path.



Ryanair placed the perfect sales tag in the booking path by offering an attractive discount and a concise list of the benefits provided.

But wait, there's more! Further into the booking process, Ryanair served up an offer personalized with the name of the passenger. Test bookings used the name of George Washington. After flight selection was completed, Ryanair offered a discount for assigned seating. The message was personalized for "George" and even included an image with his name on the seat. It's a small personal touch – which probably required plenty of coding to support it – but it helped make Ryanair's app stand out from the crowd.



### Retail-responsive apps are the ultimate design objective

Merely sizing the content of a website to fit the screen of a smartphone – and creating a mobile app for flight booking – meets the bare minimum of today's travel marketplace. While this addresses functional requirements, savvy airlines know they must evolve and do more to become master retailers of the small screen. There is a special-moment-in-time element here. Airlines can choose to create crucial superiority over other booking channels (such as OTAs) or simply offer mediocre apps. The latter merely encourages consumers to embrace other distribution methods which better meet their expectations.

### 5 Tips to Build Retail Mastery – Mobile Apps and a la Carte

- **Build a seat map that easily associates seat features with the fee charged.** The price of the seat must be displayed along with the main feature of the product (such as extra leg room) in an easy to comprehend manner.
- **Use a 3-tier approach to define product features.** First, present a few key words or easy-to-understand branding description in the booking path. Second, provide more details on the item confirmation page. Third, provide the option to click for more details, and if appropriate, an image.
- **Provide confidence it's easy to put the item "back on the shelf."** This gives assurance that it's easy to recover from a mistake.
- **Create an obvious method to return to the booking path.** Requiring consumers to start over motivates them to stay in the booking path and to avoid a la carte items.
- **Make sure your app works.** This report contains many examples where apps (and websites) don't deliver a great user experience – avoid this at all cost.

Imagine it's the 1980s and the commercial internet is an infant. Knowing what you know now, how would you invest differently? The same question is posed today. Are you going to be a follower or a pioneer? The future will reward those companies that invest today to create solid retail solutions that tap the full potential of the convergence of mobile retail and ancillary revenue.





## Finnair's Vital Revenue Boost

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Reach Jay Sorensen direct at  
[Jay@IdeaWorksCompany.com](mailto:Jay@IdeaWorksCompany.com)

