

DRIVING INTELLIGENT, INTERCONNECTED MOBILE ENGAGEMENT THROUGHOUT THE TRAVEL JOURNEY



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A Mobile Market Report from EyeforTravel
 and SAP Digital Interconnect

ABOUT

We bring together everyone in the travel industry, from small tech start-ups to international hotel brands, to form a community working towards a smarter and more connected travel industry.

Our mission is to be the place our industry goes to share knowledge and data so that travel and tech brands can work collaboratively to create the perfect experience for the modern traveler.

We do this through our network of global events, our digital content, and our knowledge hub - EyeForTravel On Demand.

Our Values

We believe the industry must focus on a business and distribution model that always puts the customer at the center and produces great products. However, to deliver an outstanding travel experience, the strength, skills, and resources of all partners in the value chain must be respected and understood.

At EyeForTravel we believe the industry can achieve this goal by focusing on a business model that combines customer insight with great product and, most importantly, places the traveler experience at its core.

At our core we aim to enable the above by valuing impartiality, independent thought, openness and cooperation. We hope that these qualities allow us to foster dialogue, guide business decisions, build partnerships and conduct thorough research directly with the industry.

These principles have guided us since 1997 and will continue to keep us at the forefront of the industry as a vibrant travel community for many more years to come.

Our Services

Our events are at the heart of EyeForTravel. These draw in experts from every part of the travel industry to give thought provoking presentations and engage in discussions. It is our aim that every attendee takes back something new that can help their business to improve. This might be in the fields of consumer research, data insights, technological trends, or marketing and revenue management techniques.

Alongside this we provide our community with commentary, reports, white papers, webinars and other valuable expert-driven content. All of this can be accessed through one place - the On Demand subscription service.

We are always expanding the content we create, so please get in touch if you want to write an article for us, create a white paper or webinar, or feature in our podcast.

EyeForTravel by the Numbers

80,000+ database contacts

2,000+ annual event attendees

100,000+ monthly online reach

1,000+ online conference presentations

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INTRODUCTION

During conversations with industry leaders at our travel summits there is one idea that comes up time and time again as mission critical – the concept of customer engagement. As a vital pillar in a travel brand strategy, it is now paramount but the question must be asked: Are travel brands doing enough to engage the consumer? According to our research we are some way off currently, as there are significant gaps where travel brands can utilize mobile to drive better relationships with their customers. Just 41% of respondents to the survey conducted specifically for this report are currently able to send automated mobile messages to travelers who have made a booking. However, 83% of brands using the technology find that these messages have improved customer satisfaction. What's more, travelers are receptive to a wide range of messages, with 87% of US travelers reporting that they find travel notifications useful.

This suggests a mismatch in the industry's approach and an area ripe for much greater utilization. Currently, deployment of a variety of tools, including push notifications, SMS, and instant messaging, is low amongst travel brands according to our industry survey. This leaves many travel brands bereft of means to reach their own customers.

This needs to be remedied, as the uses for such channels is many, from sending out discounts, upselling bookings, providing local travel information, post-trip messages, giving trip status notifications and even responding to crises. These capabilities can position the travel brand as a trusted source of information and help to win over loyalty, as well as enhancing revenue streams.

However, travel brands will not only need to build pure ways of reaching the customer, they will also need to make sure their messaging is useful and relevant, as well as ensuring that it complies with increasingly stringent data regulations.

If they do so, big rewards can be gained from an increasingly mobile-driven and engaged consumer.

So, please enjoy this completely free report that will allow you to understand:

- How consumers are using the mobile channel.
- How mobile will develop in travel and the consequences of its growth.
- How the travel industry is approaching mobile through a major industry survey.
- Where you should be investing to reach the mobile consumer.
- How you can ensure communications are effective.
- How you should be measuring and overseeing a mobile engagement strategy.

Alex Hadwick,

Head of Research, EyeforTravel

1. THE KEY MOBILE STAGES

1.1. Why Mobile Matters

Mobile is the silent revolution currently impacting business around the globe. It is the early 21st Century's equivalent of the Industrial Revolution. It provides a vital conduit for engaging with consumers via a reliable and secure connection. It is how we connect in both our business and personal lives.

However, it is more than just a means of communicating. It is a whole new connection to a world of media, presenting a critical marketing channel. It is also where we, as consumers, research and buy a wealth of products and services, including travel.

According to IHS Markit projections, mobile devices have grown from 17% of connected consumer devices in 2008 to 60% today, with more than four billion smartphones in the hands of users, and that growth isn't stopping there. By 2020, 6 billion smartphones will be in circulation and messaging and communication apps will add another 2.5 billion accounts from the estimated 5 billion that already exist (IHS Markit, 2018).

“7.5 billion – the number of messaging and communication app accounts that are expected to exist in 2020”

Indeed, growing mobile and social media usage is intertwined and evolving, with 80% of social media time in the US spent on a mobile device in 2017 (comScore, 2017a). Facebook has two billion active users, the majority of which use Facebook Messenger or WhatsApp, and China's WeChat has one billion active users. While in 2013 the majority of our mobile time was spent on social media networks, today we spend the majority of our mobile time in those companies' messaging applications.

This leaves other apps jostling to get the user's attention, despite apps accounting for 80% or more of user's mobile minutes in every single market measured in comScore's 2017 Global Mobile Report (comScore, 2017b).

Travel brands therefore face a conundrum when it comes to the fast-moving world of mobile. There is a now a profusion of channels to message, market and make a booking with the consumer. Direct messaging, push notifications, social channels, video marketing, traditional email, apps, responsive websites, how can travel brands know what to invest in to make a difference with the consumer? According to the SAP Digital Interconnect 2017 survey, businesses are still considering what channels to use when engaging the customer, with 74% opting for email, 42% push notifications, 34% messaging apps and 30% SMS, showing that several channels are badly underserved (SAP Digital Interconnect 2017 Survey).

The good news is, that if brands get their message right, there is a strong appetite for travel brands to reach out, with consumers hungry for good quality information that eases their travel experience. According to Google research, 87% of the consumers they surveyed find travel notifications on mobile useful and travelers engage in a wide range of travel-related mobile activities regularly (Google, 2017b; see Figure 18 for more).

However, the use of mobile engagement tools cannot be done in an undisciplined manner as notifications need to be tailored to genuine traveler needs. Guest engagement is evolving and the new wave of engagement that's emerging – known as Empathy Marketing – is based on the individual's "in-the-moment" context. Travel brands therefore need to have a coherent mobile strategy to enable this within their digital approach.

To do so will require brands to monitor customer data, such as history, preferences, social interactions, and loyalty information, in a single view that they can monitor and respond to in real time.

So, mobile matters as a growing marketing and booking channel, as well as a direct communication tool with the consumer that can have huge effects in driving engagement and therefore loyalty with a travel brand but only if done correctly.

1.2. Mobile Growth Rate

Due to the complexity in the process of buying a vacation and the fact that it is often one of, if not the, largest discretionary purchase per year, travelers take great care with their research and booking. This means that travel lags behind several other e-commerce focused industries when it comes to mobile usage. However, mobile is already entrenched in the travel journey, particularly when it comes to the research phase and is demonstrating continuous strong growth, driven by younger demographics and emerging economy consumers. Given that these types of consumers will drive future expansion in the travel industry, mobile will become increasingly critical.

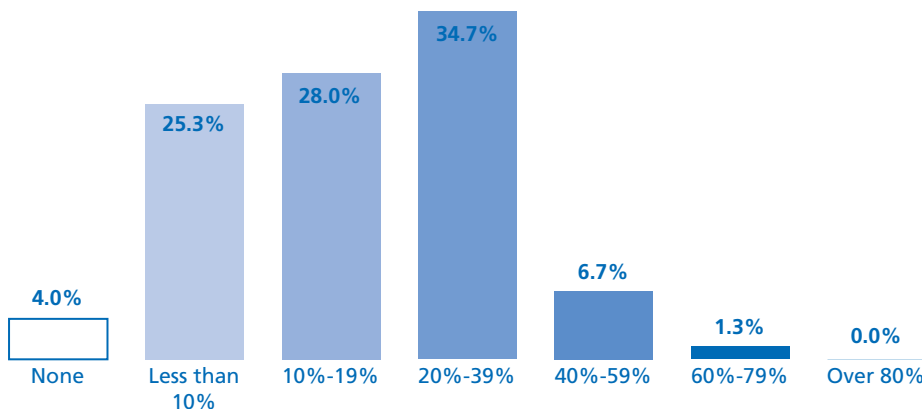
According to the J.D. Power 2017 North America Hotel Guest Satisfaction Index Study, 25% of online reservations were made using mobile in the year (smartphone or tablet), up from 14% in 2014. They found that younger travelers or those travelling on business are the most likely to book via a mobile device (J.D. Power, 2017).

Figure 1: Accommodation Reservations Through Mobile Are Growing



Source: J.D. Power, 2017

Figure 2: Hospitality and Accommodation Bookings Made Through Mobile in 2018



Source: EyeforTravel Mobile Industry Survey 2018

EyeforTravel’s results show a similar thread in terms of mobile bookings in the hospitality and accommodation sector to J.D. Power’s results. In the EyeforTravel Mobile Industry Survey 2018, respondents from the accommodation sector reported that just 4% did not receive bookings from mobile sources, and instead more than 70% are seeing over 10% of their bookings come from mobile devices. The largest answer choice, at just under 35% of accommodation businesses, is between 20% and 39% of bookings coming from mobile, close to J.D. Power’s results, although our industry survey’s median category was slightly lower at 10% and 19% of bookings (EyeforTravel Mobile Industry Survey 2018).

This level is certain to go up in the future though, with recent growth appearing to have accelerated as consumers become more comfortable with using mobile for making travel purchases and travel brands becoming more adept at providing services through the channel.

Google research found that among US consumers, there had been a nine-point growth in the number of travelers that reported completed a booking after using a smartphone for research purposes in only the 12 months to April 2017. By that stage four-fifths of US consumers reported that they used a mobile before making a travel-related purchase (Google, 2017a; see Figure 3).

Figure 3: US Travelers Are Using Mobile More Before Booking



Source: Google, 2017a

1.3. Key Mobile Phases

Travel brands need to have a touch point at every stage of the mobile buyer journey: From the first time a consumer keys in a travel-related search term during their commute to work, to the post-trip summary they share with family and friends on social media. Mobile is everywhere, and travel brands have to adapt to this.

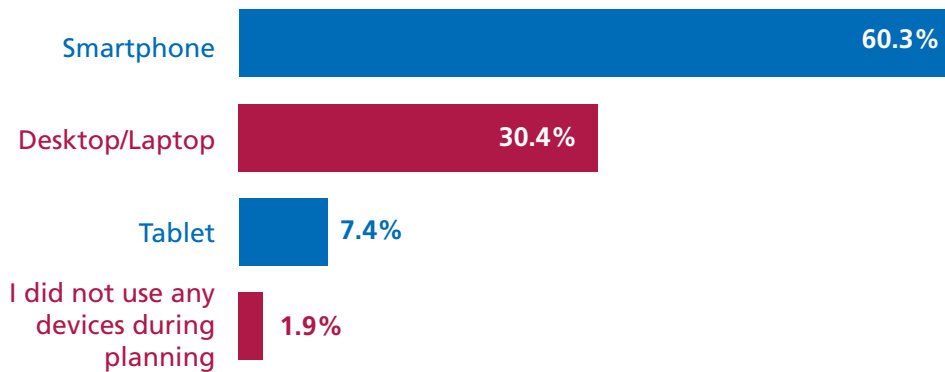
“For the traveler, there are no mobile stages. Mobile is everything and everything is mobile. We interact in making our purchase decisions seamlessly on our tablet and phones, and sometimes on our computers, so it is no longer fair to call out mobile as a separate category. It is no longer a case of ‘Do you have a mobile strategy?’ Instead it’s ‘What are you doing to embed that deeper into the consumer lifecycle or purchase journey?’” says Rohit Tripathi, general manager and head of products, SAP Digital Interconnect.

Whilst travel brands should certainly be looking at their digital strategies in an omnichannel manner and trying to accurately reflect the fact that consumers fluidly move between devices, some mobile moments are more important than others in the travel journey and different markets have different behaviors.

Currently, consumers are most likely to utilize mobile at either end of the travel spectrum. It is growing strongly as a travel research tool and then consumers come back to relying on their smartphone as they physically make their journey.

In mobile-first countries, such as China, this is particularly pronounced. In EyeforTravel’s *Chinese Travel Consumer Report*, we found that more than two-thirds of travelers used mobile devices as their primary research tools. Within the 67.7% of consumers who fall into this field, smartphones are overwhelmingly the main device, at 60.3% of consumers.

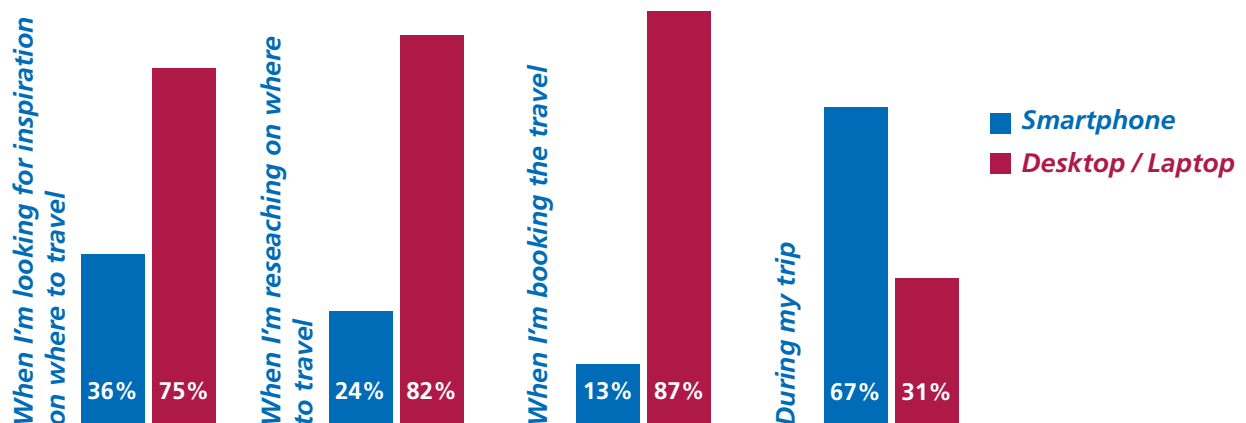
Figure 4: Primary Device Used for Research Travel by Chinese Travelers



Source: EyeforTravel's Chinese Consumer Survey, 2017

Among more developed economies, this rate diminishes and a much higher number of consumers report cross-device behavior rather than just sticking with their mobiles. The majority of consumers that start on smartphones tend then to switch over to desktop to make their booking. An Expedia study of British, French, and German consumers found that 36% use smartphones to find inspiration and 67% rely on it whilst they are on their trip, but just 13% make it their main device for booking travel (Expedia, 2017). In contrast, 98% of Chinese travelers report that they use their smartphones whilst abroad, although this falls to a very similar rate of 65% reporting that they use their smartphone for directly trip-related purposes, such as searching for restaurants or to use navigation tools (Fung Global Retail & Technology, 2017).

Figure 5: When Do European Travelers Use Mobile in the Travel Journey?



Source: Expedia, 2017

These behavioral patterns makes the trip itself and the immediately following period critical for travel brands to be present and reachable on mobile channels. Having this kind of presence helps to push up consumer satisfaction with travel brands and therefore revenues. The J.D. Power survey found higher guest satisfaction from those that download and use a hotel's mobile app, with 70% of reward members downloading a hotel brand's app, demonstrating the relationship that can be built (J.D. Power, 2017).

Similarly, those guests who take to social media to wax lyrical about their stay also, unsurprisingly, post higher guest satisfaction scores.

Therefore, if resources are tight in terms of digital budget, brands should focus on improving their mobile experience in the early phases of travel research and then in trip and post-trip communications.

Connecting with the Consumer

According to Tripathi there are several touch points at which travel brands need to be connecting with the consumer:

- 1. Awareness.** Consumers need to be made aware of the travel options and offers available. This is the first stage of influencing the buyer journey.
- 2. Purchase decision.** Travel brands can use many channels to get the consumer to the point of conversion. For the modern traveler, channels such as SMS, email and social channels are great touch points to help the consumer get more information about their purchase journey and help them feel safe about their purchase. These multiple channels can be used for two-factor authentication (2FA) to help drive consumer confidence in making online purchases, especially for mobile, where many are still uncomfortable making that final click.
- 3. Throughout the journey.** The world is getting smaller, with new markets, such as China and India, emerging. Travel brands and technology players need to provide channels that are truly global and not just accessible in the home country or continent of the consumer. The channel has to have the presence to reach the traveler throughout their journey, especially when disruptions happen, ranging from a delay or change in flight to severe weather, civil unrest, or utility outages. (For more, turn to Mobile in Moments of Crisis in Chapter 5).
- 4. Post travel.** It is extremely important to get the voice of the traveler as feedback. One single bad review can influence future purchase decisions, and travel brands need to use technologies to interact and strike when they happen. Emotions run highest next to a bad experience and if you are able to address that then you can calm a situation and possibly turn a negative into a positive. Encourage positive reviews and social interaction post-travel to not only influence other buyers, but to also engender brand loyalty with your traveler.

1.4. Benefits of Messaging

Messaging is a two-way street. For travelers, they can potentially experience a smoother journey, have their queries answered quicker, become better informed about their destination, and find cheaper deals.

In the other direction, travel brands have more engaged and loyal customers who can be sold ancillaries and reached at a lower cost of distribution. They can also drive down costs through automation and improvements in customer care, resulting in higher profits.

Critically, a smart mobile operation gives brands a wealth of data to improve decision-making. There are huge quantities of both structured and unstructured data that can be mined from communications.

“83% of respondents reported that customer satisfaction had risen as a result of reaching out to customers through mobile channels”

When we asked travel brands directly what they thought of mobile messaging as part of our proprietary industry survey conducted for this mobile market report, those that had a mobile messaging capability found it had overwhelmingly positive results. 83% of respondents reported that customer satisfaction had risen as a result of reaching out to customers through mobile channels (see Figure 6).

Figure 6: Do You Think Your Mobile Messaging Service Is Effective at Increasing Customer Satisfaction in Your Services?



Source: EyeforTravel Mobile Industry Survey 2018

For Michael Bayle, head of mobile at Amadeus, messaging has this positive effective because it builds loyalty: “Loyalty is key. What’s the difference between Four Seasons and The Ritz-Carlton? A lot, because of what they put behind their brands. So why limit them to the Instagram-verse or Twitter-verse? Why not extend that reach into the messaging space? When you identify with your guests in Facebook, Kik, Slack, etc., that does impact loyalty. A customer who has a positive experience has an avenue to share that.”

Messaging can also help streamline operations, making them more cost-effective. For example, many enquiries that come through the FAQ section of a website can be easily answered.

“Messaging is a way to deliver contextual, practical and relevant information about the destination and is the only way to compete with Google and TripAdvisor,” says Marcelo Fabeni, head of mobile at Brazil’s CVC Turismo e Viagens.

“It’s also a way to interact with the customer without having to interact with a human directly. Messaging is a way to allow a multi-thread customer to solve some issues and save time. The key to success is how much time we can save the customer.”

Bayle agrees: “It’s laziness that makes people ask, ‘how many bags can I take on this flight?’ or ‘where is my bag?’ We now have the ability to push the message to the consumer – ‘your bags will be on carousel 19’. This reduces the cost of humans having to answer these questions and at the same time meets the satisfaction of the customer.”

According to Bayle, we will also see a channel shift from web to mobile and from mobile sites to messaging services when it comes to booking patterns.

“Ctrip sees 80% of bookings through mobile, but by 2019 we could see 20% coming through the Facebook Messenger channel or WhatsApp channel,” says Bayle.

“We’re at a tipping point – consumers want effortless ways to book and pay,” says Bayle.

1.5. Talking About the Mobile Generation

Millennials, currently the largest generation, have grown up using technology. Now, this tech-savvy generation is about to move into its prime spending years. This will change the way businesses operate and sell, not just now but for the future.

“Millennials are used to dealing with technology since childhood,” says Fabeni. “The travel industry has to be prepared to attend to this new audience, and the way to do that is to be present on digital channels. This presence is not only to deliver a mobile solution with a good user experience, but more than that: To put the user in the center of everything. To think, to solve the pain points, hear the user’s feedback to improve the solution in a 360 degrees view,” he says.

Getting to this stage will be a challenge for many players in the industry. For example, the hotel industry faces outdated legacy IT systems that cannot seamlessly interact with new solutions. That said, some of the hotel chains are using their mobile loyalty apps as a means to deliver new services that work around this, but in the end, these still do not truly address the problem.

The Millennial generation is used to instant access to price comparisons, product and service information, and peer reviews, and they gain all this information via their mobile devices. If travel brands want to get ahead of the competition and attract the customers of today and tomorrow then they have to have an intelligent and interconnected mobile presence.

2. WHERE ARE TRAVEL BRANDS WITH MOBILE MESSAGING?

How effective are travel brands at reaching consumers and interacting with them on mobile devices and through messaging channels? In this chapter, we look at the results of the EyeforTravel Mobile Industry Survey 2018 in detail to see where, why and how travel brands are spending their mobile marketing budgets, and to what effect.

The survey polled a global audience working in a wide variety of travel verticals, including air transport, cruise, hospitality and accommodation, online travel agents and price comparison sites, destination management organizations and travel agents (for a full breakdown of respondents see Methodology).

The survey results show that web remains dominant overall and mobile web beats out apps. Consequently, a relatively low amount is currently being spent on mobile marketing and brands seem to be missing out on opportunities.

Likewise, a relatively low number of brands communicate with consumers through direct messaging, where SMS and push notifications are the most popular. Not only are few travel organizations engaged in messaging but they are limited in the types of communications they send. By far the most popular messages are booking confirmations, suggesting a missed opportunity to up-sell pre-trip and remarket post-trip.

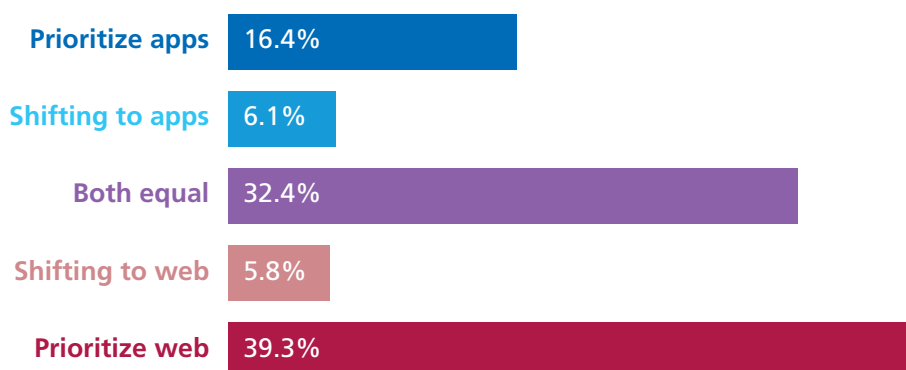
In this chapter we look at:

- Advertising channels.
- Tailored marketing.
- Mobile messaging.
- Mobile lead times.

2.1. What Mobile Channels Are Travel Brands Using?

In reflection of the trends prevalent in the travel research and booking process, travel brands continue to prioritize mobile web (39.3%) over apps (16.4%), which are far less used in most major travel markets. A further 5.8% of brands reported that they are shifting over to mobile web. 32.4% of respondents said they were treating both equally.

Figure 7: Travel Brands Are Prioritizing Mobile Web



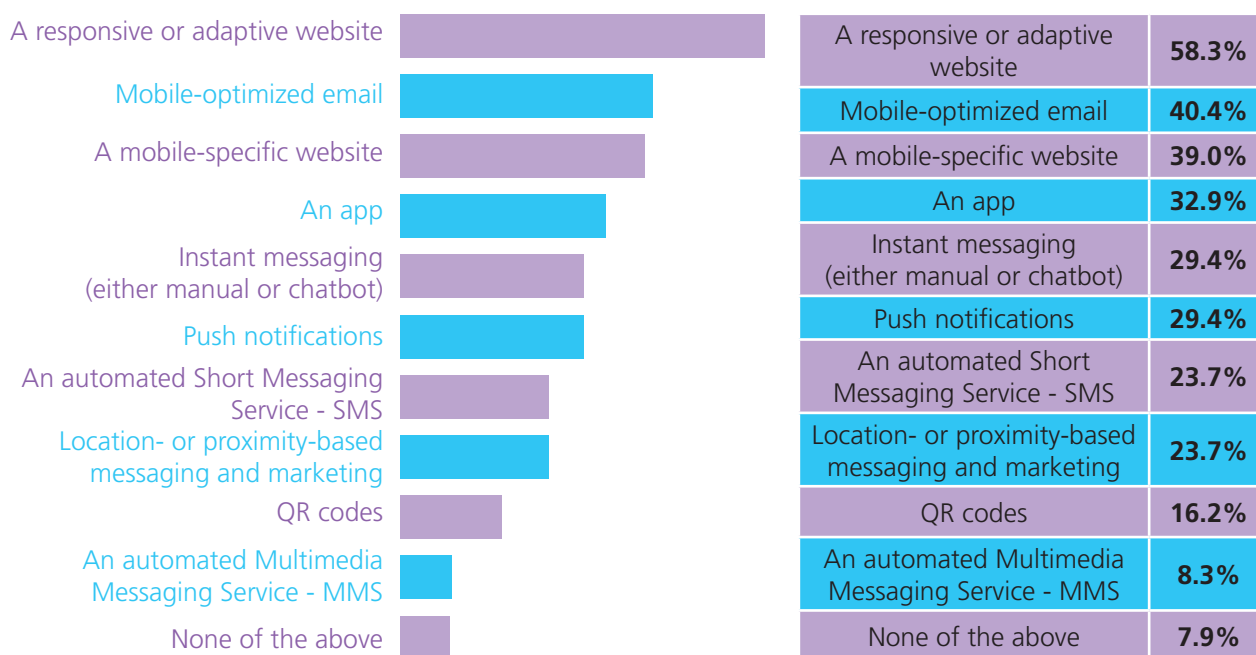
Source: EyeforTravel Mobile Industry Survey 2018

Over time, we might expect more travel brands to shift over to an equal footing for both given the high amount of time consumers spend in media and messaging apps currently but, as yet, it is cheaper and more effective for travel brands to truly optimize a responsive or adaptive website first before addressing an app.

This was shown conclusively when we asked about brands' mobile capabilities. Nearly 60% of respondents have a responsive or adaptive website, and nearly 40% operate a mobile-specific website.

In comparison, just under a third (32.9%) currently have an app and 29.4% report that they use push notifications.

Figure 8 / Table 1: Which of the Following Mobile Capabilities Does Your Organization Have or Use?



Source: EyeforTravel Mobile Industry Survey 2018

Mövenpick Hotels & Resorts is one of those travel brands that has focused on the mobile web. It amalgamated its mobile and web presence in 2015 with the introduction of a responsive website. Before then, the hotel brand had operated a desktop site and a separate mobile site, but this was not conducive to marketing or delivering a seamless user experience.

“The sites were disconnected, content was inconsistent, efforts to maintain both were more time consuming and [created] operational issues. From a user experience perspective, it didn’t make sense. We consolidated and launched our responsive site in 2015. It is compatible with tablets, mobile and desktop. We’ve seen a lot of success since the launch. In 2015, we saw up to 60% growth in mobile production year-on-year, and we’ve seen similar figures in 2016 and 2017. We are continuously developing the mobile experience with enhancements and A/B tests to further optimize the site,” says Amro Khoudeir, global director of digital & distribution, Mövenpick Hotels & Resorts.

Outside of these core capabilities, travel brands are deploying a wide variety of mobile-capable technologies, but there is clearly room for far greater adoption as uptake is sporadic. 40% offer mobile-optimized email. Instant messaging deployment is encouraging given the technology landscape is currently evolving at 29.4% of brands, suggesting that they are grasping the importance of this communication method for customers, particularly Millennials. Automated SMS was being used by nearly a quarter of all respondents, as was location-based messaging and marketing. Multimedia messaging (8.2%) and QR codes (16.3%) bring up the rear, the latter being of particular note as it is likely to be a growing requirement as Chinese travelers become more prevalent across the globe.

This suggests that although travel brands are alive to reaching customers in a smarter, more connected and more targeted manner, there is still huge room for growth.

Mövenpick for one is currently looking at the feasibility of an app and may consider SMS or another instant messaging service to deliver quick messages to the guests. Already, Mövenpick offers mobile check-in for some of its European properties.

“Before arrival we send our guests an invitation to check-in. The guest provides us with all their details and they get their barcode on the day of arrival, scan and receive a key and to go straight to their room,” says Khoudeir.

“Post-booking, there’s an opportunity to start identifying guests who come in to the hotel through geolocation or beacons. We do some geolocation marketing and social marketing and are expanding this to more hotels in 2018.”

On a smaller scale, Sun Siyam Resorts in the Maldives has made its first steps into mobile marketing and plans further investment in the future.

“Since usage of mobile devices has increased for searches and bookings, we have focused and created mobile-friendly websites. We plan to work on it more as customers want everything to be easily accessible nowadays,” says Fathimath Reena, group PR, content & communications manager at Sun Siyam Resorts.

“When there are special promotions running, SMS campaigns have shown good results. We do also have the QR codes in place, but this is more for awareness and information of the resorts.”

2.2. Are You Budgeting for Mobile?

Mobile ad spending was estimated to be USD107 billion in 2017, growing 34% year-on-year according to mobile measurement company Zenith. They expect this to continue, out to a figure of USD165 billion in 2019, which will mean mobile ads will account for 62.5% of digital spending (Recode, 2017).

Travel brands stand in contrast to this trend, with slower rates of spending growth and spending overall, once again reflecting the different consumer profile travel has during product research and consumption. At present, 43.5% of respondents report that they are spending under 10% of their digital marketing budget directly on mobile channels, with 17% of organizations not spending at all in the space (see Figure 9). The median category selected was 10% to 19%, which does also match the median for overall bookings coming from mobile across the survey sample (see Figure 10). Although it is natural for marketing spend to follow results, it seems appropriate to ask if mobile success and conversion rates might rise if travel brands invested more into mobile marketing and direct communication methods with customers, especially given the divergence between their spending and overall marketing industry trends.

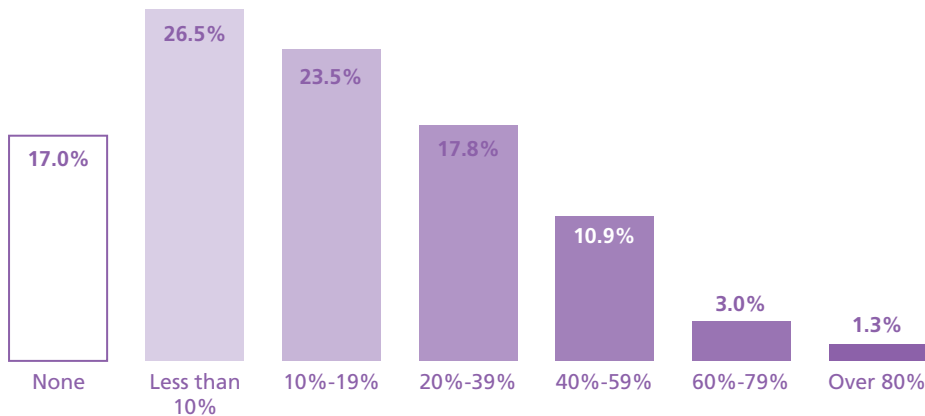
“Today, with one responsive site, and the ability for us to track across device, we are investing more and more into mobile and it is taking a much higher priority. The majority of our marketing spend is still on desktop but the volume of mobile advertising has grown over the past 12 months,” says Mövenpick’s Khoudeir.

“We have run several mobile-specific campaigns and made investments into mobile as a channel. We are exploring on a continuous basis with more emphasis on driving traffic and conversion as a result of the really huge growth in mobile over the past few years.”

Viewpoint - SMS as a Marketing Tool

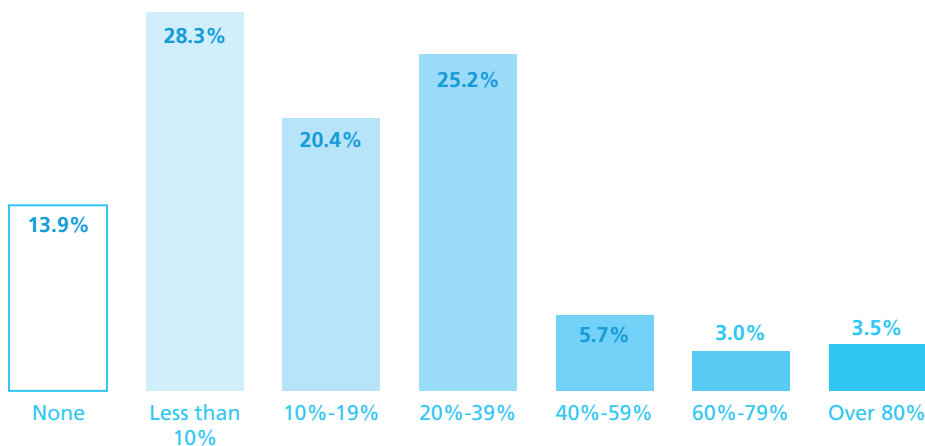
With only a quarter of brands reporting that they use SMS messages currently, SAP Digital Interconnect's Tripathi feels that this would be one of the easiest channels in which to step up capabilities and see results: "In terms of device availability, nothing beats smartphone SMS. Two-thirds of the global population is a mobile subscriber and by far and away the most accessible route to a traveler once on their trip is through SMS. Not only is it ubiquitous, but you are more likely to reach your customer given the high open rates and the fact that coverage is far more universal than with mobile internet connections. There are no boundaries in terms of network, operating system, or handset. However, you don't want to undermine this amazing capability by just rushing out messages. SMS is best used in concert with other channels such as email and in-app push. We look to place SMS messages within the context of each traveler's journey and intelligently apply messaging as a digital conversation that accurately meets their needs at that time."

Figure 9: How Much of Your Digital Marketing Spend Goes to Mobile Marketing?



Source: EyeforTravel Mobile Industry Survey 2018

Figure 10: What Percentage of Your Bookings Come Through Mobile?



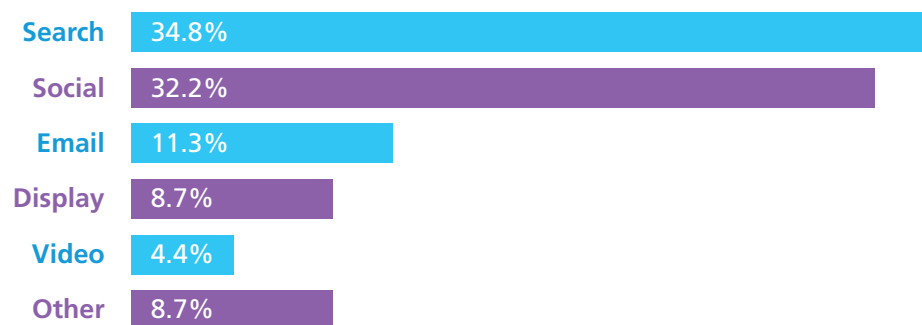
Source: EyeforTravel Mobile Industry Survey 2018

Breaking mobile spending trends down further, search and social dominate travel brand spending patterns. Of those organizations that are spending on mobile marketing, search is the largest component for 34.8% of respondents and social for 32.2%. This is likely to reflect the dominance of Google and Facebook in the digital marketing sphere.

In comparison, video marketing was top for just 4.4% of mobile marketing budgets. This would seem to be a major missed opportunity for travel brands given the growth of mobile video consumption in recent years. A multi-country study by AOL estimated that 57% of consumers watch videos through their mobile every day and Zenith projected growth of 20% in global video consumption in 2017 (AOL, 2017; Zenith, 2017). Given that consumers are more reliant on mobile for inspiration than any other pre-booking phase, video and Multimedia Messaging Services (MMS) should be a natural fit for mobile marketing budgets, and this is likely to be a growth category for travel industry spending in years to come.

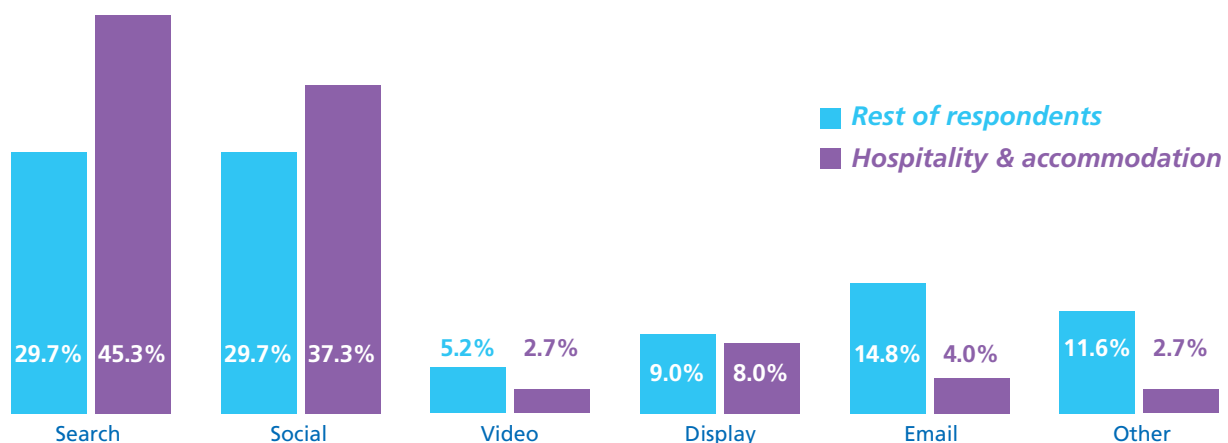
The critical role of search and parts of the industry's dependence on it are reflected in the results from accommodation brands. Budgets in the vertical were far more focused on the social and search categories than the rest of respondents, with search being the largest component for 45.3% of hospitality and accommodation brands' mobile marketing budgets. This preponderance is a result of the way in which consumers search for hotels, with mobile still a last-minute channel (see Section 2.4 for more). By that stage consumers are looking mainly for specific locations, largely through search engines. However, it may also indicate an over-focus on the latter stages of consumers booking journey and an acquisition-driven strategy that once again doesn't fully take into account the role of mobile in inspiration and initial research phases. Hotel brands may want to look further out in their battle to avoid commoditization.

Figure 11: Largest Component of Travel Brands' Mobile Marketing Spend



Source: EyeforTravel Mobile Industry Survey 2018

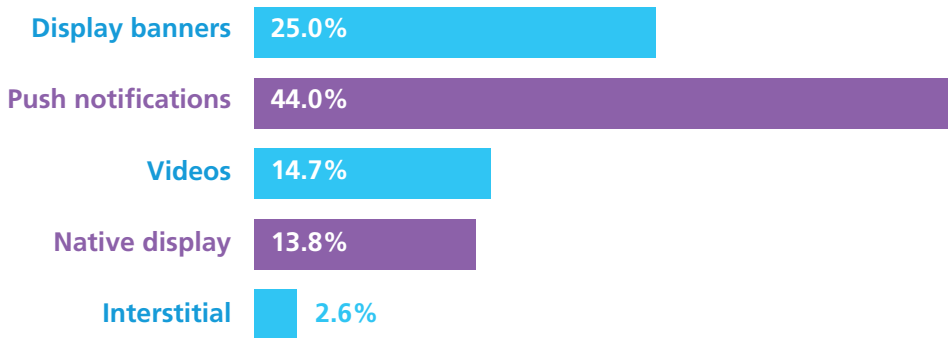
Figure 12: Largest Component of Mobile Marketing Spend – Hospitality and Accommodation Brands Versus Rest of Respondents



Source: EyeforTravel Mobile Industry Survey 2018

For those brands that have deployed apps, there was a clear winner for effectiveness when it comes to in-app advertising. Push notifications were the favored means of advertising, selected by 44% of organizations, followed by display banners (25%), while 15% prefer videos and 13.8% native display. This is further evidence of the importance of personalized messaging to improving a travel brand's marketing capabilities.

Figure 13: Most Effective In-App Advertising Format



Source: EyeforTravel Mobile Industry Survey 2018

2.3. Using Personalized Mobile Marketing

Travel brands are starting to see the value of mobile for post-booking and post-trip communications, with more than 40% of survey respondents saying they were already sending automated messages via mobile or were developing this capability. Still, this does leave 58.7% of our sample without this capability currently. Given that as we noted earlier 83% of those using mobile messaging believe that it was effective at increasing customer satisfaction, this figure seems highly likely to rise in the coming years.

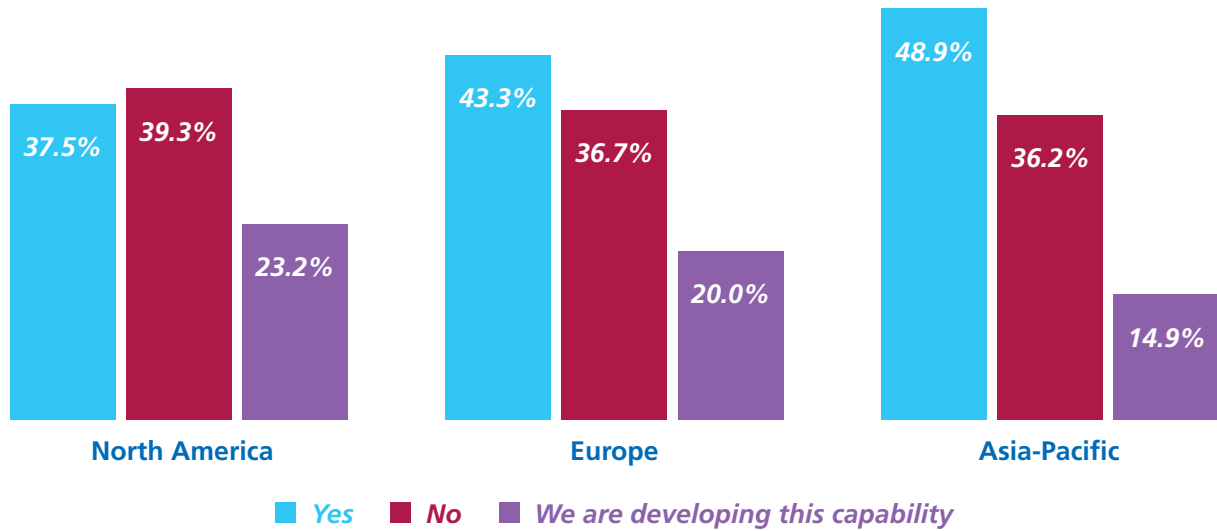
Figure 14: Does Your Organization Have Automated Messages That Can Be Sent via Mobile after a Customer Has Made a Booking or Returned from Their Trip?



Source: EyeforTravel Mobile Industry Survey 2018

Travel organizations in Asia-Pacific are the most engaged with sending automated messages post-booking or post-stay, followed by Europe, with North America bringing up the rear. Nearly half (48.9%) of brands in Asia-Pacific have the facility to reach consumers through mobile messaging, compared to 37.5% of North American brands in the survey. This is indicative of the more mobile-oriented nature of consumers in Asia-Pacific, which has a variety of mobile-first countries, such as India and China. North America showed the most interest in developing this capability, albeit from the lowest base of current deployment across the three regions.

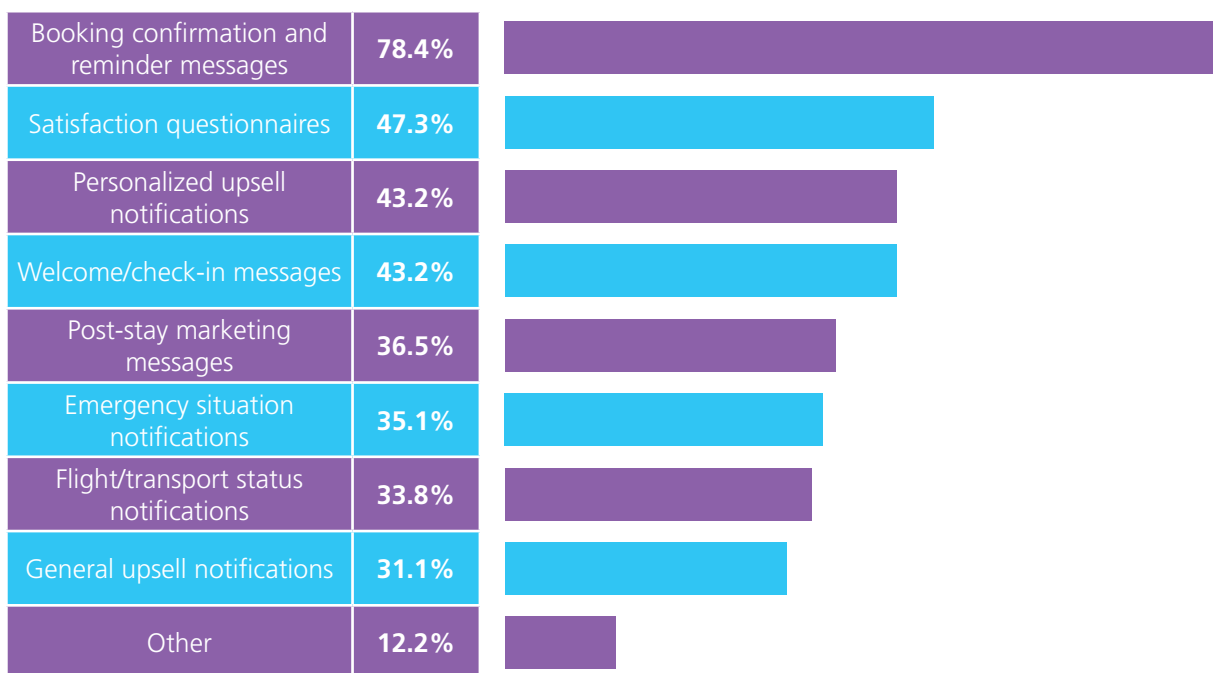
Figure 15: Travel Brand Automated Message Capability by Region



Source: EyeforTravel Mobile Industry Survey 2018

Furthermore, travel brands currently use their messaging capabilities for relatively simple tasks and do not appear to be using the medium to its fullest extent. Most travel organizations with the capability are using mobile messaging to send booking confirmations and reminder messages (78.4%), with the next highest usage category being the sending of satisfaction questionnaires at 47.3% of applicable respondents. When it comes to more complex, data-driven tasks, rates fell, with 43.2% using the channel for personalized upsell notifications and 36% for post-stay marketing messages. A similar number (31.1%) are using mobile for general upsell notifications, while 35% have used mobile messages for emergency situation notifications.

Figure 16 / Table 2: Types of Messages Sent Through Automated Messaging By Travel Brands



Source: EyeforTravel Mobile Industry Survey 2018

According to Michael Bayle, head of mobile at Amadeus, travel brands need to raise these rates and capitalize on the potential power to ensure that they remain the owner of this communication and relationship with the consumer.

“Where do the travel brands offer value? Google always has a copy of the record of your itinerary gained when you first made the purchase because it went to your Gmail personal account. However, only the travel brand knows if you made a change to your flight or PNR, so in terms of loyalty why should a travel brand acquiesce that relationship to Google? It should be them bringing these things to the attention of the traveler. The more current and actionable data, such as a flight cancellation, Google can’t act upon. The travel brand can make a positive change to get a result and take advantage of that disruptive management,” Bayle explains.

Mövenpick Hotels & Resorts already has personalization as part of its strategy and will be expanding on it in 2018, bridging gaps on mobile and desktop and multi-device.

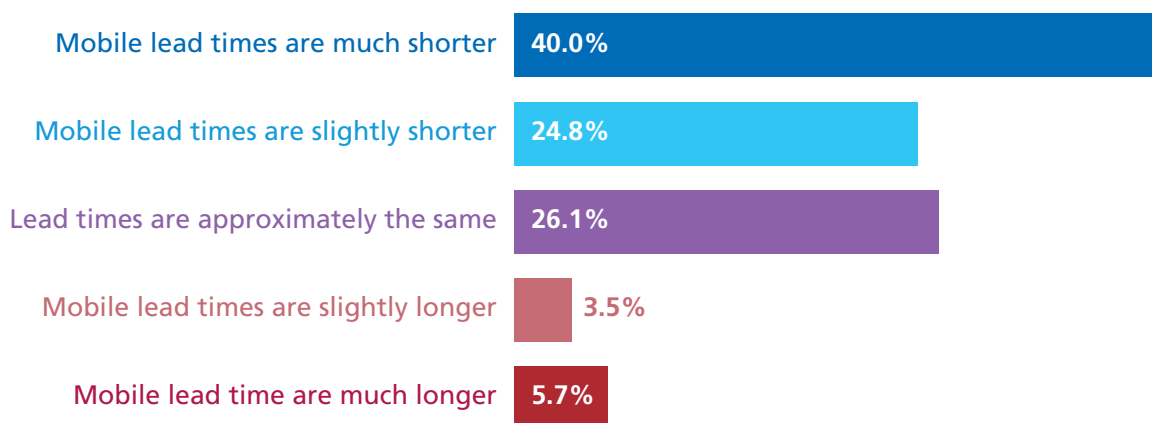
“We use WiFi access to capture user information after they give their consent and then retarget them on the website with the personalized message. This has an impact on the retargeting activities. The majority of this is automated and where we can identify a customer we personalized accordingly. We A/B test all of our activities,” says Khoudeir.

2.4. Attracting Last-Minute Bookings

The unique position of mobile in the travel industry pushes it towards a last-minute booking tool according to our survey results. Just under 65% of respondents say that mobile lead times are either much shorter or slightly shorter than desktop bookings, with 40% answering that they are much shorter. Just over 9% find that mobile bookings arrive earlier than other devices.

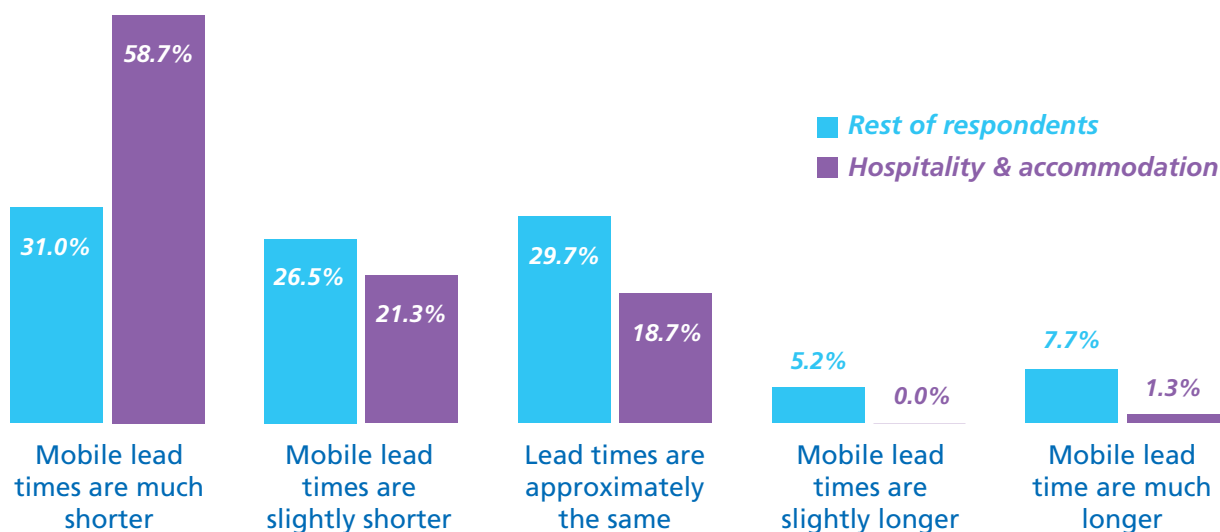
The hotel industry is most impacted by the last-minute nature of mobile bookings. Once we sort the accommodation and hospitality respondents from the rest of the sample, then nearly double the rate of respondents from the accommodation group report that mobile lead times are much shorter – 59% to 31%.

Figure 17: How Do Lead times for Mobile Bookings Compare to Desktop Bookings?



Source: EyeforTravel Mobile Industry Survey 2018

Figure 18: How Do Lead times for Mobile Bookings Compare to Desktop Bookings? Hospitality and Accommodation Brands Versus Rest of Respondents



Source: EyeforTravel Mobile Industry Survey 2018

According to Khoudeir, a mobile booking lead-time is often the same day as arrival. This is, in fact, a bonus to a well-run organization though, as revenue management and yield maximization techniques can lead to mobile becoming a more profitable channel.

“Conversion rate is high as it is a last-minute, quick action,” Khoudeir finds. “We see a mixture of people switching back and forth between desktop and mobile. The exploring part is mostly done on bigger devices where people can experience more of the imagery and we now see mobile as more of a last-minute activity. A huge percentage of our mobile volume comes in [the same week as the stay].”

Alongside filling remaining inventory, the other major benefit of this last-minute booking pattern is potentially higher room rates.

“We do drive higher rates through mobile, mainly due to the fact of its shorter lead times. The further out you look, the higher discounts you receive. Mobile is last minute and shorter stays, so users are most likely to book our Best Available Rate (BAR) or flexible rates, so Average Daily Rate (ADR) is relatively higher.”

SAP Digital Interconnect’s Tripathi points out that this is an opportunity to push revenues even higher through outreach: “Using an intelligent system that can identify repeat customers, frequent travelers and high-spenders, you can deliver customized messages that push them an upgrade or an additional service. At this late stage in the funnel you are maximizing the probability of a sale and incremental revenue gains, as well as engendering loyalty.”

3. INFLUENCING THE MOBILE TRAVELER

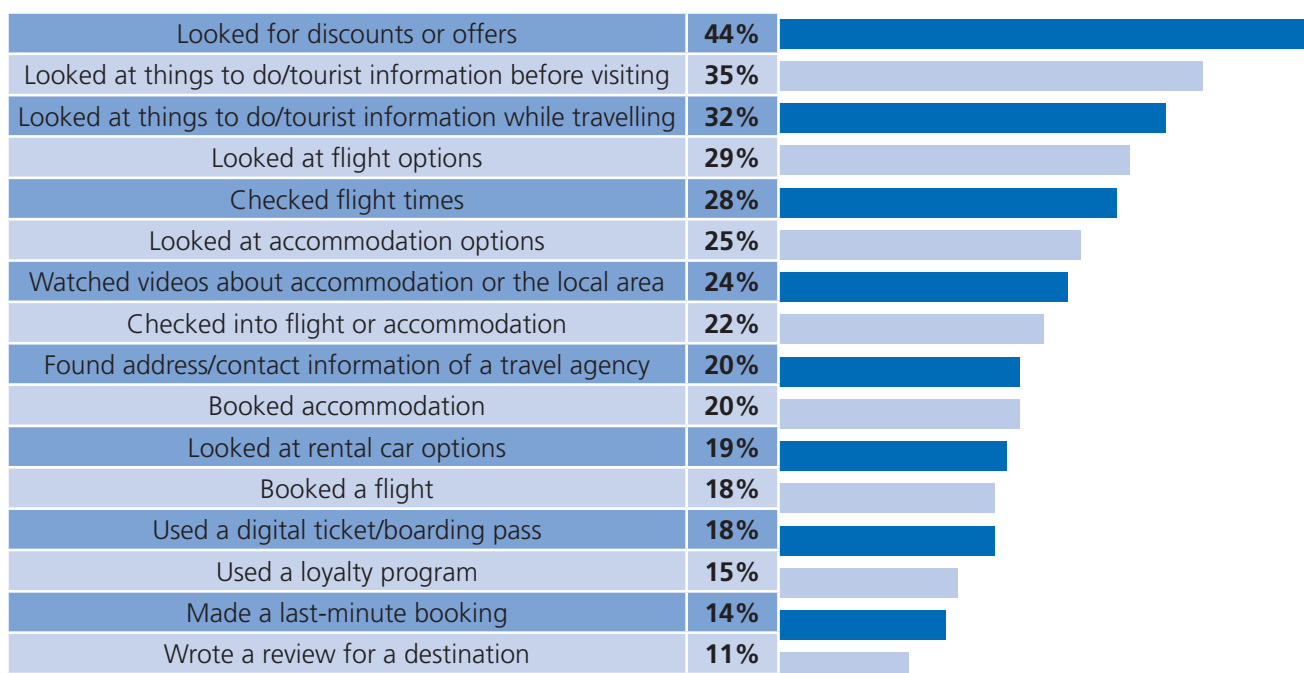
Increasingly, mobile is becoming the key device for research and inspiration but what is best practice for brands to make the most of this critical phase? In this chapter, we look at how travel brands can use the mobile channel to improve customer engagement and consider what types of messages and messaging formats are most effective.

3.1. Using SMS and Other Messaging Channels

According to eMarketer, mobile offers are redeemed 10 times more frequently than print, so if you want to drive incremental revenue, such as spa treatments or restaurant spend, a timely mobile offer, sent via SMS, email or push notification, could be the answer.

Google research also found that travel brands would do well to leverage mobile’s reach by deploying targeted offers and discounts alongside inspirational material. In their survey of US consumers, by far the top travel-related activity conducted by their sample through smartphones in the 30 days prior to the survey was searching for discounts and offers, at 44% of consumers. This was followed by researching destination information before (35%) and whilst travelling (32%), both of which present great opportunities for upselling a variety of ancillaries and also positioning a travel brand as a local expert that can be trusted by the consumer.

Figure 19 / Table 3: Top Travel Activities Conducted Via Smartphone Over 30 Day Period by US Consumers



Source: Google, 2017b

According to Steve Endacott, non-executive chairman at Teletext Holidays/Alpha Rooms, the biggest difference is in the limited time customers view their mobile devices for travel-related information. Often smartphone searchers are looking whilst they are on the move or in-between activities. In these so-called 'mobile moments', marketers have been working to remove the friction in the booking journey to make the entire process as quick and seamless as possible.

According to Endacott, "This means understanding the users' intent and ensuring that the experience provided is exactly what the user wants, providing clear actions."

OTAs, who manage the entire set of travel verticals, have simplified the initial booking process and then they push ancillary sales through post-booking marketing campaigns via email or remarketing using cookies.

"This two-stage approach is facilitated by getting customers to download the mobile app, as even though many customers forget they have the app on the phone, it allows for much more effective push marketing and links to content-rich, post-sale processes," says Endacott. OTAs have also been very organized in using A/B tests to maximize this process.

For those that have not downloaded the app, which is the majority of travelers, Tripathi advises brands to explore direct mobile messaging: "Intelligent notification services can offer SMS, email, or social media networks as an alternate channel to reach travelers who have not downloaded the app. Additionally, SMS can support two-way 'concierge' communications. For example, after check-in, hotels can ask via SMS, 'Is your room OK?' 'Would you like to book a spa or golf trip?' Additionally, guests could initiate a dialogue: 'More towels please', 'Send a bellman,' etc. This helps increase satisfaction and increases the capabilities of staff. A concierge-level of service is extremely useful in supporting post-booking, in-resort revenue, such as excursions, transport options or dining out, all of which can be promoted via mobile either prior to travel or while in the destination." [See the EyeforTravel white paper on *The Changing Face of Tours and Activities* for more on extra revenue streams].

3.2. Building Relationships

Mobile marketing enables travel brands to interact with their customers and prospects anytime, anywhere, making it the ideal marketing channel for the travel industry.

Used effectively, travel brands can communicate with their customers via their mobile devices throughout the entire buying journey. This helps to build a relationship and trust in the brand and crosses over into e-commerce opportunities. Indeed, as can be seen in Figures 19 and 23, discounts and offers regularly figure highly in consumers mobile travel activities and they are interested in receiving relevant notifications.

This cross-over between traveler loyalty and e-commerce, as well as the value it offers to brands, can potentially be seen in the relatively poor performance accommodation brands are seeing from their messaging services.

Hospitality respondents are seeing a much lower rate of customer satisfaction from mobile messaging services than the remaining verticals. Just 72.2% of accommodation companies report that their service was effective, compared to 89.7% of remaining respondents, but why could this be?

One potential explanation is that hospitality brands are utilizing the most personalized elements of messaging channels to a lesser degree than other verticals. This is likely to be as a result of the profusion of legacy technologies and the multitude of service providers that can be found across the industry, making building capabilities problematic. Low deployment rates appear to be leading to them not getting the maximum utility out of services and not building up the same relationship with their customers than other companies surveyed.

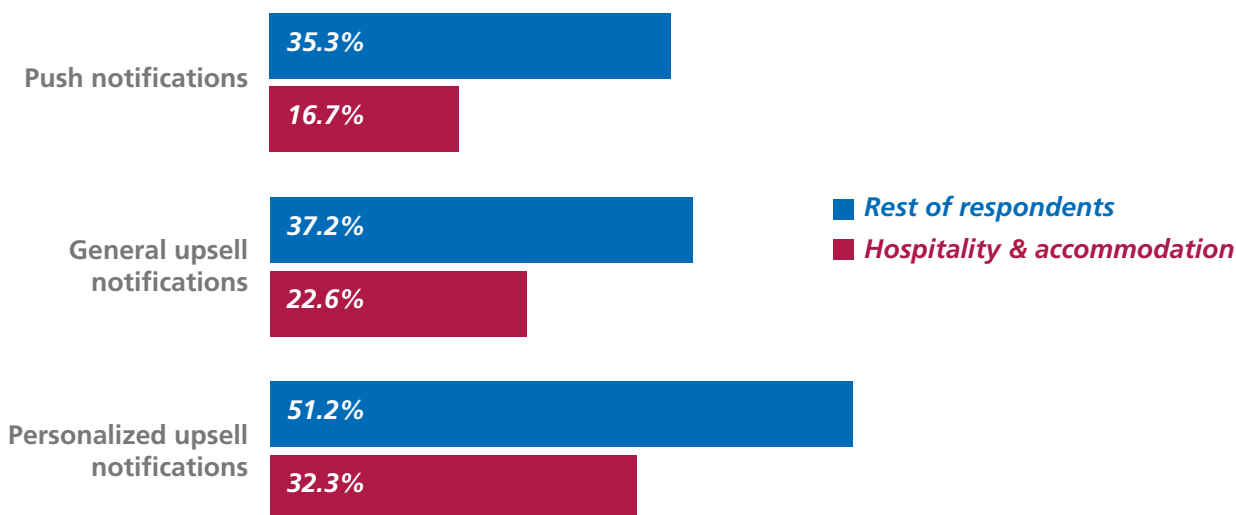
We found that although hotel brands are good at pushing booking confirmations and welcome/check-in messages, they fall behind when it comes to consumer-focused mobile messages. Hospitality brands are using push notification at half the rate of the rest of the sample (35.3% versus 16.7%) and are way behind for upsell notifications, with just 32.3% of messaging capable hospitality brands sending personalized upsell messages versus 51.2% for the remaining respondents (see Figure 21). They therefore have less ability to become useful to the consumer and get to the forefront of their mind with messaging.

Figure 20: Do You Think Your Mobile Messaging Service Is Effective at Increasing Customer Satisfaction in Your Services? Hospitality and Accommodation Versus Rest of Respondents



Source: EyeforTravel Mobile Industry Survey 2018

Figure 21: Hospitality and Accommodation Deployment of Messaging Tools Versus Rest of Respondents



Source: EyeforTravel Mobile Industry Survey 2018

Travel brands therefore need to think about the whole messaging spectrum and how their messaging comes across to consumers to make the most of their investments in these channels. Ideally, travel brands would aim to roll out integrated campaigns across SMS, e-mail, apps and social media to engage, build loyalty, gain insight, gather data and grow relationships.

Third-party services, such as SAP Engagement 365 and message manager add-on for SAP SMS 365, can help in this regard by creating a unified platform that simplifies and brings together the whole buyer cycle and can facilitate e- and m-commerce functions, such as mobile payback, vouchers and coupons.

It's not just hitting consumers indiscriminately with messaging that will make a difference, however. Brands need to take into account not only personal preferences but localized marketing that fits with the customer's culture and their local regulatory environment.

"For example, if they are operating in India then we advise them regulations require all marketing messages only be sent between 9am and 9pm if non-critical. We advise the brand on not only using the right channel but respecting the rules and regulations of that region or country," explains Rohit Tripathi, general manager and head of products, SAP Digital Interconnect.

3.3. Best Practices

What is the right level of discipline when it comes to mobile messaging and when does it get to be annoying for the consumer? It's about finding that perfect balance, for each and every customer and the channel they are being reached on. Different channels come with different customer expectations on message content and frequency, as SAP Digital Interconnect's Tripathi explains:

"Consumers have developed a certain expectation of level of engagement on different channels. For example, SMS is still considered by most end consumers as very reliable and a channel on which they expect to see really important things that affect their travel experience. Driven by the regulations around that channel, and the fact they can only use 160 characters, brands have to be very precise in their interaction. On the other hand, email allows lots more content, it leads to more touch points, and a lot more spamming."

Between the SMS and the email, lies the app. This has an advantage because it has a degree of context with the consumer. They have downloaded it, so engagement should be higher than with an unsolicited message.

However, an app needs a data connection, and this may not be possible if the user is travelling internationally or experiencing connectivity challenges. In those cases, marketers have to take the decision to use an SMS message rather than a push notification.

"It's about using the right channel at the right time under the right constraints," says Tripathi.

***"It's about using the right channel at the right time
under the right constraints."***

Rohit Tripathi, General Manager and Head of Products, SAP Digital Interconnect.

"If it's a general update or information about an upcoming promotion that is not immediately relevant, then email is the best way to reach out, or social media. If it is something critical that needs to be acted on, such as a change of travel plans, an unexpected disruption or threat, then SMS is clearly the way to go. You can safely rely on SMS to be available globally whether or not the person has a data plan," he explains.

"When our customers reach out using SAP Intelligent Notification 365's unique multi-channel API they can do so across communication channels either on-device, social media or on a brand app. Therefore, they can maintain two-way transactional or marketing engagement that matches the customer's needs through an autonomous system that enables and escalates message-routing across all mobile channels. For example, if a customer doesn't respond to a critical email or push alert or if a data connection isn't available, then the message is automatically sent via SMS, such as a traveler on the way to the airport who will find SMS far more appropriate for a last-minute gate-change or cancellation than email."

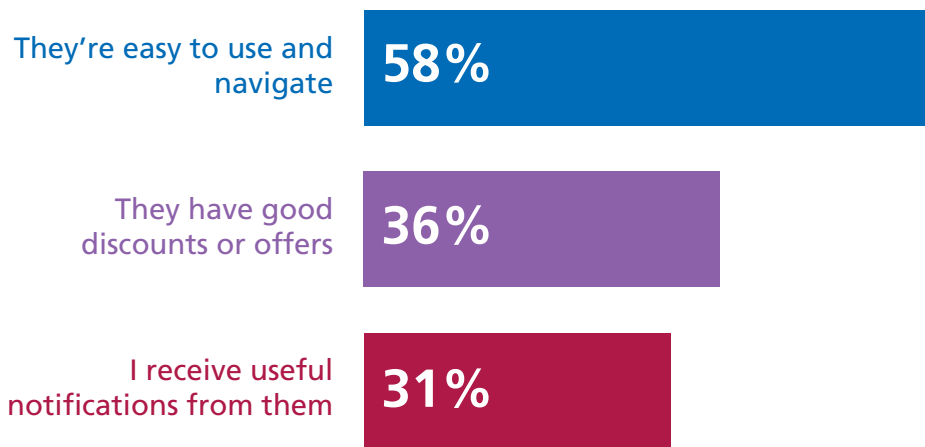
3.4. Drive Loyalty Through Messaging and App Downloads

Mobile is the best booking, marketing and engagement channel for targeting the world's largest generation – Millennials, according to Mike Murray, founder of hotel booking app Vir.al.

He states that there are many benefits to investing in a mobile strategy, whether that is a mobile-responsive website, an app, or through SMS or email campaigns. He advocates apps as a great way to cultivate loyal customers. However, he says the biggest challenge is getting that initial download. His recommendation is to push the app via email and mobile marketing.

"Promote your app through your emails, loyalty programs, all on and offline advertising/marketing, at your front desk and every other medium that is available to you. In fact, social media is the ideal medium to advertise your app, as most users are using them on their cell phone – the same device on which they will download your app," he states.

Figure 22: Which of the Following Are True of Your Favorite Travel Apps?



Source: Google, 2017b

A mobile app is a great way to increase brand engagement and customer loyalty because it provides an immersive and interactive user experience. This creates a stronger bond with the customer. In return, travel brands can reward those loyal customers through the app, preferably with personalized notifications and alerts, discounts or offers.

When an app includes messaging and chat, it forms an immediate feedback loop that allows the guest or traveler to respond with questions, and engage directly with your travel brand.

4. A SMOOTH JOURNEY: USING MOBILE TO INCREASE CUSTOMER SATISFACTION

Smartphones are the key devices when consumers are travelling and it is increasingly key for travel brands to make this journey as smooth as possible to earn good reviews and build loyalty.

In this chapter, we will look at how messaging (SMS, email, apps, etc.) and mobile channels can improve the actual physical journey and the consumer's experience whilst travelling with the brand.

4.1. Delivering a Smooth Journey

When it comes to good service, the travel industry has always had the edge over other consumer verticals. And in this new, digital age, that is proving no different as travel brands look to raise their game with innovative services facilitated by bots and mobile channels.

According to the 2017 SAP Digital Interconnect survey, nearly 70% of businesses already directly engage with their customers through mobile channels.

"Mobile is on the top of the list for everyone. Now it's not about having a mobile strategy any more, it's about mobile being part of the total strategy. Looking at enhancing the guest experience not just with what the guest can do with mobile devices but also with what we can do with mobile to enhance the guest experience," says Khoudeir of Mövenpick Hotels & Resorts.

***"Now it's not about having a mobile strategy any more,
it's about mobile being part of the total strategy."***

Amro Khoudeir, Global Director of Digital & Distribution, Mövenpick Hotels & Resorts.

Mövenpick is investing in a new customer relationship marketing platform in 2018 and mobile will play a central role in this. One new innovation will be offering check-in anywhere in the lobby. Staff will be on hand to check them in on a mobile device.

"This is how we are looking at mobile. Integrating it with the overall journey and using it where it makes sense.

"It's about finding the right balance and also taking up some of the new opportunities – such as WhatsApp and Facebook Messenger. We are also looking at trialing chatbots," Khoudeir explains.

Mövenpick is not alone in its quest to take on a chatbot. According to the 2017 SAP Digital Interconnect survey, 83% of businesses would consider using a chatbot to engage and interact with consumers and chatbots are being rapidly adopted by hotel chains (see [EyeforTravel's free Are Bots Worth the Bother? How Conversational Commerce Can Help the Travel Industry white paper](#) for more on chatbots).

It's not just hotels getting in on chatbots in travel, with the transport vertical seeing innovators emerge. [The Trainline's BusyBot can help weary travelers find a seat on busy trains](#). Part of the Trainline app, BusyBot asks app users a simple question: "Are there any free seats on your carriage?" The app has proved that travelers love to share information via their mobile devices, especially for the benefit of other travelers.

"We see 150,000 unique inputs every week into this feature. There's a real selflessness in this number – there's no reason to interact with this feature unless you make someone else's life a bit better on another day," says Jonathan Moore, Trainline's chief product officer.

Eurostar has 100,000 active users of its app and has announced that it will be investing in AI and conversational interfaces in 2018. This is part of its aim to appeal to the younger generation, as Neil Roberts, head of digital at Eurostar, explains:

“People aged 18-24 consume media completely differently, and we are still trying to understand exactly what this means for us,” says Roberts.

Future mobile innovations could see the Trainline taking payments in social channels, as part of its move to understand how the newest generation of travelers wish to transact.

Aviation is also embracing the mobile revolution in order to smooth the customer journey. Some 90% of airports are already involved in a major mobile marketing program or trial, with 74% of airports committed to piloting context-aware and location-based technology in the next five years (EyeforTravel, 2017). The 2016 Airport IT Trends Survey, co-sponsored by SITA and Airports Council International, showed that 84% of airports are looking to enable the purchase of airport services through their mobile app (SITA, 2016).

Gatwick, the world’s biggest single runway airport, which meets 44 million customers each year, is looking at ways in which to use mobile to improve its traveler interaction, according to Guy Stephenson, chief commercial officer of Gatwick Airport. The Gatwick app, which links to a passenger’s flight, allows them to leverage prior knowledge of a consumer and talk to them directly.

4.2. Offering Security, Building Trust

Security is a concern for businesses and consumers alike, especially when making transactions on a mobile device.

So how can brands make sure mobile communications are secure and what data standards should they apply? And how can brands create trust and confidence in the digital channel to protect customer and enterprise data, validate users and transactions, and provide seamless, less disruptive experiences?

“Businesses at the very least have to have the technical capabilities to allow the opt-in. We make sure we are helping our clients through our tools and services to get these opt-ins in place. This gives comfort to the customer, knowing the brand is considering their preferences and security,” says Rohit Tripathi, general manager and head of products, SAP Digital Interconnect.

“Travel is a very important and big purchase decision for the customer. We have to make sure we are protecting these transactions with things like two-factor authentication,” he adds.

In a recent survey, SAP Digital Interconnect discovered that at least 50% of respondents felt that the conventional user name and password security schemes were outdated, while one third had experienced having an account hacked or compromised.

Two-factor authentication (2FA) services, such as SAP Authentication 365 from SAP Digital Interconnect, provides another layer of security through SMS and other channels to simplify the protection of online and mobile engagements. This protects customer data with an additional layer of security. Its multichannel 2FA authentication capabilities can be used to verify identity when resetting passwords, authorizing account access and validating transactions.

What’s more, security, protection and privacy are only going to become more important as regulations, such as GDPR, are tightened and consumers further empowered to take control of their own data.

5. MOBILE IN MOMENTS OF CRISIS

Managing and enabling connectedness throughout an organization is essential for maintaining efficiency and productivity in the face of planned and unplanned events and disruptions.

With employees, customers and assets distributed around the world, preparation is key. Having data, rules, and processes in place so brands can reach people at the right time and place and on the right channel is critical. This allows brands to maintain resiliency, improve personal safety and wellbeing, and minimize threats to assets and supply chains.

In this chapter, we consider:

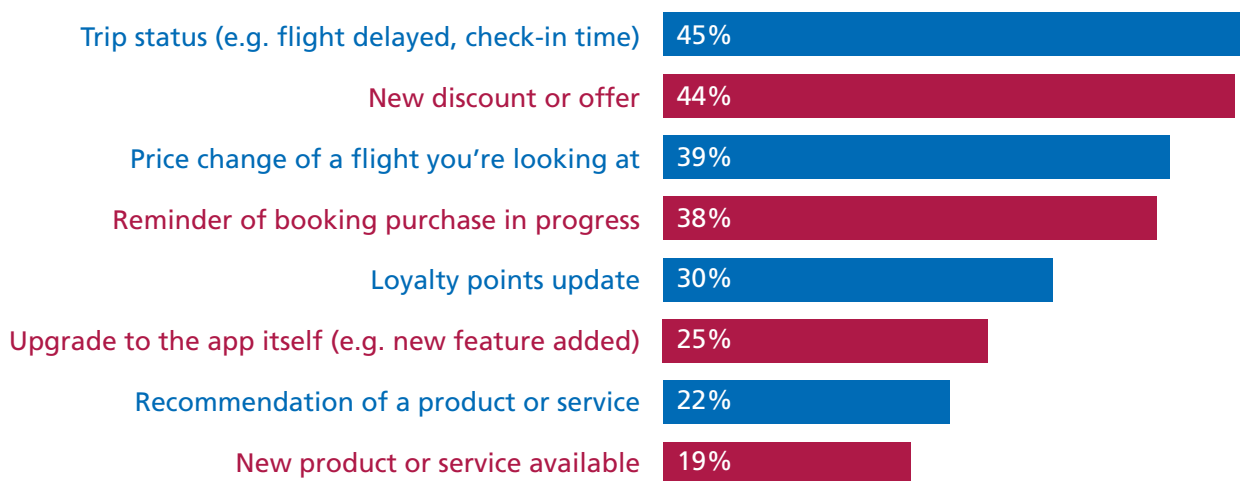
- How can brands better control and manage planned and unplanned disruptions?
- How can travel brands maintain employee and traveler safety?
- How can brands prevent drops in revenue and productivity during disruptions?

5.1. Plan for the Unexpected

Mobile channels present new solutions for crisis management, enabling firms to plan for and initiate a robust communications strategy when required. For the travel industry, this may include planning for a natural disaster, such as a hurricane, dealing with a terrorist incident, accommodating guests after a hotel flood or fire, or dealing with something as simple as organizing last-minute meetings or work schedules. Whatever the disruption, hotels, airlines, OTAs and other travel verticals need to have a plan in place.

Google research found that when it comes to travel notifications, the top requirement from travelers was for up-to-date information about their trip status. Some 45% of travelers said that this was the most useful form of notification, followed once again by those important price-related notifications, such as discounts (44%) and changes to flight prices 39%; Google, 2017b).

Figure 23: Most Useful Forms of Travel Notifications



Source: Google, 2017b

For the most part, trip status information will be routine communications, such as flight times, bag information, check-in notifications, etc. This helps to gradually build relationships as travelers appreciate the convenience. However, if brands are able to help in moments of crisis this can turn a potential disaster into a lasting positive outlook and help mitigate or avoid those PR disasters entirely.

Vaibhav Vohra, VP, head of product management with SAP Digital Interconnect, recounts how, when travelling on a personal trip to India, there was a disruption caused by an explosion. Tens of thousands of miles away from his home in the US, he felt isolated. Less than an hour later, he received an SMS and phone call from his then employer checking if he was OK and asking if he wanted to return home early.

He says he felt connected and relieved from that simple message. "I felt incredibly grateful that my organization made that extra effort and had the empathy to reach out to me. What if all organizations could provide that impactful engagement to their employees or if travel brands could provide it to their customers? Since then, I've been thinking about this experience."

Communicating in a Crisis

According to Vohra, companies should be rethinking the way they communicate with both employees and customers during times of crisis. He recommends a four-point plan to ensure companies meet their duty of care:

1. Use intelligent communication to reach employees, suppliers and customers at the right time and place, with the right technology channel.
2. Break down organizational silos to increase resiliency to expected and unplanned disruptions.
3. Use data as a currency – including risk content data, maps and other digital signatures.
4. Build a consolidated end-to-end process by putting the employee, supplier or customer at the middle to maximize resiliency.

Now at SAP Digital Interconnect, Vohra has been instrumental in the launch of a cloud-based solution to simplify this process: SAP People Connect 365, which can reach travelers with multichannel communications to manage responses to regular activities and major disruptions.

5.2. Preventing Loss During Disruption

Travel brands should be using channels such as social and mobile when disruption occurs. But as with all communications, it is vital to choose a platform and message appropriate to the audience.

According to Jacqui Rigby, chief operating officer at LateRooms.com, any crisis plan should take into account the nature of both the situation and the customers. "While a younger demographic would reach for social media platforms, a phone call would be more appropriate for contacting an older one," she says.

However, catastrophe comes in all shapes and sizes, and the way in which a company responds has to be tailored to the crisis. Often, companies have a strategy in place for big disasters, but don't have a good operations plan for day-to-day and more local disasters and issues such as a car accident, bad weather or a fire drill.

"Take for example an IT outage. In Silicon Valley - that is seen as a catastrophe, a lot of organizations wouldn't be able to do things if they didn't have internet or internal networks. How do we let them know on their drive to work? Email is not a great [format] for this," says Vohra.

Travel brands need to be always listening to their channels in order to mitigate loss. For example, a hotel may deal with a case of food poisoning quickly, as it works to contain the impact on guests. However, if news of this leaks to social channels the costs associated with this crisis will sky rocket. Bad news has to be addressed quickly, personally and transparently.

5.3. Every Silver Lining Has a Cloud

How can brands use the cloud to enable intelligent, interconnected event communications to help keep people (customers, employees, etc.), assets, and supply chains functioning?

“In the travel vertical, there’s a lot of things happening, weather-related or otherwise, and crisis management teams haven’t always had a way to respond in a couple of minutes,” says Vohra. “Mobile devices have been seen as pure engagement and advertising devices. Now businesses look at it to manage alerts, which they can dispatch immediately and respond to.”

This can be both internal and external, “for example, for an airline, before you send something to 1,000 pilots we can have an approval cycle.” Using their SAP People Connect 365 cloud service, they can “provide an enterprise-grade set of tools and activities to assess risks and grade the alerts. These can be personalized, leveraging intelligent interconnected services,” he adds.

Of course, businesses need to make sure their data is up-to-date. They should be regularly checking and updating the names, addresses and contact numbers for employees and customers, while also adhering to stringent data protection regulations, such as GDPR (see Chapter 4 for more on security and trust).

One challenge is the increase in a contingent workforce. Companies have an increasing number of staff that may not be part of the official HR database, but they need to be connected with.

“In travel, there are a huge number of benefits to being able to respond quickly, from when there’s a change at the gate and you need to inform all the pilots and ground crew. The big thing is disaster recovery, or planning for disaster. Often in times of crisis you see all the things that are wrong in your end-to-end system: Not having the right enterprise workflow, figuring out how to connect with my crisis management team, creating call trees; these are all very prone to human error. Our goal is to bring the power to execute that whole sequence of events very quickly. You can dynamically filter and send a personal message to each person with links of what to do next,” Vohra explains.

***“Often in times of crisis you see all the things that are wrong
in your end-to-end system”***

Vaibhav Vohra, VP, Head of Product Management, SAP Digital Interconnect.

6. ANALYZING YOUR MOBILE APPROACH

According to Marketing Land, 80% of app users will churn within three months of downloading the app (Martechtoday.com, 2018). Why? Because most apps are marketing to the masses and not to a targeted customer or buyer persona. Marketers need to look beyond their download rates and consider how their apps are really engaging customers and therefore driving revenue.

In this chapter, we look at best practice for measuring mobile messaging effectiveness, ask what KPIs companies should be measuring against and consider what impact all of this is having on customer loyalty.

6.1. Mobile Marketing Best Practice

Marketing managers need to look beyond vanity metrics and consider how their mobile strategy is contributing towards customer retention and growth. In addition to key metrics such as downloads, click-through rates and conversion rates, they need to consider Customer Lifetime Value (CLV). This will help them identify their most valuable customers and frequent spenders.

Properly categorizing this into more granular data can unlock more possibilities for mobile marketing efforts. For example, drilling down beyond total spend into itemized spending means brands can pick out habits and understand the right kind of recommendations to make to these valuable customers on a personal level, especially when combined with a system that can send messages automatically but also make staff aware of possible interests. Using correlations and look-alike modelling, brands can even then extend successful marketing onto new customers in a personalized manner.

Travel brands need to see their mobile marketing as the sum of its parts, rather than measuring each element – apps, instant messaging, email campaigns etc. – in isolation.

6.2. What KPIs Should You Be Measuring?

Beyond the CLV, there are other important metrics that mobile marketers should be paying attention to. In the travel sphere, one metric that has stayed with the industry in all its transformations over the years is ratings. Hotels and airlines have stars, tour operators operate similar systems and, in today's mobile age, consumer ratings via websites like TripAdvisor have become a pillar of online marketing. So, from a mobile marketing perspective, apps too can have a rating.

“Ratings are a value that both Android and Apple offer. If you have enough liquidity they do not lie; they show how people appreciate your app. They offer a barometer in terms of what number of stars you are receiving, with suggestive and subjective feedback,” explains Michael Bayle, head of mobile at Amadeus.

“If I am spending on marketing media, what spend do I begin to divert specifically to the mobile channel? We now see brands spending media in the app store, on keywords such as ‘flight status’. Similarly, in messaging platforms, those keywords are purchasable real estate. You can measure and acknowledge the efficacy and correlate to downloads.”

Bayle also suggests that brands look at heat mapping their apps and mobile sites to see where people are spending most of their time and where their attention is focused. Is it on commerce or service pages? Where do they go on the page and does changing its layout result in more clicks? This helps to highlight where you should invest.

Another key metric is shopping cart abandonment. Bayle urges marketers not to forget the value of omnichannel. Last click attribution is not a true indicator of a channel's value.

"Rarely can you correlate someone on mobile to desktop, unless that user has registered themselves via Facebook, LinkedIn, Google+ etc., then see it's the same user. People are looking on mobile but still more comfortable with the purchase on the desktop, ease of use of using Apple Pay will reduce that," he says.

6.3. How Can You Measure and Improve Customer Engagement?

"With the mobile messaging platforms, you can reach [the consumer] 24/7 through a push notification or a push message. That re-engagement is super compelling," says Bayle but it can be overwhelming. Bayle advises that travel brands create milestones and take baby steps at first.

"Take one messaging application, such as SnapChat, Facebook or WeChat, tackle it and come up with the formula. Understand that as a medium and evolve it to the mobile application channel or messaging channel, don't take alternate ones," he says.

"You cannot ignore where 1 billion people are spending their time. Register your brand on Facebook and play with that channel, encourage users to use that channel in lieu of the front desk, and reducing costs comes as part of this equation. You are going where the traveler is. You will probably spend less time elsewhere, and probably see a migration of resources before you ultimately reduce cost. But reducing costs should not be the benchmark," he adds.

Rohit Tripathi, general manager and head of products, SAP Digital Interconnect sums it up: "Brands need to be present where the customer is present rather than forcing people to pick the channels or means or tools that the brands want them to use. Today, if your customer is residing in social channels, such as Facebook Messenger or WeChat, then build bridges into these mediums."



About SAP Digital Interconnect

SAP Digital Interconnect, formerly SAP Mobile Services, provides cloud-based engagement services and programmable digital interfaces that enable enterprises to connect the “last mile” with their customers, employees, and supply chain. Anonymized mobile-sourced data and analytic services provide near-real time consumer insight to brands and agencies around the globe. Our interconnection services to help operators worldwide simplify and optimize connectivity, monetize messaging services, and reduce network costs without additional capital expenditure. In addition, SAP operates one of the world’s largest, most reliable cloud messaging networks, reaching 7.3 billion subscribers on over 1,000 operators in more than 220 countries and territories and processing over 1 billion messages daily.

For more details about how SAP Digital Interconnect can help transform your business and improve customer experiences in the digital economy, please contact us at sapdigitalinterconnect@sap.com or visit us on the Web at <http://www.sap.com/digital-interconnect>. To learn more about intelligent and interconnected mobile engagements, join the SAP Digital Interconnect Community at <https://community.sapmobileservices.com/> and follow us on [Twitter](#) at @SAPInterconnect.

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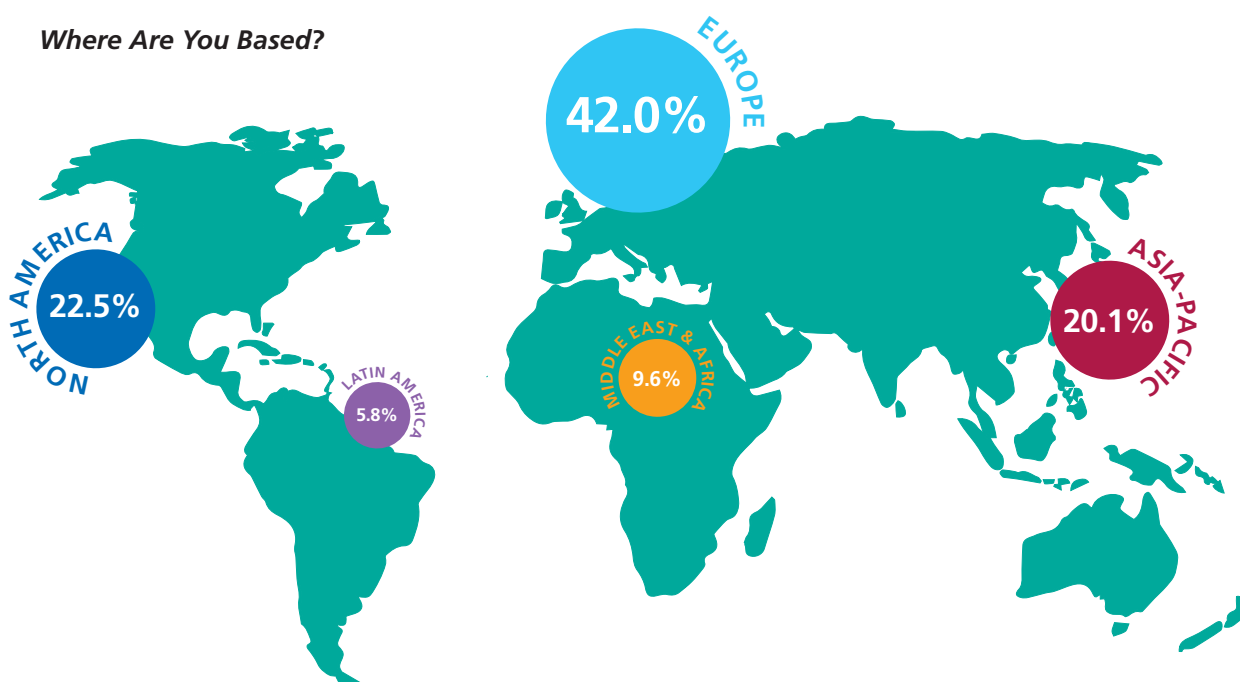
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METHODOLOGY

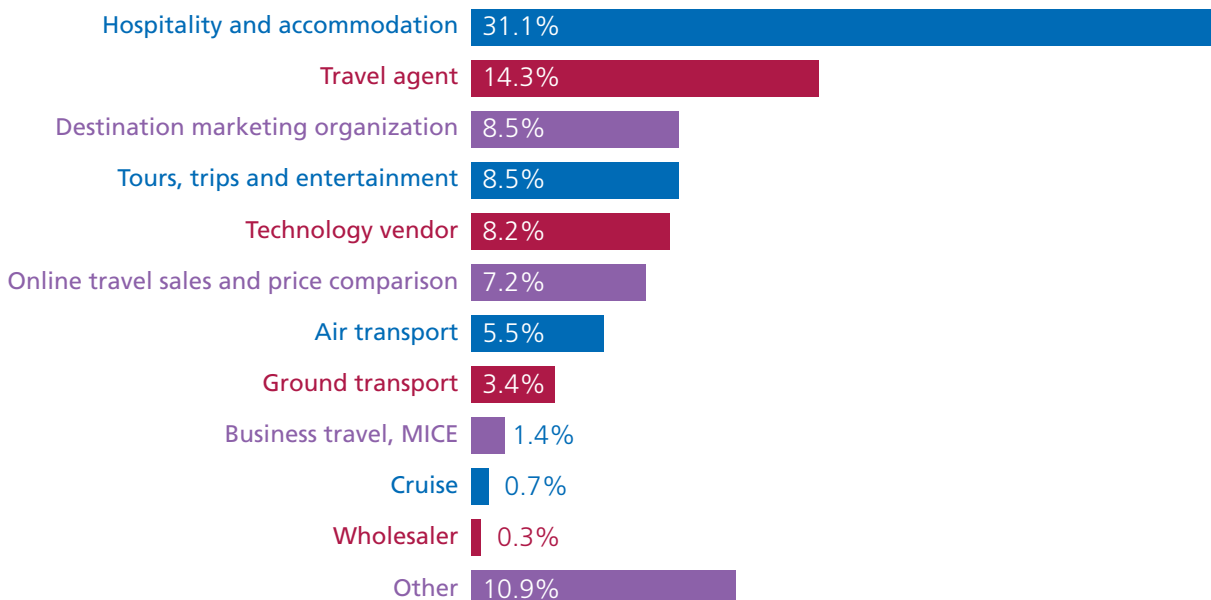
Results referencing the source the EyeforTravel Mobile Industry Survey 2018 were obtained through a proprietary survey conducted by EyeforTravel from its network of travel professionals and conducted using an online format through SurveyMonkey. This survey took place between 4th January 2018 and 16th January 2018 when the survey was closed.

A total of 293 respondents started the survey and 209 completed the survey questions in its entirety, subject to their answer logic. Respondents could answer a maximum of 11 questions. The self-identified make-up of the respondents is detailed as follows.

Where Are You Based?



What Kind of Organization Do You Work For?



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