12th Ancillary Merchandising Conference – Edinburgh 2018
Lead Sponsor
RE-IMAGINING
THE TRAVEL TRANSACTION:
APPROACHES THAT ENABLE
DATA-DRIVEN PERSONALISATION,
SEAMLESS PAYMENTS, AND “SMART” PROMOTIONS

Bharat Sharma, VP Sales – Europe | CellPoint Mobile
MAKING TRAVEL – AND ANCILLARY REVENUE EASIER

Between 2010 and 2015, ancillaries more than doubled as a percentage of total revenue globally, from 4% to nearly 9%
Source: CAPA

$30 BILLION
Additional ancillary revenue for airlines by 2035 just from inflight broadband
Source: Inmarsat

25%
Non-fare revenue still represents as much as 25% of total US air carrier revenue as of 3Q 2017
Source: US BTS
WHAT CAN AIRLINES DO TO INCREASE ANCILLARY REVENUE?

> Streamlined, frictionless payments

> “Smart” promotions. Based on:
  > Location/Geotargeting
  > Preferences
  > Status
  > Transaction history
  > Other meaningful data sets – CRM data, etc.
CONVERT PASSENGERS TO BUYERS

- A great shopping experience
- Intuitive mobile UX
- Contextually relevant offers
A HOLISTIC APPROACH TO MOBILE COMMERCE

Integrated mobile solutions need to address the **sell side** and the **pay side**.

40% of online travel sales are completed via mobile device

Source: Skift
MOBILE COMMERCE: MORE THAN JUST AN APP OR A MBE

Seamless payment integration is imperative.

- Reduces abandonment
- Meets passengers’ expectations
- Impacts airlines’ brand perception
WHY SEAMLESS PAYMENTS ARE IMPORTANT

The travel industry as a whole suffers from 81% abandoned cart rates, compared to just 68% across other online retail. Source: Econsultancy

Over a quarter of online travel shoppers add their order to the basket.

BUT, between the basket and the checkout, there is a staggering 20% drop off. Source: Skift
WITH A HOLISTIC STRATEGY FOR MOBILE COMMERCE, TRAVEL CAN BE:

> FASTER
> EASIER
> MORE SECURE
MOBILE, MERCHANDIZING AND A LA CARTE

Ease + Speed = Sales

For global LCCs, ancillaries will achieve an operating revenue share in excess of 25%

Globally, a la carte activity will represent 10% of overall revenue

Source: Ideaworks
While optimizing the path to purchase helps capture more existing ancillary revenue, there is something else that is equally important:

The ability to use customer data for selling throughout the customer journey
PRESENT THE RIGHT OFFER TO THE RIGHT PERSON AT THE RIGHT TIME

> Personalization and incentives

> Up-sell and cross-sell

> Predictive analytics and machine learning

> **Integrated data** (including transactional data)
USE CASE

> Direct booking through airline’s website
> Predictive analytics for trip purpose, travelers in party
> Geotargeted offer (duty-free gift idea, lounge access)
> Offer redemption and payment through mobile
> Event-triggered offer (car hire discount while at baggage claim)
> Destination-specific offer
> Personalized post-trip offer
THE REIMAGINED EXPERIENCE
WHAT WILL THE CUSTOMER JOURNEY LOOK LIKE IN THE NEXT FEW YEARS?
FOR AIRLINES…

> Meeting demand for APMs

> Data-driven “smart” offers

> Getting the right offer in front of the right person at the right time

FOR PASSENGERS…

> A la carte via mobile

> Integrated loyalty

> Intuitive payments that discourage abandonment
CellPoint Mobile solutions for booking, ticketing, payments and travel management can help airlines reimagine air travel for passengers – and re-imagine what is possible for ancillary revenue growth.

CellPoint Mobile, We Make Travel Easier™ for airlines, travel companies and their customers.
Questions? Let’s Talk

**Bharat Sharma**, VP Sales - Europe
**M:** +44 (0) 7908967151
**E:** bharat@cellpointmobile.com

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