NON-AIR PRODUCTS DISTRIBUTED ON AIRLINE APPS 2Q19 LOW-COST CARRIERS VS. FULL SERVICE CARRIERS
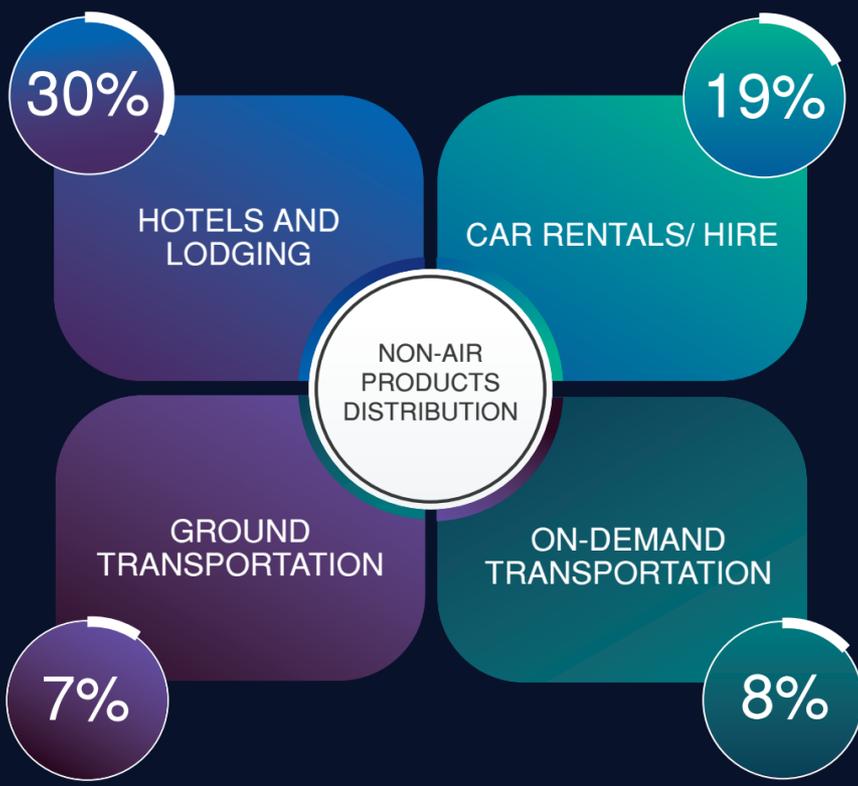
From being a novel offering to evolving into something more edgy and user-friendly, airline Android apps have matured multifold in the last few quarters alone, catalyzed of course by technology. Some products on the apps have become standardized with minor tweaks that offer users more ease, while new products have spawned on the sidelines, giving birth to new needs. videc's App in the Sky assesses these developments with regards to Android apps of 20 low-cost carriers (LCCs) and 45 full service carriers (FSCs) worldwide for 2Q19 and how they cross-sell varied products to users.

30% HOTELS AND LODGING

19% CAR RENTALS/ HIRE

NON-AIR PRODUCTS DISTRIBUTION

7% GROUND TRANSPORTATION

8% ON-DEMAND TRANSPORTATION

HOTELS AND LODGING

Accommodation is one of the biggest travel segments and airlines are rapidly striking partnerships with wholesalers and online intermediaries to retail it. Hotels are widely-offered non-air travel product on airline Android apps – in fact the most popular – for both LCCs as well as FSCs. Both these statistics rest at 30% which is a reflection of how critical upselling this product is in the travelers' journey. But these are early days still and airlines will have to observe this space before investing more in this.

AIRLINE APPS THAT DISTRIBUTE HOTELS AND LODGING

30% Low Cost Carriers

30% Full Service Carriers

CAR RENTALS/HIRE

Travelers typically stick to the rental company their company uses, or those they are most comfortable with since car rental companies also have loyalty programs. Still, airlines view car rentals as an attractive add-on product for onward traveler journey, as is evident with its incorporation in 15% of the LCC apps and 23% of the FSC apps. Car rentals work well with corporate travelers and road warriors alike.

AIRLINE APPS THAT DISTRIBUTE CAR RENTALS / HIRE

15% Low Cost Carriers

23% Full Service Carriers

GROUND TRANSPORTATION

This service is typically the forte of a travel agent/travel desk so it makes sense that very few airlines cross-sell coach or other forms of surface transfers to its passengers. In fact, this figure is in single digits for both types of airlines. Only 5% LCCs offer the option of buying airport transfers on their app while 9% of the traditional carriers do this. Typically, products that focus on individuals rather than a group works better on an airline app.

AIRLINE APPS THAT DISTRIBUTE GROUND TRASPORATION

5% Low Cost Carriers

9% Full Service Carriers

ON-DEMAND TRANSPORTATION

In a world where ride-sharing and taxi-hailing has become a way of life, it is surprising that few airlines have collaborated with companies such as Uber, Didi, and Grab to offer a seamless airport transfer experience to its users. In 2Q19, 10% of LCCs offered on-demand transport service on their Android apps while just 5% of the traditional carriers offered this to their users. Some of the airlines even feature special offers for bookings via their apps so as to improve user stickiness.

AIRLINE APPS THAT DISTRIBUTE ON-DEMAND TRANSPORTATION

10% Low Cost Carriers

5% Full Service Carriers