

AN INSIGHT INTO M-TOURISM

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Abstract

After e-tourism, m-tourism offers new ways to discover, book and visit. The mobile is the connection between the physical and digital experience. The smartphone allows tourism actors to defend their current position or to increase their market share. Generation Y is connected, impatient and communitarian. To meet their needs, m-tourism offers the possibility to react as quickly as the mobile users. All tourism professionals have realized the challenge of m-tourism. It allows them to give the right information, at the right moment, in order to improve the customer relationship management and gain customer loyalty. The aim of this research is to see how the mobile can be used as a communication and distribution channel.

Keywords: *Mobile, generation Y, adaptation, communication, distribution, revenue management*

JEL classification: *L83, O33*

1. Introduction in m-tourism

M-tourism was born thanks to the development of smartphones and the arrival of packages with unlimited Internet. To be present on the smartphone market, which is growing over 25% per year (according to the predictions of IDATE in France), is absolutely necessary for the tourism actors.

According to a survey conducted by PhoCusWright in September 2012, 40% of mobile users want to buy tourism services on their mobile phone. In

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France, 21.4 million people have a smartphone, so the challenge for tourism industry is big.

E-tourism allows tourists to be informed before and after the trip. M-tourism allows tourists to have information during the trip. Mobile is becoming a complementary channel before, during and after the trip.

Tourism offices were the first who used this strategy. However, four years later, the presence of tourism institutions on download platforms of smartphones and tablets was still limited.

In June 2012, from 3600 tourism offices and French initiative syndicates, only 130 offered an application on the App store, or 4%, according to a survey conducted by Guideapolis, a guided visits site.

Regarding the hotel industry, a census conducted in 2011 on the voluntary and integrated hotel chains present in France, shows that from the 60 most largest brands, only 13 have launched a website or mobile application.

But thanks to the IDS / OTA (Internet Distribution System / Online Travel Agencies) as Booking.com, Expedia, Venere, lastminute.com, Tiscover, Hotels.com, more than 50% of the French hotel offers can be viewed on mobile . Almost all IDS launched a mobile version of their booking system.

The rise of Internet Distribution Systems, online agencies and also social media, price comparison sites reveals a process of re-intermediation in m-tourism. At the same time, there is a process of disintermediation especially in the field of air and rail transport.

Companies must take into account the cost to be present on mobile and compare it with the profit obtained.

Renewing a tourist website in HTML5 mode incorporating geolocation is an investment that pays for itself in three years. Certainly, the same content base can be kept to develop an application on the App-store and Android market, with an additional cost of € 20,000 each. But the rate of download and use of the application may be very disappointing if we don't spend an appropriate communication budget to publicize its existence.

Small and medium enterprises do not have the budget to develop a mobile application, but they take the most of the advantage of geolocation. A large number of infomediaries have invested heavily in order to offer qualified information not only at the request of the "mobile user", but also in terms of where he is located.

2. Infomediary

The term infomediary means both information and intermediation, but in reality Infomediaries promote the offers of tourism services providers, without getting involved in the sale.

Many publishers of tourist guides also offer apps equivalent to an ebook on mobile. First, there is the traditional travel guides that have also launched a mobile version and then there is travel guides "pure players", available only on mobile.

A second group of infomediaries are tourism specialists. Review sites such as Tripadvisor, price comparison sites like Kayak have a decisive role in choosing tourism services, because tourists trust other travelers more than they trust companies which are promoting their offers. 84% of French tourists look at review sites for travelers to plan their trip.

However, infomediaries specialists of m-tourism will have to struggle with local recommendation specialists, whose mobility services will be very similar to those involved in tourism.

In addition, the ecosystem of tourism industry could be quite heavily modified, with the emergence of new players, often unrelated to tourism, these actors having a significant weight in the field of Internet and mobile (Apple, Google and Facebook).

3. The needs and expectations of mobile users tourists

The arrival of the smartphone has changed the behavior and requirements of tourists. They are using their mobile in all stages of the journey.

First, they search a holiday destination, prepare their stay and make a reservation.

During the trip the tourist wants to register his ticket at the airport and once he gets to the destination he has the following requirement: "I'm here, tell me: what can I visit, where can I eat and what else can I do?" This need is pleased by geolocation. Tourists under 45 years old do not go to the tourist office for information about what they can visit. Instead they use their mobile for this purpose. Only 25% of tourists go to the tourism office. With the help of the mobile, tourism actors can reach 50% of tourists by providing information in the right place at the right time and on the right support.

Afterwards, when the tourist comes back from his trip, he uploads memories of his travel online, gives his opinion about the destination, which has a great influence on future travelers.

Business customers

Business travelers want to have all the information about transport on their mobile, as well as features to change their reservations in the last minute. For them, punctuality is a key point, so information about the accommodation does not have great importance. They use the mobile to access the transport offer: book a flight or train ticket, booking a taxi.

To conclude, the business tourists are looking for features on their mobile which helps them to monitor all stages of their journey, to get information about transportation schedules, taxis, alerts regarding the traffic, e-ticket and service registration, mobile modification.

Independent leisure tourists

Regarding leisure tourism, the traveler wants to customize his stay, make choices, interact with the destination and give advice to others while using their mobile.

The needs and expectations of individual tourists change if the tourist is a regular traveller or a discoverer who travels to that destination for the first time. The regular one is looking for customised itineraries, information about temporary events and access to cheaper options (loyalty). The discoverer needs practical information, geotagged of the destination.

Foreign tourists

Foreign tourists have almost the same needs and expectations like independent leisure tourists, but they want more geotagged information. They are looking for information about the destination and heritage, opening hours of establishments etc. The main obstacle in the use of mobile applications is the cost of mobile internet abroad. Tourism actors have tried to solve this problem (see Chapter 6).

M-tourism questionnaire

To better analyze the needs and expectations of mobile users tourists, I made a questionnaire to 30 people, with age between 20 and 25 years old, who are living in Toulouse (55%), Rennes (30%), and Lille (15%).

Given the size of the sample used for the survey, the results cannot be generalized to the entire statistic population, but it's a thread.

Most respondents used their mobile to buy a train ticket and upload their travel memories, activities carried out by 56.3% of respondents.

Next in the classification of activities are: finding a landmark with 50% of respondents, finding a holiday destination 31.3% of respondents. 25% of respondents bought an airline ticket and used the electronic boarding pass readable from a mobile phone. 18.8% gave opinions online. Only 12.5% had made a reservation for a hotel room.

The most common reasons for dissatisfaction with the use of mobile applications: Applications are slow, there is little clarity, poor handling, Internet connection problems associated with 3G.

The majority of respondents expect a mobile application to be: fast to use, secure, easy to use (reliability); simple, intuitive, clear, practical (no advertising).

To measure the satisfaction of the respondents regarding the use of mobile applications I used a scale of 1 to 7. 41.2% of the respondents gave a rating of 5, 17.6% a score of 4 and 29.4% a score of 6. So, mobile users are more satisfied with the applications which are proposed by tourism actors.

Regarding the influence of infomediaries in the field of tourism, the study shows that 94.1% of respondents used Facebook and Google Maps for tourist purposes, 23.5% have used Tripadvisor and Michelin, 17.6% Foursquare. So we can see the influence of big Internet players like Facebook and Google, which don't have a link with tourism, even though Google has begun to enter this market. I wanted to show that the tourism industry may be present on the mobile thanks to infomediary. It is a strategy which doesn't cost too much.

4. M-tourism - a real success for rail transport. The example of the SNCF and its subsidiary, Voyages-sncf.com

Rail transport in France is provided predominantly by the SNCF. The turnover recorded by the company was € 18.5 billion in 2011, according to a study conducted by DGCIS Prospective m-tourism.

Voyages-sncf.com, a subsidiary of SNCF does 25% of the sale of train tickets and the purpose is to increase this percentage. To this end, it has launched mobile applications that provide more comfort to passengers, which leads to retention of users.

SNCF uses the mobile as a distribution channel through the Voyages SNCF service. The application is available for iPhone, Blackberry, Windows Phone and Android. The facilities offered to passengers are limited to booking train tickets. Other services (accommodation, packages etc.) are available on the website Voyage-sncf.com. The choice is entirely consistent, because the mobile does not allow selling complex tourism products (see Chapter 7). So a simple application such as the one proposed by SNCF has a greater conversion rate than a multifunction application.

The mobile is also an information channel for SNCF. SNCF Direct application is a way to give the right information to tourists. The application uses geotagged data to show the tourist the closest station to him. It also shows the time, channel numbers and delays. Other services are available, such as SMS alerts to notify users of a channel number or a train delay, information on services and shops available at the station and the radio, which broadcasts the breaking news -traffic area updated every 15 minutes from 6 am to 21 pm, chronic and weather.

In 2011, SNCF TGV launched Compagnion TGV PRO, now TGV PRO, an application for business travelers who received in 2011 “Le laurier d’Or” award given by the French Association of Travel Managers. This application is for travelers who bought Pro e-ticket, first class. The services offered are: integration of reservations in the calendar of the smartphone, the ticket exchange, instant visualization of services associated with the PRO rate 1st class etc.

To make it easier to travel by train, SNCF has launched e-ticketing. Mobile user tourists can not only buy train tickets via their mobile, but use the mobile phone as a boarding pass with a 2D bar code.

SNCF has recorded such success in m-tourism also through its Open Data initiative. Its portal data.sncf.com helps to create a community around these ideas, to exhibit the available data and determine developers to make suggestions, for example about data formats and modeling issues.

In addition, SNCF has made a very clear customer segmentation - youth, business, seniors, families - and it has a specific marketing and loyalty program, tailored to each segment. Regarding SNCF mobile users customers, the majority are young professionals and travelers. They use mobile services at the last minute and for simple services.

SNCF also debated the issue of social networks. In October 2011, Voyages-sncf.com launched an application on Facebook, "Petits voyages entre

amis", which allows travelers to organize and share their travel book with their friends who have a Facebook profile.

Mobile carrier strategies are oriented in the future to the widespread use of mobile and dematerialized ticket, personalization of the offer according to the profile of passengers (business, families, youth) and integration of geotagged information services.

5. Mobile services in business hotel industry - the example of Radisson Blu Hotel, Toulouse Airport

5.1. The mobile as a distribution channel. The impact on revenue management

The presence of the hotel on mobile has the purpose of a better control over the direct distribution as against IDS competition, which have a strong presence on mobile.

Radisson Blu targets loyal clients. Club Carlson Mobile App is created for hotel customers who are members of Club Carlson, which is the loyalty program of the Carlson Rezidor Hotel Group. In this context, mobile reservations do not generate more added value because they don't bring new tourists. The mobile service can only facilitate the last minute booking.

But revenue management consists of sales in advance, because the last thing that they want is to have an empty hotel with only three weeks before arrival and their last options to be the OTA's (Online travel agency).

It is necessary to have a reliable tool as channel manager to be able to master the rate parity. Revenue management is linked to the right distribution channel in terms of exposure and costs. The channel manager used by Radisson Blu Toulouse is EZ Yield. It is a tool that makes the job easier.

Revenue managers are being bombarded from all directions by supposed innovative distribution and social media opportunities while continuing to negotiate deals with the big players and evaluating the myriad of specialist sales channels vying for their attention. They do not just have to manage an influx in the number of channels but a huge increase in distribution costs while trying to gauge the value of each booking.

For the Radisson Blu Toulouse Airport, the business traveler is dominant and they have contracts with negotiated rates, so they cannot use the mobile for booking. Unless the hotel is launching a special application, secure for the client to identify and benefit from the negotiated price.

Their willingness to be present on mobile, even if it does not bring them revenue in short-term is justified by the contribution of knowledge. In addition, the mobile gives a picture of innovation and modernism to the hotel.

5.2. The mobile as a communication channel. Social Media

M-tourism is an essential step, which is gaining ground slowly. Whether it's Facebook, Twitter, Foursquare, Tripadvisor, Booking.com or Pinterest, the hotel must manage its reputation and react as quickly as tourists from Generation Y.

To answer the tourists' requests as soon as possible, the commercial director of the Radisson Blu Toulouse has an application on his mobile, Medallia (Customer Experience Management).

Then, to manage all social media on which the hotel is present, they use Revinat. This is a paid application that sends alerts every day to see the position of the hotel on social media. In addition, Revinat makes suggestions for actions that the hotel must do to increase its visibility.

The mobile version of the site Tripadvisor is the most visited (6.7 million visitors), but the application is only in fourth position. In this moment, the goal of the hotel is to be number 1 on Tripadvisor.

73% of French hotels invite customers to submit reviews, 57% publish management responses to negative reviews, but only 34% respond to positive reviews.

Hoteliers must include tourists in hotel life, the communication should be done in both directions.

The Carlson Rezidor Group organizes workshops to prepare human resources to better adapt to new technologies and manage the social reputation of hotels.

5.3. Projects involving mobile

The hotel wants to set up e-concierge. The challenge is to reduce the wait at the reception for check-in and especially for check-out, highly concentrated in the early morning, allowing staff to spend more time solving other complex requests of the clients. With this service, customers can register by themselves at arrival. But someone will always be available to them for advices.

One method that can be implemented by Radisson Blu Toulouse is generation of a 2 D code sent to the customer on his mobile phone, once the

reservation is made. This code is read by a magnetic dispenser that allows customer access to his key. This system is based on conventional magnetic cards and does not require changing the locks readers.

The purpose of these services is to provide added value to the client, especially a regular and pressed business traveler.

6. The limitations of mobile as a channel for information and distribution

Before the trip

The limited screen size of mobile phone could be considered an obstacle to purchasing a complex tourism product. Only 18% of people who bought their vacation through a Smartphone ordered an all inclusive package.

In the future, OTA's want to increase their sales of packages for travel, because at this moment they sell a lot of airline tickets, which doesn't bring the expected income. In addition, they want to develop a multichannel strategy and also have physical agencies.

To ease the booking on mobile, there is Facebook Connect, a tool that allows users to connect their Facebook account to the current application, without filling in all the details.

But another problem appeared when the customer had to make the payment. Entering 16 digits on the phone is not very "user friendly". One of the solutions is PayPal. According to the CEO of Paypal, David Marcus, payment, loyalty programs and coupons will be consolidated into an electronic wallet, simplifying the use of these services for both dealers and buyers.

For the latter problem, Travelocity found another solution. It has the system Jumio integrated. The mobile user must take a photo of both sides of the credit card and the software extracts the 16 digits, expiration date, CVV code.

Technology advances, but the investment is big. Providers of tourism services launched a mobile version of their site, trying to attract customers, but they won't win if the tourists can not easily make the reservation.

During the trip

The use of mobile internet is very expensive for foreign tourists, who have to pay data roaming charges. Europe has tried to solve this problem. The European Parliament has set tariff ceilings (50 cents per MB in July 2011). However, this only applies to European customers.

So tourists do not have a lot of solutions to avoid roaming charges, other than Wi-Fi. Other solutions are renting a local phone, purchase a prepaid card, but they are losing ease of use.

Bluetooth is also an alternative to mobile applications. The advantage of this method is that the content is not downloaded to the mobile, so the update can be done more easily. As a disadvantage, the Bluetooth cannot be used outside the visiting area.

There are applications that work without an Internet connection. This is a solution for the future.

7. Conclusion

M-tourism is an important issue for all tourism actors. But the phenomenon should be approached differently, depending on the type of customer, service and destination.

The mobile has great potential, but its size limits the offers of complex tourism products. Those who have advantage on mobile are those that offer simple tourism services.

The tourism industry should see mobile as an additional support, which must be integrated into their multichannel strategy. The challenge is to provide the right information to tourists at the right time for every channel, to inform, sell and assure customer loyalty.

Even if today the mobile channel provides more visibility than income for all tourism actors, in the near future things may change.

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