

RESEARCHED AND WRITTEN
BY JAY SORENSEN
EDITED BY ERIC LUCAS



Finding the Path to Fix Airline Retail

CarTrawler-sponsored analysis shows airlines how to stop treating air travel as a commodity, create a first-in-line position among consumers, and dominate the travel planning process.



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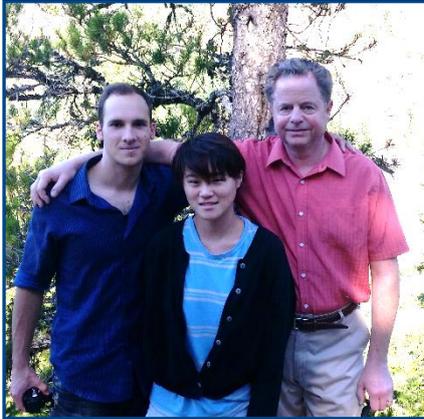


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About Jay Sorensen, Writer of the Report

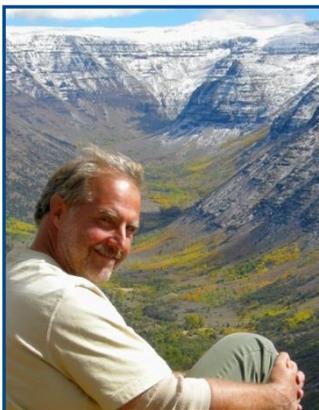
Jay Sorensen's research and reports have made him a leading authority on frequent flyer programs and the ancillary revenue movement. He is a regular keynote speaker at the annual MEGA Event, spoke at IATA Passenger Services Symposiums in Abu Dhabi and Singapore, and has testified to the US Congress on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



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

Mr. Sorensen is a veteran management professional with 35 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, culture and natural history writer and editor whose work appears in Michelin travel guides, Alaska Airlines *Beyond Magazine*, *Westways* 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 30 years. He lives on San Juan Island, Washington, where he grows organic garlic, apples, beans and hay; visit him online at TrailNot4Sissies.com.

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

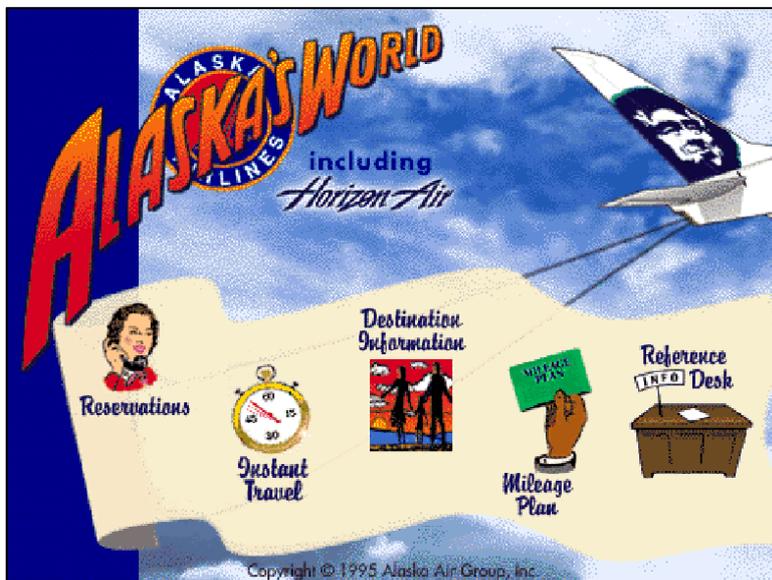
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Finding the Path to Fix Airline Retail

It's hard to believe we are nearing the 24th anniversary of airline websites. Alaska Airlines was the first carrier in the US (and perhaps the world) back in December 1995 to offer online booking capabilities.¹ The internet was in dial-up mode with snail-like transaction times at AlaskaAir.com ranging from 3 to 10 minutes. Fast forward to today, and website response times are measured in fractions of a second. Speed has definitely increased, but a glance at any early airline website reveals how much has remained the same. Nearly 24 years later, airline websites promote the same two core functionalities: transactions and information retrieval. This one-dimensional merchandising effort is largely limited to converting website visits into airline bookings, with no meaningful attempt to operate stores that inspire and engage. This reality is in contrast to airline executives' aspirations to be master merchandisers of a wide array of travel-related goods and services.



In 1995 "Instant Travel" referred to the ability to travel without tickets. Or, the consumer could hold a seat and opt to get tickets through a brick and mortar travel agency.
Image: Alaska Airlines Blog

I'm writing this report to encourage airlines to move from a transaction focus to become robust retailers of travel. At present, airline websites are little more than cash registers surrounded by shelves of merchandise. It's true, this process is extremely efficient, but it limits consumers to only think of an airline website as a place to book airline tickets and buy a la carte services.

The danger of this complacency is threefold. First, presenting travel services as commodities, and ignoring

the power of emotional engagement, encourages consumers to limit their search to the lowest price. Second, billions of dollars, euros, yen, and rupees are lost as consumers drift to other websites to buy the elements of a holiday: hotel, car hire, sightseeing, and ground transport. Third, companies that are faster and savvier, such as Google, can use technology to grab a first-in-line position and dominate the travel planning process.

¹ Alaska Airlines Blog Entry, "Fun fact: Alaska was first U.S. airline to sell tickets online" dated 27 October 2016.

Airlines win distribution, but fail at retail

Ever since deregulation, airlines have been unhappy with how their products are sold. Before deregulation, there was enough money swooshing through the system to keep everyone satisfied. Travel agents earned significant commissions on the sale of airline seats, agency automation systems benefited from a thirst for technology, and airlines were content with the modest slice of direct bookings attained through call centers. Deregulation arrived in the US in 1978, and gradually spread elsewhere through the world, and thus began the grand disruption of the entire business of selling travel.

Market share would no longer be influenced on the basis of extravagant onboard service such as American's 747 flying lounge for economy class customers displayed on this page. Discounted fares focused consumer attention on the lowest fare. In addition, the new world of distribution and pricing sought to steer business using a dizzying array of travel agency commission structures and air fares. These were the new financial tools used by airlines to preserve revenue in a travel market which had become highly competitive. The entry of low cost carriers – which were happy to sell directly to consumers – would cause even more complications.



Yes, you are reading this correctly . . . American Airlines once offered this economy class lounge on its 747 aircraft. This was when consumers chose a carrier based upon service and not on the basis of price alone.

The arrival of the internet was viewed as a method to slash growing distribution costs. Airlines happily positioned online travel agents (OTAs) as leverage against the now-strained relationships with traditional travel agents and global distribution systems. As testimony to this new strategy, American, Continental, Delta, Northwest, and United Airlines cooperated as investors to launch the Orbitz.com booking site.²

In the US, your typical main street travel agency storefront virtually disappeared. And yet these traditional agencies contributed a very solid 20 percent of airline bookings in 2016 per a global survey of industry executives.³ While their storefront locations have certainly decreased, travel agents survived by doing what they have always done – help people discover how travel can delight, engage, and refresh the soul. That's an outcome airline websites fail to deliver. Instead, airlines have directed their energies to the quick sale of airline seats and promoting a la carte products. But the great dream of electronically matching the services offered by professional travel agents was never realized.

² "Orbitz Enters The Web Travel Fray" *Washington Post* article dated 06 June 2001.

³ "The Future of Airline Distribution, 2016 – 2021" (figure 18, page 38) by Atmosphere Research Group.

Ultimately, it was the power of airline websites that tilted distribution in favor of airlines. Ironically, OTAs (such as Despegar, Expedia, Trip) were eventually added to the list of threats . . . a list which already included travel agents and global distribution systems. You would be correct to assume there's plenty of distrust among the parties. For example, this contributed to the slow inclusion of a la carte services as features sold through travel agents and global distribution systems. Through all of this, airlines made big gains in direct sales to consumers and 52 percent of bookings are expected to occur through their websites, mobile applications, and other airline-owned platforms by 2021.⁴

This is all good news if you just want to sell airline seats and a la carte services. But if airlines want to someday attain the status of being “the Amazon of travel” there is much more work to be done. Some airlines, such as Allegiant and Jet2.com, have websites that entice robust holiday bookings. For example, package holiday passengers represented 48.3% of all Jet2.com passengers.⁵ But the reality faced by almost all of the world's airlines is closer to the 2018 statistics posted by JetBlue and easyJet.

Among all customers buying air travel directly from JetBlue, approximately 1.4% booked a JetBlue Vacation. For easyJet's 20 million customers who booked its top 29 destinations (by market share), only 500,000 added a hotel through the carrier's website. That's a scant 2.5 hotel bookings for every 100 passengers. Airlines can achieve big results in other areas; 60 to 70 percent of United's passengers upgrade to a standard product over Economy Basic when given a clear product choice through the fare presentation at its website. And yet, the conversion rate of 1 to 3 percent for accommodation add-ons is consistent through the airline industry. It's a message which calls for the opportunity of booking more travel-related goods and services.

Behold the travel agents – masters of booking conversion

Travel agents existed before the internet, have learned how to live in the internet era, and will be here long after the internet is replaced by something else. I visited the mother and daughter team of Sue Hollenstein and Jenny Cagle, who have guided their Wisconsin-based travel agency since 1967. Elm Grove Travel has survived airline bankruptcies, the complete upheaval of commission structures, a recession, and a painful competitive landscape which once boasted a total of five travel agencies in their small town. Their business flourishes today because they embrace the internet and deploy agents as category specialists who guide customers through the information overload of today's travel marketplace. The method works and Jenny estimates more than 90 percent of customer visits eventually generate a booking for her agency.



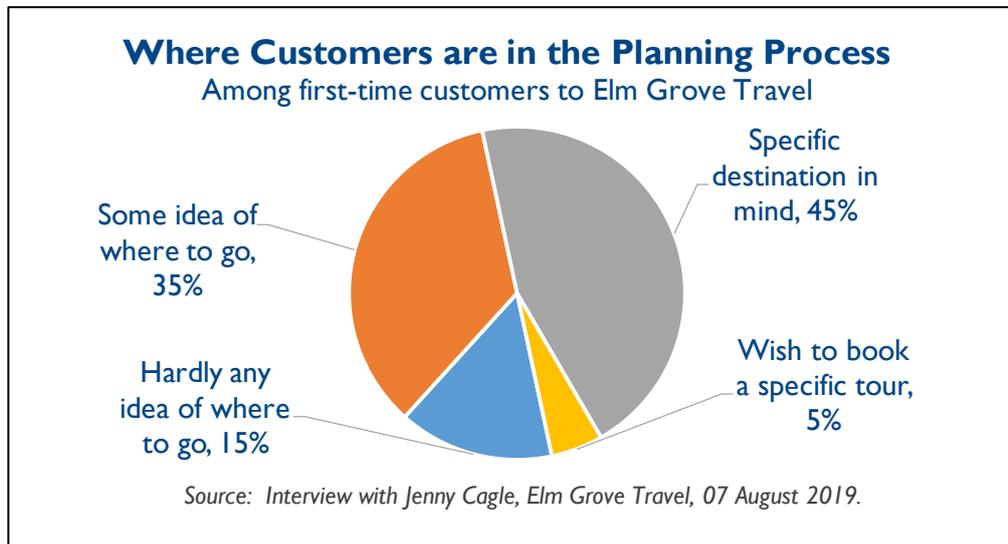
The generational handing over the key occurred in 2018 with Sue Hollenstein passing ownership of Elm Grove Travel to daughter Jenny Cagle.

⁴ “The Future of Airline Distribution, 2016 – 2021” (figure 18, page 38) by Atmosphere Research Group.

⁵ 2019 CarTrawler Yearbook of Ancillary Revenue by IdeaWorksCompany.

Ninety percent conversion success is an amazing statistic, especially when only 5 percent of customers walk in the door with a specific tour in mind. The remaining 95 percent require guidance to arrive at their destination and booking decisions. Sales in a travel agency setting do not instantly occur and require dialogue between the customer and agent. The

questions posed by the agent include, What have you done on holiday before? What trips have you taken? What's on your bucket list? What is your budget? These are all open-ended



questions and a good agent can quickly distill the responses to create a list of initial ideas for the customer to ponder. Jenny describes the process as working toward a particular goal, “We work to create a rapport with them. We want to have more than an email dialogue, we want to have a phone conversation. We want them in the office, so they see we are a real business. We take it from an online conversation, to a real in-person conversation.”

Travel agents know the planning and booking process has an arc that begins months or even years before the departure date. These professionals guide the consumer by determining needs and expectations, providing information, sharing personal experiences, and handling the mechanics of booking the full array of travel components. When this cycle is mastered, the team at Elm Grove Travel has found the outcome to be an amazing booking success rate of 95 percent. In the rush to create online booking solutions, the airline industry focused on the ring of the cash register and neglected how travel goes from being an impulse to an itinerary.

You don't skip to the last page of a novel

The art of storytelling has become a popular topic in the business world. The idea is you can create a more memorable and compelling message by using a story format. Rather than spewing facts and features, you engage the customer with a narrative they can relate to. Though it may sound like a freshman-level college composition lesson, I think it's important to create an understanding of what is missing from airline retailing. Please review the table on the next page to learn how a story is created. There are nice parallels between story structure and the planning stages listed in the above pie chart. Both reveal how customers can travel a predictable path to eventually discover their destination — yes, in a literal sense. Storytelling is a trustworthy tool that is as old as humankind and is hardwired into our being as a way to engage the audience and create trust.

Applying 3 Act Story Structure to Airline Retailing

Narrative Structure	Definition	Applied to Airline Retail
Set Up (choosing to travel)	Establishes the main characters, their relationships and the world they live in. Introduces a problem (or catalyst) which requires the protagonist to act.	The consumer connects these attributes: having spare time, need for relaxation, desire to do something new, and travel. The airline is established as a key component of travel.
Confrontation (inspiration)	Depicts the protagonist's attempt to resolve the problem, which may require several attempts.	Inspiration and information is sought from friends, media, and suppliers and various holiday ideas are considered and tested.
Resolution (taking action)	The climax brings the main tension to its most intense point, and the problem is answered, leaving the protagonist with a new sense of self.	The decision for a specific destination and holiday style is made (the climax) and the process of booking travel occurs (resolution).

The problem associated with airline retailing methods is the complete focus it applies to the shaded box in the table (lower right corner). Airline retail methods simply ignore the largest parts of storytelling: the set up and confrontation. Airline websites even manage to skip the climax, and jump right to the resolution by placing the booking engine front and center on the home page. In effect, this causes the consumer to skip to the last page of the novel.

Not every consumer desires a storytelling path to book an airline trip. For the most part, airline websites serve transactional consumers very well. These travelers know what they want and seek the most direct path to find a booking confirmation. Some might be candidates to add accommodations, car hire, activities, and more. But even here, the one-size-fits-all nature of current website design creates an impersonal experience for transactional consumers.

Travel agents know this, and that's why they will always exist to serve a portion of the marketplace. Airlines would be well advised to support their efforts and woo their loyalty as they once did in the past. The story arc displays how the travel booking path begins far ahead of the point where a consumer enters their origin and destination in the home page search box.

According to John Ricks, who is the current head of the Nebraska Tourism Commission and has decades of tourism experience, "Word of mouth is huge. There's a lot of digital person-to-person recommendation going on, and it has a significant amount of impact." If your destinations and brand are not present in the first parts of the story, they won't be a component of the mobile texts shared by consumers as they plan a journey.

“We’re in business to save our home planet”

That’s the recently conceived slogan for Patagonia, which is a California-based outdoor clothing company. It’s also the best example of corporate storytelling I could find. The company focuses with precision on physically active, environmentally aware consumers. It seems all of Patagonia’s efforts are directed to tell a story based upon clearly defined core values: *Build the best product, cause no unnecessary harm, use business to protect nature, and not be bound by convention.*⁶

Visiting its website provides ample evidence of Patagonia’s intentions. There is easy access to content that encourages environmental activism, being physically active, cooking outdoors, and of course — buying clothing. This is accomplished through a vast array of media, using almost every method possible. There is a blog which is more like an online magazine with hiking, camping, mountaineering, kayaking, and environmental stories from all over the world. YouTube is used to tell more stories and model clothing in a very detailed style. Patagonia’s YouTube channel boasts 44+ million views . . . by comparison global airline behemoth Delta is almost comparable at 47.5 million.⁷

Patagonia is very sincere in its mission. The company routinely posts criticism of government policies which it views as damaging to the environment. It has given millions in cash to fund environmental protection projects. Its Worn Wear division recycles and repairs used clothing returned by customers.

Forty five fulltime repair technicians work in Reno, Nevada on clothing returned by customers.⁸ The company says it’s the largest garment repair facility in North America; it’s a crucial component of their storytelling strategy.

The service is promoted with a slogan, “Your stories mean the world to us,” which urges consumers to provide narrative on the item being repaired. These always involve a love of the outdoors, being with friends, and reinforcing the quality of the Patagonia brand. The protagonist in a story can’t be the company, it must be a person. That’s the ultimate form of storytelling — not something generated by the branding department — but created organically by loyal customers. It simply makes your brand a trusted friend at the beginning of each new story. Airlines need not duplicate Patagonia’s activist approach, but they must be authentic in their mission of enabling human interaction through travel.



On the road and on a mission. From California to the New York island, from the Redwood forest, to the Gulf Stream water, the Worn Wear truck takes technicians on a road tour to meet customers and repair Patagonia items. Source: Patagonia

⁶ Review of Patagonia’s Mission Statement at Patagonia.com, September 2019.

⁷ YouTube stats for views reviewed at Patagonia and Delta channels September 2019.

⁸ “Better Than New - Patagonia's Worn Wear Repair Truck & Facility” video at Patagonia.com viewed September 2019.

Amazon and Google have no limits, and that's a problem

Amazon, Facebook, and Google are composed of systems which can be scaled larger — and seemingly without limits. If you are an investor, or a CEO with stock options, this is a wonderful opportunity. But mammoth, globe gripping companies can't tell intimate stories on a human scale. Oh, most certainly they can try, and you can bet there are communication companies willing to take millions of dollars to attempt the effort. But there is nothing about these systems that is intimate and human-scaled. They are transaction machines, and if airlines wish to compete with tech giants on a transactional basis, they will ultimately fail. Personalization is touted as one solution to this challenge.

Best retail practice is not knowing everything about your customer. Rather, your customers should feel the retailer knows enough about them to meet their needs. I keep copies of email offers from airlines that fail at personalization. It's bursting with examples, which include "personalized offers" from frequent flyer programs which should have an exceptional idea of my buying habits. I've been an American AAdvantage member since the 1980s, and have never subscribed to a plan offering bonus miles for restaurant dining. Yet, very reliably, the airline will use an email impression flogging this offer about every three months. American is merely presented as an example, as every airline is guilty of this behavior. This practice delivers an unattractive message to the consumer, "This airline really doesn't know me very well."

Anyone who has tried to reach out to Google or Facebook as a consumer knows the frustration of facing a faceless bureaucracy. Of course Amazon is better, because it's designed as a consumer-facing company. However, 60 percent of the goods in their store are now sold by third parties.⁹ A recent *Wall Street Journal* headline declared, "Just like tech companies that have struggled to tackle misinformation on their platforms, Amazon has proven unable or unwilling to effectively police third-party sellers on its site." The *WSJ* investigation found "4,152 items for sale on Amazon's site that have been declared unsafe by federal agencies, are deceptively labeled or are banned by federal regulators." Perhaps becoming the "Amazon of Travel" should not be the goal.

Then there is Google, which like the power of water is methodically trying to carve directions into the stone of our industry. Google has a tremendous arsenal which is capturing consumers from every online angle. Google Maps seeks to become a super app by allowing consumers to search for nearby retailers, restaurants, bars, hotels . . . and even fake homeless shelters.



A cruel prank mapped a homeless shelter in an upscale neighborhood. This is a Google Maps image for the fake listing. Source: Los Angeles Daily News

⁹ "Amazon Has Ceded Control of Its Site. The Result: Thousands of Banned, Unsafe or Mislabeled Products" article in the *Wall Street Journal* dated 23 August 2019.

Someone placed a homeless shelter on Google Maps that directed those seeking assistance to a mansion in the Los Angeles area.¹⁰ The listing described amenities which included a pool, hot tub, and free food. The eventual removal of the listing was good news for the homeowner, advocates for the homeless, and of course the homeless. A quote attributed to a Google spokesperson in a *Los Angeles Daily News* article provides a chilling warning about crowdsourced content, “Spam and fraud have been a thorn in the Internet’s side for over a decade. We’re in a constant race with these scammers who, unfortunately, use all sorts of tricks to try to game our system. As we shut them down, they change their techniques – and the cycle continues.”

Even Airbnb is not immune to fraudsters. A couple in Colorado were surprised by uninvited guests showing up at their front door wanting to stay the night.¹¹ “It’s bizarre my house is out there on Airbnb and I never put it online,” the homeowner said. The typical scam uses images of a home taken from a real estate website and borrows an attractive address. Those who inquire about the listing are asked by the scammers to send money to a bank account to avoid the Airbnb fees. While Airbnb in this case did refund the lost payments, victims of this fraud began their vacation without a place to sleep. Examples of fraud can be found in any business, but the consumer-to-consumer design is more vulnerable.



Booker beware. This fake listing in Colorado was removed after Airbnb was contacted by a television news station. Source: Fox 21 News

Of course, all is not gloomy for the tech giants. Google Flights poses a credible threat to any travel business wishing to preserve a direct relationship with consumers. Adding the dominance of Google Maps and Google Search creates an almost impenetrable wall around consumers.

Fare options		
<input checked="" type="radio"/> Basic Economy \$237 +\$0 <input type="radio"/> No seat selection <input checked="" type="checkbox"/> Standard seat <input type="checkbox"/> Last to board <input type="checkbox"/> No ticket changes <hr/> <input type="checkbox"/> 1 free carry-on <input type="checkbox"/> 1st checked bag: \$60	<input type="radio"/> Main Cabin \$307 +\$70 <input checked="" type="checkbox"/> Free seat selection <input checked="" type="checkbox"/> Standard seat <input type="checkbox"/> Priority boarding for a fee <input type="checkbox"/> Ticket changes for a fee <hr/> <input type="checkbox"/> 1 free carry-on <input type="checkbox"/> 1st checked bag: \$60	<input type="radio"/> Delta Comfort+ \$485 +\$248 <input checked="" type="checkbox"/> Free seat selection <input checked="" type="checkbox"/> Extra legroom <input checked="" type="checkbox"/> Priority boarding <input type="checkbox"/> Ticket changes for a fee <hr/> <input type="checkbox"/> 1 free carry-on <input type="checkbox"/> 1st checked bag: \$60
<small>Fare and baggage fees apply to your entire trip. Delta bag policy</small>		

Google Flights has met the challenge of branded fares as displayed by this trio of Delta economy class products.

¹⁰ “Prank undone: Location of fake ‘Ice Poseidon Homeless Shelter’ in Tarzana is removed from Google Maps after LA Daily News report” *Los Angeles Daily News* article dated 30 July 2019.

¹¹ “Fake Airbnb listing scams families going to the State Fair” Fox 21 News video dated 28 August 2019.

What's an airline — or any other travel company — to do? This is the distribution question du jour. The complexity of branded fares and a la carte offers was once viewed as a distribution line of defense. This has been breached. Google Flights now offers a decent display of branded fares and provides a la carte details. The booking path alerts consumers if fares are unusually high or low. The company has been experimenting with a price guarantee which offers a refund if the price falls more than \$5 after the booking is made, with a refund cap of \$500.¹²

Returning to the Three Act Story Structure analogy, Google Flights is engaged in the second and third parts involving information delivery and travel booking. The company is a weak actor in the first act of introducing travel as a solution to a need. That's because act one is a pre-search activity. But remember, the effective delivery of a story requires trust between the storyteller and audience. This is where tech giants are most vulnerable. Privacy issues drive wedges in consumer relationships with Google and others. Advertising pressures, such as preferred placement deals, corrupt the purity of the information presented. Fraud is an ever-present worry for companies that rely on consumer-supplied content.

Google will hardly disappear as a distribution force in the travel industry, unless it's through significant antitrust intervention. Vast numbers of consumers are attracted to Google's use of technology, growing reliance on artificial intelligence, and belief it offers an open marketplace. These factors are ideal for transaction-based retail; they don't support the story arc required to promote the sale of all elements of a vacation experience.

Begin by becoming a storyteller

Eric Lucas, editor of this report, credits *National Geographic Magazine* and movies, such as *The Third Man*, which highlighted Vienna, or Audrey Hepburn in *Roman Holiday*, as early influencers of travel among Americans. Long before that, globally it was the travel journals of Marco Polo. The internet has enabled the ability for anyone to be a publisher at practically no cost. Oftentimes, this is not a good thing because quality is lacking. Storytelling requires practice, expertise, and most of all, establishing trust between the storyteller and audience.

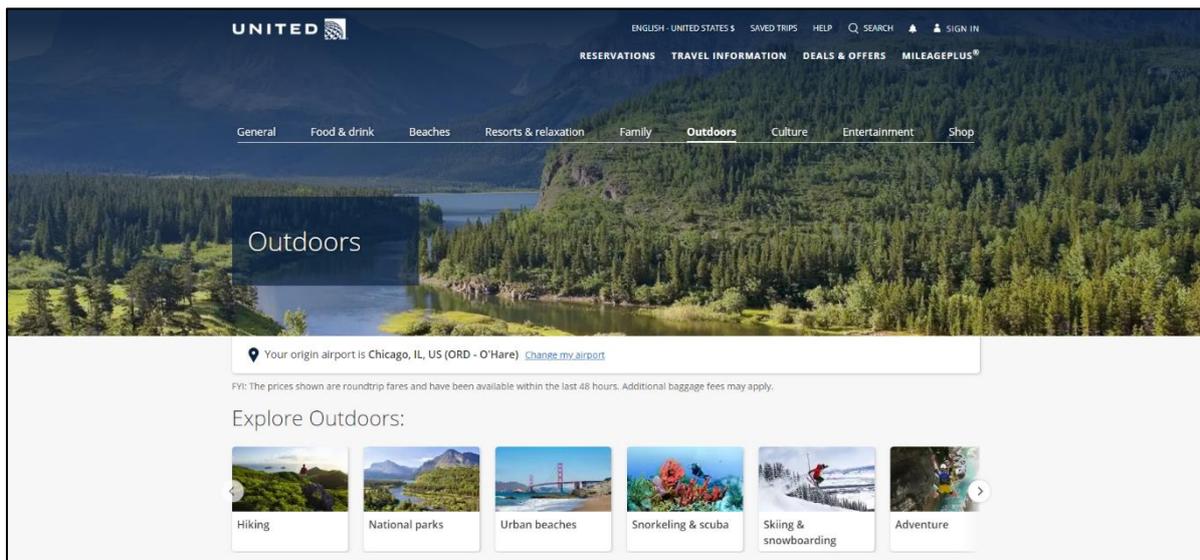


Audrey Hepburn rides a Vespa in Roman Holiday. Source: Wikipedia (public domain)

This is not about brand promotion, but rather presenting ideas to consumers. Eric says this is done by “telling interesting and engaging stories about interesting and engaging places. The best tactic for this in writing is using anecdotes. These are what journalists write down in their notes. They consist of specific experiences and encounters they have when they are traveling.” John Ricks added this advice, “It's the perception of a place that drives choice, and this is more than just the things to do and see there. The reason ‘why’ visitors should consider a place is what marketers have forgotten.”

¹² “About price guarantee on Google Flights” website page in the Travel Help section of Google.com reviewed 12 September 2019.

There are abundant examples of airlines and travel companies “trying their wings” at the task of destination storytelling. United is among these promoting travel at its website. The home page features gorgeous images of destinations in a panoramic format. Scrolling down reveals a section titled “Destinations recommended for you.” But personally I have little interest in Las Vegas, which was prominently displayed during my visit to the site. Rather, it appears Las Vegas is merely a place they want to sell. Scrolling further provides the opportunity to sort destinations by area of interest, such as beaches, outdoors, and culture. Eventually you reach a specific destination with content that provides a very good start on the path to generate ideas for vacation destinations. This is branded content courtesy of a relationship with AFAR Media, which publishes *AFAR Magazine*, as well as providing online travel guides through its website and mobile app.



Selecting “Outdoors” at United.com provides a deeper dive into content for hiking, national parks, urban beaches, snorkeling, skiing, and more. Source: United.com reviewed September 2019.

It’s a good start because it allows travelers to more deeply regard United.com as more than just a place to book airline travel. However, the effort seems like an “add on” to the site because it’s not readily found under the Travel Information heading. The travel guide information is very light with no in-depth restaurant or hotel listings. United also offers attractive travel commentary through the United Hub news center. However, it’s not integrated into the consumer flow of the website. Airlines need to make a much greater effort if they wish to be thought of as a trusted resource for travel inspiration.

Airbnb.com takes a softer commercial approach, with one version not displaying the search box as an item on the home page. Instead, visitors are asked if they want help with “stays, experiences, adventures, or restaurants.” The company offers an online and printed magazine, but I was unable to find a link at the website for it. Travel content should not be thought of as distracting consumers from booking; it encourages them to think of your airline or travel company as the best place to begin the planning process.



The magazine has a retail price of \$5.99 per issue and is published 6 times a year.

Continue your journey on the path less traveled

Anyone choosing the “path less traveled” might merely be avoiding crowds. Hopefully your reason is to depart from conformity, make independent choices, and create better outcomes. This report has dedicated many pages to telling the story of “why” airline retail should adopt the elements of storytelling. At present, airline retail is largely satisfied with focusing on consumers who simply want to book air travel. Unfortunately, there are fellow travelers on this path, such as Google Flights and maybe Amazon, which are seeking to do the same thing.

These tech giants have significant advantages because they are appreciated by consumers as providing an almost unlimited buffet of choices. They don’t restrict selection to their own brands or to the members of alliances and joint ventures — as airlines do. A reputation for having a limited selection limits the potential to sell the full array of holiday components: hotel, car hire, sightseeing, and ground transport. Consumers view airlines as retailers with self-serving agendas — and rightly so.

Here are the ideas airlines should explore to position their brands to be favored by consumers before and after travel is contemplated. The idea is to be present at every step in the travel storytelling process from choosing to travel, inspiration, and taking action:

- **Create a presence beyond advertising.** This creates general awareness of your brand before a consumer is in the market for travel. Movie placements are a high profile example and others include television programming, social media, print publications, and even brick & mortar retail. Airlines can also sponsor travel-oriented entertainment. There’s no need for a “selling” message, just placing your product in an appropriate and congruent setting is sufficient.
- **Establish a travel content relationship.** This is crucial to vividly linking your brand to the world of travel. This is much more than an onboard magazine; too often these are under the editorial control of advertisers and the carrier’s brand police. To be credible, the content should be well-rounded and offer an independent and critical perspective. To be effective, content should be colorful and deep; it should accurately describe attractions, and recommend individual restaurants and hotels. Access should be provided at the website and mobile application. This is not a device to promote vendors and partners — it’s a method to gain the respect of travelers.
- **Promote that “next trip” at the airport.** This remains a curiosity for me . . . that airlines don’t promote travel to the captive audience they have at hub airports. Airlines have real estate and travelers have the time. Hubs can be efficiently staffed with a travel center and feature a single destination, or the entire route map. The objective is not to sell tickets, or handle disruptions, but to inspire travelers to take another trip — and to consider your website as the place to book every travel component.



Penn Station in New York City is not an airport but United’s branded space there visibly promotes travel to millions of commuters.

Source: United.com

- **Support traditional travel agents.** Your airline can't reach every consumer, and some prefer the service provided by their neighborhood travel agency. Work to ensure agents are vocal admirers of your airline. Be supportive of a consumer's wish to choose this distribution channel.

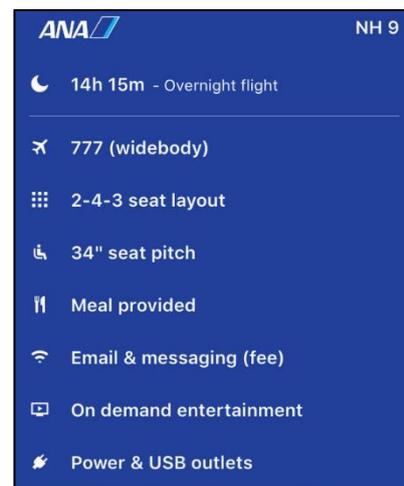
- **Inspire people to travel.** For many, travel is a first-time experience, or one that is rarely practiced. Help consumers through an unbiased "inspire me" application. You can look to easyJet's website for inspiration as it provides a good example. The traveler enters their departure airport and other details such as budget, length, and style. EasyJet's holiday styles include: going solo, foodies, and Instagram hotspots (see image).



- **Offer a travel buffet, not just a single entrée.** Online travel agents promote themselves by providing access to a vast number of hotels, car hire companies, and other vendors. Airlines can adopt this practice, and not restrict choices to preferred partners, and place themselves on equal footing to the OTAs.

There was a time in the late 1990s when travelers could book any airline at the websites of major US carriers. This was a condition associated with the available technology of the day. One can wonder if removing competitors from the display merely pushed consumers to the OTAs (and Google Flights today) for an unbiased display of every flight available on the shelf. Europe based TUI fly includes flights operated by Eurowings, Sun Express, Vueling, and others in booking displays at Tuifly.com. City pairs are displayed even in markets where TUI fly does not have a presence.

- **Provide more content in the booking path.** Consumers respond positively to the availability of accurate information. Content on the website should describe cabin classes and a la carte services at the level of detail selected by the consumer. It's surprising how many airlines fail at this . . . with seat pitch, food and drink prices, and baggage information being routinely confusing topics. The approach taken by ATPCO with its Routehappy Rich Content service offers a solution that brings consistency and clarity to branded fares, amenities, and fee-based products. The company disclosed typical conversion gains of 1 to 3 percent for carriers deploying a robust display of flight amenities in search results.



This is how features are listed for a JFK-Tokyo ANA flight on the mobile app of Skyscanner.com

- **Allow consumers to choose their website style.** Airlines often provide special-purpose websites in addition to the primary booking site. These are designed to serve travel agents, corporate travelers, groups, and frequent flyer members. The main website operates as a giant funnel for everyone from first-time customers to million-mile elite members, and budget holiday travelers to those paying \$8,000 roundtrip for a business class ticket. This single purpose gateway has served the industry dutifully for decades. But if you ponder the possibilities, it's pure madness to force everyone through the same chute. The design used by Airbnb provides a hint of the future. It doesn't begin by selling, it begins by asking the customer to choose their intent: experiences, adventures, or restaurants.

This is a big change to suggest, but airlines should create websites for specific customer needs: first-time customer, all-inclusive holiday, lowest budget, and frequent business trips. Each website would offer appropriate content and a booking path to maximize revenue from cabin class products, branded fares, and other ancillary revenue. The leisure-oriented site could fill the booking path with economy class fare choices, hotel accommodations, car hire, and more. It would not clutter the path with items rarely chosen by leisure travelers, such as business class and airport lounges.

Help people discover how travel can delight, engage, and refresh the soul

This report began by observing how the mission of airline websites remains little changed in 24 years, and concludes with a call for airlines to create website styles to match consumer needs. Airline websites are designed to convert visits into airline bookings. These are very accomplished transaction engines and the complexity of airline products means they likely serve consumers better than online travel agents. But OTAs are rapidly improving how branded fares, a la carte choices, and other products are presented to consumers. The tech giants of the travel industry are on a mission to become super distributors of all-things-travel. There's a good chance they will succeed. As those who are addicted to Amazon Prime know all too well, consumers are learning, "Why shop anywhere else?"

Creating websites to individually serve the first-time customer, all-inclusive holiday shopping, budget travel seeker, and road warrior, allows the airline to fine-tune each offer. In effect, it is leaping ahead of the current capabilities of OTAs. But this should not be done in isolation. The other part of the mission should be expanding the points of contact airlines have with consumers. This story begins when someone thinks a trip is the "something" they need in their life. It's not a new car, flat screen television, or some other consumer product. It's the realization that travel is uniquely qualified to delight, engage, and refresh the soul.

Sloppy marketing which relies upon the lowest fare to determine brand preference has dulled our abilities. Compounding this is the belief that transactional prowess is the best way forward for all of airline retail. Of course this appeals to many consumers. However, there is a big market out there for airlines that become masters of travel retail, from the first page of the story, and continuing to the close of someone's journey.

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