

# Onboard Mobile Technology

A KEY COMPONENT TO CRUISE LINE REVENUE GROWTH



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**Mobile technology** is on the rise as a primary driver of retail and travel sales. A July comScore survey reports: "4 Out Of 5 Smartphone Owners Use Their Device to Shop". And recent statistics from Euromonitor International also support that online and mobile is driving travel sales. When consumers travel, they are attached to their smartphones literally at the hip, always at the ready to engage in communications and commerce.

It is imperative for the cruise industry to tap into this huge revenue opportunity. If you are interested in boosting your business through revenue generation, influencing customer behavior, and enriching the guest experience, mobile is one of the most direct ways to make an impact.

## Why you should pay attention to mobile technology?

- 1. Quite simply, you have to.** Customers worldwide have become addicted to their phones. Do you know that families now choose holiday locations based on Facebook and Mobile Internet access so that their teenaged children will agree to come along?
- 2. Mobile technology engages and connects you with your customers.** If you want to influence your customers and their behavior, you must tap into this shift in how people communicate.
- 3. It's an easy source of direct revenue.** Ship to shore traffic runs over satellite, and mobile operators like MCP ensure that guests can roam into the ship network with their own mobile phone and subscription
- 4. Mobile is an essential revenue generation strategy.** Not only can you produce direct revenues from mobile services, but you can also increase onboard sales through smart use of mobile marketing, expanding existing customer bases and reaching new source markets.

Despite these strong arguments for mobile, the cruise industry has been slow to fully embrace the technology. This article addresses 5 major misconceptions about mobile technology and suggests that it is high time for cruise lines to join the mobile revolution.

## MYTH #1



CRUISING IS VACATION AND LEISURE TIME; PEOPLE DO NOT WANT TO BE BOTHERED

**Smartphones are here to stay.** The speed of adoption is the fastest for any technology in human history. Most developed regions are already way beyond 50% adoption and the global level is reported at 44% year to date, with projections of 57% for next year.

**!** *The new common phobia of being without a cell phone (NoMoFobia), affected 58% of men and 48% of women as of December 2011 (according to a UK study); and these numbers have been growing. Travelers, more and more, want to feel connected to their families, friends, and even workplaces, especially, when they are separated by distance.*

**Surveys report that up to 80% of cruise ship guests are smartphone users.** And the trend is not just amongst younger users. Growth in smartphone users now is stronger than ever amongst older age groups. We also know that higher income households are growing faster than lower ones—and these demographics represent a significant segment of cruise line guests.



## MYTH #2



DIRECT REVENUE IS THE ONLY BENEFIT TO MOBILE

**Mobile devices represent** a huge shift in how people communicate, connect, and consume digital content. In fact, the Chinese Government issued a report in July 2012 revealing that the smartphone has overtaken the PC as the most popular device with which to surf the internet; and this is happening all over the world.



Once the vessel leaves port, mobile coverage from land is gone, and passengers are totally in the world of the cruise ship until the next port of call. Introducing a mobile phone network onboard allows them to connect to the world with their phones, just like they would at home.

## Direct revenue generates significant ROI

**Maritime mobile operators** offer a direct revenue share model with the cruise line on voice minutes, SMS mobile data and internet. By using creative ways to increase usage of these services, your company can access exponential results. At **MCP** we have developed a series of programs addressing this potential, and we see significant mobile revenue increases with the cruise lines who adopt them. In fact, ship owners have already earned more than \$250 million in revenue share on mobile services; current trends show an explosion in mobile data use that keeps total revenues growing (One UK-based cruise line experienced growth in mobile data of above 600% in 2012 over 2011).

## Harnessing the power of the mobile revolution at sea

But this direct revenue stream is not the only way to derive revenues from mobile technology. It's time to strategize. How can cruise lines use mobile trends in the areas of guest experience and customer engagement in order to achieve additional revenue effects?

The **MCP** network makes it possible to pinpoint every mobile phone that is onboard and turned on. This is even more powerful than mobile marketing solutions already in use shore-side, and means that a cruise line can reach guests in multiple ways. For example:

- **SMS (90% of text messages are read within 3 minutes of delivery)**
- **QR Codes, tickets, coupons etc. be delivered to mobile devices**
- **Mail to mobile**
- **Custom guest applications**

All of these programs can be run on an opt-in or opt-out basis, and can be targeted to specific groups, changing the way information is distributed to guests as well as how onboard businesses (retail operations, spas, restaurants, entertainment and shore excursions) are marketed.

Cruise lines are no longer limited to printed materials (or cabin TV ads) about their offerings. For example, video advertisements to mobile devices create a much more compelling invitation to take part in shore excursions than static materials ever could—and can be combined with up-sell promos and delivery of information before, during and after the tour—always connected to a revenue-generating opportunity.



## MYTH #3



OUR CUSTOMERS ARE TOO DIVERSE TO FIND MOBILE CONTENT RELEVANT

**If you're thinking,**

**“This is all great, but I don't want to annoy our guests so they ignore every message we send them!”**

Then you need to be aware of the concept of time and location awareness—or **“context awareness.”**

Context awareness makes it possible to target information, sales and marketing promotions to the people it is relevant for based on

- 1) **their location**
- 2) **time of day and**
- 3) **any other information you have about them.**







## Bringing it all together

**The reach** of all onboard digital facilities can be easily extended through smartphone applications. Everything available on cabin TVs can be made accessible on mobile devices. And of course it can all be tailored to the particular guest based on their demographics, through context-based marketing.

### TARGETED SURVEYS

SMS surveys to mobile devices,  
targeted to the amenities  
visited by each guest  
**Heighten guest satisfaction**

Imagine... delivering content from a single platform where any content can be seamlessly delivered to any device at any moment...

You could then speak to customers literally in their language. You could adjust content automatically for the device you're delivering to. You could firewall content for certain age groups and you could offer products and services that are the most convenient and most appropriate for each customer based on their location, needs and interests.

Now that is powerful marketing.

## The "Call" to Action

**Mobile Technology**, once a "nice to have" feature for cruise customers, has become a definite "must have". Mobile technology applications for the industry continue to evolve at a rapid pace, and are destined to change the way business is planned, managed, operated, controlled, and evaluated.

If you wish to realize both direct and indirect revenue effects from this growing goldmine, you must exploit the full potential of mobile technology to reach both existing and new customers. Make sure you have a full scale, high quality mobile service on your cruise ships that extends across all silos and departments in your company—and ensure alignment with your company's overall mobile strategy in order to maximize revenue generation and positively influence guest behavior and experience. ■

WHEN WILL YOUR COMPANY FULLY  
EMBRACE THE MOBILE  
REVOLUTION AT SEA?



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