Tourism in the midst of a mobile revolution

How advances in mobile technology will shape Northern Ireland's tourism industry in the next decade

Intelligent Vision Series
The international tourism industry has already gone through massive transformational change over the past two decades in adapting to the widespread impact of the internet. But looking towards 2020, it will have to keep moving and adapting. Why? Because the world of tourism is contracting. Gone are the days when global travel was a leap into the unknown. Rapid advancements in mobile technology have made it possible for us to know as much as we want about the world around us in an instant. The smartphone has empowered tourists with more flexibility, more choice and more freedom than ever. This report offers food for thought into which new technologies will make the biggest impact in the next decade and addresses what steps tourism businesses in Northern Ireland can take to get ready for the mobile revolution.

Living in a hyperconnected world

We are in the midst of an out-and-out explosion in mobile technology innovation. The use of smartphone / tablet technology, social media and apps is growing rapidly, to the point where online use from mobile devices is expected to outstrip traditional internet use by 2014. It’s changing the way we experience and engage with every day life – from the way we spend our leisure time to the way we communicate with our friends and family – the impact is there for all to see. If we know one thing for sure it’s that the use of technology will continue to innovate and evolve as we look towards 2020. It will be driven by the following trends.

Look to the youth

If you want to know how people will use technology tomorrow, look at what young people are doing today. Mobile technology is central to the lives of all Millennials (those born between 1980 and 2000) for both work and play. Prolific users of social media and highly adept at using apps to streamline their lives, this cohort has been quick to adapt to technology that facilitates an ‘always on’ lifestyle. With the oldest Millennials hitting their late 30s by 2020, this group will play an increasingly important role in the business and consumer world.

Social media’s coming of age

Sentiment towards both Facebook and Twitter has fallen in recent times leading to claims of social media fatigue. But in the coming decade social media will continue to grow and evolve and become increasingly engrained in human behaviour. Why? Because social networks are not new – humans have been social creatures with a need to connect to others for thousands of years. “The emergence of social media is simply our online world catching up with our offline world” argues Paul Adams, a thought leader on the social web. It will continue to mature over the next decade and get better at mirroring how social relationships work offline.

Consumer is king

The global marketplace has seen a fundamental shift towards the consumer. 20 years ago, companies held the reins in the purchasing process, telling consumers what to buy and when to buy it. But in a world where we have endless information at our fingertips, the consumer is in the driving seat. Not only do consumers have more choice than ever before but they have been given the power to influence and be influenced through their online social networks. Word-of-mouth has never been as potent or far reaching as it is today.

The rollout of 4G technology

In October 2012, digital communications company EE started offering 4G mobile services in the UK. They are soon to be joined in the marketplace by O2 and Vodafone. Technology giants, Amadeus, predict that we’ll see mainstream adoption of 4G across many Western countries as early as 2016. What this means is that consumers will have access to high speed broadband internet on their smartphones and tablets, leading to endless new uses, tools and innovations. By 2020, 5G will be just around the corner – but it’s the adoption of 4G technology that will be seen as the catalyst of the mobile revolution.

UK smartphone penetration will reach 75% by the end of 2013
Ofcom

Global mobile data traffic will increase 13-fold by 2017
Cisco
The travel cycle of tomorrow

In the midst of this mobile revolution, the global travel and tourism industry is by its very nature especially ripe for change. Because travel is so on-the-go by nature, it’s little wonder that on-the-go technologies such as smartphones have the ability to prompt huge changes in tourists and tourism businesses alike. What’s more, because it’s the highly personal, subjective experience it is, travel lends itself perfectly to the use of social media. For these reasons, the next decade will see new trends and innovations making an impact right across the five phases of the traditional travel cycle.

Stage 1 - Dreaming

Inspiration and influence on the social web

The role of social media is intertwined across all five phases of the travel process. In the dreaming phase, it acts as an important source of inspiration and influence. As social media continues to evolve it will make it easier for users to tag and share all aspects of the travel experience. And, given that 92% of consumers say that they trust recommendations from friends and family above all forms of advertising, the social web will continue being an increasingly important platform for exchanging ideas and inspiring consumers’ choice of destination. To tap into this upper funnel phase, tourism businesses should consider developing a social media strategy aimed at inspiring groups of potential visitors and creating a snowball effect i.e. engaging with people to build a following who will influence their friends, who will influence their friends and so on. Instead of using social media as a sales tool, encourage interaction by posting photos, links to articles or competitions that will generate a reaction from your followers.

52% of Facebook users said their friends’ photos inspired their holiday choice

Four Pillars

48% of people use a mobile device for aspirational travel research

Expedia
Stage 2 - Planning

Tourists are influenced by other tourists

Once the decision to visit a destination has been made in principle, the next questions are “where will I stay and what will I do?”. To answer these, consumers are increasingly turning to the opinions of other tourists on travel review sites as a first port of call. Research conducted by BDRC Continental found that 52% of UK consumers trust online reviews to be an accurate reflection. The same survey found that a further 50% of consumers take as much notice of online reviews as they do star ratings for UK accommodation. Over the next decade, the functionality of travel review sites will grow alongside innovations in mobile technology and will become even more embedded in the planning stage.

Intelligent search

Anybody who has used the internet for holiday research – for finding the best deals, the best accommodation or the best things to see or do – knows that it is no easy task. However, with improvements in data processing technology expected in the next five years, we will see the development of smarter search engines which will be better at finding and comparing more complex queries. Amadeus predicts that in the near future, consumers will be able to ask a search engine to “find a seven day hiking holiday in South America, under a specific budget, including flights and accommodation, on specific dates,” and it will generate a wide range of possible itineraries and destinations, all reviewed by other tourists and travel experts. Access to this unprecedented level of intelligence will give consumers more power across all industries, not just tourism. The challenge (and opportunity) for travel providers will be trying to persuade and influence consumers at this critical researching stage. Search engine optimisation and digital advertising will continue to be important for individual businesses to stay competitive.

Travel planning is dominated by digital resources

<table>
<thead>
<tr>
<th>Resource</th>
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<tr>
<td>Travel review sites</td>
<td>69%</td>
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<tr>
<td>Online travel agencies</td>
<td>57%</td>
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<tr>
<td>Travel operator sites</td>
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<tr>
<td>Social media</td>
<td>24%</td>
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<tr>
<td>High street travel agency</td>
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Tripadvisor, TripBarometer (2013)

What planning?

Nearly a quarter of UK consumers are going on holiday without planning their accommodation and are then using their smartphones to book the hotel of their choice on arrival, according to research from Hotels.com. This is just one example of how mobile technology is already impacting tourism. Just a few years ago, all travel arrangements would have been set in stone prior to departure. However, the rise of mobile devices and apps means that consumers can be more spontaneous and can tailor their holiday to suit their needs while on the ground. It is envisaged that on-going innovations in technology will see more and more tourists planning (or not planning) their breaks on-the-go.
Slow but steady growth for mobile bookings in the short-term

In this digital age, reliance on online resources in booking travel is undoubtedly high – the tourism industry has already seen the impact of this with the decline of the traditional high street agent in favour of online travel agencies and independent booking. However, despite the technology being available, mobile travel booking has been slower to catch on and still significantly lags behind mobile travel research. So, whether it’s because of fears about security or simply having better functionality with a traditional mouse and keyboard, it looks like mobile technology’s impact on the booking stage will not be as revolutionary in the short-term. But with a growing number of mobile-optimised sites and enhanced search engines, industry experts expect to see mobile bookings nudge ahead of traditional channels by 2016. One area where we will see mobile make an impact in the meantime is the growing trend for on-the-go bookings as discussed on the previous page.

Staying one step ahead

While it may be another few years before mobile bookings really take hold, we will see more and more travel businesses (particularly accommodation providers) beginning to invest in mobile optimised versions of their websites to serve as an additional booking channel. The user experience on a mobile device is significantly different than that on a PC – navigating through an unoptimised website on a mobile device is a fiddly and frustrating experience and will increasingly be a turn-off to those who may have been willing to make a booking using their smartphone or tablet. That’s why a growing number of tourism businesses are staying one step ahead of the trend and investing in mobile optimisation. Simplicity is the key to boosting conversion rates. Consumers want a hassle-free experience and, with less space to play with on a smartphone screen, this means that copy needs to be limited to the most important pieces of information and the booking facility needs to be as clear and as straightforward as possible.

The collaborative economy

With consumers better connected than ever before, tourists are increasingly making travel arrangements via peer-to-peer networks. Individuals in other global destinations can sidestep the traditional booking channels to find a place to stay (e.g. Coachsurfing), find a place to park their car (e.g. Parkatmyhouse) or enjoy a home-cooked meal prepared by a local (e.g. Cookening). One such network, AirBnB, provides a platform for ‘hosts’ to rent unoccupied living space to guests. As of the end of 2012, four million guests worldwide had used AirBnB to book a night’s stay – a 400% increase in just one year. Impressive growth by any standards. Still, that’s not to say that these networks will replace hotel bookings or restaurant reservations anytime soon – but with technology making it easier for consumers to collaborate, it’s certainly a trend worth keeping an eye on.

Coming soon – more and more on-the-go bookings
Stage 4 - Experiencing

More than any other stage in the travel cycle, the travel experience is on the cusp of revolutionary change. It could be argued that we’ve seen some of the change in the other stages coming – for example, the influential power of social media or the rise or the growing popularity of on-the-go bookings – but it’s the travel experience itself that is undergoing some of the deepest and most rapid change. It’s all driven by two megatrends in the world of tourism – the need for and availability of 24/7 connectivity and the desire for authentic experiences.

Always-on technology

It is becoming more and more important for consumers to be connected at all times during their travels. The smartphone will become the ubiquitous travel companion giving tourists access to their passport, money, travel guides and reviews, maps, social networks and much more as mobile technology continues to develop. On a very practical level, innovations in mobile technology will help tourists to quickly find their feet in new surroundings. One such innovation will be the continued development of intelligent translation services. The industry is already seeing examples of tourism businesses making use of apps which allow tourists to translate signage simply into their native tongue. Experts predict that technology will eventually be able to translate what you hear while abroad into your native language. Will we see this technology by 2020? Probably not. What we will see more use of, however, is geolocation-based augmented reality apps. Put simply, visitors are able to look through their smartphone’s camera and see information about their current location (e.g. where the nearest restaurant or train station is). This technology has already been put in use by a handful of early adopters (e.g. Metro Paris). But like many innovations in the mobile revolution, it’s the mainstream adoption of 4G technology that will really drive it forward. With access to anywhere, any time and any amount of information, tourists will have even more power to tailor their travel experience to match their exact needs.

Enhanced experiences

Tourists no longer want generic package holidays – they increasingly want bespoke travel experiences where it’s all about the depth rather than breadth of experience. Mobile technology has reached the point where it can enhance and enrich these experiences – this is where we are seeing, and will continue to see, new trends and innovation. One such innovation is vision-based augmented reality apps which will continue to make a big impact on the travel experience at visitor attractions and destinations. Using their smartphone’s camera, visitors will be able to experience a place from a different perspective through photos, videos or sounds from the past or from a simulated reality. The Museum of London for instance has an augmented reality app called Streetmuseum which reveals the history of the spot you are standing on. Imagine visitors to Belfast’s Titanic Quarter being able to ‘experience’ the sights and sounds from a hundred years ago. Or imagine being able to see the Giant’s Causeway being formed from volcanic rock before your very eyes. Given the growing trend of tourists wanting to immerse themselves in the history and culture of the places they visit, apps like this will grow in popularity over the coming decade. Tourism businesses will have opportunities to capitalise on this trend and use technology to enhance their offering and, in doing so, attract and engage more visitors.
Sharing experiences with peers and other tourists has been an established tourism trend over the past decade, driven by the rise of the social web and online review sites such as TripAdvisor. Although the trend had perhaps began to dwindle in popularity in the past few years, mobile technology has breathed new life into it with users no longer having to wait until they get home to share their opinions, photos and videos – they are now increasingly doing it during their trip. Looking towards 2020, innovations in mobile technology will continue to drive this trend forward with social media and online review sites remaining the key stalwarts.

The role of online review sites

Online review sites, such as TripAdvisor, have ordinarily received a mixed reception from the tourism industry. Some tourism businesses have been quick to welcome feedback while others see it as a waste of time. But, as we have seen already in this report, consumers are becoming more and more socially connected and the opinions of others are becoming more influential and more trusted in the planning stage. And, as technology evolves and it becomes easier for users to review every aspect of their holiday, consumers will be more likely to share their opinions. For these reasons, it will continue to be important for tourism businesses to monitor, respond to and act upon feedback received through online review sites.

Recent times have seen reports of social media fatigue and the demise of Facebook and Twitter. However, what we are actually seeing is social media’s journey through the ‘trough of disillusionment’. All new technology undergoes this phase when it cannot meet its original heightened expectations and becomes unfashionable or a target for negative publicity.

With increases in connectivity and connection speeds, it is envisaged that social media will come of age in the next few years and its use in daily life will be more widespread than ever. One development that we are likely to see is the convergence of platforms on the social web. Users will no longer have to log onto separate platforms (e.g. Facebook, Twitter, Pinterest, TripAdvisor, Instagram, Google +) to connect with their social networks – they will be able to choose one single service that is able to connect with all others.

Innovations like platform convergence or location-based services (e.g. discounts for nearby restaurants) will make it common practice for tourists to share status updates, photos or videos while on holiday. When they do, they will inspire and influence others in their social network. And so the cycle begins again.
The tourism opportunity

We've seen how mobile technology will revolutionise the travel cycle. Visitors will be better connected to and greater influenced by other tourists. They will have an endless supply of information, available in an instant at the touch of a finger. They will be able to explore and experience new places like never before. But what opportunities will the revolution present to tourism businesses?

1) Real-time opportunities through social CRM

Tourists are increasingly connected 24/7 and can share their unique experiences via social media during a holiday in an instant, providing real-time coverage from a destination. Using a social CRM (customer relationship management) strategy, tourism businesses are empowered to retrieve background information (e.g. demographics, interests, preferences) about visitors and potential visitors as well as to identify and monitor social media conversations about their business, competitors or destination. This in turn means that tourism business can virtually create a ‘nervous system’ which picks up on dynamic changes in customers’ wants and needs and allows them to respond to opportunities (e.g. a group of tourists looking for something to do in your locality) on the spot.

2) Mobile payments

Driven by the rise of the smartphone, it is forecast that digital currency will replace cash in the next decade. Of course, for tourists, this will bring the benefit of not having to carry cash on holidays. But significantly for tourism businesses, it will offer another way of collating data for CRM purposes. Technology group, Amadeus, refers to this as collecting ‘digital breadcrumbs’ – a record of “who, when and where” which can be used for marketing promotions and customer profiling. What we are seeing here is the rapid growth of the ‘knowledge economy’ in the next decade – technology will give consumers more information and consequently more power than ever before. To counter this, it will become more and more significant for businesses to collect these ‘digital breadcrumbs’ (from social media and mobile payments alike) in order to remain competitive in the marketplace.

3) Enhanced engagement

Rapid advancements in augmented reality and game-based apps will give tourism businesses a platform to create unique travel experiences and drive customer engagement. As such, more and more tourism businesses will allocate a larger proportion of their advertising budget to app development as opposed to traditional media. And although more businesses are venturing into augmented reality, it is still widely under-utilised in the field of tourism. Some of the most innovative uses to date include: providing virtual tours or other additional content to users who look at print ads through their smartphone; using digital storytelling techniques to educate visitors (e.g. to bring artefacts back to life in a museum); developing games to encourage tourists to explore destinations in a new and entertaining way; and reliving historic events.

Mobile payments – a key tool for data capture

Museum of London takes visitors back in time
Northern Ireland’s mobile revolution

The mobile revolution will transform the travel experience in every destination throughout the world. Northern Ireland is no exception. The local industry will have to keep moving to stay one step ahead of technological advancements and changes in consumer behaviour. This will pose a challenge to all – but the good news is that local businesses are supported by strong ICT and digital sectors in Northern Ireland and are already showing positive signs of being able to meet the challenge head on.

Northern Ireland has a strong record of staying at the forefront of communications technology, which is why companies such as NYSE are investing – they can communicate with New York faster from Belfast than they can from other parts of the US. The UK government is investing almost £14 million to make Belfast one of the first super-connected broadband cities by 2015. In terms of 4G connectivity, the EE network is already available in Belfast and is rolling out to other towns and cities by the end of 2013, when it will be joined by O2’s offering. This forward-thinking development is good news for the tourism industry. Visitors will be increasingly on-the-go in nature and will expect superfast connection speeds to make use of augmented reality apps and other new innovations.

Northern Ireland also boasts the youngest and fastest growing population in Europe and is known globally for its highly qualified ICT workforce. The sector is made up of over 700 companies in the ICT sector, 100 of which are international investors. Employment of IT professionals in the run up to 2020 is forecast to grow three times as fast as the Northern Ireland average. The creative and digital sectors, too, are flourishing. For the tourism industry, this access to local talent and expertise on the doorstep will help keep it at the forefront of innovation. Tourism businesses may consider linking up with local universities and further education colleges in this regard.

There are already numerous examples in the local tourism industry of investment in new technologies to stay ahead of the game. Towns and villages – such as Portrush, Downpatrick, Newcastle and Ballynahinch – have recognised the demand for 24/7 connectivity and are promoting free wireless networks as a hook to attract more visitors. Other local bodies – such as Fermanagh Lakelands, Visit Cookstown and Magherafelt District Council – have developed apps to encourage visitors to explore more through the provision of tourist information and storytelling videos. Some have even taken strides into the realm of augmented reality and game-based technology with apps available for attractions such as The Siege of Derry, Downhill Desmesne and Dunluce Castle to name but a few.

Downhill Desmesne’s ‘History Space’ app has been developed by University of Ulster’s Centre for Media Research in conjunction with Belfast-based digital agency, Big Motive. The app uses augmented reality to provide visitors Mussenden Temple and Downhill Desmesne with new forms of interpretive content that will engage and immerse them in the history of the site. With the use of game-based technology, visitors can virtually act out stories to understand what it would have been like to live at Downhill in the 18th century. As part of the game, users have to find ‘doorways’ and then use gesture recognition features of their smartphone to physically gain access to specific items of digital content. For example, standing at the edge of the lake, the visitor can use their smartphone to make the gesture of casting a line and, in doing so, unlock a story about the history of the lake.

Impressive stuff – with the pace of change, just think of what will be possible over the next decade.

Is the History Space app a sign of things to come?
Tips for getting involved

As identified in this report, the mobile revolution cannot be underestimated and should not be ignored. Change is taking place at an unprecedented rate and it will get even faster and more transformational when 4G is adopted into the mainstream in 2016. For tourism businesses, that means there’s still time to shape – rather than await – the future. The following tips offer practical advice on how you can begin to get involved.

Get familiar

Don’t jump in without having a thorough understanding of new technology and how it could benefit your business in the short-term, medium-term and long-term. Innovations are happening at lightning speed – not all will be worth investing in.

Top tips

Spot the winners – certain technologies go hand-in-hand with consumer behaviour and are therefore less likely to become obsolete. The social web is one such example.

Ask an expert – consult with NITB’s Industry Development team or Invest NI, universities, further education colleges and companies in the ICT and digital sectors before investing in new technology.

Know your market – keep an eye on research and intelligence published by Northern Ireland Tourist Board to stay abreast of new trends and developments.

Keep visitors connected

Smartphones are already an essential part of daily life. For tourists, they are a godsend, enabling them to do all sorts of things from finding the nearest train station to translating and everything in between. As their functionality increases even further, tourists will want to have wireless connectivity wherever they go.

Top tips

Offer free wi-fi – currently seen as an added perk but may soon be seen as a core requirement. Visitors from out-of-state in particular appreciate free wi-fi as it prevents them from incurring costly roaming charges.

Keep an eye on the roll out of 4G – 4G will be essential for supporting new, exciting innovations that require higher connection speeds. As competition increases, look out for offers and promotions and decide when it is best to invest.

Provide free charging stations – smartphone battery life is always a problem. Help ease the pain by enabling your visitors recharge at your premises.

Smartphones have changed the world we live in
Building connections

Mobile technology is giving brands and businesses so many ways to connect with consumers in an instant through the use of social media, online review sites, mobile apps, blogs and mobile optimised websites. Different mixes of these tools will work well for different businesses and different audiences. Experiment and find out what works best for your business and consumers.

**Top tips**

**Encourage interaction** – consumers won’t engage if your social strategy is too sales-focussed. Build a following by posting questions, tips, inspiring photos or interesting links that will get a reaction from the audience.

**Keep on top of it** – consumers need their concerns to be addressed in an instant and they want to feel that their feedback is valued. Manage your social web to ensure that engagement opportunities are not missed.

**Capture your data** – mobile technology gives consumers more power, more choice and more flexibility than ever before. What does it give you? Data. Ensure that you use it to build up information about and gain insights into your consumer base.

**Rejuvenate and refresh** – keep your digital strategy up-to-date by continuously updating content and removing anything that is no longer relevant.

Mobile matters

Consumers are increasingly using their smartphones for the travel research and planning stages and will become more and more likely to use them during the booking stage too. Investing in a mobile optimised version of your website will encourage smartphone users to explore your site more fully, which will increase the likelihood of them being inspired by your offering, which in turn will encourage more bookings.

**Top tips**

**Keep the layout simple** – users will not browse if it’s too complicated.

**Ensure messages are concise and to the point** – if users are reading on a smartphone, they’re likely to be multitasking or on-the-move.

**Test, test, test** – test your mobile site on a variety of devices to make sure you catch any differences between operating platforms.

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