

iPad™ for Business

HIT OR HYPE?

As the dust settles on the announcement and launch of the Apple® iPad™, the question is what to do about it from a business planning and Website/application development standpoint. People are asking if they should redesign their Website for the iPad, or when they can/should launch an iPad app.

As with the previous articles in this series, the answer lies in having a comprehensive digital strategy that is both fluid and delivers on your overall business objectives.

The iPad we see today will surely evolve in ways we may not currently be able to predict, in fact the space is so fluid it could change before this article is published. But, will it become a game changer? Only time will tell. When reviewing basic facts about the iPad/mobile devices and tablets in general, be sure to consider carefully how your business and target customers might think about the iPad and related technologies. Most importantly, determine the factors you need to evaluate to make a sound business decision about when to prioritize the iPad or any other new platform.

The iPad as released is clearly a version 1 product with several known enhancements coming shortly. But what about the unknown

future enhancements to the iPad? Think about first generation Apple iPods® (no video, no connectivity, no phones). What did the first iPhones® look like versus where that product is today, let alone where the next generation 4G iPhone appears to be evolving. To make intelligent decisions about the iPad, you have to look to the future enhancements and how they will impact usage, adoption and consumer behavior, and ask yourself how it will fit in with your core business and customer objectives.

The estimated consumer adoption numbers of this early version of an iPad vary, but it is safe to suggest that by the end of 2010 there could be as many as 1,500,000 iPads in use, based on various estimates (1 million to 4 million), and the fact that within two weeks of launch Apple had already sold approximately 500,000 units. With eight months and the Christmas holiday gift season still to go in 2010, another one million is fairly safe to bet. To put 1.5 million iPad units in perspective, compare it to the total Internet users in the U.S. (Feb 2010 Comscore Media



Metrix reported more than 209 million)—iPad units are a tiny fraction (even at 4 million). These numbers are not prioritized for usage of the iPad as that is likely to be vastly different depending on the consumer. It is essential to look at your business and customers to decide whether these users could be a highly valuable population for you.

Is mobile a must-have for the future in travel? The obvious answer is yes. Mobile is already changing the fundamentals on how consumers interact with businesses and brands in a variety of ways. However you must have the blocking and tackling done and understand how your customers will use their various mobile devices. Will the iPad become the classic mobile device we have been discussing for several years (a la smartphones, etc.) especially in travel? Probably not. Business and leisure travelers are now checking hotel rates, availability and amenities via their smartphones as they arrive in town. Will they pull out their iPad as easily?

Today, total mobile users of all varieties account for something close to one-third of all Internet users, according to various sources. The numbers of mobile devices (smartphones, tablets, eReaders, etc.) in use either already have or will soon overtake the PC in the immediate future. Yet in terms of Internet usage, Comscore reports in their most recent numbers that less than 0.07 percent (7/10ths of 1 percent) of Internet traffic is actually from a mobile device.

It is critical to map your customers' usage to

Top Smartphone platforms: 3 month average ending Feb. 2010 vs 3 month average ending Nov. 2009

Total U.S. Age 13+

	Share % of Smartphone Subscribers		
	Nov 2009	Feb 2010	Point change
Total Smartphone subscribers	100%	100%	N/A
RIM	40.8%	42.1%	1.3
Apple	25.5%	25.4%	-0.1
Microsoft	19.1%	15.1%	-4.0
Google	3.8%	9%	5.2
Palm	7.2%	5.4%	-1.8

Source: comScore MobiLens

the overall marketplace. In the next chart is the current smartphone rankings from Comscore. This lists BlackBerry® smartphone as the number one smartphone by a wide lead. The only gainers in marketshare in this report are BlackBerry and Google, while Apple, Palm and Microsoft are losing share.

The uses people make of these various types of mobile devices, and which ones drive bookings, research and dreaming in the travel process, will be as diverse as the people themselves. Deciding which of these various uses matter to you and your business is what must drive your strategy if you are ready to move.

The chart from Comscore shows the most common uses and the percentage for each. Note that downloading apps and browsing the Web are both slightly higher than a quarter of the mobile user base. Again, this needs to be mapped to your core customer by your strategic business owners and/or partners to help you prioritize what needs to be done and why.

The iPad appears to be much like a classic fourth screen that Bill Gates talked about in the late 90s, you can carry it with you to the family room much more easily than even a laptop. Early usage data does show that content-rich sites are getting a large amount of iPad traffic. Translating this to travel might mean that if you decide to push forward with some type of iPad development you should pay much closer attention to the content and video. The iPad has perhaps the best HD video and display available.

Mobile Content Usage

3 month average ending Feb 2010 vs 3 month average ending Nov 2009

	Nov 2009	Feb 2010	Point Change
Total Mobile Subscribers	100%	100%	N/A
Sent text message to another phone	62.1%	64%	1.9
Used browser	27%	29.4%	2.4
Used downloaded apps	25.7%	27.5%	1.8
Played Games	21.4%	21.9%	0.5
Accessed social networking site or blog	15.1%	18%	2.9
Listened to music on mobile phone	11.8%	13.1%	1.3

Source: comScore MobiLens

With the early success of the iPad and the fanatical following it is already developing, we can expect many similar tablets coming out fairly quickly, and the number of people using mobile tablets will likely continue to grow.

Regardless of your answers to the questions here, there may be intermediate steps you can take. Take a look at how your business renders on various mobile devices without any new work. For instance, as of this writing, Flash will not display on an iPhone or iPad. Are there minor changes you can make to at least allow your business to be present even if not formatted for the device? For example, if you know that Flash will not render, what do you offer when you detect a device/browser combination that does not handle Flash and you have a Flash-based page? Have you started to think about migrating Flash-based content to the new HTML 5 standard?

So the question remains how to prioritize any work for an iPad or mobile tablet for your digital, business and Web strategies. There are some basic questions you should be asking when you set up your strategies, and certainly your business partners should walk through them with you.

With careful planning, strategic research, internal stakeholder alignment and critical analysis of your customer base and business needs, you'll be able to decide when and if it's time for your business to commit the time and investment to this new fluid environment that is sure to continue to evolve.

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BASIC IPAD STRATEGY QUESTIONS

Question 1: Are your customers currently using any mobile devices in large numbers? (Use your various analytics tools and look at the browser types.) Which mobile devices are being used by your key customers and what are they trying to do (book, research, plan, etc.)?

Question 2: Is your business a leading edge/first mover business? Do your customers expect you to have this offering?

Question 3: Does your current digital strategy already maximize the bulk of the traffic you are getting? (If you have known issues impacting main site conversion, are you better suited to deploy and maximize this ROI?)

Question 4: Are you able to invest for the future versus getting immediate ROI? There is no question that any work for the iPad is an investment in the future.

Question 5: Do you have the current content in appropriate formats to maximize any iPad development? Do you house HD videos? Do you have a database of world-class photos? Do you need a new content management system (CMS) to maximize the iPad's capabilities today? What about future enhancements?

Question 6: Are you willing for your competition and the OTCs to develop an offering for the iPad first?

Question 7: Are you prepared to do some throw away work, as the space and the iPad itself evolves?

Question 8: What are the intermediate steps and what can you gain from them?

Question 9: Can you accomplish your objectives via marketing and media buying with limited work on your internal systems?

Question 10: If you have global customers, how important is the iPad versus many of the other global differences that you need to solve for?

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