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Mobile mavens

Leading the travel experience revolution

IBM Institute for Business Value

Mobile is the future of travel

In 1964, the Sabre airline reservation system was released, and it quickly became the largest private, real-time data processing system in the world.¹ Then, in the late 1990s, the internet transformed the travel industry again. Passengers are more connected than ever, but the systems that once propelled the travel industry forward now often hold it back. Inflexible, cumbersome travel processes can be difficult to use compared to other industries. Mobile technology has the potential to dramatically increase customer satisfaction through deeper engagement and personalization, and by empowering employees to more meaningfully connect with travelers.

Driving passenger satisfaction with mobile

In 2017, mobile will account for 40 percent of US digital travel sales.² A growing number of people are using smartphones to plan their trips. Digital travel sales in the US will reach \$189.62 billion this year, and 40 percent of those sales will come from mobile devices.³ As of 2013, 75 percent of the world's travelers use tablets and smartphones while traveling, so connectedness is nearing ubiquity.⁴ Those numbers are expected to grow over time because travelers who don't have smart phones aren't able to access important information about flight delays and hotel upgrades. This type of up-to-the minute information is mainly available only to those passengers who are connected.

Like many industries, travel is made more meaningful through personalization. But to personalize effectively, the provider must be aware of travelers' individual preferences, including their preferred channels. For an increasing number of people, that channel is mobile. In 2017, 57.5 million US adults will use a smartphone to book a trip. This figure is up 14.1 percent over last year and represents 81.2 percent of all mobile travel bookers.⁵

Because digital interactions with passengers generate accurate and timely insights, they are a great way to gather and apply customer preferences. But many travel companies could be doing better at this core skill. Many travelers are less pleased with the digital experiences delivered through airline websites, mobile apps and social channels than they are with experiences delivered by employees.

In fact, according to a survey by the Atmosphere Research Group for the International Air Transport Association, 39 percent of leisure passengers and 45 percent of business passengers believe they use too many websites and apps to find flights.⁶ And according to the IBM Travel Experience Index, airlines and hotels should seek to improve digital interactions by mimicking the most personalized human-delivered traveler interactions.⁷ By applying customer preferences and data from previous customer interactions, travel providers can personalize their services and offers.

“In 2017, 57.5 million US adults will use a smartphone to book a trip.”⁸

eMarketer “Mobile Drives Growth of Online Travel Bookings.” June 2017

Mobile apps can be used for far more than just check-in, and travel providers have an opportunity to increase mobile conversion rates. In this context, conversion is based on travel shoppers who actually complete a booking or payment.

The capabilities of mobile devices have improved dramatically, so travelers can go beyond simple self-service and perform complex transactions.

Older systems aren't capable of engaging customers. In 2017, people shouldn't have to wait in line to watch an employee type on a keyboard.

The IBM Travel Experience Index used a mystery shopper approach to gather data. Travelers who entered a request for a special meal online were often unable to check those requests on the airline's mobile app. They also were rarely

prompted to reenter or confirm that preference on subsequent flights, and too often didn't even receive the special meal they requested. Although the survey showed that there's room for improvement, the good news is that mobile apps are ubiquitous and plenty of solutions exist, so airlines can emulate other industries to resolve the deficiencies.

Thanks to improvements in cognitive and artificial intelligence tools, travel providers have new ways to understand and anticipate customer needs.

By taking advantage of insights from big data and analytics, they can create personalized offers for specific people and markets. And almost all of these new possibilities for personalization require mobile interaction.

Travelers have come to expect personalization, and 50 percent of travelers believe that the best experiences are those that are adapted to their preferences.⁹ One aspect of personalizing the customer experience is anticipating a traveler's preferences before, during and after the journey. Digitally enabled travelers want proactive communications and choices, which require a new level of coordination among providers. These new features and services are also enabled by mobile devices.

Lufthansa creates MobileFirst app

Using a MobileFirst for iOS app called Manage Gates, Lufthansa flight managers are equipped with up-to-date critical information to help ensure safe and on-time travel. Designed specifically for flight managers, Manage Gates is a digital business assistant that provides immediate access to essential data related to the airline's assigned flights. Flight managers now can plan and monitor flight changes and boarding processes. With this information, they can react more quickly to changes and better help passengers. The app simplifies everyday tasks and results in more efficient processes that allow flight managers to address customer needs more directly.

Mobile, digital-first shopping has become the norm and travelers are even beginning to experiment with using chat to shop.

Apps help United flight attendants

United Airlines is using Mobile at Scale for iOS, a new IBM app design and development model for the rapid development and deployment of multiple iOS apps. This integrated approach enables United to quickly and efficiently design, develop, deploy and maintain iOS apps over their lifecycles. The apps are intended to be seamlessly integrated with United's core enterprise processes, equipping employees with the expertise, solutions and data to change how they work.

The mobile transformation of key processes also extends to the way employees do their jobs. Because of their contact with customers, frontline staff can have a positive impact on both traveler personalization and operations. Giving employees mobile devices with intuitive apps can make it easier for them to improve passenger experiences. For example, a flight attendant who has a mobile app with information about flight delays and scheduling can immediately help passengers trying to make tight connections or even reschedule people to later flights.

Apps can be helpful for employees on the ground too. For example, customer service agents are under pressure to board flights quickly, but often they have to use stationary scanners that don't handle digital boarding passes from a smart phone well. With a mobile application, agents can move away from fixed kiosks and scan boarding passes from any gate. On-time departures also can be aided by apps for aircraft mechanics, which can help them prioritize work orders, get support and troubleshoot problems.

Individuals are more connected and empowered than ever before, which changes how customers interact with organizations. Thanks to social media, a single bad traveler experience with an employee can lead to a public relations disaster almost instantly. Customer expectations about information access, connectivity and transparency have risen, so mobile strategies must be consumer-centric. In a recent IBM Institute for Business Value Global C-suite Study, 55 percent of more than 4,000 C-suite executives said consumers have the most influence on business strategy other than the C-suite itself.¹⁰ Empowering employees with mobile apps can go a long way to keeping passengers happy and avoiding negative headlines.

Empowering employees with mobile

What's next?

Although the travel experience has changed dramatically over the years, it's on the cusp of even greater change. Mobile is going to be intricately involved in the transitions taking place throughout the industry. Executives who want to take advantage of mobile in their companies can take these steps to move forward:

- *Consider customers.* What areas of the travel process cause them frustration? How can you alleviate it? In what ways can you add more highly personalized travel experiences delivered over mobile devices?
 - *Reach out to partners.* How can you work with partners to proactively assist passengers throughout their journey? Can you articulate why your organization should be willing to share data on customer patterns and preferences with partners to help meet customer needs?
- *Empower employees to do their jobs better.* What frustrates them? Look for trouble spots that could be alleviated if employees had access to the right information and insights at the right time.

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