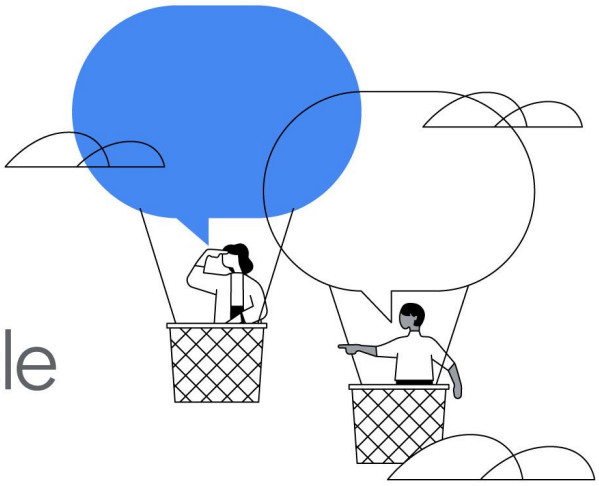
Think Travel
Leadership Circle



Episode 3 - Aerial Views: Apps Insights

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Gaery Undarsa, Co-Founder/Chief Marketing Officer, Tiket.com
Pulkit Lambah, APAC Travel Industry Manager, Google
Wilfred Fan, Chief Commercial Officer, Klook

Hermione: Hi, I'm Hermione Joye, Sector Lead for APAC Travel at Google. Thanks for tuning in to Think Travel Leadership Circle, a series where we bring travel leaders across APAC to discuss how they're navigating new challenges during this very turbulent period, while gearing up for the eventual recovery.

In the previous episode, I sat down with top industry leaders from AirBnB, Changi Airport and SW Associates. We took a holistic look at how consumer and business travel habits and trends have evolved during such a difficult global event. We learnt that out of the pandemic, new expectations have been formed. travelers will want to be supported digitally and with contactless technology in their travel journey. We also touched on the rise of digital nomads, and sustainability, and what this means for the global travel industry.

In this episode, we turn to how brands can best engage travelers via digital touchpoints on their path to purchase, with a discussion on the value of apps in the new travel landscape.

Out of necessity, during the pandemic, many consumer journeys have shifted almost entirely online, mirroring many aspects of actual life from shopping to learning to connecting with loved ones, these are all taking place online at the moment. This forced adoption has overcome barriers that previously existed around tasks like making big-ticket purchases on mobile, and also using contactless payments.

Today, we have brought together four industry leaders to help us uncover how travel brands have been evolving, and what opportunities lie around the horizon for brands in the travel industry to leverage this flight to digital.

In the spirit of learning from the best, we brought together a strong panel of travel industry leaders to answer these questions. Thank you all so much for taking the time to join us virtually today. Let me introduce the team we have.

First of all, we have Gaery Undarsa, Co-Founder and Chief Marketing Officer of Tiket.com. Next we have Aireen Omar, AirAsia Group President. We also have Wilfred Fan, Chief Commercial Officer from Klook. And finally Pulkit Lambah, Industry Manager on my own APAC travel team who will be sharing some data and insights to kick off our discussion.

Pulkit and team have just wrapped up a fresh research study on travel apps in six markets across APAC. We're sharing the findings for the first time, and you all have the privilege of being amongst the first outside of Google to hear about them.

Pulkit, can you share some interesting trends about how travelers now shop for experiences?

Pulkit: Thank you, Hermione, for inviting me to this podcast. I must admit, I'm a big fan of the series, and I've followed every episode so far. It was very interesting to hear post-pandemic travel trends in the last edition. And just building on that theme. I'm going to talk a bit more about this research that we conducted in partnership with Kantar, to understand how digital behavior for travelers across the APAC region is evolving. So I'm very excited to be sharing a sneak peek with our listeners today. And fair warning, here come the spoilers.

The one big emerging theme is the increasing digital adoption in travel today. There are no surprises in that. But what was really interesting was the sheer scale of this adoption.

For example, did you know today that more than 75% of people actually prefer researching their travels digitally over offline? What is really interesting is that this number was actually slightly higher in people over the age of 35, versus those under 35. Now another thing which came out was the stickiness of this behavior. That is more than 80% of travelers will continue to research travel digitally, even after the pandemic is over.

And fun fact, do you know how many different sources of information or platforms, like for example, calling an agent, talking to a friend, searching on Google, watching YouTube videos, etc. do these travelers refer to on an average for doing their research? Well, seven different touchpoints or seven different sources of information, including those offline, on an average. And any guesses how many of these are digital? Five, that's right, five out of total seven total

sources of information, which travelers refer today for doing their research are online. That is something which indicates to me that the paradigm shift to digital is here big time.

Hermione: Wow, Pulkit, thank you very much. I would have thought it was high, out of seven, but I would not have expected it to be five out of seven. Truly shows the importance of digital in this new age. Now, thinking of APAC, and strong markets, Indonesia is a country I'd like to drill down. Indonesia is still very much impacted by Covid. And the effects are being felt wide, especially in tourism. Gaery, was this shift to digital something that Tiket observed? And have you seen any differences in how people are booking and planning their trips on your platform?

Gaery: Yeah, so of course, Hermione. I mean, Indonesia is such a big country, I think one of the most interesting facts is that domestic travel still happens. And because it's an island country. So people still do travel around, of course, with a limited and also with more, there are lots more limitations there. But I mean, looking at the trend nowadays, there is always that big preference of travel? There is always that demand of travel, even during this Covid, right? The interesting part is actually the shift towards digital. That is very prevalent, and I feel Covid or this pandemic, actually really expedites the process. We have been, well, as a country, we have been having a hard time to actually move everyone towards digital, right? I mean, everyone just keeps wanting to do digitalization in anything we do, but it's tough. But then during this pandemic, it actually kind of changed the game quite a bit. Right now, almost everyone are forced to actually shift to digital in every situation. But mostly, or I will say almost everything actually on mobile, you know, and that's a huge reason why mobile becomes very, very important these days.

In terms of travel itself, there are some changes on the customers' booking journey for sure. For example, Indonesian travelers, they usually booked their bookings less than seven days prior to the to the departure date, but actually right now during Covid, it's even get more extreme. I would say maximum is three days before. The lead time. We actually often see same day bookings, same day check-ins and stuff like that, which is actually something that we definitely have to accommodate. So we do a lot of improvements on there. Also on top of that, there's also a rising trend of people booking for longer stays. There might be a reason because it used to be just a one night trip or two nights trips are very common. But these days, if you can get somehow, if you're actually brave enough to do a trip, you might as well do it in a longer period.

Hermione: The common phrase of "workation" is now coming up.

Gaery: Yes. You know what, I actually envy most of my friends, what they do? They actually move to Bali. When I say move, it means like, two months, three months stay in Bali, and they just literally just living their best life there while also taking salaries, and they can just, I don't know, like working from the beach or like from a really nice villa.

But I think one of the—my last one is actually, there is this very interesting trend, because Tiket.com traditionally, flight tickets are usually the biggest contributor in terms of our revenue. But during this Covid, of course, flights become a bit more restricted. But hotel bookings, accommodation bookings, they're becoming increasing. I mean, in terms of room nights, there are some months that actually our room nights booked, actually already larger than even pre-Covid, which is amazing. I mean, it's actually in terms of room nights, not the actual booking value, because most of the prices went down. But then if you notice that actually quite interesting, because during this Covid we actually serve more room nights than that even before the pandemic. So accommodation, private villas, non-hotel accommodations, becomes a trend and becomes surging demand. So we're actually very excited about that as well.

Hermione: Yeah, I mean a lot of data has come out about how people are actually saving more in the pandemic, those who still have their jobs, of course. And that's from working from home, they don't need to spend on transport, they don't need to spend on lunch out where they might otherwise, and they're probably not going for the, you know, that needed catch-up with their friend for drinks after work because they're at home.

Gaery: Coffee.

Hermione: Exactly. That is a big expense outgoing in our family. But that's happened and as a result we're seeing this shift in travel bookings, either being like the overall basket size, being much more in spend, and I think that is here to stay for the short term whilst there's pent-up demand and people still working from home, they really want to take advantage after being in lockdowns, of the freedom that they can have, and they don't know when they're going to have it next.

So it's really interesting to see that shift. And I must say, I am a planner, like I'm that person who booked a trip a year in advance. I love nothing more than to be on airlines, get my points, tickets, and then book my holiday and know what I'm doing. And about last month, I took some days off and it was the first time in my life I booked a hotel same day. And just to get away. The sun was right, it felt right, I did it. I was like Who am I? I'm making a booking on the same day. Like it's like a different person.

Gaery: That’s exactly what it is. One more thing, the interesting part is that because I mentioned that in terms of room, night price, price per room night actually went down. But actually in terms of room nights booked per basket, it actually increased because of the longer-term behavior. So that's very true.

Hermione: Now I'm curious to understand if this trend was observed in other sub-verticals within the travel industry. Wilfred, did you observe similar consumer shifts in the activities business too when it came to mobile and also booking behavior?

Wilfred: Well, compared to the rest of the travel services, compared to hotel. Online booking has been around for now, you know, three decades and counting, dating back all the way to the launch of a more serious brand called Hotels.com, that's part of Expedia now, that was exactly 30 years ago, to date, so that business is a lot more mature and the transition to digital has happened for quite some time. These days, if you asked anyone to try to call a hotel and make a reservation, they would look at you like an idiot. And the rest of the travel business other than flights and hotel, as in going to theme parks, different attractions, museum, it's just not the habit in the past.

But of course, pandemic has changed the behavior of people in general. Also, not in terms of travel but just in general, when a lot of countries in Asia that the government subsidy or verification of vaccination comes through in mobile app, that just really shifted the behavior of people in looking at the mobile device as a pass, as a permit, as a certificate as something that they just have to use, right, in addition to, generally communication, social media. So that change has some impact to the experiences industry.

But I would say it's not like a wholesale shift, because the infrastructure may not be there. A lot of the operators in theme parks, museum and the likes, they don't have the hardware and the software combination to facilitate digital check-in, digital verification of user. And some of them, they don't even have a very functional website to start with. And that's where I think Klook has been working quite hard with different types of service providers, to get them online, to transition to digital, to convert the content, and have a platform for them to use and do the transactions. So some of the things that we have done, including the capacity control solution that we rolled out with a few attractions in the Philippines, in Hong Kong, and so on that the operator will have a better idea of how many people are they prepared to be checking in on a daily basis.

These days in a lot of countries, the government regulation has enforced that going to Disney, for example, in Hong Kong, you have to preregister, when you show up at the gate they will not let you in, and the registration and the booking has to happen a period of time before you arrive. And that regulation changes all the time. And people just don't know, you know, what is currently the rule. And so they go on online channels to find out and check, and we do provide a service for registration, booking payment, and also QR code entry to the facility. There's no human touch necessary. And all this external behavior and environment and regulation, just to some extent, force the transition to digital, which is, I think in the long term, is definitely a good thing.

Hermione: I couldn't agree more. I mean, Klook has been paving the way for a while now, in terms of digitizing the activities space. And as a mom of three very young kids, I'm incredibly grateful that I don't have to stand in queues. And I can, you know, now go to Universal Studios or the zoo, and know my time slot, hence the organization in advance. But I didn't quite have an idea or realization of what was happening around the scenes and how closely you're having to work with governments, to really, I guess, speed up that technology, and also to make sure that you can control for capacity and things like that. So I think that's just made me a greater loyal customer for all the efforts that you're doing, and that we don't have to otherwise do.

And then your point around mobile, I mean, absolutely. When you come down, in Singapore, you need your mobile to get into any place, any cafe. And of course, we have our vaccination in our app, to say that we've been vaccinated. And I think this is just the way forward. So I think you're in a great place, and then doing wonderful things for the industry.

Now, when it comes to the airline industries, one of my favorites. Aireen, are there significant changes in the way passengers are now making flight arrangements?

Aireen: Hi, Hermione.

Well, in terms of flight arrangement, we have always sell our fares through the website since we first started as a low-cost carrier in 2001. So we're the first airline to start selling on the web, in the website. And back in 2010, I believe, we launched our mobile app. Again, we were the first in the industry to do so. So in terms of passengers booking their flights, it hasn't changed. But the passenger behavior has changed. And I do agree with Gaery, we do see the forward bookings has reduced than half before Covid. We see that on average, you know, bookings were done about 14 days in advance. But then now we see bookings are done half of the time of what was used to be and sometimes we see a lot more on the day itself. And I think it’s really because of the uncertainty of travel, right, because of the situation of lockdown that you find in the whole region, international borders are not open and even when domestic travels are open, unfortunately, there are many changes in what the government feels that needs to be restricted. So therefore, people feel better that if they were to book on the day itself. If they were to forward book, then they might not know whether the flights will still be there or not.

What we also see—there's a lot of staycation. Because we do, we now sell more than just flights, we sell hotels, we sell experiences, we sell, you know, shopping, e-commerce, and so forth. So we do see people when they tend to stay also in hotels within their own community or within their own borders, basically, and I think this is just closest to having a vacation from being away from home, and be able to enjoy a different environment, even though it is just probably within 10 kilometers of your own home, basically.

And also, what we notice is that, you know, we need to be able to have a health passport incorporated into our app, into the website. So it's easy for users, easy for passengers to travel. And before this Covid situation also, we were promoting facial recognition, anything that's contactless, but as you know, it's been quite difficult to be able to have that implemented, especially where airports are concerned. But for us, the reason why we wanted to do that facial recognition was because it's seamless. It reduces the wait, because, you know, in airports, we have volume and volume of passengers waiting to be checked in and waiting to go through immigration. So how do we facilitate this volume of passengers, so that it will be a seamless experience for them from the moment they book until they reach their destination. So facial recognition has always been something that we've been promoting. But because of the Covid situation, suddenly everybody's for it. And I think this is something that we, you know, we encourage, and we're happy that is happening, because it helps in many ways. It reduce inaccuracy, it helps in terms of managing volume and getting the right kind of data and improve the security and so forth. So we see this is going to change, everything will be used using facial recognition or some form of activation, it could be voice activation as well, or recognition when we actually have our new app at some point in the future. So we do see interesting changes, changes that we think will be quite permanent in the way forward, and something that will be very positive for the industry.

Hermione: Yeah, online booking used to be something that you just opted to do and now is pretty much compulsory, right? So even from that perspective, how are you adapting though to the same-day bookings? Because previously, that would be a bit harder to have been done. How have you had to change your inventory and the way you respond to consumers now that they're making more short-term purchases for flights?

Aireen: It's not a problem, because we had that capabilities before. Of course, you have to book within a certain hours or so. Some may not trust the app or website, because they probably feel they need to be in person to be able to get that tickets, but I don’t think they need to worry anymore, because not many people are flying, right? It's not like there's a waiting list or booking list. So people are still using the app and the website to do so. And for us, nothing has changed, it’s just getting them on board, making sure that they have all their health documentation in place. And what we've noticed is that people are now choosing seats, before they just randomly let the system choose for them. So they're actually choosing seats, they also choose baggages as well, they want to make sure that everything is all checked in. And they want minimum contact when they're in the plane as well. So we see those ancillary bookings actually increase in terms of per passenger basically.

Hermione: Makes total sense to me. I tell you what, if I'm able to make a flight booking this year from Singapore, that will be a highlight of the—I cannot wait, and I'll be making that same day booking, not taking any risks.

Now that consumers' primary platform has become the internet, the travel industry has to be much more strategic about how they reach the digital audience, particularly amidst this trend because there is so much noise.

Gaery, what were the digital strategies deployed by Tiket during this period? And is there anything different that you had to consider?

Gaery: So actually, we do a lot of changes in terms of how we approach our customers during this difficult times. Because the thing is, probably, it used to be that everyone wants to travel and they can travel now, right? But then right now, what we do, actually, we actually has to inspire them, you know. So actually, we change most of our strategies, because previously, what we do actually direct selling, everything is all about promos, selling, and all those things. But actually, during this pandemic, we utilize organic media a lot. We use social media a lot and actually mostly are actually videos, we invest a lot on videos, basically creating all this wonderful video content with video influencers, content influencers, content creators around Indonesia especially. So what they do, even though they're not in Jakarta, for example, they can actually create lots of these beautiful videos around their places. And they kind of submit it to us. And we use that to inspire a lot of people on our platform. And also, of course, on our organic media as well.

I think the most important part is, we try to do different things, you know, we actually go into all of these platforms that we actually never done before. Like for example, there is this interesting and very successful projects that we do. It is actually the live selling or like livestreaming, right? I mean, it just used to be just video ads. Yeah, I know, it used to be just a simple creator, the TVC ads and just let them run. But then nowadays, livestreaming becomes, you know, becomes a part of our lives, right? And also it actually taps into those market that's probably younger audiences as well. So we do that. I mean, like we actually have, we call it Tiket Live, right? It's actually streamed across multiple platforms, especially on YouTube as well. We do YouTube livestreams a lot, I think, on average around two to three times a week. The interesting bit is this, you know, we actually kind of measure whether this actually reflected on sales at all or not. So we tried out, for example, we have this campaign, on the website on the apps. And we don't do any livestreaming. And also we do this similar campaign, and we do livestreaming as well, almost every day, to push those customers towards the bookings. What happened is that we actually look at quite a significant difference between these two. When we do livestreaming, there are lots and lots more leads coming to our apps. And also in terms of the conversion getting better. And even most of the times in terms of revenue as well, in terms of our GTV, during that period, it actually increased as well. So we studied even there regarding when is the best time to do livestreaming, because I mean, it's important to see that. And on top of that, I mean, people, I mean, customers in

China, they're already very accustomed with that. So we see apparently also reflected in Indonesian market as well, which is great.

On top of that, again, I mean, like we do some other things that's very new even to me. I've been in the marketing world for some time. We just want to be the forefront on anything that we do, especially on digital marketing, whatever interesting platform that's actually gaining a lot of attractions, we do it. You know like for example, if we need to do some kind of funny filters in whatever social media platforms, you know, we do it, you know, we just, we just don't care, we just try everything, right? Because that's the least that we can do during this pandemic. And it's actually not that costly as well. On top of that, I think influencer marketing, it works better during this pandemic, I would say because there is less—it's actually less crowded in terms of the travel market, right? So that actually kinda, it actually works works better for us. So yeah, I mean, definitely everything is different. Priority, the priority different in terms of budget. Oh, big difference, as well, the way we keep our budgets? Big difference.

Hermione: Yeah, I'm sure not only in size, but also the way you plan the budgets now because of consumer behavior, it's very, very, very different. Indonesia, I mean, is a big part of Southeast Asia. And last year alone, 40 million users came online—and many of them sat in your market—for the first time ever, and they're young millennials. So it doesn't surprise me at all that your agile mindset and being fast and fun is really resonating with the audience. Because you know that people want to laugh. People want things to be made easy, and people no longer expect a cinema quality experience, especially when they're on digital. They want authentic experiences, I think, and certainly, that's what our research has shown.

You've also—I have two more follow-up questions. First, how have you stayed across trends? Because it sounds like you're being quite nimble. And what have you done to increase your flexibility? Because I think you would, if I understand correctly, you've diversified your offerings as well.

Gaery: Yeah, that's actually a good point, you know. Originally, of course, flight, and then hotel accommodations, right? And also, we have some entertainment factors as well. These days, we definitely diversify quite a bit, because the thing is this, when people want to travel, the first thing that they need to do is actually they need to get tested, you know. Of course, right? Everywhere, including domestic travel, there are different kinds of testing, right? It can be just the antigen swab, it can be the PCR testing, you can be some other interesting new ways to test, and also some new regulations. So what we have to do is we just follow that. In the beginning, we just follow that trend. So we actually supply the swab test bookings, for example, right? Home care, home care swab test bookings, even like going to your home, or like going to the labs and stuff like that. But apparently it becomes quite successful in a way, in its own, you know, so at the end of the day, after a couple of months, we decided, you know, this one is actually very interesting. So we're going to focus more on that. Because

people do this Covid test quite a lot in Indonesia. Probably is a bit different if compared to other country, like probably, even Singapore, or like even in the US. In Indonesia, literally anyone can do any kind of testing they want as long as they have the money. So what happened is that, and also the margin is quite okay on that test, as well. It's not exactly cheap. We're talking around $50 minimum for PCR tests. So yeah, Covid testing becomes a priority, that becomes something very interesting. We also launched our Tiket To Do platform, which actually has all these things, including the Covid test, like some vitamins, shots, and all those things. So health also becomes something that's quite important in our portfolio.

Another one is actually, it used to be just hotels, but then right now, the ones that's big, actually non-hotel accommodations. So we actually launched Tiket Homes during this pandemic, as well. Tiket Homes is basically like the Airbnb of Indonesia. So we focused on that. Why? Because it seems that people started to want to get into this private space more and more. People try to avoid crowds, so there is actually a big market on this as well. And that's actually very successful—Tiket Homes, Ticket To Do.

And I agree with you. We need to be agile, because it's funny that you mentioned we have fast and fun and nimble, but actually our values, there are three F's, which is very similar to that. One is actually fast, you're exactly right. Number two is actually friendly, which is similar to fun, but it's more than fun because it's also more into the relationship. And so number three is flexible, which is the nimble thing that you mentioned. So exactly that, those three things we focus on that, looking at our customer, what they need right now, just do whatever we need to do. But I think the main difference is that we're not trying to be super apps, you know, we're not trying to sell everything. We want it to be still centered and core to travel. But then we want it so that our customer, whenever they need to travel, we have it from A to Z. From the research, from the discovery stage, from the booking stage, when they travel, post travel, and even anything that they need over there. So we're trying to cover that A to Z.

Hermione: So we've heard a lot today that consumers now, more than ever, complete their transactions online from accommodation, flights and of course now attractions, this digital-first, and at times digital-only consumer is now much more demanding than the one we even knew 18 months ago. This means it is crucial to provide travelers with a smooth experience end to end, from research right through to booking and check out.

Wilfred, I've already stated my passion for Klook and your experience that you offered. You started as an online business but despite this, you have had to adapt and evolve to keep up with the demands of these digital natives. What changes in your business have you undergone to adapt to this new post-Covid consumer?

Wilfred: Well, we also have tried quite a few tactics as what Gaery has mentioned in Indonesia, but we try different markets, been very active in pushing new things in Hong Kong

and Singapore in particular, because those two markets are very, very deeply fast in reacting to different things and different trends. And we have done quite a few of Klook Live events on our app. And we actually also try that live service on desktop, but it doesn't work at all. That's the very fast learning, people don't stay on desktop to look at live event, it's only on mobile. It's the millennial behavior, which is a big part of our customer base. And then on the live events, what has worked and what we have learned is, there needs to be a very specific purpose. And the purpose doesn't have to be selling or buying. The purpose could be on idea sharing, the purpose could be on trends that people are looking at, or there are different things people are interested in. And the trend is we were picking on this fear of missing out mentality of the millennials that they just want to see it even though they may not be most interested in that specific topic. But they want to see it, they want to know it. And just that they have that knowledge. And when they got a chance to come in on it, they're very active.

One of the live sessions that we had, with a host that we bring in externally, who is a celebrity, attracted within one hour of the event, 11,000 comments, not just hi and emojis, but actually quite extensive sharing of people wanting to bring up the ideas and provide a response and make it really interactive. So we don't see live event as in just repetitive action has worked, as what Gaery has seen and probably it works very well in Indonesia, but in the market we have tested and continue to maintain, it just needs to have a special purpose. We don't have a regular schedule and do it every week or every month. But when there's an event, when there's a topic, when there is something important, or if we're able to collaborate with a celebrity or a famous KOL in a market, then we learn something. And one thing we observe is how fast people respond to it, that you don't have to promote it like a concert for a month or two for people to fill up the seats. On a mobile device or this kind of communication, 24 hours notice is already enough, that you can generate a substantial amount of people to turn on, to tune in, to listen, to watch. So that's something that we have tried and just continue with the awareness when a lot of people are not able to travel, even if they love our brand, they want to use our service, they don't have a need for it. So we have this additional medium to communicate and connect with people, stay relevant in the minds of our customers and our user base.

Another thing that we have experienced a lot is because we offer in quite a few countries in Asia, pretty much every location that we have our own team, we have our own local marketing teams and network. So a lot of things we have learned from one market we're able to apply and try it in another market. And really the fastest-changing and most active and relatively more innovative market is China. We have a good presence there, and we have launched our mini app on different platforms, on WeChat, on Weibo, and quite a few platforms, they already have this kind of mini application, and we tried them all in the early days and learn about, firstly, what's working and what is not. So, you know, having this experiment and A/B testing mentality, but at the same time is once you have to train your team, in terms of R&D and marketing and communication, to have that stuff sort of muscle memory, in just adapting and

adapting to different things, we are quite fast in going into different markets in Asia to just roll things out. So typically, a product roadmap or whole project would take a few months, from initial idea to go into the market and testing and seeing the impact. And we're able to shorten the cycle quite a lot, especially during Covid. That, yes, we don't have a lot of traffic as opposed to before in terms of transactional traffic, but we have gained a lot of interactive traffic with people who just want to check out what is happening. And we use that and we accelerate our development and our testing cycles. And we look at this period of downtime in a lot of markets as a way to learn and just up our skill in dealing with the things to come.

So one more interesting finding we have is, when you have a service, let's say, what I mentioned earlier about preregistration at the theme parks for capacity control. And if you have the right communication channel that is suitable for the audience today, which could be whatever social media channels. It doesn't have to be on the prints, on the official media channels, on the news or government notice. It just needs to be there, you throw it out, it goes viral very quickly. And that means the way to communicate information and updates and connect with the customer these days—you have to just look at it completely differently from pre-Covid. Completely differently. You know, again, I think post-Covid, whatever is new and happening right now will become the norm.

Hermione: I think that's great. I love that you've brought your test and learn mentality come across, it sounds very familiar. And I wonder how you've been able to instill that as you've grown, because you guys have grown as a big business now. How do you stay so agile and react to the trends so quickly?

Wilfred: We have done—well, not that we have changed, but it has always been the management style of the company to stay flat. The management of the company don't look at ourselves as anything special, and that kind of translates into a whole organization, that, we are just another person working in the company with a desk. Or these days, it’s not with a desk, it's with a laptop that you can connect digitally. And that just cut through a lot of latency in the communication with the company. So that's number one. Communication is so fluid in the company that someone has an idea ,it gets to the decision maker in seconds. It doesn't have to wait for the next meeting, the next update, and so on. It just happens. That interaction is so important. The second thing is just the good old digital business operations of relying on data. We are very data-driven, looking at and analyzing the information that we have. So if someone has an idea, and they don't have the data to back them up, we ask them to please go back and, you know, dig up some data and try to build a case. I think that's more of a standard practice in today's digital business and online business.

Hermione: I think a lot of companies can learn from that. It's very impressive. I also like how you're being an app to raise awareness of new things and trends for the consumer. That's incredibly helpful to know what new activities are going on. For places like Singapore, Hong

Kong, where things are a little bit more in lockdown, it's great to have extra ideas come to the surface and for travel companies to be helpful.

So against this backdrop of this trend, AirAsia also wowed the industry by announcing last year that they aim to pivot and become a digital lifestyle company. What was the thought process behind this, Aireen?

Aireen: Actually, that decision was made more than three years ago, it wasn't something that just happened because of the pandemic. What we wanted to do was, how do we make use of all the data that we have in our business? As you see, you know, we own the customer, we own all the operations that we're doing, we didn't outsource to anybody else. So when we first launched as a low cost carrier back in 2021, sorry back in 2001, you know, we encouraged people to buy through our website, and then through our mobile app, the best prices will go, you could find from there. And as a result, we saw that our database grew. And we saw the opportunity to do more things than just flying people from one destination to another destination. We saw that the data that we have are good quality data, because it's know-your-customer data. It's not just data coming from a booking system, data coming from the airport, passenger movements in the airport, data coming from the aircraft and so forth. So we realize that we're sitting on a real valuable asset, more valuable than our aircraft itself.

So that decision to do more things on data happens more than 10 years ago, actually. But I think we were just a bit too early and we couldn't do it correctly, until about three years ago, where we decided that we need to ingest all this data from various systems into a foundry and how best do we do this? How can we visualize our data better so we know what we needed to do? And hence, you know, Google came about and then we used Google Cloud.

And true enough, we were able to see how we can be increasing that revenue base, build new business areas, be more personalized and targeted to our consumer, be more efficient in our operations by becoming more effective and more productive. And that aspect would be how do we make it seamless for the whole consumer experience from the moment they book until they return from their journey, really, so we wanted to be more than just an airline, we saw the opportunity to be a travel and lifestyle tech company. Because of the huge database that we have, we have over 600 million people in our database, we have over 50 million people that visit us on our website on a monthly basis or so. And how do we increase this traffic and frequency of use of our website and app on a day-to-day basis, as opposed to people using it on average about four times a year because that's the average number of times that people would be flying in this part of the world? So we saw that the app can be more than just selling our flights. And we started selling other airline flights, which shocked everybody, because we thought, hey, you know, we know better our network, we have built the base, and so forth. So selling other airlines' flights is fine with us. And we started selling hotels and built our own inventory, we started bundling our own inventories of flights with hotels, because we

understand the consumer needs and wants so we could pre-populate that data and make that right recommendation for our users. We started selling travel itineraries because of so many destinations, we have, we serve over 100 cities with close to 400 routes and in this part of the world. So there's many things that we're doing that could provide a seamless and enjoyable experience when people are in the cities they're in, whether they're traveling or not. And then we saw the opportunity of building medical tourism and other areas that is more focused on a certain segmentation, such as Muslim family travel, or religious travel and so forth.

Then the pandemic happened, so our ambition of becoming a super app kind of like, shortcut from three years to nine months, really because we can't fly, there's not much that can be done. So what do we do? How can we repurpose the assets that we have to be able to serve and survive in this area? So we decided to build up that e-commerce platform that we have, because we have Teleport as a logistics company that was spun off from our cargo department to do the door-to-door delivery as well. So we'll be able to repurpose that and get, you know, whatever that we're selling on e-commerce to be able to be served by our logistics company called Teleport. So we started doing food delivery, we started doing grocery shopping because during the lockdown last year, we were approached by farmers and fishermen because they couldn't sell their produce in tonnage. So we thought that, okay, let's match you up with our merchants that's in our platform. And let's make a business out of this. So it's not just selling, you know, offload that produce in tonnage, but also how do we create a consumer aspect that we could bundle that up and be able to sell it as a grocery success for our users as well. And also, we have a shopping element called beauty, beauty and fashion, really because we have this good partnership with travel and retail and duty-free business operators. And we could provide a wider range of beauty goods, and also a cheaper pricing as well. And we could deliver that to your doorstep, and so forth. So this is how we repurpose the business. This is how we decided to speed up the whole super app intention. We have always wanted to be more than just an airline, because there's a wealth of data there that we could cross-sell, and upsell, especially as a regional based data that that we can explore and enhance the whole experience for a consumer.

Hermione: Well, what is incredibly impressive is your aspiration and how forward-thinking you were as a company, and congratulations on pulling it off.

Today, we've talked a lot about apps online. Now let's turn to apps as a channel. Pulkit, smartphones have been around for a really long time, why has there been such an acceleration to apps now?

Pulkit: Great question. And that's actually what we wanted to understand from our recent research, right, like, I mean, we've seen an increased adoption in mobile, that was the story for many years. But what we really wanted to do was deep-dive a bit on the role of apps and

this shift, especially post the pandemic, uncover more usage patterns, and identify opportunities for travel partners, like our speakers and listeners today. So really, what I'm going to do is look at, you know, the app, user journey, or the app funnel as an example, and just talk about what stages of this funnel have actually driven to this increased adoption of apps.

Now, the first finding which is, again, no surprise to anybody gathered here today is that just like digital, there is a consistent increase in apps adoption across the region. This has also been in countries like Australia and Japan, which were, you know, traditionally desktop-driven markets. In fact today, all across APAC, 58% of people actually prefer using travel apps over websites to engage with the brands. Yeah, I mean, it's, it's amazing, even as I said, in Australia, and Japan. And as Gaery pointed out earlier, and what we've also seen is that as more prominent in markets, like India and Indonesia, this number is as high as 67%. So that to me is like a baseline testament to the rise of apps. But now really, let's talk about how a user moves through their experience of an app and what actually powers this adoption in the travel category.

Now, you know, for all of the people who have actually used a travel brand in the past, we found out that the average awareness for the brand app was 97%. And 83% already had the app installed. So really, the challenge is not about driving awareness about an app or getting people to install the app. However, when we deep-dive a bit more, only 61% have actually used the app at least once. And only about 36% count as regular app users.

So the mystery kind of unravels, right? It's not about driving awareness and installation anymore. It's about driving the first usage of the app, and then continuing to building that engagement with travelers. And incidentally, these two stages in the app user journey actually have the strongest linkage to brand affinity. That's what our research uncovered.

Fun fact, I'm going to do some of these as well. Do you know that 49% of people have at least one unused travel app installed on their phones, that they've never even opened? I'm guilty of that as well. I'm just not going to reveal publicly what app that is on my phone.

So really, how can brands drive first usage and continued engagement? Well, the three biggest themes that actually came across, you know, as to why people have started preferring using apps over websites—it's because they feel that, number one, apps offer them more personalized offers and promotions. So I think they feel that the whole experience is more personalized on apps. They also feel that a brand probably introduces new features first on app. So they feel that they're getting access to those new features. And they feel that somehow, app is more secure. So yeah, I mean, the third thing which came out was themes around security and trust. So I think those were the top three drivers as to why people have started to prefer using apps.

Now, the last thing is that even within the people who use the app, I already shared, the frequency of engagement is very different. All across APAC, only 37% of app-using travelers can be categorized as what we call heavy app users. What it means is that today for brands, there is a massive headroom to increase usage in the remainder of 63% of your app base, of the light users. And that's where Google App Campaigns can actually help our travel partners. I mean, we have got App Campaigns for installs, you can literally optimize your campaigns for the first action. Or if engagement is your goal, you can use App Campaigns for engagement to keep driving continued frequency. So all in all, a lot of data points, a lot more spoilers from what our research has uncovered for apps so far.

Hermione: Thank you for sharing Pulkit. That's really interesting. And I think your point that really landed with me, besides the great data, and of course, the Google products, is the security aspect of the app that it offers individual, I think once you have that app on your phone, it feels personal when you've made that commitment to that brand. And then you put in your details. And it feels a lot safer, because you log in and do everything. And it's all you know, it's by your fingerprint or your special code. And so then that unlocks a huge opportunity for the app that is or has been chosen for your phone. So it's a very interesting point.

We're seeing an acceleration of app adoption even among developed APAC markets such as Australia. What we're seeing now, essentially, is that apps are the default touchpoint and I think many of you mentioned this many times today.

So in terms of preparing for the rise of apps, Aireen, how has Airasia done that, have you had to adapt anything? You already sound so advanced in the process, but have you had to change your strategy at all in this Covid period beyond launching new verticals?

Aireen: Although we have started launching a mobile app back in 2010, we need to keep improving the whole user journey. It needs to be something that's enjoyable, that's seamless, that's easy to use. And when you have more and more things to sell, it's quite challenging to find a good design or to make a user journey that is actually seamless, that actually captures every needs and wants of the user. So if you look at it right now, you have the app with various tiles in there. So how do we make those whole appearance not to be so cluttered? How do we just focus on a certain aspect that is useful for the consumers, or for the users, and that's also effective and productive on our site as well, in running the app as well. So a lot of things that have been put into ideation, innovation, in the whole design, the user journey, the UX, that's something that will continuously be improved, and something that will put more effort. Really, at the end of the day, the whole idea behind an app is—do we need tiles in the future? How do we capture the whole personalization of a user without showing every tile that there is, or every line of business that there is, how do we know them? And for them to

be able to go through that app journey capturing every needs and wants of them basically. So I think that's the challenge moving forward in using app.

Hermione: Simplification. I think that's what every consumer is looking for in this crazy Covid world. And it sounds like you're designing an app much like a shop, but personalized. So congratulations on that.

Wilfred, since its inception, Klook focused quite heavily on the development of its app, rather than the web platform. It was a good bet to make with hindsight. Tell us about your mobile-first focus?

Wilfred: I think it's just the core user base that we have, that I mentioned earlier, are the millennials, and their usage is quite unique compared to the more traditional mindset of how people navigate through an app. It's a bit more spontaneous, and quite often, we need to put something in the forefront for them to see, as opposed to a more patient way to go through the discovery path or find the breadcrumbs to look for things that they want. So as opposed to what a lot of the other mobile apps are doing, focusing on the search process to be a starting point, there are a lot more recommendations, special deals, interesting things to do that we put forward to the users. And over the years, we've tried quite a few combinations, and we make changes to our app at least once a year. I wouldn't say a wholesale change, but a lot of cosmetic changes, to the point that our app is very adaptable to this kind of structural changes, whether it is geographical structure of how areas and the three lines are tied together, as well as different, we call them verticals, within our business. A few key verticals I can bring up so you get a better understanding are the attractions that I mentioned; we also have transportation, trains, and airport transfers and those kind of rise in regional and local buses. And then we also have the different types of activities: water sports and other things that we do. So how do we present that a different time, a different audience, and I want to say it’s truly customization because that we're down to the individual level. But we look at it as segment and communities, how people in a certain type of behavior would have a certain preference to a certain type of things. And if we present them and try it out, and keep changing it ongoingly. So what we have done is allow the local team in each of the countries to have control of what could be changed within the framework that we provide to them. So they can test without having any technical input, and doesn't take a lot of development time. There might be some development time required from an R&D perspective and a product perspective, but we keep it to the minimal so everyone stays pretty agile in trying ideas and trying things out. Because one thing we've learned in the past year and a half is the behavior, from the domestic and local leadership point of view, that behavior is so unique in each country, in each city, that you just cannot have a one-size-fits-all. In the past, before the pandemic, we were tackling mostly cross-border travel. There is a much more obvious pattern of how people behave using our mobile app, navigating through things and finding the typical things people would look for when they arrive in a certain country or a city and when they

travel around that particular area. But these days, it's just so unique. And we have to make the platform adaptable to that. And so we, I would say if we use one word to describe it, we have decentralized our technology so each team are able to do their own things.

Hermione: Gaery, tell us a little bit more about Tiket.com's app platform and how it fits into your overall strategy.

Gaery: Well, our vision actually revolves around there, we actually really wanted to be the most customer-oriented travel app. So actually, not just online travel, but actually anything travel that you need. I think we definitely want it to be like super simple for Tiket customer to do anything, search, because right now, the process is still the same. I mean, discovery, search, pull, pay, and then go. We really wanted to be in one place for everyone. And so basically, even like from when you do your booking, we're gonna integrate the discovery process to our app. I mean, previously, of course, we work with so many platforms to do that. And also, we try to come up with genuine ideas, you know, and definitely scalable ideas to do that as well. We wanted to go deep into all the things that travelers care about. That dream is actually not so far away, you know, like it's actually a solvable dream, even in the next six months or so. I mean, right now, probably there is another complication, which we call vaccination passport. Everyone in the world needs to have that very, very soon. I mean, like everyone's gonna have that, is gonna be evolve, evolve, evolve. It has to be there, it's gonna be integrated with anything offline travel agencies usually offer. All the travel services are very popular here. But we really wanted to make it digital and we're actually working on that. Because right now for example, if you want to go to the US, for example, it's not exactly straightforward. I mean, like, yes, you have the ticket, but then you need to have a lot of other things. Hopefully we can solve that. And another point is, bringing up my points before, going deep, or going with, right. Actually, I think it's a choice. It's actually a choice a brand has to make. In our case, we really wanted to go deep on the travel industry, because we always believe in travel. And travel has been here for hundreds of years, it's still gonna be here, right? It's gonna evolve for sure, it's gonna change, right? So we are actually not looking back. We're not trying to wait until everything goes back to normal, but we wanted to be the new normal. So we wanted to set up the standard. We want to go deep on that. And that's the reason why we actually integrated even the Covid test to our platforms. Because it started becoming mandatory. So it's gonna be a lot more than just flight and hotel bookings. It's gonna be everything around there that's going to help our users to make their travel journey much easier even during this pandemic time. I think that's the idea. For example, just one last thing, even in the airport itself, we actually built a test center, on the airport just to make sure that our customer gets that end to end experience. They booked there, they can just go to our center, test center in the airport, they get tested, and then after they can fly.

Hermione: Oh a Covid test center. That's very cool. I like that a lot.

Gaery: That's what we did now.

Hermione: Pulkit, the apps research also shed light on features and use cases of travel apps. Could you tell us a bit more about what this means for businesses and how they can take advantage of it?

Pulkit: Absolutely. We really wanted to understand what were these use cases and features that were accelerating the adoption of apps in the region. And Wilfred, Aireen, and Gaery have actually shared great examples of some emerging trends like livestreams, for example. But really what we wanted to understand was a broad snapshot of what users are actually using travel apps for today.

First off, we found that the majority of travelers, 67% in fact, prefer to use one single app that cover multiple functions versus using multiple single-purpose apps. This trend does equal what we have heard today as well, that there is a rising preference for super apps or multi-purpose apps, as we like to call them.

Now, next, we uncovered what were actually some of these multiple functions that users were doing today. Browsing prices for comparison was the top activity for travelers in the APAC region. And number two was booking flights and accommodation. In fact, 60% of people today use apps for their travel booking. There were also other common themes, like finding out discounts and promotions, looking at the photos of destinations before they actually booked, as well as comparing the different options available to them.

Out of all of this, what really stood out to me was that apps are now a significant platform for travelers to do these lower funnel activities. And that underlines the importance of having, you know, a theme that was again pointed out earlier, was simplification. So to me all of these activities that people are doing, it underlines the importance of having a simple and seamless experience that gives your user great browsing, great comparison and a great booking experience.

We've also talked a bit about newer and emerging trends, like watching videos, watching photos about the destinations, trying to do activities virtually, as well as watching livestreams. Apart from this, what we also wanted to do was a bit of future-looking and ask people what more they would like to see in travel apps. And the top feature that people desire to see more of is flexible booking management. People are worried about the uncertainty of travel and the pandemic. We all heard about same-day bookings. So people need flexibility and assurance, especially when plans can change at the last minute, which is why flexible booking, to them, is the top feature asked. The number two thing was also Covid-related. People are desiring more and more Covid-related information. For example, is a venue Covid-compliant? Or is the destination, what is the percentage of vaccinated people for example. So those two were the

top new features that people would like to see. And all in all that shows a pretty clear picture of what travelers are doing right now, but also what more would they want to see in a travel app.

Hermione: Very interesting. And it's aligned with actually how these brands that we've been discussing with today are developing their own products too. So sounds like they're well across the trends.

Wilfred, you have talked a lot about Klook livestreaming, and how you've been engaging consumers with local experiences and local influencers. There are so many travel brands out there vying for one's attention, what would be your one recommendation to boost engagement and satisfaction?

Wilfred: Just need to adapt to the trend of how users are engaging. That's the key.

Hermione: Sounds very simple.

Wilfred: It's so hard to do. There are so many things that are coming up, and so much media competing for the audience's attention these days. And that could be such a big change and a shift of priorities for everyone in a much shorter period of time. We're talking about every three months, there could be a shift among the top five things people will do online and on mobile. And you just need to be very alert of what is happening and make your organization adapt to it so quickly, that today, people might, you know, look at a specific type of media, we're talking about Snapchat that suddenly become huge, especially in North America, among a certain age group. And then that's kind of settling and declining to a certain extent. And then the next Snapchat and then the next TikTok is going to come up and you just need to have your organization adapt and be ready to engage in that way.

And in comparison, I think Google Search is a rarity, that it's so relevant for such a long time. I think it's good, as a marketer, because I don't need to keep learning new things communicating with customers through this platform. But there are still a lot of new things that happen, so we just need to be ready.

Hermione: So it just sounds like keeping across the trends is incredibly important. We've actually launched Destination Insights which is a public tool that gives travel insights on demand changes, and then done a number of things to our SERP (*search engine result page*) to bring to attention the Covid changes to try and help that make that more seamless for both marketers, people in the travel industry, and consumers at large. But if I'm listening to you, it's really about staying across the top trend, and being agile and testing it. So thank you for that advice, something we'll take forward.

Gaery, what are your recommendations for a company to seize the opportunity in apps—if you were just to give one what would that be?

Gaery: I will say just focus on apps and nothing else. It will be fine. Sometimes people just try to do everything. If you need to choose, especially in the beginning, just choose one. If you need to choose, choose apps. And that's it. The result speaks for itself. I look at the numbers, it just makes sense to do that. And just be customer-centric, that's it.

Hermione: I like it. It's easier said than done, I think.

Gaery: Of course.

Hermione: But good advice from some very strong leaders. Okay, I'd like to end the discussion with a rapid-fire round. If you had one wish for what travel apps could do that today that they don't currently do, what would it be? Ladies first, Aireen.

Aireen: I would like the app to be your personal butler or a personal assistant really, just like how Jarvis is to Iron Man. So that therefore I could use it anywhere I want to and it can give me recommendations of whatever that I like. It understands my lifestyle, it understands my calendar, it knows what to book, when to book and so forth. And I can use my voice to activate it. So that's what my dream is—maybe it wouldn't be an app.

Hermione: Very creative, I like it. That blue sky thinking.

Gaery, what would your wish be?

Gaery: Well, I totally agree with Aireen. I was about to say the exact same thing. Personalization is key for virtual assistants. But I think probably something that's a bit closer, which is actually, I will say that there are still a lot of things in the travel industry that actually still needs offline agent or like an offline company to do it like, for example, passport, visa preparation, and also the security process and all those things. If we can solve that in one app, in one go, and just can go to the airport without anything else, that's it. I think that's it. Especially in Indonesia, that's the thing that we really want to solve—real problem there.

Hermione: I think it's a genuine problem. I like it, an admin whiz app for travel. Fabulous. Okay, Wilfred, what about you?

Wilfred: I was thinking, while listening to Aireen and also Gaery, they're looking at what could be done and what to do. I was thinking about what I have done along the journey and keeping track of things and really become my diary. An app that is a diary that will combine all the services I've used with all the brands on the call here. And also combining the Google Maps

service that keeps track of my photos that I've taken in different places around the world and everywhere. And so I would look at the photo when it pops up on my Android phone and say, three years ago, I was there. And then it also allows me to dig deeper exactly where I was and what I've done before and after and who I was with, and what kind of services I may have used before, and if I go back again, how do I repeat that good experience?

Hermione: I like it. Repeat instant reservations. And Pulkit, what about yourself?

Pulkit: It was very interesting to hear all of these perspectives. I think my wishlist would be kind of similar to what Wilfred said, but like having one single app that, you know, puts up all my bookings on my calendar for me. It tells me, you know, it points me to what are the nearest activities in that area. Like if I'm going to a city, what are some of those things which are really great close to me. It suggests times on my calendar to find. So basically my one-stop assistant for traveling and planning my whole travel, that would be my wishlist. And it also finds me great deals and promotions, to top it off.

Hermione: Challenging the industry. I like it. Fantastic. I love the creativity in the ideas. Let me know how Google can partner and support you on building these features. As much as recent consumer behavior shifts have been largely accelerated by the pandemic, we expect that the impact will last long after the pandemic ends—a day I hope will come sooner rather than later.

Throughout this series, I've been blown away by the resilience of the travel industry in pivoting so adeptly to engage and be useful to online travelers. The pandemic has compelled the industry to innovate at a high pace and to a high standard.

Thank you, Aireen, Wilfred, Gaery, and Pulkit for sharing your insights with us. It's been an absolute pleasure to have you join us today. And I hope we can all see each other in person very soon.