

2023 Digital experience benchmark for airlines.

A review of survey findings from digital airline executives and insights from the Quantum Metric platform, that map the biggest trends for the year.



A new age for travel.

Nearly three years after the COVID-19 shut down began, travel has finally reached “business as usual.” But, it seems everyday there is a new global disruption that challenges the booking experience—be it economic turbulence or new innovations in AI. So, how does or should this change digital priorities for airlines in 2023?

In our latest travel benchmark report, we’re taking a closer look at what digital leaders at airlines are prioritizing in 2023 and how it aligns with consumer behavior.

Insights are a result of anonymized aggregated data from Quantum Metric’s travel vertical, alongside survey responses from 500 digital leaders at the VP level or above, working for airlines in the U.S. and UK.



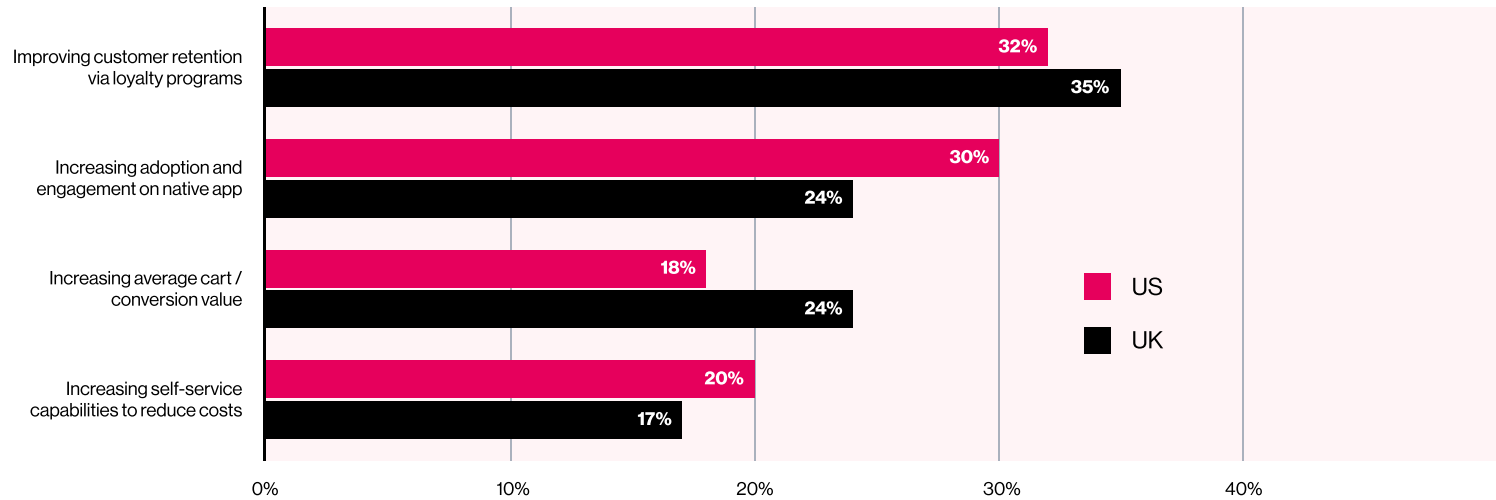
Charting digital priorities for 2023.

With more consumers traveling in 2023 and prices continuing to surge up, airlines are focused on two things: customer retention and boosting mobile adoption to support retention.

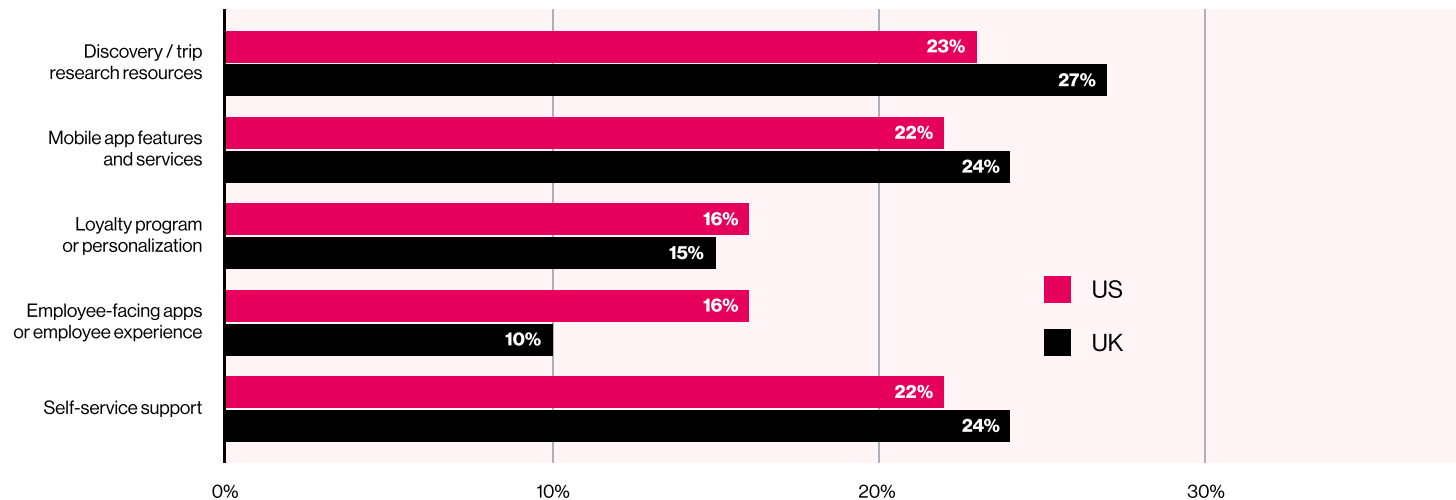
In the face of rising costs, customer retention is key to boosting business growth. So what seems to hold each country back?

- In both regions, discovery and research is the least optimized for customers.
- Mobile app features and services is second in both regions. This not only impacts app adoption, but customer loyalty long-term.

SURVEY RESPONSES: WHICH OF THE FOLLOWING GOALS BEST ALIGN WITH YOUR TEAM'S TOP PRIORITY FOR 2023?



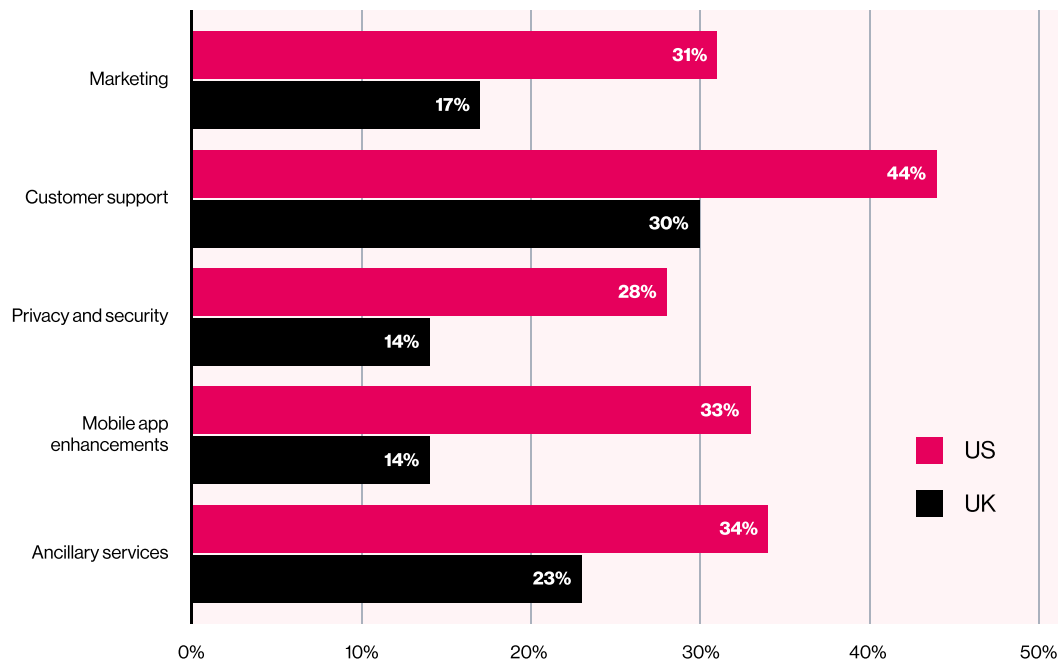
SURVEY RESPONSES: WHICH OF THE FOLLOWING AREAS OF YOUR DIGITAL EXPERIENCE HAS THE BIGGEST GAPS OR IS THE LEAST OPTIMIZED FOR CUSTOMER NEEDS?



The ugly truth about 2023 budgets.

Airline leaders may have set their sights (and sites) high for 2023, but they are now tasked with navigating their digital priorities with less available resources. Inflation and economic uncertainty have led 28%–44% of U.S. digital leaders and 14%–30% in the UK to cut their 2023 budgets.

SURVEY RESPONSES: WHERE HAVE YOU CUT SPENDING IN 2023?



What impact will these cuts have on digital experiences?

More than 52% of leaders in the US worry that limited investments in digital will drive consumers back to OTA, just 14% in the UK agree.

What do digital investments look like in 2023?

Let's take a look at where digital leaders today are seeing opportunities to invest to support their top priorities.

DIGITAL PRIORITY DEEP-DIVE:

The power of luxury to win loyalty.

For those that say customer retention is their top priority, marketing is where they are likely to spend more in 2023, while customer support is the most likely for budget cuts.



**76% US
and 96% UK
will spend more on
marketing in 2023.**



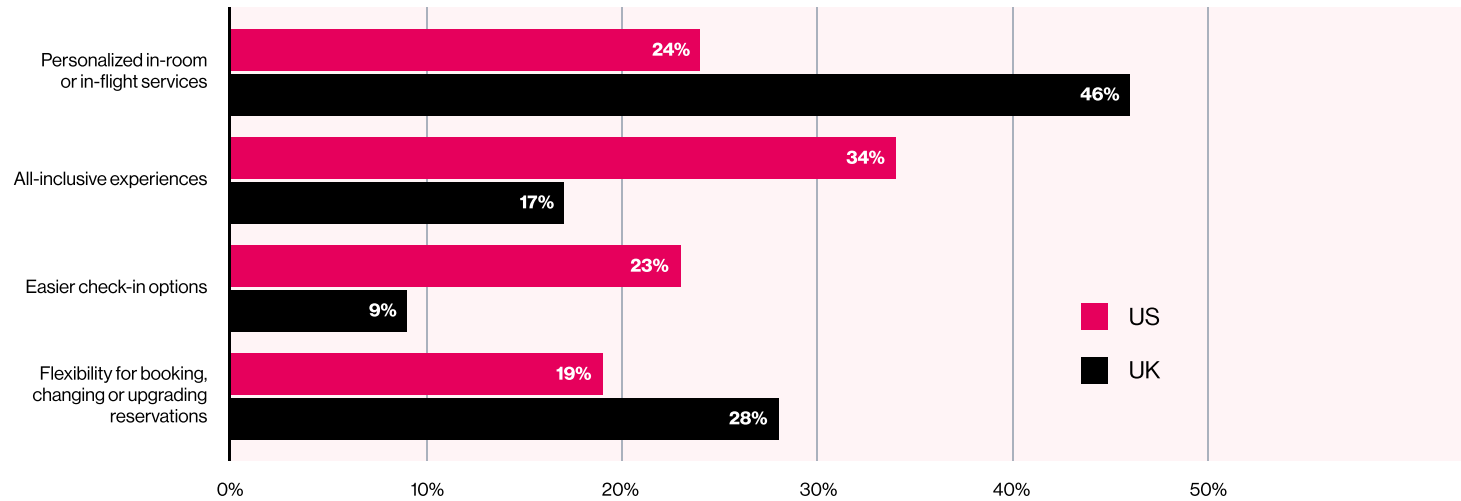
**84% US
and 63% UK
will spend less
or the same on
customer support.**

One in three are also focused on building a more luxurious experience—be it personalized ancillary services or an effortless booking. They aren't alone.

Almost every airline leader surveyed has or plans to introduce new luxury services in 2023.

- 58% in the U.S. and 63% in the UK are offering personalized ancillary services or all-inclusive offerings.
- Just 43% in the U.S. and 37% in the UK are building luxury services that ease the check-in process and offer more flexibility in rebooking flights.

SURVEY RESPONSES: WHICH OF THE FOLLOWING BEST DESCRIBES THE TYPE OF NEW LUXURY SERVICES YOU NOW OFFER / PLAN TO OFFER?



Why should travel prioritize loyalty now?

Traffic rates for travel sites are the highest seen since before COVID.

- Traffic rates for the travel industry have seen a 4% average monthly increase over the last 13 months.
- Airlines saw **weekly average traffic volumes for March and April were 33% higher** than what was seen in Q1 2022.

Now is the time for airlines to take advantage of higher traffic and turn visitors into long-term customers.

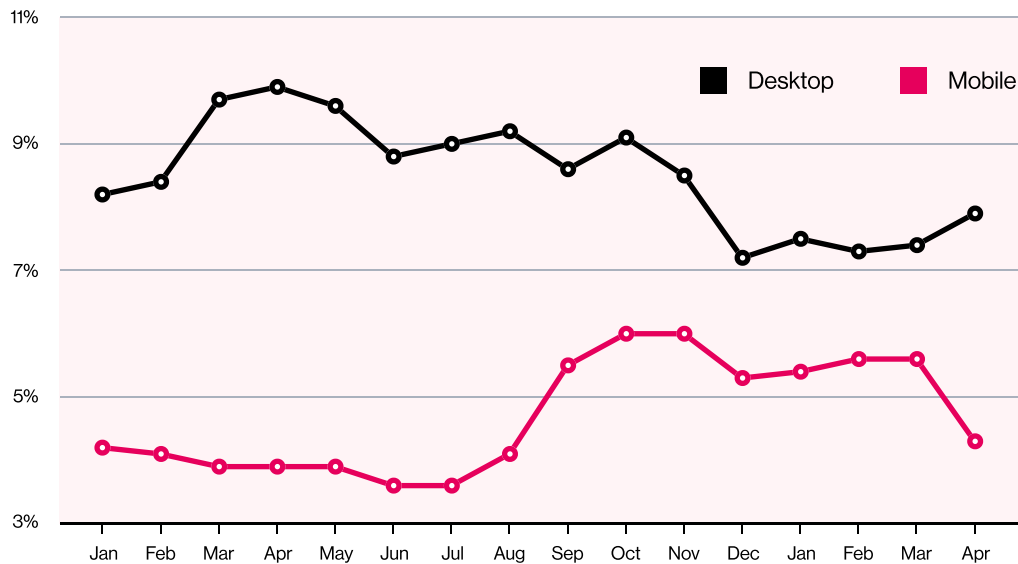
DIGITAL PRIORITY DEEP-DIVE:

The ticket to mobile success.

Mobile has become the primary driver of customer engagement for airlines:

- Today, mobile makes up 80% of monthly traffic and 47% of airline sales.
- Mobile is closing the gap in conversion rate versus desktop. While Jan. 2021 saw a 60% difference in CVR between devices, there was just a 24% difference in March, 2023.

MONTHLY CONVERSION RATES: 2022-2023



For those who say mobile is their top priority, what investments are they making to grow mobile adoption and bookings?

- 51% US and 75% UK are focused on marketing.
- 50% in both regions will spend more on mobile app features or ancillary services.
- 60% US will spend less/ the same on security, but 64% UK will spend more.

Boosting security and marketing can boost mobile adoption, but success also depends on the basics, such as customer support and mobile-specific enhancements. [For Korean Air](#) it improved their mobile experience and drove its app rating from a 2.4 to a 4.6.

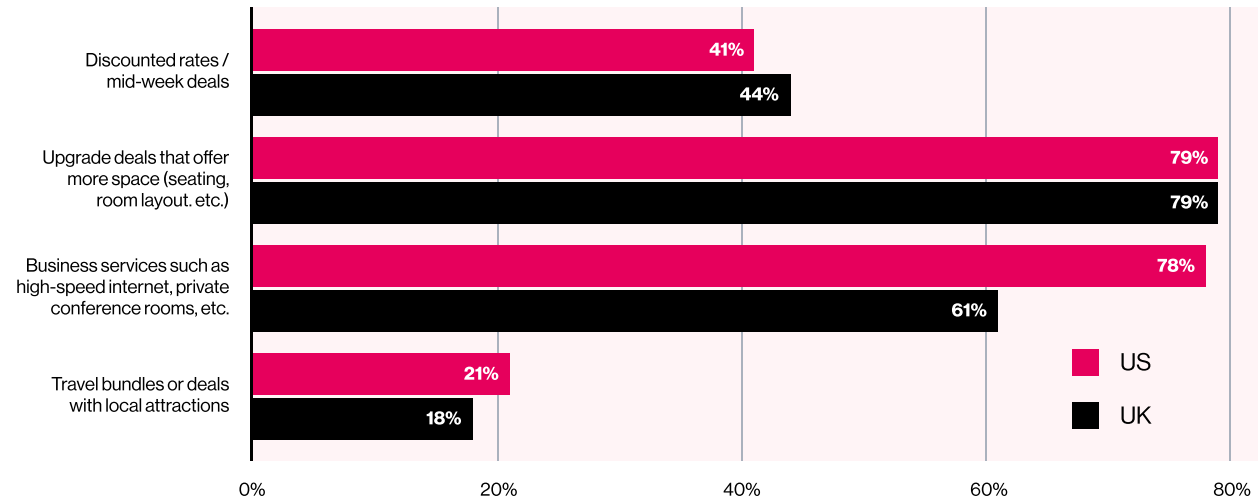
DIGITAL PRIORITY DEEP-DIVE:

Boosting bookings for the long-term.

For digital leaders trying to maximize cart values and conversions, where are they focusing resources?

- 61% in both regions are increasing investments in direct booking strategies.
- Mobile is also a big focus with 54% US and 62% UK spending more on app features.
- The divide is on ancillary services: 61% US will spend less/the same, but 64% UK will spend more.

SURVEY RESPONSES: ARE YOU CURRENTLY OFFERING ANY OF THE FOLLOWING TO ENCOURAGE EXTENDED BOOKINGS FROM BUSINESS TRAVELERS AND/OR REMOTE WORKERS?



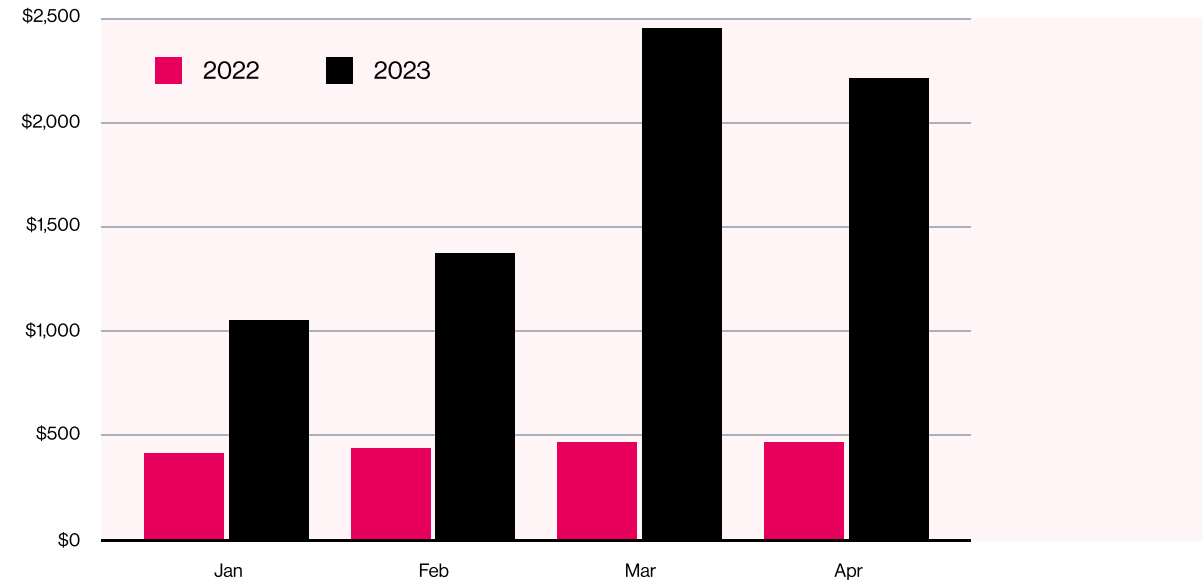
Additionally, airline leaders across the board are investing in new services to attract more niche customers and grow conversions.

- 78% US and 93% UK airline leaders are offering new sustainable services in 2023.
- 78% US and 61% UK offer business services to attract business travelers and remote workers.
- 92% say business reservations grew by 25% or more in the last 12 months.

New investments and consumers' renewed appetite for travel are driving flight bookings up at a rapid rate:

- 54% saw higher reservation rates Jan–April, 2023 than previous years and expect the trend to continue.
- 71% US / 88% UK airlines say direct bookings have increased over the last 12 months.
- 97% expect consumers to be willing to pay more to travel in 2023.
- Average monthly order values (AOV) for travel more than doubled between Jan.–April 2022 and 2023. For airlines, AOV was three times higher YoY.

Q1 MONTHLY AVERAGE ORDER VALUES: 2022–2023



The secret to driving conversions? Go beyond the traditional booking and experiment with new offerings to see what turns low intent visitors into high-value reservations.

DIGITAL PRIORITY DEEP-DIVE:

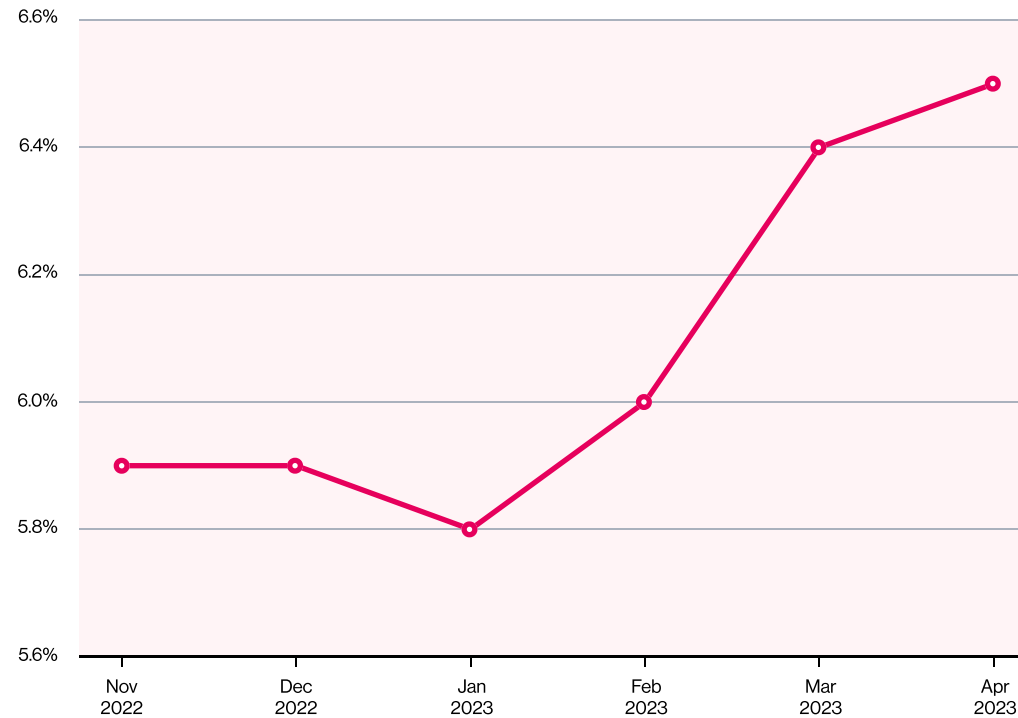
The path to true self-service.

For those looking to improve self-service just 41% US and 51% UK are investing in customer support channels.

As digital teams cut costs, customer support services are on the chopping block and reduced investments could negatively impact the booking experience.

In fact, the first few months of 2023 saw a 4% monthly average increase in frustration for airlines.

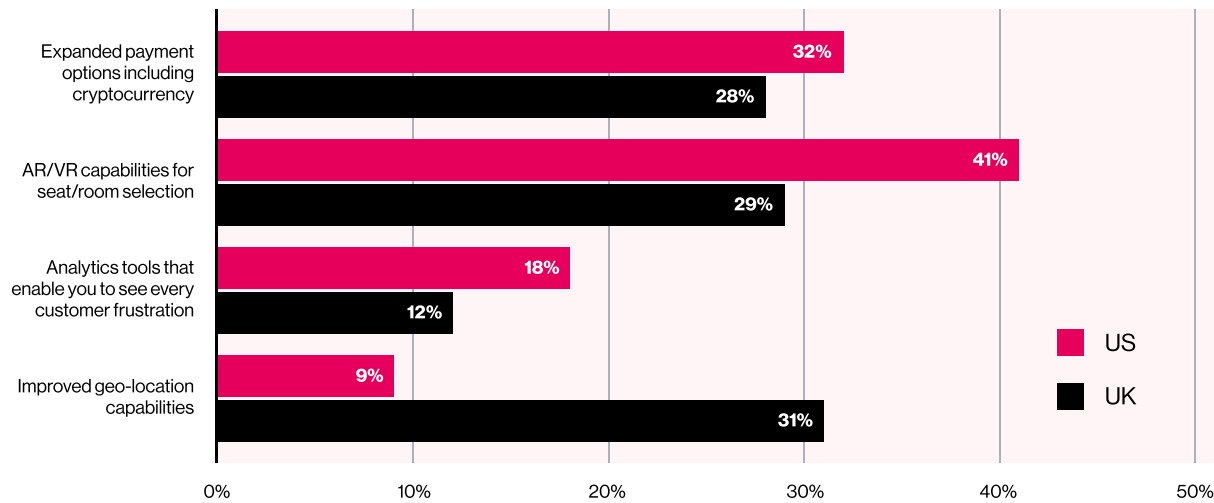
Similarly just 40% of US airlines have invested in new backend tech to support the employee experience, compared to 80% in the UK. For airlines [like United](#), employee experience investments both improve self-service for internal teams and simplify the customer experience.

MONTHLY AVERAGE FRUSTRATION RATES: 2022-2023

Can other technologies improve self-service? Airline leaders seem to think so:

- More than 93% plan to implement generative AI into their booking experience, and 45% will use it to enhance self-service.
- 41% US and 29% UK airlines say VR/AR would improve their experience.
- 32% US and 28% UK airlines say expanded payment options including crypto would improve their experience.

SURVEY RESPONSES: OUTSIDE OF GENERATIVE AI, WHICH OF THE FOLLOWING NEW TECHNOLOGIES DO YOU BELIEVE WOULD BE THE BEST INVESTMENT FOR YOUR DIGITAL BOOKING EXPERIENCE?

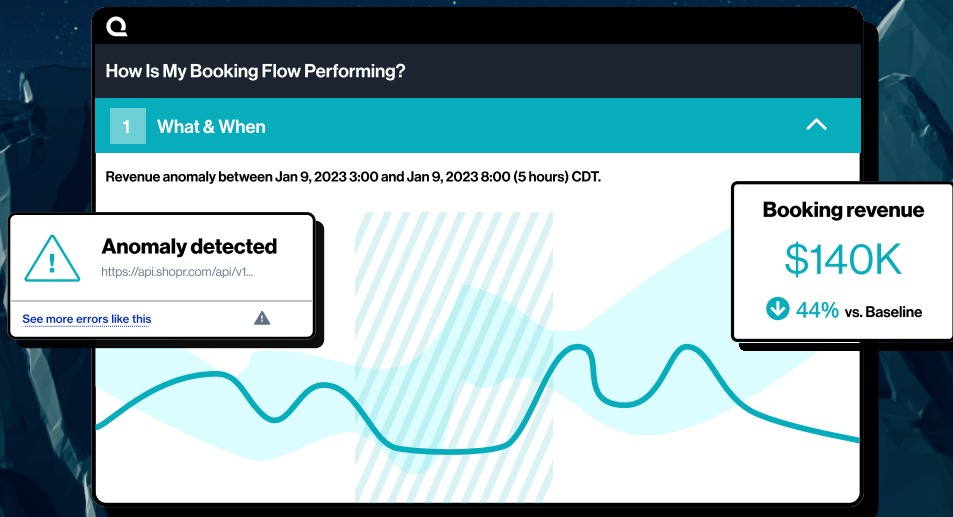


Be it AI or session replay tools, self-service is an important part of the customer journey. It can not only cut customer support costs, but boost loyalty, retention and reservations.

Quantum Metric Atlas

Getting the digital traveler experience right takes experience and expertise. Want to learn more about how Quantum Metric Atlas can expedite your understanding of customer needs across every micro-experience? Sign-up for a demo today:

quantummetric.com/atlas/airlines





About Quantum Metric.

As the pioneer in Continuous Product Design, Quantum Metric helps organizations put customers at the heart of everything they do. The Quantum Metric platform provides a guided approach to understanding the digital customer journey, enabling organizations to recognize customer needs, quantify the financial impact and prioritize based on the impact to the customer and business' bottom line. Today, Quantum Metric captures insights from 40% of the world's internet users, supporting globally recognized brands across industries including retail, travel, financial services and telecommunications.

For more information about Quantum Metric, visit quantummetric.com