



Ms. Dunphy

The Growing Importance of Mobile Marketing Strategies for Hotels

By [Jennifer Dunphy](#), Vice President of Sales & Marketing, Vayu Media

Over the past two years, multiple studies have confirmed the importance of mobile marketing and the improved performance metrics of mobile vs. other avenues of digital advertising, especially as it pertains to the hospitality industry and hotels. Now, newer studies are starting to reveal more subtle insights into mobile consumer behavior. One study even revealed that an overwhelming 50 percent of travel-related mobile queries result in a purchase.

With society's hyper-connected mentality and with [over 75% of the world having access to mobile phones](#), and over 50 million people using tablets in the US alone, the possibilities of where mobile is poised to go is infinite.

So why is it that mobile communications are able to yield such tremendous returns for marketers? It is because effective mobile campaigns allow you to speak to your guests personally, targeted to the right time with a sense of urgency when they are ready to book their accommodations. Studies have shown that up to [42% of US consumers](#) prefer to get offers delivered via text and 97% of mobile subscribers will read a text within 15 minutes. Can you imagine the power this could have to turbo charge your current marketing efforts?

The Facts

[The number of smartphones in use worldwide](#) has now exceeded the 1 billion mark. To put things into perspective, last year, more people purchased smartphones than PCs. Even with the glaringly obvious potential for marketers to capitalize on this skyrocketing growth of mobile device adoption, only a dismal 15% of companies have a mobile optimized site. To further magnify marketers' mobile sense of urgency, Google estimates that there will be more Web traffic via mobile, than through PCs this year.

With infinite ways to chop and dice data, the one thing all the results have in common is that the numbers are all in favor of mobile' role in the future of hotel marketing. For good reason, the mobile travel behavior and mobile usage of hotel guests have been receiving a lot of attention over the past few years. Millennial Media [published](#) data showing that the travel category has moved from ninth to third position in terms of mobile ad spending in the course of one year from 2011-2012.

More than 4.3 billion people in the world will use a mobile phone this year. Even more impressive is the eMarketer prediction that by 2017, the number of mobile phone users will surpass 5 billion worldwide. With increased mobile usage, comes increased mobile ad spend. The IDC now asserts that US mobile ad revenues came in at \$4.5 billion for 2012 and expects mobile advertising to reach \$7 billion by year end 2013.

Hoteliers can further the reach of their mobile initiatives by encouraging their guests to “check in “at the hotel, spa, restaurant or any specific area of the property. According to Pew Research, 18% of U.S. smartphone owners are using geosocial or location-aware services like [foursquare](#) to check in to certain places and share their location with friends, up from 12% in 2011. Furthermore, users of mobile geosocial services skew towards the higher household income bracket which is ideal for hoteliers because of their likelihood to have more disposable income and their inclination towards travel.

The “[Mobile Path to Purchase](#)” study released in August of 2012, found extremely high mobile-travel conversion rates — with 43 percent of smartphone and 48 percent of tablet users ultimately making a travel purchase on those devices. Price comparison research was the most common activity among these users. Of those making a mobile-travel purchase 72 percent did so within a month of their initial search. Presumably multiple sessions were involved, likely including a standard PC search as well. However 33 percent of this group booked within a day and 19 percent booked within an hour. Among those converting the three primary forces of transactions were “the right price,” “brand choice” and “good reviews.” However, as with many purchases, the price was the ultimate driver: A whopping 72 percent of those surveyed said they booked because of the price. One of the greatest benefits of the mobile consumer is that a mobile shopper is ready to buy; their needs are immediate. That's largely why mobile search conversions are so much higher than searches originating from PCs. According to Google's Mobile Playbook, 94% of smartphone users searched for local info and 90% of those that searched acted within 24 hours.

A recent Time magazine [mobility poll](#) found that 68% of people sleeps with their phone within an arm's reach right next to their bed each night. Talk about advertising that has the potential to literally reach people around the clock. And 66% of those surveyed would actually forgo bringing their lunch to work if they had to choose between their phone and their lunch.

To say that mobile marketing has serious potential for hoteliers would be the understatement of the decade. Mobile commerce is set to revolutionize the way that guests engage with hotel brands, but marketers don't seem to be putting it to good use yet. As a matter of fact, mobile is the most imbalanced medium when it comes to ad spending versus [time spent at 1% compared to 23%](#). This is likely due to it's rapid, seemingly overnight, rise to the limelight, and the fact that many marketers still haven't gotten their heads wrapped around how to best utilize its' immense potential.

A recent study by Telmetrics found that 33 percent of smartphone/tablet users performing travel related searches “are looking to complete their transaction within the day.” Since 68 percent of smartphone owners mostly use their devices “on the go”, and both smart phone and tablet users prefer branded website over apps for travel needs, having targeted mobile ads and ensuring that the hotel website is mobile friendly are essential to reaching these ready to book guests.

Making a Statement With Mobile Campaigns

In order for hotel marketers to take advantage of the rapidly growing mobile market they must first understand the full scope of what mobile marketing can really do for their business. This can be extremely challenging, not to mention costly.

With the increasing use of smartphones as a primary entry point for consumers to engage their favorite brands, there's no surprise that hoteliers with comprehensive mobile strategies are seeing significant results. As the mobile landscape continues to mature, hotels that make mobile a core part of their overall marketing strategies will grow exponentially.

One of the greatest benefits of mobile is its uncanny ability to amplify conversations taking place, no matter what the topic. As with any marketing initiative, it is critical for marketers to know what they want to happen with their mobile strategy. What is their desired end result? Figuring out that answer is the key to success. The most successful mobile marketing campaigns are action-driven. They perform a task and deliver a clear outcome that satisfies a demand that the consumer has. With mobile marketing the possibilities for campaign creativity are unlimited.

The question on every hotelier's mind should no longer be "Why should I invest in mobile," but rather "How can I most effectively invest in mobile?"

The answer is going to be different for each and every property. It is important for marketers to learn as much as possible about how guests are using their mobile devices. Are they using a mobile browser or an app? Are they consuming content, socializing, checking emails, or making purchases? Hoteliers need to know their target audience's demographics and interests in order to customize a mobile solution that will be the most effective in engaging them. Mobile engagement technologies can be combined in unique ways to create the most effective guest experience in order to create the reaction hoteliers want from their desired guests and spur them to action, which is ultimately booking a reservation.

Consumers use their mobile devices for everything from comparison shopping, to getting directions to a restaurant, and making reservations at a hotel for their holiday travel. But often the communication from the hotel stops there. So what can hoteliers do to tap into the evergreen mobile market?

The options are limitless and to really stand apart from the competition, hoteliers must aim for unique and engaging mobile strategies to win over new guests. A mobile scavenger hunt is a creative and engaging way to get your guest's attention and gamify the in-resort experience. You can do this by locating items, places or print pieces throughout the resort that the guest must find -- inviting them to scan a QR code or text a related keyword for a chance to win a discount or other promotional offer.

Providing coupons via the mobile web, apps or MMS can make offers more appealing for guests and more likely to be redeemed quickly. Recent data confirms that mobile offers are redeemed 8-10 times more than the same offer via email.

Hyper-Local Location Technology & Geo-fencing allow hotels to implement local mapping in their apps to help guide guests through their property. This is especially helpful in larger resorts. Google is already providing hyper-local indoor maps in places like Las Vegas so visitors are able to find their way around some of the hotels/casinos that are often a mile or two from one end to another. With this newer trend combined with [Geo-fencing](#), or virtual fences using WiFi or sound waves, hoteliers will have the ability to know where guests are in their property and can help them navigate better and even present real-time offers based on demographic profiles/loyalty programs. Talk about improving the guest's experience. This type of technology can take guests loyalty to the next level.

The capabilities of mobile don't stop there. Here is just a short list of some of the standard plus more progressive, out of the box ways that mobile can be integrated into a hotel's digital marketing strategy:

- Mobile Apps
- SMS/MMS/Video Texting
- QR Code integration
- Mobile Ads
- 3D Texting & Mobile Apps
- RFID / NFC
- Market Research - Surveys/Voting/Polling
- Custom Mobile Coupons/ VIP Promotions
- Interactive Games
- Geo-Location/ Geo Fencing
- Text to Vote or Text to Win
- LIVE Streaming of Events
- Mobile / Social Integrated Campaigns or Contests
- Augmented Reality
- Sniffing (yes, I'm serious)
- 3D/Holography
- Facial Recognition
- Kinetic motion display

To make the most of your mobile marketing campaigns you need to show a genuine interest in interacting with your guests. Thank them for their stay and make sure they know that you appreciated their business. This is a great way to get them to share their holiday story on review and social sites. Try to further personalize the messaging by including a thank you note from an employee that interacted with your guest. Don't be afraid to get creative with your mobile campaigns. Experimenting will help you to determine what exactly works the best for your resort. Mobile is the ideal form of marketing for hoteliers not only because consumers carry their mobile devices everywhere all the time, but also because it pairs extremely well with cross-platform solutions, both digital and traditional methods, for a comprehensive approach. Using mobile technology to attach to every touch-point including website, blogs, social media sites as well as TV, radio, direct mail, and in-person events, marketers are able to create an opt-in database in a way that is seamless and non-intrusive. All consumers will have the ability to choose what information they receive and through

which mediums, making for a better guest experience and action-oriented results. All the data collected from each and every touch-point should be used to build an individual profile for each prospective guest so when marketers reach out to engage with them, they are able to use their name, geo-location, personal preferences, and historical behavior as a guide for hyper-personalized communications. This is how mobile creates a win-win situation for hoteliers and guests alike.

Mobile Websites Vs. Mobile Apps

Now that you are up to speed on a few of mobile marketing's capabilities how do you choose what is the best route to pursue for your hotel? Do you create a mobile website? Mobile applications? Mobile messaging campaigns, geo fencing campaigns or mobile games? With so many options, what do you do?

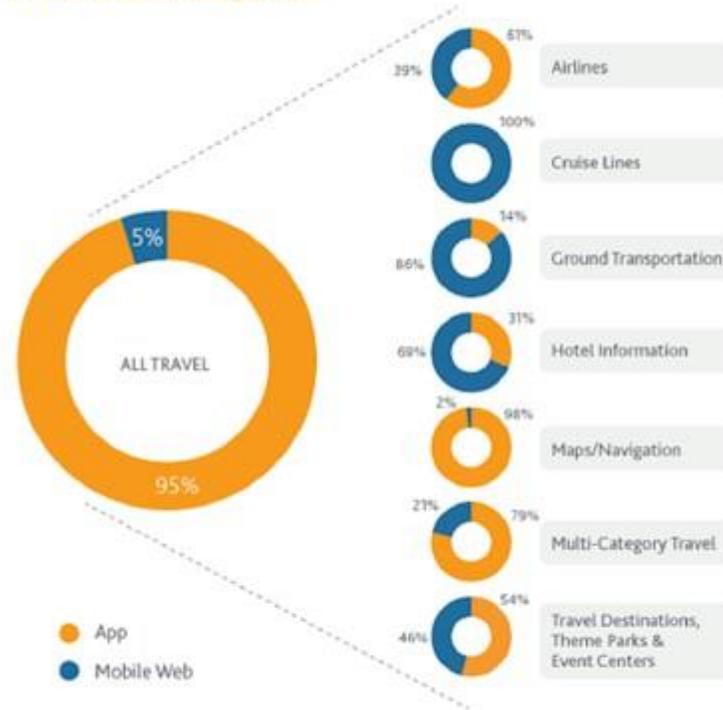
While one study may show that a mobile website is the way to go, you'll easily find another that contradicts it and shows that apps are the rising star to reach for. One study that I found compelling was completed by Nielsen last Summer showing that U.S. Android and iOS users spent 95 percent of their time accessing travel information from travel apps, versus only 5 percent from the mobile Web. Granted, this discrepancy was largely driven by Google Maps. Having a mobile app is merely step one. In order to see a high return utilizing your app it must be downloaded and used by guests. What truly successful apps must offer is a clear solution to a problem their users face. Whether the user is trying to pass time, get organized, or book a reservation, the app must help them accomplish this. The best apps have "stickiness" and offer something inherently valuable to users. Think about it: Your hotel has the opportunity to be in the hands of guests around the clock, and this is an opportunity that should not be wasted. Your app should bring something fresh and exciting to the table, enhancing the guests experience and boosting loyalty and brand affinity.

On the flip side of apps is the mobile website. While apps are dominant in terms of time spent, marketers must have mobile sites as a fundamental matter as well. It should be as easy as possible for the guests to find the information that they are seeking, make a decision, and ultimately make a reservation directly from their smart phone. If they are not able to accomplish this on your mobile site, they will do it on your competitor's site. It's as simple as that. Whether a guest visits your mobile website or downloads your app, time is of the essence, and it's your responsibility to make your mobile site and app loading experience as efficient and painless as possible. Users should be able to easily access the mobile site, launch the app, load new pages and book reservations seamlessly without thinking, what's taking so long? If they have time to think that, they've probably already jumped to your competitor's mobile site or app. Here are a few of the most important tasks ,when it comes to the travel industry, that guests want to be able to accomplish on a hotels mobile websites.

- Check flight status
- Get directions or operating hours
- Check in for a flight or confirm a reservation
- Find a business location
- Log in to an account
- Search for flight times, hotels, car rentals
- Find a phone number or email address

Distribution of Time Spent on Travel, Apps v. Mobile Web

U.S. Android and iOS users, June 2012



Read as: Across all travel apps and sites in June 2012, U.S. Android and iOS users spent 95 percent of their time on apps and 5 percent on the Mobile Web

Source: Nielsen

nielsen

Whether through an app or a mobile website, mobile technology is really the only medium where people can actually touch your brand and engage with your message. It provides a real bridge between your guests and the physical world. Are you taking advantage of this opportunity?

In Closing

The creative possibilities with mobile marketing are immense. Most of mobile marketing's early adopters have already witnessed how mobile marketing can enhance their hotels awareness, improve guest relations and create engaged brand advocates. Mobile marketing quickly caught fire, continues to rapidly evolve, and has become one of the most exciting, and quite frankly the most important, digital media avenues for hotel marketers to pursue. It is the way we do business today and for the foreseeable future. Whether being used primarily for content consumption or to book a hotel reservation, mobile devices role in our society has reached a turning point. Going forward it will become increasingly important for marketers to monitor developments, disruptions and patterns within the realm of mobile marketing if they are to stay ahead of the curve.

An accomplished sales and marketing executive, Jennifer Dunphy is currently vice president of sales and marketing at Vayu Media, a strategic Internet marketing solutions agency. As a member of the founding executive team and company principal, Ms. Dunphy has successfully leveraged her expertise in SEO, online and mobile marketing, and social media marketing solutions to establish a strong re-seller network of advertising agencies, marketing organizations and PR firms to drive significant new business growth. Recognized for exceptional ability to attract, develop and retain high-performing personnel, Ms. Dunphy has played a key role in building the company's internal talent pool At Vayu, which is based in Atlanta with

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