



WHITEPAPER

HARNESS THE POWER OF MOBILE MESSAGING

DRIVING CUSTOMER
ENGAGEMENT IN THE
TRAVEL & HOSPITALITY
SECTOR

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EXECUTIVE SUMMARY

The world of travel and hospitality is changing rapidly, bringing with it new challenges for marketers. Choosing the best way to communicate with your customers, within budget, and with the ability to measure ROI, are critical to ensure effective consumer engagement.

You need innovative ways to engage with and influence your customers' preferences — and you need to be able to do this anywhere, anytime. It's important to identify communications channels that are cost effective and guarantee the best response rates. The travel and hospitality sector is a truly global industry, so you also need to take channel scalability and reach into consideration.

Today there is no technology that has greater global reach, and plays a more personal role in our lives, than the mobile phone. This makes mobile handsets a unique channel to engage with customers.

The fast developing mobile advertising industry has moved on from its experimental phase, and many brands are now spending significant sums on mobile campaigns. According to estimates from eMarketer, mobile advertising spend will surpass \$100 billion in 2016 and account for more than 50% of all digital ad expenditure for the first time¹.

Mobile messaging drives this new wave of mobile customer engagement, bringing new and innovative opportunities for you to reach and engage with your customers. While there are a number of mobile marketing solutions available, there are very few companies operating in this environment that are able to meet the stringent service level agreements required by global companies. Even fewer mobile marketing companies manage their own carrier-grade signaling network, optimized for mobile messaging delivery, with the ability to reach customers across national or international borders.

WHY USE MOBILE MESSAGING AS A CUSTOMER ENGAGEMENT MEDIUM?

As early as 2009, Mark Cohen, the New York Times journalist said “Mobile text messaging, the same 160-character dispatches first popularized by nimble-fingered teenagers, may be the closest thing in the information-overloaded digital marketing world to a guaranteed read.”

Mobile messaging is one of the few communication channels that's always on and directly engages an individual. In fact, 90% of 18-29 year olds in the US sleep beside their mobile phones and are ready to read messages or answer calls 24 hours a day.

Mobile is unlike any other channel for customer engagement, offering marketers direct access to their audiences. And mobile messaging adds another layer to this unique relationship — it is instant and personal, but not intrusive. Customers can choose when to read and respond to messages and, unlike a voice call, they don't interrupt the customer's day. Mobile customers are more likely to have positive experiences with a brand that can directly engage with them without demanding their instant attention.

Businesses across many sectors understand this and are using mobile messaging to send information quickly and efficiently straight into the hands of their customers and employees. It is a fast, reliable and efficient communication channel that matches the behavior of today's mobile customers.

THE ADVANTAGES OF MOBILE MESSAGING

REACHABILITY

The ability to engage with your customers wherever they are makes mobile messaging the ideal solution for distributing information. Whether that information is a registration confirmation, a time-sensitive campaign, an authentication code or a service update, mobile is the ideal channel for messages that demand immediate delivery.

For developing markets, the challenge of reaching and engaging with customers is significant. Thanks to rapidly growing mobile penetration, mobile messaging provides immediate access that can be more targeted than online campaigns or traditional marketing channels. In the case of targeted advertising, if you wish to focus a campaign on a particular demographic it's possible to achieve highly targeted segmentation (e.g. females; age 18-30; living in the area of Delhi).

INTERACTIVITY

Mobile messaging is an interactive medium, where time sensitive messages can be sent and responses can be tracked to enable active customer potential to be assessed. Due to its contextual character, mobile messaging enjoys higher response rates in comparison with other media:

- 91% of mobile phone owners use their device for SMS² — it's a familiar medium for customers
- 98% of SMS messages are opened³ — customers consume the content
- 94% of SMS are read within 5 minutes of being received⁴ — timely customer interaction

RELIABILITY

Mobile messaging is a secure technology making it possible to build delivery guarantees into a service level agreement. Messaging delivered by telecom network operators can be traced through to the termination point.

EXCLUSIVITY

You can build exclusivity into mobile marketing, pushing offers and information to mobile subscribers that only they will have access to — thus increasing loyalty, purchase response and speed of response. The nature of the mobile messaging allows you to deliver time specific offers, to generate immediate responses.

MULTIMEDIA

Mobile messaging can be used as a cross-media tool combined with television, online, radio or print campaigns. Mobile messaging can be used to measure the effectiveness of campaigns across all marketing channels, making it a very useful element within the marketing mix. It is a measurable communication channel able to deliver a high return on investment with low capital expenditure.

EFFICIENCY

Mobile messaging is cost-effective. Instead of spending significant sums of money on multimedia advertising campaigns — which may not be easily measurable — mobile messaging enables you to reach your customers directly and cheaply, through a highly measurable medium.

INTEGRATING MOBILE MESSAGING INTO THE TRAVEL & HOSPITALITY MARKETING MIX

MARKET RESEARCH:

For messaging services like voting and polling, the mobile channel is an excellent facilitator for collecting market information. Mobile messaging can help researchers across public relations, assessing interest in new services, affiliate offers, direct and viral marketing. Research benefits from audience reachability and interactive communication exchanges.

And the mobile channel also makes it simple to segment audiences and capture customer responses to targeted and precise questions.

TARGETED, PERSONALIZED, CUSTOMIZABLE AND ACCESSIBLE ADVERTISING:

Mobile messaging is a highly effective channel for advertising and promotions. It encourages customer participation, providing direct access to target groups with the ability to customize messages by language or regional requirement, and it guarantees reach to customers anywhere and anytime. Mobile messaging helps increase sales, as well as consumer satisfaction, thanks to its immediate delivery advantage — making it the perfect tool to create and disseminate time sensitive promotions.

REMINDERS, NOTIFICATIONS AND INVITATIONS:

Mobile messaging provides direct customer access and ensures that messages are delivered and read at the right time. Moreover, mobile messaging provides a two-way communications channel — ideal for confirmation or changes of reservations. It can be used to remind people about particular actions, or to invite them to attend special events.

TIME SENSITIVE CUSTOMER SERVICE ALERTS:

The fact that people keep their mobile phones with them almost at all times, makes it an immediate channel of contact in case of service updates, changes and confirmations. Notifications can be sent to customers to reduce calls to the contact center or to relieve agents at service desks.

CONTEXT-BASED TARGET MARKETING:

Mobile messaging can be rapidly customized to suit any situation — messages can be adjusted right up to the last moment before sending

LOYALTY BUILDING:

Mobile messaging helps you develop an on-going and consistent relationship with your customers. It's the ideal channel to communicate with large numbers of customers, and has the advantage of high readability of messages.

INTEGRATING MOBILE MESSAGING FOR MARKETING AND CUSTOMER SERVICE

Mobile messaging provides a perfect marketing-mix component, as it can be used to measure the effectiveness of all the marketing channels in operation. It can also be used as a component of the service experience itself.

There is a continuing trend for increased customer engagement and interactivity, in an industry that requires changes and updates to be made to customer arrangements in near real-time. With mobile messaging, notifications can be sent quickly and pro-actively.

Travel and hospitality companies can create new revenue streams through revenue share agreements with mobile communications service providers, using mobile messaging as a means to encourage user engagement. Mobile messaging is far more inclusive than most other media for this purpose. In developing countries, the likelihood of access to a mobile phone without a data subscription makes it all the more valuable to use conventional mobile messaging as the means to enable customer engagement and interaction.

Mobile messaging can also be used to confirm and authenticate services and payments. It can be used to complete transactions in real-time for services. And it is a cost-effective tool for service notifications, change notifications and associated customer service activities, helping to deflect calls from the contact center or desk agents.

INTEGRATING MOBILE MESSAGING WITH CONTENT SPONSORSHIP

New models are emerging to redefine the way that content is paid for. This concept can be broadly referred to as sponsorship based. Sponsored data content provides access to content for free for the consumer, while the sponsoring party pays the usage. The sponsor can be an airline, a hotel, a restaurant, a car hire company or an online travel portal.

It might seem counter-intuitive for the consumer of a service to receive that service for free, but it is important to consider this in the broader context of media distribution. In the case of tablet devices or smartphones, consumers may want to access an app, but are concerned about using their own mobile data allowance.

Sponsored data enables them to access content without incurring any data cost. It represents an opportunity to advertise content with the likelihood of a broader distribution of content, leading to a larger audience interaction.

For mobile users it means that advertising is not using up their data allowance. For those owners of smartphones with no mobile data subscription, it ensures access to services, which would otherwise be unavailable to them.

In both cases, sponsoring this sort of data for mobile devices is an effective way to promote services and engage with customers. An integrated campaign that pushes a mobile message to a user — with an embedded URL to access and view the sponsored content — provides both an effective promotion and a means of engaging with a customer, who might not otherwise have access to view the promotion.

STRATEGIC RECOMMENDATIONS FOR MARKETERS

BUILDING YOUR MOBILE MESSAGING SOLUTION PROPOSITION

Mobile messaging-based marketing and customer service is a highly cost-efficient mobile medium, providing a reliable communications channel linking your business with your customers. It provides an extra dimension to your marketing mix, enabling customer engagement and customized message delivery. Mobile messaging brings together cross-media campaigns with enhanced interaction and engagement.

But how can you use it to your advantage? How can you include mobile into your marketing mix to support your overall objectives? And how can campaign effectiveness be measured?

To answer these questions requires a back to basics approach to mobile marketing strategy. Obviously mobile messaging will not work if you do not have your customers' mobile phone numbers, so this information needs to be included with customer details in the CRM system. Also, customers in most countries need to have 'opted in' to receive information and marketing promotions. It is a necessary step but, once resolved, you will benefit from a highly targeted group of opt-in customers with an active interest in your business and your services.

In some cases you may want to reach prospective customers as well as existing customers. For this, you can obtain demographically profiled mobile databases from mobile operators or large media organizations.

Mobile messaging production costs are low compared with traditional media, so developing and testing your marketing strategy is cost-efficient. Mobile messaging can help build your profile and reinforce your online branding and presence through inserting your URL in the messages you send. This drives customers to your website for further interaction, in addition to their engagement with the mobile message itself.

Mobile messaging is particularly good for personalizing messages to individual customers. You might think that the 160 character limit is a restricting factor, but considering the popularity of Twitter, it could be an opportunity. Your customers are often on the move, and have limited time or attention spans. Providing valuable information in a short and succinct way is therefore advantageous.

The nature of the travel and hospitality business means that mobile interactions with your customers are often highly time sensitive. The timing of your alerts and campaigns is critical — messages will have the greatest impact when the consumer most needs that information from you. That's why the flexibility of the mobile communication channel is so important. Mobile messages can be sent and received within seconds, allowing you to generate higher response traffic — particularly in the case of special events, last minute deals or service notifications.

You have to decide the main objective of using a particular channel. Mobile messaging provides highly targeted, measurable tracking possibilities. Measurement of indicators like recall, message association, awareness and intent to buy are critical criteria. Mobile messaging also provides you with a way to study the cost associated with customer contact, interaction and acquisition.

For pure promotional activity you can use mobile messaging in conjunction with assessment of revenue uplift, market share movements and the cost of consumer participation, versus traditional channels. It enables you to communicate the right message, at the right time and to the right audience. With this specific capability in the marketing mix, you can use mobile messaging to plan your integrated mobile marketing and customer interaction strategy with confidence.

SUMMARY: BENEFITS OF MOBILE MESSAGING FOR CUSTOMER ENGAGEMENT

- **Cost efficiency** – mobile messaging presents cost benefits compared with other media
- **Interactivity** – mobile messaging enables a dialogue with your customers
- **Anywhere/anytime customer reach** – the mobile handset is always with the customer
- **Personalization** – mobile messaging is effective for one-to-one communication with individual customers
- **Great viral marketing tool** – enables the fun-factor and enhances response rate
- **Easily targetable** – specific messages can be designed based on customer profiles
- **Analysis** – mobile messaging allows in-depth analysis of usage, response and cost
- **Familiar technology** – any consumer age group is familiar with mobile messaging

HOW TATA COMMUNICATIONS CAN DRIVE MOBILE CUSTOMER ENGAGEMENT

Tata Communications **Mobile Messaging Exchange** is a dedicated A2P mobile messaging hub, with access to global, quality messaging routes. It makes the most of Tata Communications' own commercial relationships with hundreds of Mobile Network Operators (MNOs) and delivers A-Z network reach.

Mobile Messaging Exchange is simple:

1. You buy capacity to terminate SMS into mobile networks from Tata Communications.
2. Tata Communications provides comprehensive rates for each network, and rate change notifications with advance notice.
3. You connect via Mobile Messaging Exchange and send A2P SMS to Tata Communications for agreed destination network termination.
4. Online reports detail all terminated and delivered SMS.
5. Tata Communications raises an invoice based on the number of SMS messages sent, and rates agreed, at the end of an agreed cycle.

Adopting Mobile Messaging Exchange for A2P messaging means working with a single party and trusted super aggregator. It's easier to secure access to global routes, and gives you commercial flexibility through a variety of payment options that include per SMS charging, as well as pre-paid and post-paid charging models.

You can choose per destination pricing and send to as few, or as many destinations as required. There is a three-day standard price change advance notice, as well as fixed duration price options, offering pricing stability as required.

Tata Communications manages its own signaling network, providing direct, global destination reach and quality routing and termination, maximizing its own MNO relationships as a trusted service provider. Mobile Messaging Exchange offers a transparent, A2P mobile messaging only business model, with no blending of P2P and A2P traffic.

Tata Communications has established direct signaling connectivity with around 300 MNOs for conversion into direct termination agreements. It extends its global connectivity via peering agreements, ensuring all licensed MNOs are reachable. Well-established relationships with hundreds of global MNOs mean reduced time to market, to get your mobile customer engagement activity up and running quickly.

Complementing Mobile Messaging Exchange is Tata Communications **Sponsored Data Exchange**, which is a similar two-sided market model. Tata Communications purchases data usage capacity from MNOs and then 'sells' this capacity to content sponsors, allowing sponsors to send content directly to mobile customers – subsidizing the cost of the usage. This is an ideal platform to advertise new services and reinforce your relationship with your customers.

¹ Source: KPCB, Internet Trends 2015 - Source: [eMarketer, 2015](#)

² SmartInsights, 2013

³ Frost & Sullivan, 2011

⁴ OfCom (UK), 2012

For more information, visit us at www.tatacommunications.com

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