

Mobile marketing and advertising strategies in tourism and hospitality industry

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Abstract

Mobile marketing and advertising using mobile devices becomes an important factor in creating of marketing strategies. Without a mobile marketing and mobile advertising strategy, tourism and hotel businesses will miss out this growing consumer trend. This study investigates mobile marketing and advertising strategies as a marketing channel used for promoting tourism and hotel products and services. An increasing number of tourist destinations use new technology and solutions to promote their tourism products and services. This paper defines the role of mobile marketing as new strategies for promoting tourism products and services; it examines their advantages and disadvantages, the impact of mobile marketing on the tourism supply and demand, as well as the estimated future development of this channel. Furthermore, the paper analyzes mobile applications as a new tool to promoting and advertising tourism and hotel products and services. Since the amount of mobile devices constantly increasing, mobile applications can be a key point to sending immediate messages to consumers at the right time, in the right place. The findings in this paper may be useful in developing mobile marketing strategies in tourism and hospitality industry. Mobile marketing still has growth potential as technological development never stops and that will completely change the traditional and conventional types of advertising.

Keywords: mobile marketing, advertising strategies, mobile applications, Tourism and Hospitality Industry

INTRODUCTION

The growing power of the Internet, mobile technology and smart phones has offered new advertising forms in tourism and hospitality industry. Marketing theory and practice have changed significantly in the past ten years. Technological changes are strongly influenced by the behavior of consumers and customers, which marketing expert is a major challenge in designing marketing strategies. Marketing experts today must develop new strategies and tactics that will be implemented in a modern environment. Internet access via mobile devices registered growing popularity. Tourism and hotel companies that have recognized the importance of choices for advertising via mobile phones at a faster and easier way can reach to your guests.

Technology has enabled companies to efficiently gather information about consumers in the growing tourist market as well as business partners and guests. Customizing guests is taking the initiative to adjust bid the market, and adapting requirements of guests' hotel and tourist company enables consumers to create their own design and offer. The new technology today enabled mobile communication that is independent of space and time in which the economic operator and potential guests located. Mobile phones have become an integral part of our lives as confirmed by the results of numerous studies that show that people are more accepting of mobile devices than they are choosing to use the computer. Communication via mobile devices is a precise and favorable as well adapted to the needs of potential users and guests. This creates the unique quality of the relationship and adapts promotional activities of the company.

Mobile advertising has more significant role in the promotion of tourism. There are a growing number of people who seek hotels and restaurants on mobile devices, and even the moment they land at the airport. Although companies are still spending huge budgets for advertising on television, radio, print, and something on the web, those who want the most return for the money invested should focus on mobile advertising. Although still in its infancy, mobile advertising has enormous potential and is one of the fastest growing new advertising tactics, which recognizes more and more companies. Globally, large corporations have already started to fight for supremacy in the mobile field, considering that more and more content is consumed 'on the go' via mobile phone. According to eMarketer (eMarketer, 2013), it is estimated that the budgets for mobile advertising to increase with an 8.4 billion spent in 2012. to nearly \$ 37 billion in 2016. The biggest profiteers should be usual giants such as Google, Apple, Microsoft and Yahoo, but this is a great opportunity for other players to prove themselves and take as much of the advertising pie. The above figures speak of one of the fastest growing markets in history, so it is necessary that the hotel and tourism companies recognize the great potential of providing mobile devices and advertising via mobile devices, which have become a "must have" and are increasingly being used in the promotion of tourism products and services.

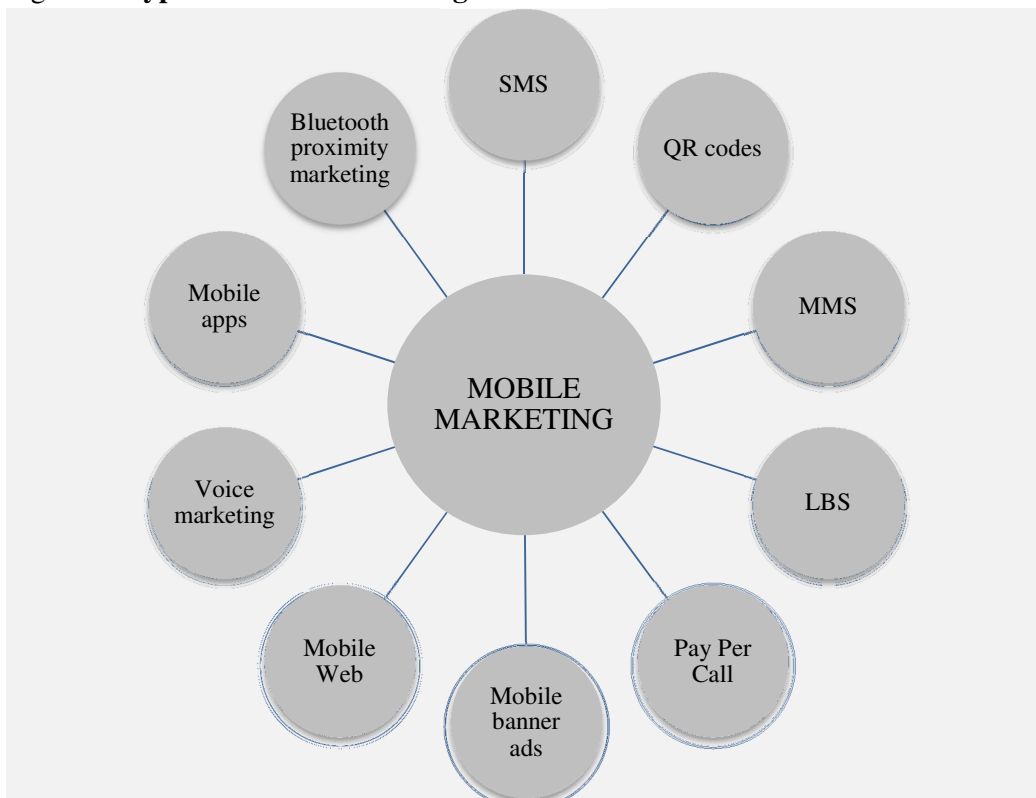
MOBILE MARKETING IN TOURISM AND HOSPITALITY INDUSTRY

Tourism and hospitality industries are branches of industry for which it is not necessary to emphasize the importance of mobile technology and mobile marketing for their business. With more than one billion smartphones in use in the market today (Business Wire, 2012), the tourism and hotel industry should not drop the advantages provided by mobile marketing in terms of placement information and finally sales. The fact that the mobile device

is always with her owner is very important from the perspective of advertisers and brands that exist on the market. It is a new marketing channel that enables simple and fast two-way communication between brands and consumers, no matter what time of day and location of the consumer at that moment. Furthermore, with the possession of an appropriate database of permanent guests, there is great possibility of targeted advertising in relation to their demographic data and consumer habits. In addition to the above, mobile marketing is cheaper and easier for the preparation, implementation and monitoring of efficiency.

Depending on the basic goal of marketing campaigns there are different types of mobile marketing and these include SMS (text) marketing, mobile web and Bluetooth proximity marketing, MMS, mobile applications, PPC mobile marketing, mobile banner ads, Location-based marketing, voice marketing and QR codes (see Figure 1).

Figure 1: Types of mobile marketing



Source: author

Here will be explained some types of mobile marketing channels that can be useful for tourism and hospitality industry, depending on their target audience preferences (Rayfield, 2010):

- **SMS**(short message service): Advertisers can send relevant marketing messages in form of texts;
- **MMS**(multi-media message service): Marketing messages that utilize multiple, rich media elements such as images, video and audio;
- **Mobile Applications**: apps are a good way to connect with consumers, as they can be easier to use than the mobile web. Some apps allow for adverts within the applications design too;

- Bluetooth Proximity Marketing:utilizes Bluetooth to connect with a marketers broadcasting station and station is programmed to automatically deliver content to the consumer's phone. It automatically authenticates its make and model and sends the content;
- Location-Based Marketing: Delivers multi-media directly to the user of a mobile device dependent upon their location via GPS technology;
- QR Codes(quick-response barcodes): Allows customers to quickly learn more about a business, by visiting a mobile version of their business page on a mobile phone that is enabled to scan the bar code;
- PPC (Pay Per Call) Mobile Marketing: These are usually advertisements that require the customer to perform a certain action like making a phone call usually with the provided number that the ad gives. If the customer makes a call to that number they are then billed;
- Voice Marketing: Voice broadcasting calls numbers from a computer managed list and plays a pre-recorded message to the customer;
- Mobile Web: Having a mobile friendly version of your website is increasingly important as more and more people start to use their mobiles to search online;
- Mobile Banner Ads: Like standard banner ads for desktop web pages but smaller to fit on mobile screens and run on the mobile content network.

As you can see there are lots of ways into mobile marketing. Mobile web and banner ads are good for finding new customers, whereas SMS marketing and MMS are great for interacting with your existing client base and directing them to your mobile site or apps.

In the coming years a major trend in this industry will represent the advertising via social networks on mobile devices. In other words, the potential of this market is really huge and leaders in the tourism and hospitality industry are slowly becoming aware of it.

MOBILE ADVERTISING VIA SOCIAL NETWORKS

Social networks have become an integral part of the lives of most people who can no longer imagine life without them. And while they use social networks to communicate with friends and colleagues, to like and tweet, they tend to forget that these same networks could be used in business. Despite still being somewhat of a mystery to managers, social networks should be placed, this very day, in the centre of communication with clients/guests of the future. Because social networks can be used free of charge, they are becoming an excellent channel for mobile advertising and promoting activities in tourism. The free use of social networks is opening up numerous opportunities for advertising Web sites or businesses, or for having a presence on the Internet at no cost. In the tourism sector, this refers to opening profiles that will provide information and help promote business, rather than joining a network for fun.

What are the advantages of free social networks? You can (Marketing 2009):

- Promote your business to thousands of users at no cost whatsoever.
- Connect with people who mean something in your region and meet potential clients/partners.
- Receive instant feedback about your products or services.
- Increase the weight of your business name through your on-line presence.
- Build a fan network that will help to promote your products or services.
- Acquire important hyperlinks to your pages, which will help you in Google's PageRank.

In the tourism industry, social networks are seen as an enormous challenge, which will, according to the predictions of many analysts, bring about radical changes to the image of the industry in the future. In the opinion of experts, although social networks are not the only channels through which users can obtain information and book travels, they are becoming increasingly important for communication during travels. This is demonstrated by the fact that in 2011 more than 55 per cent of travellers in the world used Facebook, which is clearly the most widespread network in this sense (Miščančuk 2012). At the global level, analysts agree that the connection between social networks and travel is still in its early stage. Destinations and companies should seek to foster the development of this connection by investing considerable resources in marketing activities on social networks and by reinforcing the trust of users, because credibility and reliability are still critical in this area. According to ITB Berlin, the world tourism and travel industries are today spending only small amounts on marketing through social networks and via the Internet, amounts estimated at ranging from below 10 per cent to 25 per cent at the most of overall resources for promotion and advertising.

Business people and managers should learn all they can about social networks and then select one or more networks that meet their needs and wants. They should also exploit the advantages of the network or networks selected, such as low costs, the speed of communication, and feedback from clients and users. Today, the presence of companies and institutions on social networks, such as Facebook or Twitter, is no longer a matter of choice, but rather a matter of need. If they want to continue selling their products and services, the hotel and tourism companies will need to get even closer to the customers using social networks. The number of active users is growing by the day. Table 1 clearly presents the current situation.

Table 1: **Social networks**

Facebook	Twitter	LinkedIn	YouTube
over 1 billion active users	250 million active users	150 million active users	800 million unique users
1.5 million active users in Croatia	20 thousand active users in Croatia	150 thousand active users in Croatia	
55 minutes: the time each person spends on Facebook daily			3 billion videos are viewed each day
600 million mobile users / 700 000 in Croatia		Used by 90% of recruiters in hiring people	

Source: adapted according to www.socialnumbers.com (Accessed 15.02.2013)

The idea of having 1 billion people present in one place should be highly incentive for any company. However, due to reasons unknown, this has not been the case in many companies. In most companies, the problem is how to even start a conversation with customers/consumers. The greatest obstacle companies' see in social networks is their openness. The traditional business culture, in which information is shared on a need-to-know basis and among key people, is not suited to the culture of free sharing of information and knowledge, in which all interaction is out in the open for anyone to see or hear.

Communication via social networks must be authentic and consistent, and the approach, open and honest. It is impossible to supervise a virtual world, and mistakes cannot be hidden.

Despite the many benefits that new technologies and social networks generate, they are still not being used to any sufficient extent in advertising or they are being embraced at a very slow pace. Because today's users are growing immune to conventional methods of advertising and communication channels, companies need to turn to the social media (Facebook, Twitter, LinkedIn...) if they want to reach their target audience.

MOBILE ADVERTISING STRATEGIES

Mobile marketing and advertising is about the use of cell phones and other mobile devices to market a brand or a message. It is an emerging form of marketing that can play a powerful role as part of an integrated marketing strategy. In comparison with traditional methods of advertising, the main advantage of mobile advertising is that it can reach the target customers anywhere anytime, in order to promote the selling of tourism products or services (Karthikeyan and Balamurgan 2012). If hotels don't have a mobile strategy - they need one. There are almost endless possibilities for communicating with mobile guests, but their business needs to adopt a strategy to be successful. It goes beyond simply identifying all possible revenue and service touch points. They need to understand guest preferences for interacting with their brand and what they expect in return. Mobile guests are maturing quickly and have high expectations.

Mobile advertising revenues are growing every year but tourism companies and advertisers are still spending much less on mobile compared with the amount they spend on PC/desktop, TV, print and radio (see Table 2).

Table 2: **Mobile advertising revenue by region, worldwide, 2010-2015**
(millions of dollars)

Region	2010	2011	2015*
North America	304.3	701.7	5,791.4
Western Europe	257.1	569.3	5,131.9
Asia/Pacific and Japan	868.8	1,628.5	6,925.0
Rest of the World	196.9	410.4	2,761.7
Total	1,627.1	3,309.9	20,610.0

Source: "Global mobile statistics 2012 Part C: Mobile marketing, advertising and messaging", <http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats/c#mobileads> (Accessed 05.02.2013)

*forecast

According to forecasts of the Table 2 it is shown that the revenue from mobile advertising will increase drastically. Tourism and hotel companies should be able to recognize the importance of this type of advertising, without which the future of advertising is unthinkable.

Mobile advertising is one of the most important elements of integrated marketing communications. Advertising can be used to create images or associations and brand positioning in the minds of consumers. The advertising strategy is based on several factors, including the identification of the target market, the key problem or issue of advertising, definition of key ideas, as well as creating and positioning of the advertising message.

Observed from the angle of marketing experts, advertising messages is a way to present the message about the product or service in order to solve certain problems and meet the needs and achieve goals. The media plan as part of the advertising strategy represents the best way to send a bulletin to the tourist market.

The biggest obstacle in the business world is the inability of users to access information on the move. The solutions of this problem are mobile applications. Mobile application designed for users on the move. Provide access to desired information regardless of where the user is located and thus greatly facilitate the work. In some cases, the user does not require access to the Internet; it is possible to make any modifications locally. Mobile applications are an exciting new medium that can be used to attract potential customers while on the move. Google Mobile Ads appear on mobile devices in Google search results, on content websites and in apps. Hotels can use them to put your own business in front of people as they use their phones and tablets throughout the day. AdMob is a platform by Google Corporation. It is the first choice of mobile application developers because it is one of the most trusted mobile advertisement providers.

Furthermore Apple has developed an advertising platform called iAd. It is Apple's native advertisement platform, which provides ease in earning advertisement revenue through apps created for iGadgets.

Mobile web is expected to grow significantly and will offer new opportunities to promote hotels on the Internet. With smart investing and developing mobile web can capitalize on mobile users because if they offered specific tourism product or service they are looking for, it increases the ability to sell, and at the same time achieves the satisfaction and loyalty of customers / guests. Website that is not specifically adjusted to mobile users drastically reduces the potential ROI (return of investment) if the hotels have a service that targets on the mobile audience. Once the mobile website is live, hotels can promote it through a variety of channels based on their budget and characteristics of their target audience.

CONCLUSION

All companies including those in the tourism and hospitality industry realize that today is a necessity to realize some form of presence on mobile devices. Mobile applications and mobile advertising are definitely a right way of achieving that kind of presence. For successful business of hotel and tourism companies in the increasingly demanding tourist market, it is necessary to consider new ways of promotional activities and new forms of communication with guests. The presence of mobile devices and communications with guests is just another form of how will hotel company better approach to the target group on the tourist market. If the hotels want to get closer to its guests, they need to constantly monitor trends in an increasingly demanding and rapidly growing tourism market and to adapt to the development of new technologies in order to achieve competitiveness. Those hotels that have recognized the importance of mobile advertising will certainly record higher business result.

With over a billion users of smart phone mobile advertising will play an increasing role and importance. Due to the huge increase in sales of these devices, which are gradually becoming a replacement for desktop and notebook computers, advertisers are finding new places to promote their services and products. The future of advertising and marketing activities is certainly on mobile devices, which confirms the growing number of mobile marketing

campaigns. Furthermore, it is necessary to recognize the importance of social networks and their role in communicating with the guest in order to obtain real-time feedback from him. There are other ways of advertising via mobile devices (mobile video) that would mark the year ahead. Although this is only the beginning of the era of mobile advertising, will be interesting to see over the next few years, how quickly will develop mobile marketing due to the fact that sales of these devices skyrocket.

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