

- **Online distribution and sales
via mobile platforms**

NOV 2012



The World is your hotel Marketplace

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SALES ARE INCREASING BUT REMAIN WEAK OVERALL

Before we start looking at this subject in detail, we should remind ourselves of several key figures to put things in context.

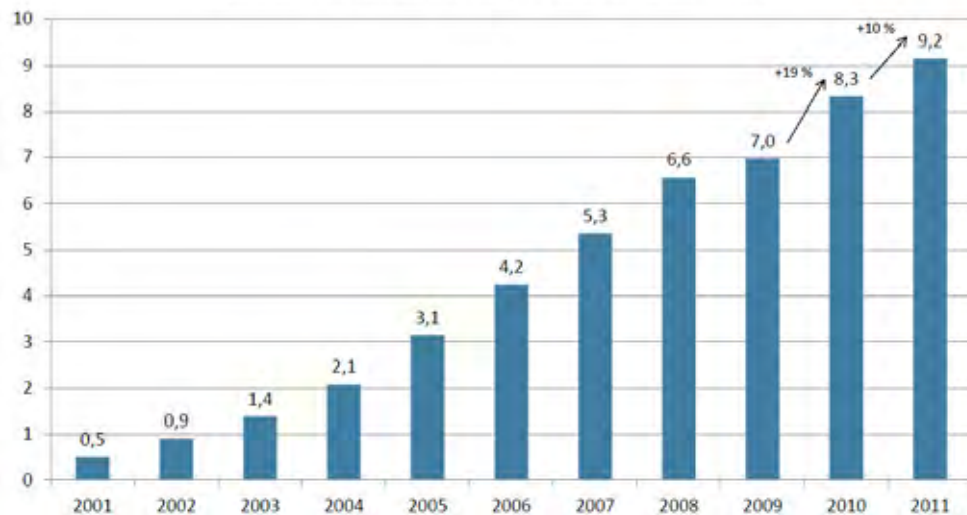
EVOLUTION OF MOBILE AND DESKTOP INTERNET USE

The number of internet users has reached **2.27 billion** worldwide.¹ Desktop internet use has not increased since 2010, whereas mobile internet use has done. According to a recent projection from Morgan Stanley, the number of mobile internet users worldwide will increase to 1.6 billion, overtaking the number of desktop internet users, by 2014.²

E-TOURISME AND M-TOURISME

In 2010, **e-tourism** in France accounted for a turnover of €10.7 billion. Sales generated on tourism websites increased by 14% in 2011, according to French e-commerce business network FEVAD. During the first quarter of 2012, they increased by 12%.³

E-tourism market growth in France (in million euros)



Source : CCM Benchmark Study (April 2012)

2.6
billion
of dollars

M-tourism (sales made via mobile platforms) is starting to take off, although volumes remain small. Research institute PhoCusWright has studied the American market (where m-tourism was pioneered) and found that in 2011, 2.4% of travel bookings were made via mobile platforms, which constituted a total of \$2.6 billion.⁴

1- Source: Pingdom blog – April 19th, 2012

2- Source: Morgan Stanley Research study – Mobile users > Desktop Internet users within 5 Years

3-Source: Quotidien du Tourisme – Internet: more than €10 billion spent in France since 1 January) (Online article, 16 May 2012)



The word «mobile» is on the lips of marketing and sales teams everywhere, with the vast potential of mobile platforms lying in the number of current and future users, along with the purchasing trends that we are already seeing.

NUMBER OF USERS + PURCHASING TRENDS = HUGE POTENTIAL

NUMBER OF USERS

At present, 17 million people in the UK go online via mobile, and this number is set to rise, fast. With such a high number of users, at both national and international level, we need to look closer at the trends of this platform and learn more about its profitability.

USER AND PURCHASING TRENDS

The regulator's research shows 39% of UK adults now own a smartphone, which is 12 percentage points higher than last year's figures.

6 Thirty-nine per cent of smartphone owners said the device was the main one they used to access the internet, with 42% using them to visit social networking sites and 51% to send emails.⁵

In the hotel sector, a study of Availpro booking engines integrated into hotel websites has identified an explosion (+180%) in the number of room searches carried out.⁶

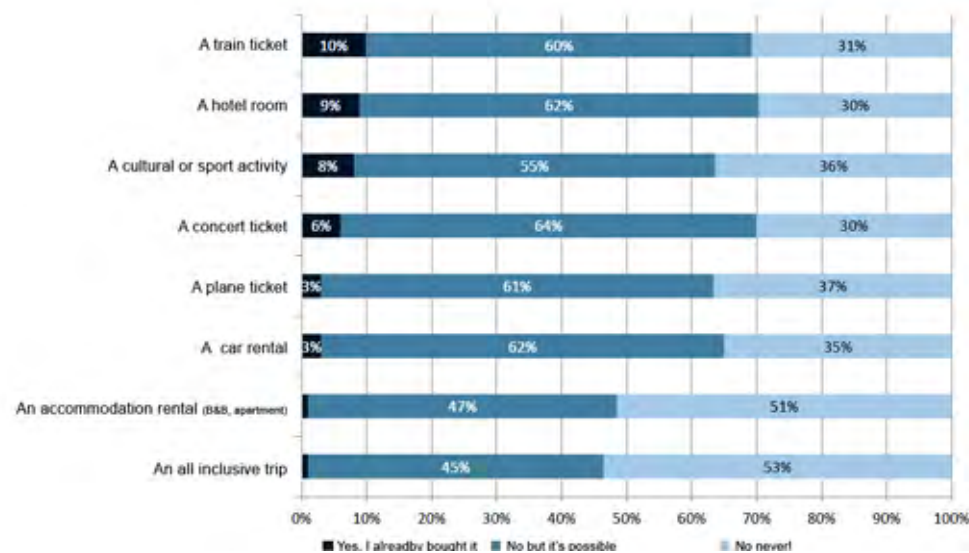
Users tend to search on mobile platforms when they have a spare moment, e.g. when on public transport or taking their lunch break. However, final decisions and the actual purchase of travel products are more likely to be carried out at the weekend or when in the presence of the other people involved in the purchase.

As already mentioned, sales volumes remain small for the time being. According to Ipsos, 19% of french people would be prepared to make purchases on their smartphone, which is a lower number than in the UK and Germany, let alone the US. A study by CCM Benchmark analysed the purchasing intentions expressed by consumers.

4-Source: PhoCusWright study – Mobile hits the Mainstream: Technology and Industry Trends (2012)

5-Source: ITPRO – July 2012

6-Source: Availpro study of over 2000 booking engines (May 2012)



Source: CCM Benchmark Study (April 2012)

During the last Paris Benchmark Group E-tourism Conference on 3 April 2012, mobile online sales pioneers such as Voyages-SNCF and Accorhotels.com presented analyses of their practices. A number of important facts arose from this:

- Smartphone users make more last-minute purchases, while iPad users make more purchases in advance
- Searches and bookings peak at the weekend, particularly on Sundays
- The average shopping basket has a higher value on Apple platforms (e.g. iPhone and iPad) than on other operating systems (e.g. Android)
- The average shopping basket is €5-€6 higher on iPads than on other platforms



So, from looking at these initial results, it seems that acquiring adequate mobile services will be essential for companies to serve this new customer base, which is expected to grow inexorably.

THE KEY TO MOBILE INTERNET SUCCESS: MAKE IT SIMPLE

FORMATS CAN POSE NEW PROBLEMS

Once a proper mobile sales and communication strategy has been decided, the next step is to think about the mobile environment. Due to the unique aspects of the mobile platform (e.g. different screen sizes, operating systems) and the way in which it is used (e.g. on public transport or alongside other activities), a mobile project needs to be considered not only as a specific application, but also as one designed for universal use.

PRE-REQUISITES TO DEVELOPING A MOBILE APPLICATION

When developing a mobile application, a mobile website or a mobile-friendly section of a website (the booking engine in Availpro's case), a number of pre-requisites and constraints need to be taken into account.

The first thing to consider is that a mobile internet user's average session lasts just five minutes, so it is essential to think about the consequences of this limited purchasing window. **The second constraint** to consider is the screen size (smartphones, tablets etc.) and the variety of mobile operating systems (Apple, Android etc.), as previously mentioned. This means that any newly-developed application needs to be managed and tested in different environments.

The third golden rule that Availpro strongly recommends is keeping an application to **one single action per screen**. Availpro has decided to offer just room booking on its hotel booking engine, without including things such as extras or cancellation insurance. As such, a screen viewed on an office computer will look nothing like the same screen when viewed on a smartphone. In addition, it is important to vary the products offered on each platform, when we consider the differences between users' purchasing behaviour, in terms of last-minute and more advance purchases.



Source: Availpro. Example of the hotel booking engine for La Belle Juliette hotel in Paris

THINK SIMPLE, FUNCTIONAL AND TOUCH-SCREEN

KEEP THE APPLICATION SIMPLE AND FUNCTIONAL

Even more than a classic website, a mobile application needs to be simple and functional. Above all, users don't want to be forced to think too much. If the internet user, and this is particularly the case with mobile internet users, has to question what they're doing it means that the application is not sufficiently intuitive, and this is likely to lose you prospective sales.

The iconography will be all the more important, as it needs to be immediately understandable and make navigation as easy as possible. The iconography used by operating systems is a good example of what needs to be included in an application, such as the Home symbol to return to the home page, or the left-pointing arrow to navigate back. Text should be used to support the icons, not the other way round. In addition, the action buttons need to be sufficiently large and spaced apart for the user to navigate immediately to the desired page.

THINK TOUCH-SCREEN

Given that mobile platforms mostly use touch-screen interfaces, this dimension needs to be fully integrated into the design process and the platform-specific modes of interaction taken into account.

Of course, the visual markers and other established conventions of PCs, such as a hand-held mouse, are not relevant to the mobile environment. Therefore, new ways of communicating messages need to be found, whilst taking into account the modes of interaction on mobile platforms.

THE MOST FREQUENTLY-USED MODES OF INTERACTION FOR MOBILE AND TOUCH-SCREEN PLATFORMS



Tap



Press



Pinch & Spread



Swipe



Rotation touch



Rotation of the device

Source: Miratech's blog of expert views entitled «How to develop an app or a mobile website which works?» («Making an app or mobile site that works») (March 2012)

Despite this, a mobile platform design needs to have the same aim as a classic website: getting customers to the actual point of purchase as quickly and easily as possible. When designing a mobile site or application, it is also important not to overlook the problem of distributing the service (App Store etc.) and ensuring it reaches its target audience. To consider this final point, we will focus on the area for which Availpro has been developed - the hotel sector.



INDEPENDENT HOTEL OWNERS FALLING BEHIND CHAIN HOTELS

DIVISIONS IN THE MOBILE REVOLUTION

In the hotel sector, chain hotels and independent hotels really are worlds apart when it comes to their involvement in the mobile revolution. Accor have announced that, since 2010, they have received more than 100,000 bookings via mobile platforms. Hotel chains have assigned specific budgets and teams to this issue, knowing full well that we would see a huge change in the use of mobile platforms in the coming years.

Independent hotels don't always have the necessary market data, budget or human resources to address the issue (or should that be opportunity?) of mobile internet platforms. Clearly, there are some technologically savvy «early adopters» in the independent hotel sector who are always looking for the latest technological innovations and who carry out marketing and sales via Facebook, mobile platforms etc. One example of this is the Parisian hotel group Hôtels Paris Rive Gauche, who were very quick to not only develop a mobile website complete with booking engine, but also their own downloadable application for smartphone or iPad. However the majority of independent hotel owners are unable to keep up with the pace of change, due to a lack of time and/or money. So, technology providers such as Availpro, and even the tourist ministries, have a role to play in training and informing independent hotels via conferences or the publication of white papers. This should help independent hotels, tourist offices and other players in the tourist industry to better understand and act upon the potential opportunities offered by the mobile revolution. For its part, Availpro regularly invites hotel owners (whether or not they use Availpro products) to conferences on these subjects.

It is, however, essential for service providers to look closely at the services they offer and adapt them to new platforms and the expectations of the users of those platforms, which can often be very specific.

TOOLS AND TECHNOLOGY TO MEET MOBILE NEEDS

It is in the interests of the tourism industry, and the hotel sector in particular, to catch up as quickly as possible if they want to remain in the race. Making their communications mobile-friendly will of course primarily involve their websites, but also their email marketing campaigns, to ensure that mobile internet users are easily able to find the information they're looking for. New development techniques enable websites to modify themselves to fit the user's interface. Due to the development of layout scripts such as HTML 5 and CSS 3, websites are now able to adapt automatically to users' screens. These new advances in so-called responsive design mean that information can be better displayed on any screen type.

The next step - converting these lookers into bookers - requires hotel owners to invest in a booking module suitable for the mobile universe. Any such solution would have to be compatible with a number of platforms and screens - Availpro's study has shown that **44% of visits are made by users of Apple devices** (iPad, iPhone and iPod).

44%



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NEW WAYS OF USING MOBILE PLATFORMS AND INTERACTING WITH USERS

MOBILE PLATFORMS AND LOCATION-BASED SEARCHING

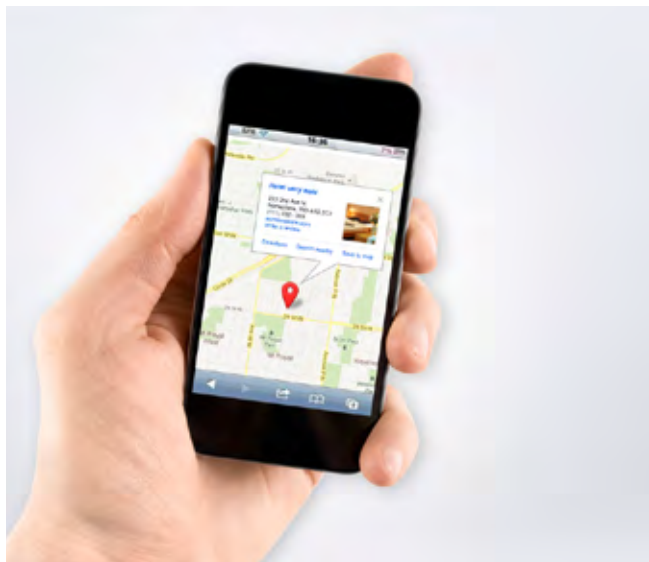
The fact that users are able to search on the go means that innovative location-based services are now a reality. For example, smartphone users who have downloaded the Sentinelo application, which is based on Availpro's booking engine, can search for places to stay within a particular distance (anywhere from 200 m to 10 km) or choose a specific location. There are three available search categories: «current location», «product» and «specific location». Users can then see available promotions and make a booking via the Availpro booking engine, before being guided to the hotel with the GPS function.

So we can see how searching on the go using a smartphone brings a number of extra benefits in comparison to searching on a desktop computer.

INTERACTION WITH VISITORS BEFORE, DURING AND AFTER THEIR STAY

Users will not be limited to just searching and booking tourist services on their smartphones. Post-booking cross-selling and up-selling of additional services will also find their place on mobile platforms. Indeed in the hotel sector it could even be possible, in several years, to pay for and unlock the door of your room using your smartphone. In London and Tokyo, users are already able to validate their train ticket by using their mobile.

Mobiles can also be used to share the user's experience during their stay, especially on social networking sites (e.g. making posts and uploading photos on Facebook), as well as after their stay, by giving their opinion on review sites such as TripAdvisor or Vinivi. Travel operators in particular must not lose sight of the potential that reviews and positive recommendations have to benefit their company.





The World is your hotel Marketplace

The unique selling platform to master your online distribution



- **Booking engines** for website, Facebook page and mobile devices

- **Connectivities with more than 100 internet distributors and GDS including:**



- **Reliable PMS integration**

Real-time synchronisation between PMS and your distribution channels



Multiple options :

- + Direct Click Manager
- + Client satisfaction interface
- + Competitive watch
- + And more!

Availpro – overview:

Availpro is the all in one online solution published by Siriona S.A. which allows independent hotels, hotel chains and aparthotels to sell their rooms directly through their own websites, their Facebook pages (using the Availpro booking engine) and also through e-distributor partner sites (Booking, Expedia, etc.) and GDSs. Thousands of hotels use Availpro. Since being founded in 2001, 10 million room sales have passed through the Availpro system, representing a total of €1 billion

Video: Maximise your 360° online distribution



WANT TO IMPLEMENT A MOBILE STRATEGY?

● **Availpro** (France & Rest of the World)
Tel. 33 (0)1 58 62 58 15
Email : sales@availpro.com - www.availpro.com

UK & Ireland

Tel. +44 (0) 207 031 8206
Email : uk.sales@availpro.com

Spain

Tel. +34 662 927 507
Email : spain.sales@availpro.com

Portugal

Tel. +351 21 390 36 31
Email : portugal.sales@availpro.com

Czech Republic & Poland

Tel for Czech Republic. +00 420 777 988 006
Tel for Poland. +00 48 518 961 391
Email : gregor.halek@availpro.com