

Guest-facing Mobile Technologies

...are we there yet?



By Mark B. Hoare

There is no scarcity of impressive numbers and statistics espousing the exponential growth in the use of smart-phones and other mobile devices across the globe. Equally we have abundant access to these same data-points, all professionally refined and indexed specifically to the Connected-Traveler, also known as our addressable market. However, as an industry do we adequately understand how to intersect this market with highly relevant guest-facing mobile solutions? In this article we review where we came from, the challenges we have overcome, where we are now, and most importantly identify initiatives to improve adoption and subscription rates to our guest-facing mobile offerings.

As a Product Management specialist by trade I am instinctively drawn to the afore mentioned positive numbers and statistics but must always temper my excitement and diligently quantify, qualify and rationalize them down to the really relevant products and solutions that tightly align with our industry's needs and opportunities. Product Management success can be measured best by its proven ability to intersect a consumer need with a relevant product solution. That may sound easy but the key word here is *relevant*.

In just a few short years we have seen all sorts of mobile-hosted feature functions designed and developed for the hospitality industry on the back of truly exceptional technological advances in the: mobile devices themselves; bandwidth that supports them; the vast array of other applications; and tools with which they can interact; and not least of all the ubiquity of smart-phone usage.

So why, therefore, are we as an industry not seeing the adoption rates and positive reviews we expected? To understand this we must step back and take stock of how we got to where we are today. Let me share a story based, but real-world, scenario with you.

"It is early evening and a large weather system is moving through Western Europe causing delays and cancellations at airports throughout the region. Svenja is sitting at her departure gate at Geneva airport on her way to London as part of a trip that began three days ago in Copenhagen. Just as she

checks her email using her mobile, she hears the announcement that all flights to London have been cancelled. Using her mobile, she calls the airline rebooking desk and is quickly able to reschedule to a flight early tomorrow morning.”

“Svenja’s next thought is finding a hotel room in Geneva for tonight. She calls the central reservation office of her preferred hotel chain and is placed on hold. While she waits she thinks about using the booking function on her mobile that gives her access to booking processing for that hotel chain. With a few entries, she is able to reserve a room at their lakeside Geneva property at her company’s corporate rate... all while she is still on hold with the reservation center. Using the same feature she retrieves her reservation for tonight’s hotel in London and cancels it. Toggles over to the on-hold call with the central reservations office and hangs up. While leaving the departure lounge Svenja also uses her mobile to reserve a rental car in Geneva, obtains driving instructions, and finds a restaurant on the way to the hotel that is open late for dinner. Finally, she sends a short Text to her husband’s mobile advising him of the change in plans and where she is staying tonight.”

When do you think this real-world scenario took place?

This scenario aligns with a white paper by a company called OpenGrid and was published back at the turn of the century and describes technology that was already available to hotels, installed on PDAs and smart phones and used by travelers throughout the world. It goes on to describe a generation of wireless commerce that allows users to do What they want, Where they want and When they want. It references terms such as “spontaneous mobile commerce”, and the “Now Economy”. These include a marketplace for hotel companies where the user can have immediate, personalized, wireless access to the hotel services they want.

It also describes a marketplace where suppliers – such as hotel companies and other travel service organizations – can extend and reinforce their service options to, and relationships with, their customers. Back then, they predicted that the Now Economy was

destined to have tremendous global impact on the way companies would conduct business and, most importantly, interact with their customers. In the Now Economy consumers would expect companies to offer a range of customer contact interfaces that include wireless access. They believed that hotel companies would be leaders expanding that contact range to include ever-present wireless data access, driven by their commitment to retain and reward guests for their patronage. Back when this paper was published some hotel companies had already begun to embrace the Now Economy. They included Bass Hotels & Resorts [now IHG], Choice Hotels, Hilton Hotels Corporation and Wyndham International.

Those guys at OpenGrid were absolutely on-point with their assessments. The problem was they were perhaps 6 to 7 years too premature for a broad-based hotel industry adoption of m-commerce. Today we could add several other conveniences to the list Svenja used... air boarding pass, travel expense tracking, itinerary organizer, traffic information, wireless hot-spot location finder, check-in & room selection, operate their hotel room door lock, order room service, operate the in-room entertainment systems, etc., etc.

So why didn’t hospitality mobile boom back in 2000? For that we need to take a brief look at some of the technical and commercial barriers that have today been successfully overcome but, back then, ultimately caused OpenGrid to close their doors.

Technically the first generation ‘wireless’ channel really did work functionally, but was clunky and slow. Accordingly, between 2000 and 2007 the mobile channel didn’t gain traction with travelers and several leading hotel brands elected to discontinue its use. The principle causes of the slowness and usability issues were:

Wireless protocols and Network Speed - Resolved

The advent of 2G, 3G and now 4G data networks has now more than overcome the speed issues.

Hardware - Resolved

The exponential development of mobile devices in terms of form and function has overcome the historic

awkwardness of earlier generation PDAs and Smart-Phones, not least of all because of new responsive-design technologies.

Cost of Entry - Resolved

It is no coincidence that it was the larger hotel companies who were first-to-market with fully functioned mobile booking engines as they had the budgets to enter the space. Unlike today the cost of entry back then was considerable and an expensive collective of expertise was often required. **Technologists** provided the integration services to the CRSs and content management systems, the **Consultants** developed the 'new' mobile strategy, planning and execution, the **WebPeople** who are often the same team that developed the company's website, and then the **Application Solution Providers** [yesterday's term for today's SaaS/Cloud providers] were needed for those who preferred not to, or just couldn't, host and manage the environment in-house themselves.

Other Challenges – Resolved

Mobile form factors, operating systems, carrier exclusivity agreements, mobile-web verses mobile-App., etc.

So with all these technical barriers to adoption resolved and put behind us, and access to all the commercially available hospitality whiz-bang mobile feature functions now available to our guests on their mobile devices, why are we still seeing lack-luster subscription and adoption rates?

Traveler Personas - Unresolved

At this point we can probably answer the "are we there yet?" question posed at the head of this article. The answer would be, No! There are still barriers to mass adoption at play.

It has to be said that while the hotel industry immediately recognized the power of the internet channel as a B-2-C *must-have* and moved quickly and successfully to take full advantage of it, they did not fully appreciate the more unique, complex and varied needs of mobile users, targeting their early mobile initiatives at more than a simple booking channel for

loyalty program members... i.e. consumers that were already pre-disposed to engage and book with them anyway.

The power of mobile for marketing, merchandising, service delivery and relationship building took the arrival of social media and social networking to reawaken hospitality interest in the Connected-Traveler. That said, it could be now be argued that Marketing have been too enthused by the opportunity to use mobile as the focal point of their engagement practices and, in their attempts to foster adoption and subscription by prospective and existing guests, have overloaded, or at least misaligned, the feature functions on offer in their mobile offerings. Some even packaged games into their mobile Apps as enticement.

Don't get drawn to Bright Shiny Objects

As the numbers and the statistics will attest, a mobile presence and strategy is a must-have for any hotelier, but too many executives have fallen into the Bright Shiny Object (BSO) trap, and taken a somewhat *shotgun* approach to provisioning their hotels and hotel chains with 'cool' guest-facing mobile feature functions. Successfully leveraging this must-have mobile presence has always required a systematic, *guided missile* approach, much the way we execute successful Product Management. If you are dubious about this I encourage you, if you haven't already, to try out several hotel company's guest-facing mobile offerings to see where a systematic and relevance-based approach was bypassed in favor of offering cool-stuff.

Reassess & understand your customer's profile

Whether you already have a guest-facing mobile presence or are embarking on one, now is the time to reassess your 'We Know Why You Stay' intelligence. Akin to American Airlines' highly successful "We Know Why You Fly" marketing initiative.

It is very unlikely that the way in which Choice Hotels would align their mobile presence to a Choice brand customer [Drive Market, SMERF, etc.] would be the same as, say, Mandarin Oriental's alignment of their Mobile presence to their brand customer. Yet

both have developed successful and relevant guest-facing mobile presences and this is due to their having carefully isolated what their particular customers find useful and relevant, and more importantly set aside what they do not.

Your customer assessment will also need to incorporate the relatively new understanding of specific behaviors brought about by the explosion of Social Networking, Social Media and Mobile usage trends. In fact Forrester have even formally registered the term 'Mobile Technographics® Profile' to address this.

Perhaps the most important task in aligning yourself with your guest's *true* mobile feature function needs is for you to put yourself in their shoes and create a set of guest-personas and, for each, create associated use-cases. For example, start by include support for all the mobile feature functions that are commonly useful to all guests such as booking / canceling / modifying a room, view my reservations, self-checkout, door key, property information compendium, but then carefully consider the relevance of any other available mobile feature function according to your particular customer type(s) and hotel type(s). For example, supporting a location-based feature that lists all a chain's property's real-time availability and rates within a 15 mile radius for the drive-traveler would be a top priority for a chain such Choice Hotels, and a feature that presents all active and upcoming meetings/events within a convention hotel would be their priority feature, and so on.

Perhaps disappointing to reference, but in order to accelerate hospitality's alignment with a relevant guest-facing mobile presence for the hotel industry we would do well to sneak a peek at how our travel industry cousins, the airlines, have achieved mobile success. Although into their 2nd and 3rd generation products they have designed and structured their customer-facing mobile offerings to align concisely with the flyer's specific needs. It is very apparent that they have been exercising good Product Management *relevance* principles, and fostered a healthy subscription and adoption rate to their mobile channel, through which their marketing departments

can now leverage mobile for engagement, marketing and merchandising.

In summary, on the guest-facing mobile side we are still witnessing a general lack of enthusiasm and adoption of mobile technology in the hotel industry. Airlines have done a much better job of aligning their flyer-facing mobile solutions to the real-world needs of the traveler, therefore driving positive adoption. Hotels are still not adequately analyzing their guest's true needs. Rather, they appear in favor of providing them bright-shiny-object mobile feature functions. The fact that the hotel can offer the guest over twenty seven different feature functions within their mobile App does not mean they will find any or all of them useful. An App that focuses on the top three to five relevant feature functions, and does these exceptionally well and consistently at each of the hotel company's properties, is the key. ■

Mark B. Hoare, is a partner with The Prism Partnership LLC, a Boston-based consultancy servicing the global hospitality industry. Hoare has broad experience in all aspects of hospitality technology, operations, and management. For more information, please visit: www.theprismpartnership.com, or call 404-424-9258.