Get to grips with mobile

Speaker: Gina Baillie

Friday, 26 September | 14:00 – 15:00
Growth of mobile

Three numbers

1 3 8

Booking.com growth in mobile bookings in billions of US$ 2011-2013
The mobile revolution is here

Global smartphone adoption has reached over 1.75 billion

“Marketers who do not leverage mobile as a primary digital marketing platform for Millennials may miss a large segment of them entirely” comScore.
Mobile is now business critical

MOBILE IS
BUSINESS CRITICAL
TO 80%
OF OTA AND
METASEARCH
RELATED INDUSTRY
EXECUTIVES

MOBILE IN THE OTA
AND METASEARCH
INDUSTRY, 2014
Increasing Mobile investment

68.8% of travel executives surveyed in 2014 stated that they plan to increase their investment in mobile versus 53.3% in 2013.

Brands need to make key, game changing decisions right now. Eg. Mobile web versus mobile app?

Source: EyeforTravel’s Mobile in Travel Report Series 2014
Mobile is not just last-minute

“The last-minute booking heartland has now morphed into a multichannel experience, with consumers swapping between devices to begin their discovery phase, continue the research phase and ultimately book”

“Over 60% are same or next day, which creates unique user experience opportunities,” Adam Jay, SVP, Hotels.com
34% of consumers in Europe and 45% of consumers in North America (and a lower than average percentage in BRIC) do not use any form of app at all.

Source: EyeforTravel’s Mobile in Travel Report Series 2014
“Almost half of all travellers using digital resources began the dream phase of their travel journey on one device and completed it on another.”

BCG, 2013

“We want the customer to be able to pick up the same search whatever device they’re on.”

Adam Jay, SVP, Product & Global Marketing Channels, Hotels.com
New multi-screen reality

Source: Google: The New Multi-screen World: Understanding Cross-platform Consumer Behaviour
Understanding Millennials

Millennials | Born 1980-1996 (18-34 years old)

32% of all US travelers, and the **fastest-growing** age segment for travel

50% of all **business travel** spending by 2020 (currently @1/3)

By 2030 in US, millennials will outnumber boomers 78M to 56M and are forming lifelong shopping preferences and habits now
Mobile – too big to ignore

- Millennials are already establishing perceptions, developing brand preferences and solidifying their travel habits. Whoever wins this market will win big.

  - The Boston Consulting Group
Millennials engage with brands differently

81% value speed and convenience over friendly service and face-to-face contact.

3x more likely to demonstrate strong brand loyalty than other generations.

Value status, luxury, adventure, excitement, and travel more than any other generation.

51% find loyalty programs important when booking hotels (vs. 30%).

75% have travel apps (vs. 47%).

Source: BCG, Millennial Supplemental Consumer Sentiment survey 2013
Where are Millennials spending time on mobile?

4 in 5

Millennials own a smartphone

versus 2 in 3, 35-54 year olds

and 2 in 5, 55+ year olds

Millennials spend 96 hours or the equivalent of 4 full days a month browsing across desktop and mobile devices

Nearly 1 in 5 millennials are mobile internet only users

Source: Marketing to Millennials, comScore. 2014
Where are Millennials spending time?

Millennials are not watching TV - 90% skip adverts on recorded TV

Video is important – watch an average of 356 online content videos per month. The combination of sound, sight and motion is high impact

Source: Marketing to Millennials, comScore. 2014

Source: The Traveler’s Road to Decision, Google and Ipsos MediaCT. July 2012:
Which of the following have you done online in the past 6 months?
*Watched/uploaded/commented on travel videos online.
 Millennials demand 24/7 brands

**EXHIBIT 4 | Customer Service Availability, Support for Causes, and Brand Personality Are Most Important to Millennials**

<table>
<thead>
<tr>
<th></th>
<th>Millennials</th>
<th>Baby boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>What can brands do specifically to most engage or interest you?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward loyalty with discounts, promos, offers</td>
<td>Be authentic</td>
<td>Brand stands behind its products</td>
</tr>
<tr>
<td>Be authentic</td>
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<td></td>
</tr>
<tr>
<td>Brand stands behind its products</td>
<td>Reward loyalty with discounts, promos, offers</td>
<td></td>
</tr>
<tr>
<td>Reward my loyalty with exclusives</td>
<td>Be authentic</td>
<td></td>
</tr>
<tr>
<td>Be available 24-7</td>
<td>Resolve conflicts with products quickly</td>
<td></td>
</tr>
<tr>
<td>Support causes</td>
<td>Reward my loyalty with exclusives</td>
<td></td>
</tr>
<tr>
<td>Brand has personality</td>
<td>Have a long history, heritage, existence</td>
<td></td>
</tr>
<tr>
<td>Resolve conflicts with products quickly</td>
<td>Resolve conflicts sufficiently</td>
<td></td>
</tr>
<tr>
<td>Brand is humorous, clever, witty</td>
<td>Support causes</td>
<td></td>
</tr>
<tr>
<td>Have a long history, heritage, existence</td>
<td>Be available 24-7</td>
<td></td>
</tr>
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<td></td>
</tr>
<tr>
<td></td>
<td>Brand has personality</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** BCG U.S. Millennial Supplemental Consumer Sentiment Survey, 2013.

Being available 24/7 is **more important** to Millennials than Baby boomers.
Create end-to-end experiences

Streamline the shopping experience: from a single device pull world to a multi-device push world that leverages Millennial’s willingness to share information.

Leverage mobile to maintain a connection throughout the trip both ‘in-property’ (check-in/out, room service, amenities) and ‘in-destination’ (destination activities, local discovery, car services, dining).

Make speed a core feature.

The 5 Stages of Travel:
- Dreaming
- Researching
- Booking
- Experiencing
- Sharing

Short courtesy of Google Inc.
“Conversion on anyone’s mobile site is lower than on the desktop sites, but we are absolutely fine with that. We are trying to measure the conversion of the customer, not the conversion on device,” Hotels.com’s SVP, product and global marketing channels, Adam Jay
“The obsession with mobile bookings blurs the reality of what mobile can deliver in terms of value to your brand. If a consumer cannot find you via mobile during the research and inspiration stage – chances are they will choose your competitors over you”

‘Not everything that counts can be counted, and not everything that can be counted counts’ Albert Einstein

Source: EyeforTravel’s Mobile in Travel Report Series 2014
Benefits of mobile

- Drive customer engagement & loyalty
- Reduce travel stress for customers - provide customers with the information they need, when they need it
- Connect to customers 24/7 – extend relationships beyond purchase
- Revenue opportunity

We found that the growth for intermediaries will be found through trying to drive loyalty and frequency of purchase, primarily through strategies that move beyond purely transactional services.

Customers are as much as 80% more likely to buy from you if they have your app on their phone
A frictionless mobile user experience

Mobile should take the hassle out of organising a trip

Enabling consumers to move seamlessly across multiple devices is a game changing issue

<table>
<thead>
<tr>
<th></th>
<th>No opinion</th>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neither agree nor disagree</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Total number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>10.4%</td>
<td>8.3%</td>
<td>7.6%</td>
<td>15.3%</td>
<td>26.5%</td>
<td>31.9%</td>
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<td>Europe</td>
<td>8.6%</td>
<td>9.4%</td>
<td>12.8%</td>
<td>24.1%</td>
<td>20.6%</td>
<td>24.6%</td>
<td>374</td>
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<tr>
<td>North America</td>
<td>12.5%</td>
<td>11.6%</td>
<td>6.0%</td>
<td>21.8%</td>
<td>14.8%</td>
<td>33.3%</td>
<td>216</td>
</tr>
<tr>
<td>BRIC</td>
<td>9.7%</td>
<td>6.8%</td>
<td>6.3%</td>
<td>27.0%</td>
<td>11.5%</td>
<td>38.6%</td>
<td>381</td>
</tr>
</tbody>
</table>

Source: EyeforTravel consumer survey 2014; I want to be able to organize bookings (e.g. cancel, re-schedule, alternate) across all devices I use.
Willingness to spend

Of those willing to spend on mobile, the majority felt comfortable purchasing up to a value of €600 via mobile.

<table>
<thead>
<tr>
<th>How much would you spend on a vacation using your mobile device (smartphone or tablet)?</th>
<th>Global</th>
<th>Europe</th>
<th>North America</th>
<th>BRIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$200</td>
<td>26.2%</td>
<td>26.6%</td>
<td>12.2%</td>
<td>28.6%</td>
</tr>
<tr>
<td>$200 - $500</td>
<td>16.4%</td>
<td>11.4%</td>
<td>15.5%</td>
<td>16.4%</td>
</tr>
<tr>
<td>$501 - $1000</td>
<td>8.8%</td>
<td>9.7%</td>
<td>11.7%</td>
<td>10.0%</td>
</tr>
<tr>
<td>$1001 - $4999</td>
<td>5.3%</td>
<td>3.0%</td>
<td>9.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>&gt;$5000</td>
<td>1.7%</td>
<td>1.4%</td>
<td>1.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>I wouldn’t</td>
<td>41.7%</td>
<td>47.9%</td>
<td>49.3%</td>
<td>37.2%</td>
</tr>
</tbody>
</table>

Total number of respondents

1,907 361 213 371

Source: EyeforTravel consumer survey 2014
41.4% of consumers globally are still happy to use their credit card to book on a smartphone, while a further 16.5% are unbothered one way or the other.

Europeans were the most hesitant with 37.9% stating they were not so happy to use a credit card to pay on a smartphone.

52.7% of consumers are worried about privacy issues when using a smartphone.

Source: EyeforTravel’s Mobile in Travel Report Series 2014
Have a pleasant flight!

thanks!

63% of EyeforTravel airline industry executives claim mobile has improved their engagement with consumers.

Mobile in the Air Travel and Transport Industry, 2014
Only 13% of travel consumers surveyed said they did not want to be contacted at all, while 55% were happy to receive an email.

Nearly a third (28.8%) were happy to be contacted by text message, while 30% would like a notification from their app.

North Americans were the least willing to be contacted (26.6%)
Email is by far the preferred mode of contact for customers (55%) while on the trip, followed by push notifications through an app (30%).

Source: EyeforTravel’s Mobile in Travel Report Series 2014
Almost 60% of industry executives provide or plan to provide notifications on discounts and last minute deals. Matching 47% of global travellers who expect to receive last minute deals on their mobile device.
Top 4 priorities for travel brands

1) Provide localized information prior to the journey (maps, activities, transport)
2) Notification on discounts and last minute deals
3) Provide user reviews & trip info from other travellers
4) Enable users to organise bookings (e.g. cancel, re-schedule, alternate)

Top 4 priorities for travel consumers

1) Get localized information prior to my journey (maps, activities, transport)
2) Read reviews and trip information from other travellers
3) Be able to organise bookings (e.g. cancel, re-schedule, alternate) across all devices I use
4) Notification on discounts and last minute deals

Source: EyeforTravel’s Mobile in Travel Report Series 2014
What info do travellers want via mobile on-trip?

Top 3 Globally –

1) Accommodation
2) Places to eat
3) Things to do

Source: EyeforTravel’s Mobile in Travel Report Series 2014
Where are Millennials spending time on mobile?

Travel and visual social media go hand in hand

Mobile is driving the amount of visual content shared during a travel experience

75% of Pinterest’s traffic is via mobile
Going local

Providing local info is key

66.4% of consumers want location-based information in stay

42.3% and executives respectively plan to introduce location-based info

Maps, restaurant info – be useful and you will win loyal customers!

Source: EyeforTravel's Mobile in Travel Report Series 2014
Remote control tourist case study

Drive excitement - Connect SoLoMo to drive awareness and customer engagement

Case study by Visit Melbourne – with thanks to Michael Hauser
Watch out for wearables
Find your island challenge

How a destination used Google Glass to create content, drive awareness and engagement

With thanks to MMGY Global and The Beaches of Fort Myers & Sanibel, Florida
The majority of executives surveyed not only believe growth in bookings from smartphones will exceed growth from tablet, but that these devices will jointly see more booking growth than desktop by 2017, mobile traffic could outperform desktop.
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