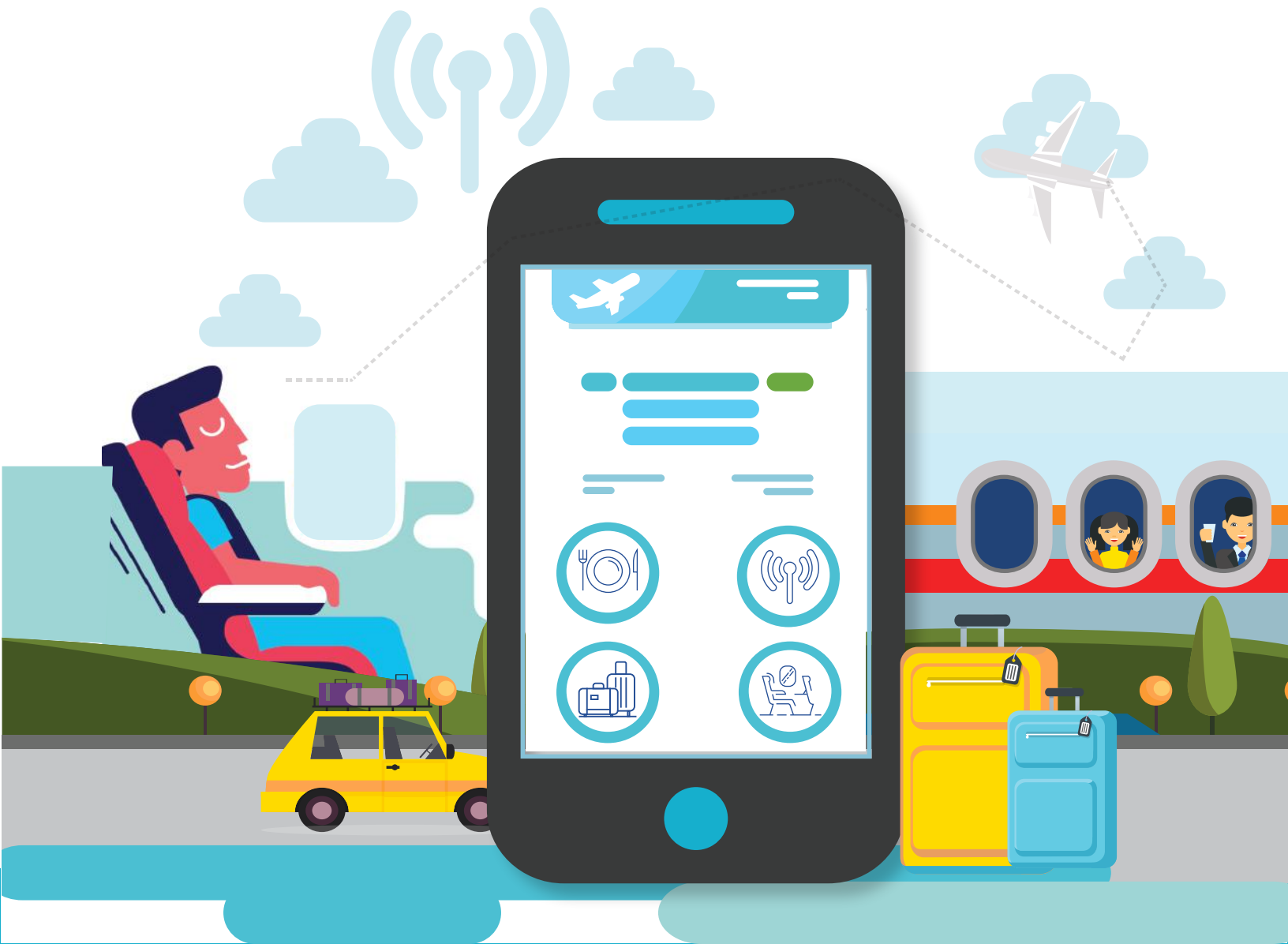


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TOP TACTICS FOR BRANDED FARES

Make it a package deal



Top tactics for branded fares: Make it a package deal

From cars and apparel to hotels and restaurants, retailers have embraced packages as a way to boost sales. Bundling is a successful practice in many industries, and the tools are now available for you to start building customer loyalty and boosting your revenue.

WHY CONSUMERS LOVE A PACKAGE DEAL

Buying more can mean spending more, but adding items or services separately can get expensive. Instead of buying a car and adding a sunroof, and then integrated navigation, you can get the Touring Trim. From car buyers to travel buyers, consumers see a package as a deal—and consumers who believe they got a good deal are more satisfied and put more trust in your brand, which drives more dollars to your bottom line.

IT'S EASIER TO BUY

When bundles are thoughtfully curated, consumers relax into a relatable, inspiring, and comforting experience, which speeds up the purchasing process. How? Dealing with fewer choices means your customers are less likely to hesitate.

Travelers are presented with thousands of options before they ever get close to booking. If you can present a branded fare package that resonates, they'll stop looking. When travelers can quickly conclude their research into fares and all the extras, they're ready to buy faster—which means improved look-to-book ratios for airlines.

IT'S MORE CONVENIENT

In many industries, retailers offer a complementary product or service at a discounted price. A classic example is a cruise package that includes excursions and meal plans for less when you book your trip.

Retailers who sell the same items individually or as part of a bundle make the savings explicit to entice consumers who might have intended to purchase only a single item. Bundling is more convenient for buyers because they get more in a single transaction for a better price—and so do you! Selling complementary items together increases your average order value without incurring higher transaction costs.



Airline ancillary revenue was projected to be **USD 82.2 billion** worldwide in 2017

IS BUNDLING FOR YOU?

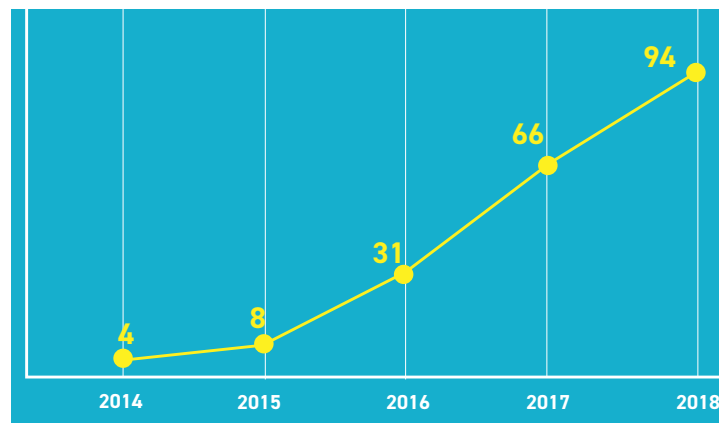
Both passengers and airlines benefit from bundling. Consider, for instance, that **airline ancillary revenue was projected** to be USD 82.2 billion worldwide in 2017, or 10.6 percent of global airline revenue. That's a 22 percent increase over 2016 and it's estimated to increase approximately 20 percent a year. If you look at it on an individual level, IdeaWorks estimates that global ancillary revenue yields USD 20.13 per passenger, up from just 8.42 in 2010. Airlines operate on thin margins, so ancillary revenue is important and may someday exceed the airline industry's annual fuel bill of approximately USD 129 billion.

It's been five years since airlines pioneered branded fares tactics and online shopping experiences. Traveler expectations have changed, putting sellers and distribution partners in the position of reconciling rich content from multiple sources to create a full view of product offerings. Fortunately, the tools and technologies now available are fine-tuned, user-friendly, and proven to effectively create branded fares packages, from a basic fare-plus-baggage to creative bundles that include rich content.

HOW YOU CAN MAKE IT HAPPEN

So how do you go about making all this a reality? What choices must you consider, and which techniques bring you the highest return on your investment of effort?

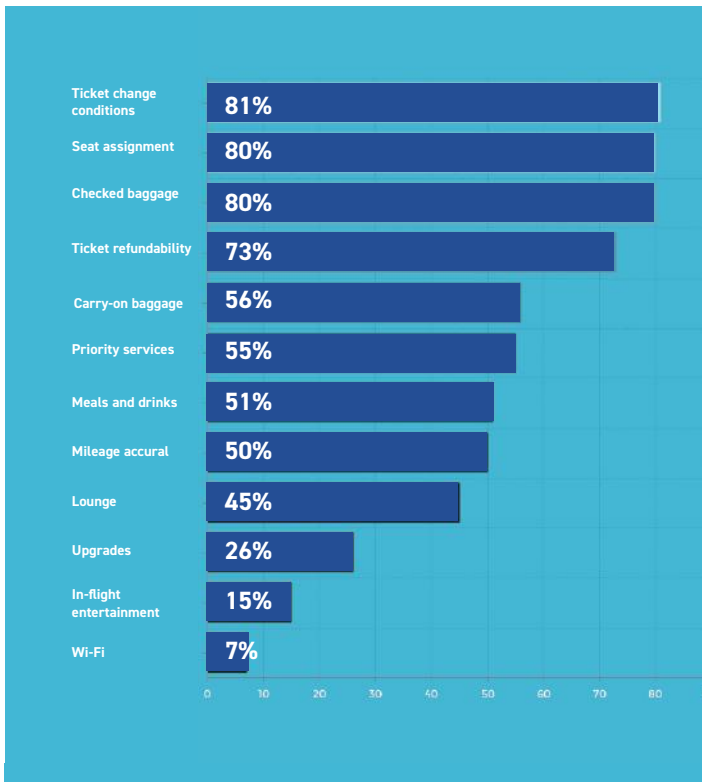
ATPCO Branded Fares empowers airlines of all sizes to organize their fares into consumer-recognizable products with distinct service offerings. With so many areas of value for travelers, as well as direct margin increases for airlines, bundling fares with extra features and various flexibility conditions is a powerful success strategy. Airlines that have introduced one pilot branded fares program a few years ago have now expanded their offerings to ensure worldwide coverage.



Airlines are increasingly implementing Branded Fares programs with ATPCO

LEVERAGE THE ROOM FOR GROWTH

ATPCO supports the implementation of branded fare strategies for more than 90 airlines. While many airlines are using the full potential of Branded Fares, there is still room for growth—especially when it comes to Wi-Fi, in-flight entertainment, and upgrades.



Features most commonly included in airline branded fares

You can use Branded Fares to structure the experiences that fit your flyers' preferences and the purpose of their journey—and to promote the features that set your products apart. Thoughtfully curated, memorably named, and clearly displayed packages will increase conversion rates and promote customer retention.

MAKE YOUR BUSINESS TRAVELERS HAPPY

Time spent in transit is the most challenging aspect of business travel, according to a [new report](#) released by the Global Business Travel Association Foundation. Layovers, changing a reservation mid-trip, working while traveling, and preparing

expense reports were other top headache-inducers. Business travelers want to save time, be productive, and have a pleasant experience while they get there and home again.

Of course, airlines can't control every aspect of business travel, but there are some easy fixes: lounge access, seat upgrades, in-flight meals, and Wi-Fi are common, though a secured Wi-Fi network is definitely better than a public one. A healthier menu turns an everyday in-flight meal into a pleasant experience. Add voltage converters and noise-canceling headphones, and your business traveler's ride just got far more comfortable. Then make their expense reports easier by providing convenient electronic receipts.

If you already offer all these services to your business travelers, great! Even better, package them so that your business traveler doesn't have to worry about finding and buying each item individually. You can even customize and personalize travel packages to include the right services, like travel insurance, refundability, and reissue options to ensure a seamless process for changing a reservation mid-trip. Thoughtful, value-added packages can equate to more satisfied, loyal customers.

AND DON'T LEAVE OUT YOUR LEISURE TRAVELERS

Price-sensitive leisure travelers appreciate package deals and specials. As they are picturing a magical vacation experience and wading through thousands of possibilities, many leisure travelers are looking for incentives to choose one airline over the others. You can be the airline to offer the appealing extra amenities and close the deal.

What to offer? There are plenty of ways you can bundle your services to create different branded fares to appeal to different travelers. You could make a local package targeting vacationers and include meals traditional for the destination, Wi-Fi so they can check their email and plan their excursions, and a concierge

Your business objective is to increase order value, and the key to success is offering branded fares with the features your customers truly value.





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service for insider tips on the best attractions. You also could create a family package with pre-reserved seat assignments to keep everyone together. This one might include in-flight entertainment and kid-pleasing snacks, and show a photo of a happy child playing with your young flyer activity kit.

People want to fly with airlines that understand them. Effective branded fares strategies meet your travelers' budget, make their experience more enjoyable, and increase their loyalty.

CREATE SAVVY NAMES FOR YOUR BRANDED FARES

There's no question that naming a product is challenging. The name must do two jobs: anchor your brand in customers' minds and help shoppers find you. The name creates brand recognition, which is the essential step in building loyalty. You also need your products to stand out in shoppers' minds. A good name resonates with people shopping for tickets and can even encourage them to share that experience.

First, resist the temptation to go with cabin descriptions like Economy Premium. Out of 135 airline branded fares programs we researched, 90 use some form of the words *economy* and *flexible*. A few offer differentiated names like FlyEasy or Tango fare, but not one offers a family branded fare. These are missed opportunities. Instead, connect your branded fare name with your product and the feeling you want travelers to have when they experience your product. For example, a name like JetFamily is unique, easily recognizable, and suitable for social media.



Hashtags based on your brands can build buzz and loyalty.

Next, remember that social media can be both a blessing and a curse for brands, so give your company as many positive touch-points as possible. Traveler-created content is considered highly credible, and you can encourage your travelers to share their positive experiences on social media by offering well-named products tailored to your travelers' needs. Finally consider how your names can translate into hashtags, like #JetFamily, so you can gather posted images and videos to re-post on your corporate accounts and website.

CROSS-SELLING AND UPSELLING TECHNIQUES TO BOOST REVENUE

Upselling (spending more on an existing purchase) and cross-selling (purchasing a different item that satisfies additional needs) are both great ways for retailers to boost incremental

revenue. Airlines can do it too when they're equipped with sophisticated branded fares strategies. One may argue that cross-selling points consumers to products they would have purchased anyway, but showing additional products conveniently packaged together can ensure it.

In 2017, ATPCO worked with Delta Air Lines to help implement their branded fares strategy, introducing Premium Select and Delta One products. The [airline reported](#) that branded fares drove USD 421 million in premium upsell revenue during the first quarter of 2018, 23 percent more than the same quarter in 2017.

TACTICS FOR BUILDING YOUR BUNDLES

Your business objective is to increase order value, and the key to success is offering branded fares with the features your customers truly value. As you build your branded fares packages, consider the following techniques.

Careful communication. Pricing communication techniques can enhance the attractiveness of the offer. Use incremental pricing to refer to a fare as "just \$49 more" instead of "\$349 per fare"—which do you find more appealing? You can go one step further and tell customers only a few fares are left or that it's a limited time offer to create a sense of urgency and help boost conversions.

Satisfied expectations. Are you satisfied with a purchase if the product isn't what you expected? Of course not, and you won't buy that product again. Customers need to know what is, and what is not, included, instead of discovering when they check in that they don't have a seat assignment. Today's traveler needs to know about leg room, baggage, in-flight meals, in-flight Wi-Fi, early boarding, and ticket changes. It's essential to clearly communicate to avoid dissatisfied customers—and to prompt upgrades to a bigger package!

Modern technologies like Routehappy Hub can visually represent your branded fares, driving customer engagement and conversion.

Clear displays. When you ask customers to spend more on an existing booking, you need to give them a compelling reason to do so. Hotels do a good job of this by featuring side-by-side comparisons of their rooms, so guests can see exactly what they'll be getting if they decide to upgrade. Comparison charts and infographics that clearly display what's in the bundle attract new customers with enticing options.

Robust presentation. A more engaging and transparent flight shopping experience results in higher customer satisfaction. Modern technologies like Routehappy Hub can visually represent your brand and product attributes, turning them into more powerful merchandising content that drives engagement and conversion across all channels and at every point of sale. Rich content leads to increased view rates, click-throughs, and conversion rates—and that leads to increased sales and revenue for you.

A/B testing. Don't bombard customers with infinite options—offer packages that make sense. Create a few branded programs that vary by markets, passengers, account codes, and travel dates, and then see which combinations sell the best.





WHAT'S RIGHT FOR YOUR BRAND

Finding your own perfect blend of branded fares is essential to standing out, winning customer loyalty, and beating the competition. Branded Fares lets you differentiate beyond the airfare. You can tailor your services to specific traveler segments, communicating what makes you unique instead of competing on price alone. Unlike other systems and internal airline solutions with limited functionality, ATPCO's intuitive and versatile input system allows the most robust and targeted ancillary strategies possible, with industry-leading speed to market.

This, of course, isn't the only business model that is successful in the modern airline industry. If your business model is to offer full service regardless of fare and customer, branded fares might not be for you. Instead, you would focus on communicating all the features and services you provide your passengers, whether those services are provided for a charge or included for free.

Whatever your sales strategy calls for, you can trust ATPCO to help you transform opportunities into revenue streams. We offer unrivaled, specialized knowledge, a depth of reliable data, and developmental expertise to help lead the air travel industry into the future.

Talk to us. We'll help you get started.

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ARE YOU READY TO BUILD THE BEST BLEND OF BRANDS FOR YOUR BUSINESS?

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