Travel Technology Initiative
- Challenging the status quo

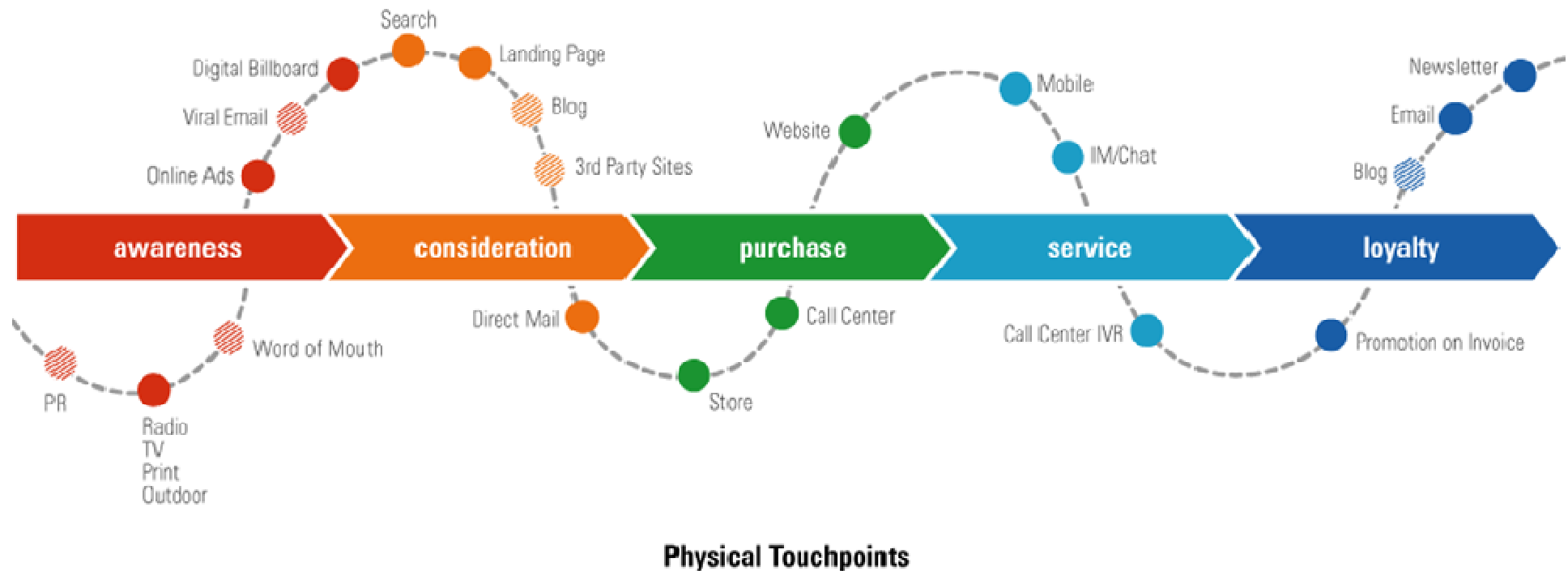Russell Gould

Ex Managing Director

E-Strategy Consultancy

Technology continues to change how we consume

The non linear buying cycle

Physical Touchpoints

Managed Touchpoint Unmanaged Touchpoint

Our behaviour is changing

'Timeshift'

TV 'Plus'

'Placeshift'

Source: Think Box Tellyporting Study November 2010

Technology is evolving

HD / 3D

**New Devices
Becoming TV Devices**

**Web Functionality
Merging Into TV**

**Device Integration Across
Home Networks**

…CONTENT & SERVICE PRIMARY DRIVER

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Source: Think Box Tellyporting Study November 2010

Fragmented but consolidating

Forrester are predicting that 44m tablets will be shipped annually worldwide by 2014
Predicted that 50% of all adults will own a Smartphone by 2012

Technology evolution – what is the status quo?

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The evolution of communication and digital

1876
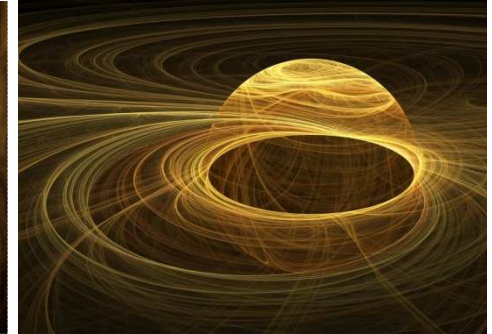**Telephone**
Alexander Graham Bell

1894
Radio
James Clerk Maxwell

1925
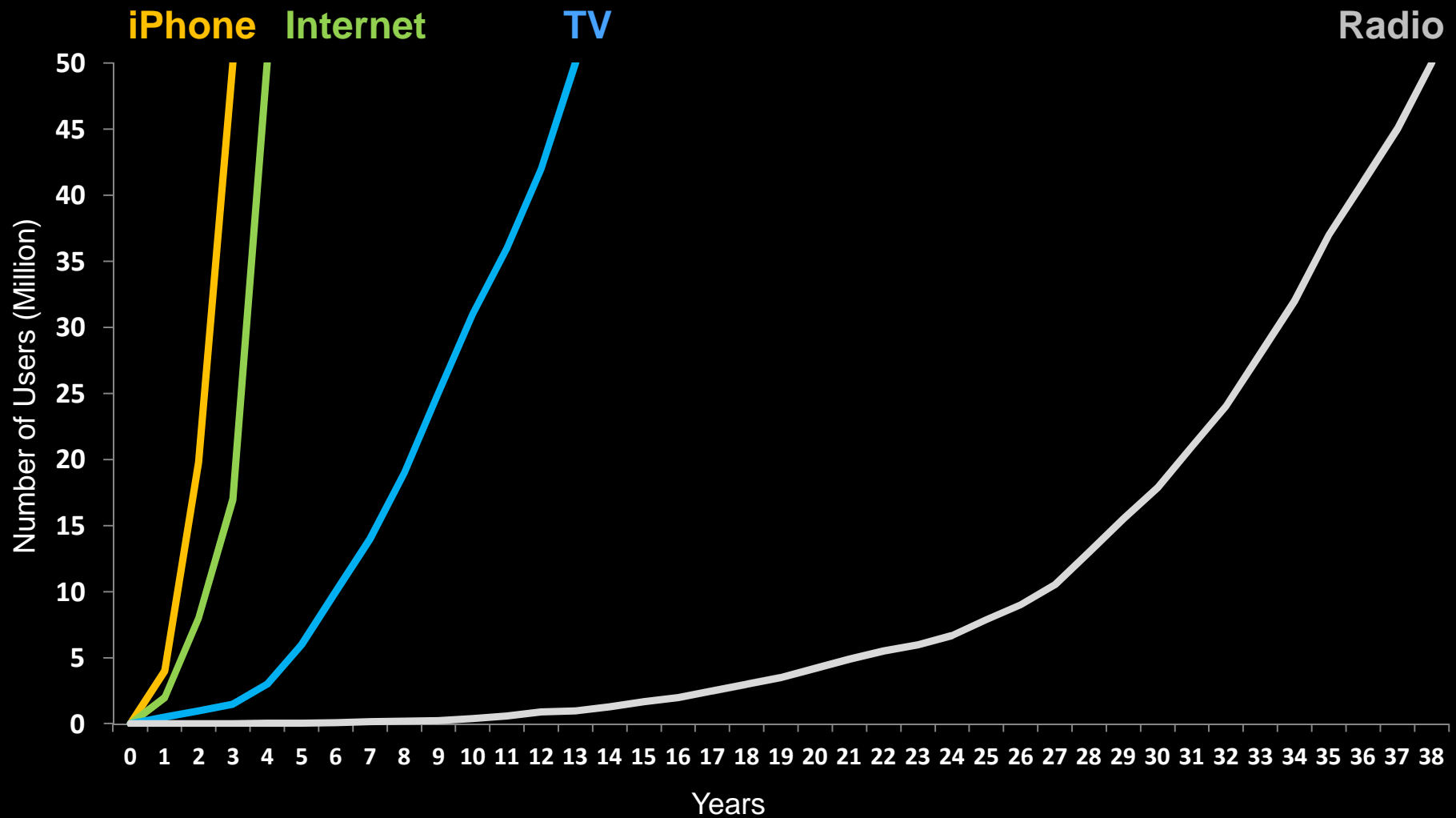**Television**
John Logie Baird

1989
Internet
Tim Berners-Lee

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In April 2011, the UK spent 20,000 years on facebook

20,000 years ago the area now known as New York was covered by glacier

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Farmville now has over
43 million users worldwide

In the US, Farmville farmers out number real farmers by 80 to 1

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35 hrs of video are uploaded to Youtube every minute

2 Billion videos are watched on the site every month
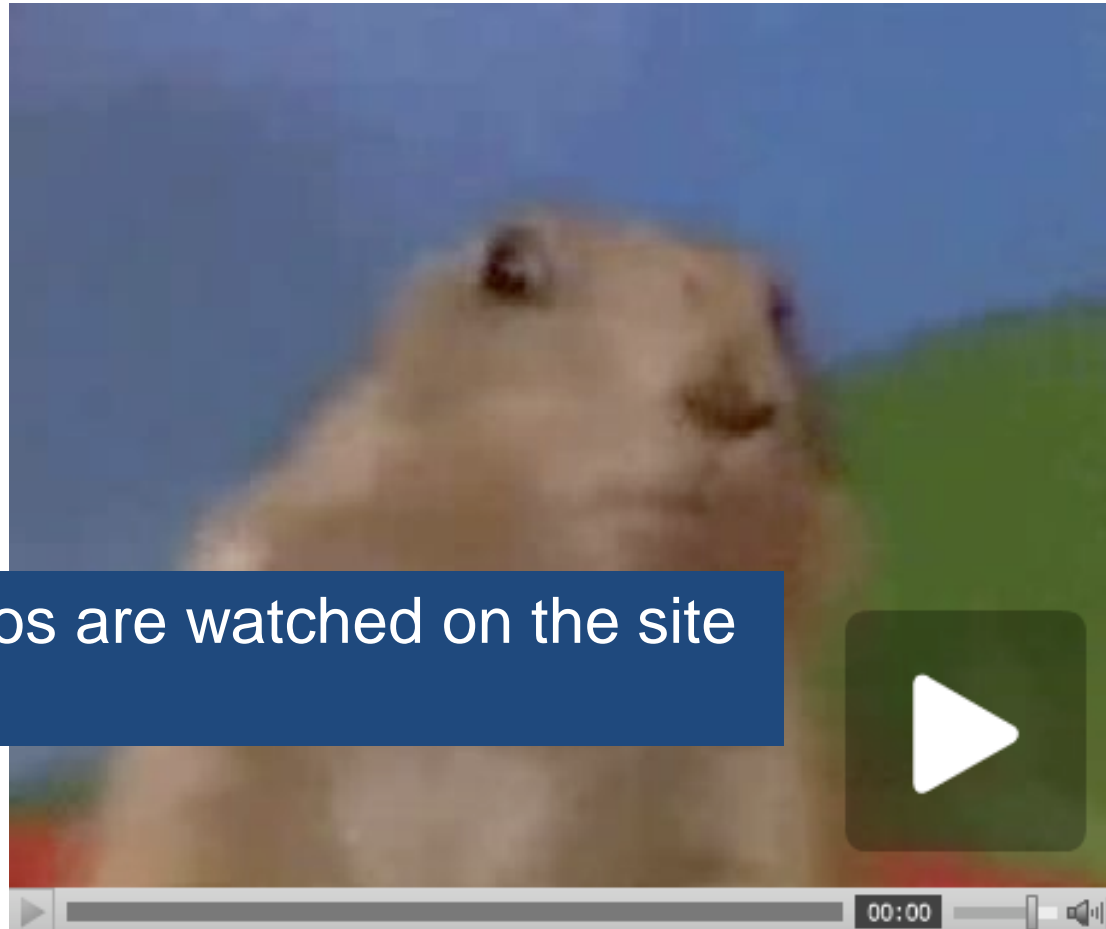
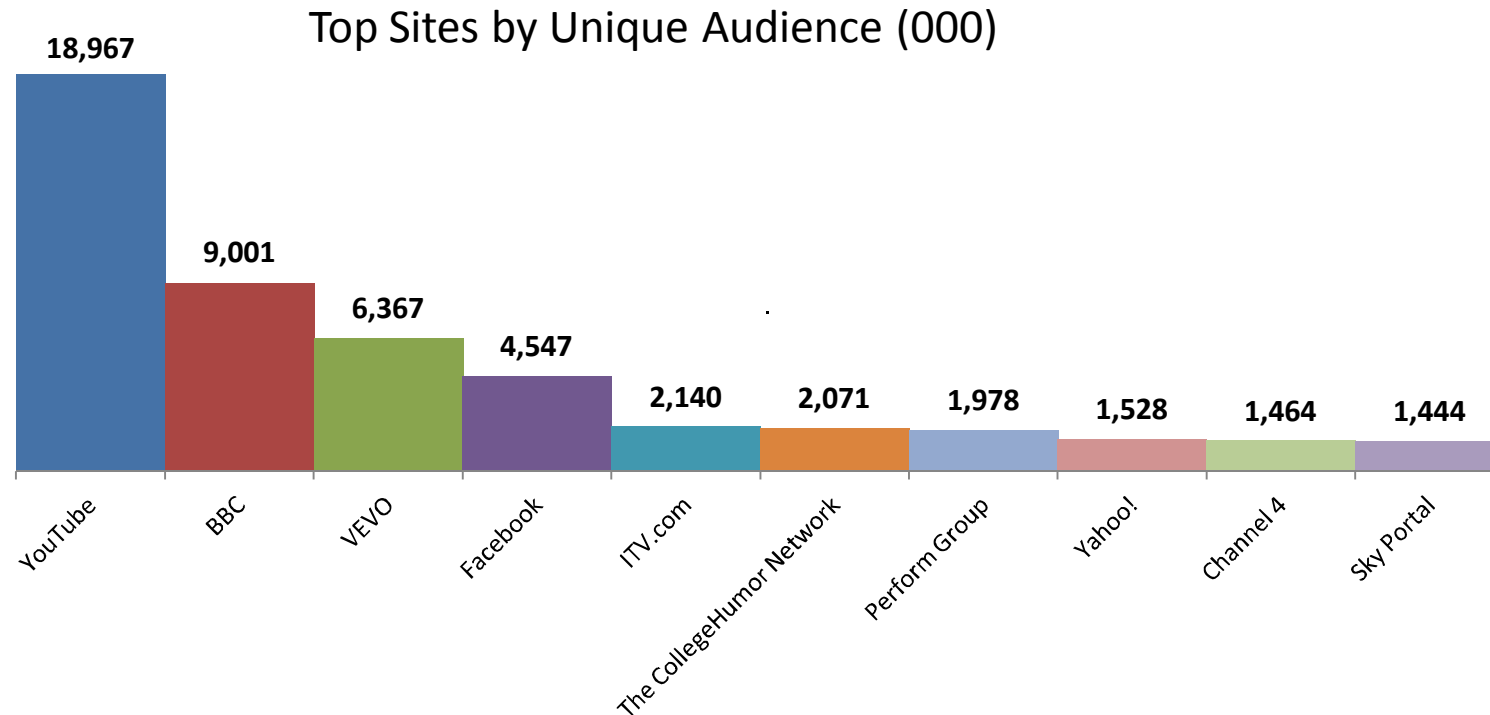# UK users are embracing online video

6bn Videos being watched every month

Average hours of online videos per person **17**

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26.6m PEOPLE
STREAMED VIDEO IN JULY

The Most Popular Sites for Streaming Video

Top Sites by Unique Audience (000)

Site	Value
YouTube	18,967
BBC	9,001
VEVO	6,367
Facebook	4,547
ITV.com	2,140
The CollegeHumor Network	2,071
Perform Group	1,978
Yahoo!	1,528
Channel 4	1,464
Sky Portal	1,444

YouTube is the most-popular site for watching video content, with nearly 19 million unique UK viewers, followed by the BBC (9.0m), and VEVO (6.4m).

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119 million tweets are made every day

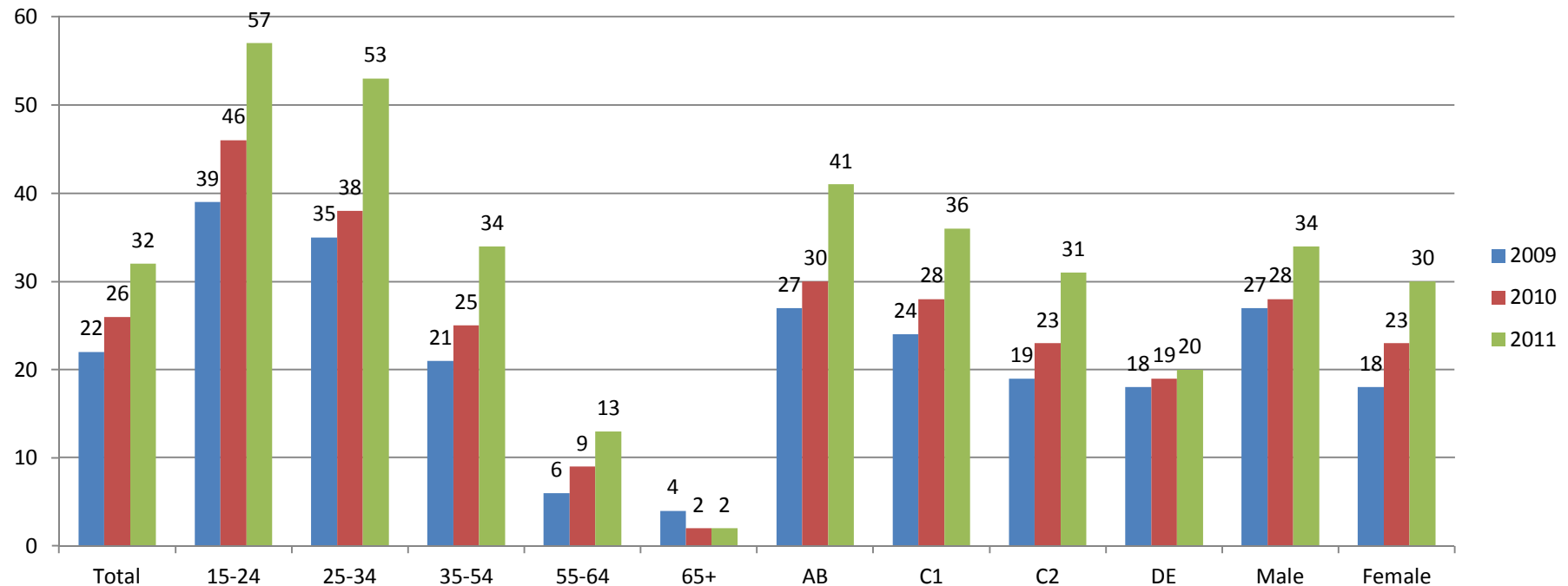That's enough words to fill more than 2,000 copies of the complete words of Shakespeare

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Mobile – the time has come….again….

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57% of 15-24 year olds use the internet via mobile

Use of internet on mobile phones by demographic (take up %)

	2009	2010	2011
Total	22	26	32
15-24	39	46	57
25-34	35	38	53
35-54	21	25	34
55-64	6	9	13
65+	4	2	2
AB	27	30	41
C1	24	28	36
C2	19	23	31
DE	18	19	20
Male	27	28	34
Female	18	23	30

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Source: Ofcom technology tracker, Q1 2011

Mobile headlines

- Over half of 16-24 year olds accessed the internet through their phone in '10

- 56% of all mobile internet users use their device to access social networking sites

- 2.5 Billion minutes were spent accessing facebook via mobile in December 2010

- Mobile Travel enquiries have risen 133% and clicks by 300% yr on yr

- Mobile now accounts for 12% of all travel related searches

Source: OFCOM Communications Market Report, August 2011/Google UK Travel Blog

So what does this all mean

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Rapidly increasing expectation for Immediacy

- **Whenever, wherever and however** desired
  - Sky's purchase of The Cloud ('Sky Anywhere')
- **Smartphone penetration** – Est. at 50% of all adults by 2012
  - NFC – Cashless wallets
  - Click to Purchase
- **IPTV Penetration** – Est. at 100% by 2014 (Futuresource)
  - Enables click to buy: Tesco already testing
  - More control = more selectivity, less 'incidental' consumption
  - 59% of Decipher's Tellyporters* saying they are more selective viewers, vs 30% 2 years ago
- **Radio** – live news and updates available on all platforms

Source: Decipher research for Thinkbox, Oct 10, have watched this way in last 6 mths

Collection of like minded individuals…

- *….who are now not bounded by geography*
-

- Communities have always provided a backbone to social structure
- Modern communities act in the following manner:
  - The development of business (Open Handset Alliance)
  - The distribution of content on the fly (50 million tweets per day)
  - Providing reviews (Amazon)
  - Aggregate pricing and product information (Money Supermarket)

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GROUPON
Collective Buying Power

So much content, so little time

- There is so much content to choose from, raising expectations:
    - It should always be up to date and relevant
    - It should always be accessible
    - It should always be authoritative

- This will be fuelled by:
    - Development in consumption platforms - in 2011 more than 50% of computing devices sold globally (over 400 million) will not be PCs
    - VOD driving 90% of web traffic by 2013.
    - HTML 5 giving greater freedom to web developers
    - Relaxation in product placement regulations
    - Google's crack down on 'content farms'

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"Leveraging the API economy is core to sear's strategic vision. As the top retailer in multichannel reach, Open APIs are a critical element for expanding our brand and creating new opportunities for engaging customers wherever they are"

Abhay Jain, director of online technology, Sears

APIS AND DATA MARKETING

- There is an explosion of devices and applications – how do we develop for all of them?

- Why not create and share the Application Programming Interface for others to build with for revenue share?

- APIs and developers are a new distribution/sales model for content and commerce

- Sears, UPS, Tesco, SalesForce, Mastercard, ebay, Best Buy – have significant amounts of traffic from beyond the web browser (some 50-80%)
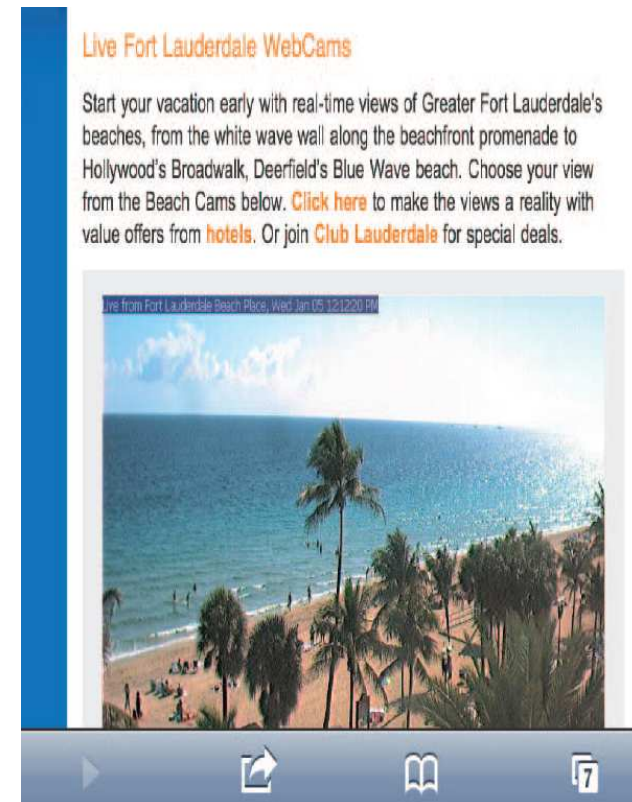
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Some ideas

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Use of mobile tags on offline ads to showcase destinations

Fort Lauderdale Tourism Board allowed their New York City audience to see what they were missing out on through the use of mobile tags

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Augmented Reality Video

Gamification is a key theme of the convergence of on and offline media – the use of virtual world gaming mechanics in the real world

FIAT used augmented reality to stimulate a treasure hunt – using signs that already existed

They used the treasure hunt mechanism to showcase their product

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Dynamic display ads can be populated using data feeds

Headline: Weather based

Product images: Weather based

Product copy: Product based

Footer image: Weather based

Local Lowe's: IP postcode based

Call-to-action: User interest based

ϒskyscanner *flight search*

Home > Select destination > Select dates > **Select flights**

Change Search ▾

Fri 1 Oct-Sat 9 Oct 🕴 x 1

Cheap flights from
London LON to **Dalaman** DLM

We found 7 airlines and 464 results.

Best price **£206** ✓

Flexible? Change your dates or airport ▾

Filters

Time (t...

depart

reset

vie...

⦿ ≡

Step 1
User visits travel site & searches for flights

Step 2
Ad matches destination & departure point based on search

Step 3
Data feed displays current best prices from three nearest departure points

flythomascook.c...

✈ flythomas...
+ Thomso...

...cook.com
4h

bookings
19h

flythomascook.c...

✈ 04:15-06:25 DLM-LGW   4h 10   direct

flight details ▾

£222.

Book: flythomascook.com
Last updated 4h

✈ flythomascook.com
+ easyJet

✈ 21:25-03:20 LGW-DLM   3h 55 (+1)   direct
✈ 21:40-23:55 DLM-LGW   4h 15   direct

flight details ▾

£223.96

✈ multiple bookings
Last updated 19h

✈ Aegean Flights
+ Thomson Flights

✈ 21:55-03:50 LGW-DLM   3h 55 (+1)   direct
✈ 21:55-00:15 DLM-LGW   4h 20 (+1)   direct

flight details ▾

£223.98

Flights

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Great prices, great locations, book now!

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Fri 01 Oct 2010
Check out:
Sat 09 Oct 2010

Search hotels ▶

Car Hire ▶

In a crowded market place you have to find a way to stand out – challenge the status quo!

So is travel technology meeting the challenges of todays marketplace or is there a better job to be done?

You decide.......

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My conclusions

1 Device neutral landscape

2 Embrace new technology but move fast

3 Borrow and share rather than own (APIs)

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If your business thinks like this you are on the right path...

Digital technologies mean a fundamental change in the ways we do business and the kinds of business we do. We need to exploit the potential of the digital world to foster entrepreneurship, creativity and innovation in our areas of strength and specialisation. We also need to seek out the best ideas and solutions on offer from the rest of the world and ensure we use digital technology to increase productivity across our economy.

www.digitalstrategy.govt.nz

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