THE ADOPTATION OF MOBILE APPLICATION
WITH NOOMSAO TRAVEL AND TOUR IN LONG TERM

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ABSTRACT

This report is aimed to focus on the mobile application by applying with a Thai travel agency to increase more competitive advantage. Noomsao Travel and Tour is selected to be the sample case study for mobile application implementation.

The main objectives are to find the effective adaptation for implementing in long-term and to recommending the most suitable result for Noomsao Travel and Tour. Therefore, this research aimed to investigate the "Six Steps for Building a Long-Term Strategy for Mobile" of The Oracle Endeca Web Solution Company (2012). The research methodology of the report is done by qualitative method with the target respondent by deep interviewing about attitude, perception and their behavior with mobile application and other relevance topic. Moreover, this research also analyzed and used some relevance research of mobile application which is "Mobile Apps ก้าวทัน ลูกค้ายุคใหม่สร้างรายได้ให้ธุรกิจ" which had conducted from Master Student of College of Management Mahidol University in 2012, in order to adding more efficient outcome.

KEY WORDS: MOBILE APPLICATION, THAI TRAVEL AGENCY, SMART PHONE USER, COMSUMER BEHAVIOR.

20 pages

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CHAPTER I

INTRODUCTION

1.1 Background of Thai Tourism Industry Statistic

Tourism industry is one of the most important factors for raising the revenue of Thailand. There are many international tourists come and travel here during peak season and also green season. However, Domestic tourists have more opportunity for traveling in country with mostly Thai tourists will travel more in long holiday such as News Year Festival and Song Karn Festival.

Moreover, the Department of Tourism of Thailand has recorded the statistic of number of domestic and international tourists. As the graph below, it indicates that both of Thais and foreigner tourists are continually increasing year by year. In 2009, numbers of foreigner tourists are around 22 million people who had traveled here which increased around 26 % in 2010. While Thai tourists, who travel in domestic attractions, is about 54 million people and rising to 25 % in 2010 also. Year 2011, the overseas tourists were increased to 35 million people and Thai tourists are around 75 million people in the year. Beside in the end of 2012, Thai tourists increased 14 % while the foreigner tourist increased 16%. Department of Tourism has forecasted that in 2013 the number of both tourists will continually increase around to 15% on average.

As a result, it leads to the positive market opportunity of travel agency and another organization in tourism industry to gain more profit margins and draw more customers. The high competition in market, each travel agency has to add them more competitive advantage to be an outstanding position which means "the differentiation".
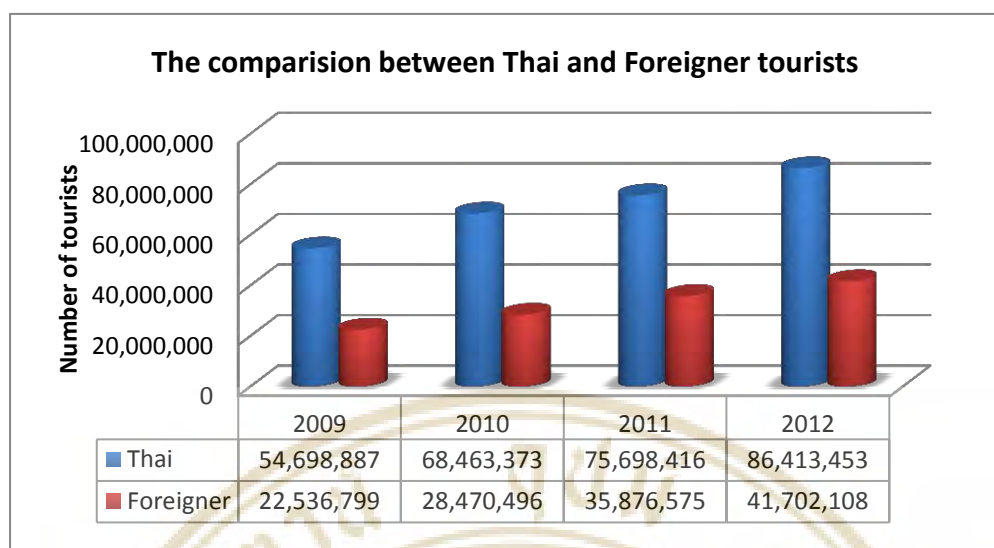
Figure 1.1 The comparison of number of Thai and foreigner tourists who travel in Thailand (Statistic of Tourism of Thailand, 2013)

1.2 Background of Noomsao Travel and Tour

Noomsao Travel and Tour (or NS Travel and Tour) is a well-known Thai travel agency in Thailand since 1984. Their philosophy is "One-stop-service" they provide many kind of service which covers all about traveling such as domestic tour, outbound tour, package tour, car rental, airline ticket and also incentive tour. Moreover, Mr. Suppharoek Surangkunthe, the owner of the company, has expanded into accommodation; 16 hotels and resorts under the group of "SERENATA" Hotel and Resort. However, they also provide education agency and camping equipment for consumer who's interesting in.

According to the tendency of growing number of tourist who travels in domestic NS travel and tour has realized that they have to create more competitive advantages and need to relate with a current market trend. Due to Thailand is in the information technology era that everyone can access internet 24 hours 7 days. The research of National Statistic Organization of Thailand found that the number of mobile user is more than number of PC and laptop user and tablet user (NSO: 2011). Moreover, most mobile user uses for entertaining 86% for example music and movie, and searching news and other information 34% (Dulyalak:2006). Therefore, it quite

means that we are in the digital era. And the many companies have to adapt themselves into new era with leads to the "Digital Marketing".

1.2.1 The Company Challenge

To enhance company's competitive advantage during this opportunity of both current market which is number of tourist and digital market, "mobile application" would be suitable in this situation. Due to the proving of the research of Master students of College of Mahidol Management University, they found that the market of Thai mobile application has grown to 88.9 % that contain value around 5,800 million baht. As a result, it leads to "*How could Noom Sao tour attract more new clients via Mobile application?*"

CHAPTER II
LITERATURE REVIEW

"Mobile Application" or mobile apps is a software application designed to operate on smartphones, tablet computers and other mobile devices, which it usually available through application distribution platforms or mobile operating system; such as the Apple App Store, Google Play, Windows Phone Store, and BlackBerry App World.(Wikipedia:2013) In addition, mobile application will help user to connect with internet service more commonly accessed on desktop or notebook computer and also their portable devices.(Hsiu-Yu Wang, Chechen Lioa and Ling-Hui Yang:2013)

"Mobile application could help businesses get and keep customers, and please their business partnership, by providing richer interactions with consumer's mobile devices of choice. Moreover, internal mobile app could boost employee productivity and responsiveness" Richard Peltz, CIO of Marcus and Mliilchap, the real estate investment services firm, said. Peltz has used mobile apps for increase brand awareness and exposure their 1,200 real estate agents. He came up with a mobile application of searchable profiles of agents and loan companies that operated via iPhone and Android smartphones which help their customer be aware with their brand and also increase an effective productivity among internal user.

There are many organizations that adopt a mobile application to involve in their operation system in order to advance their competitive, as well as, hospital, hotel, beauty shop, airline, bank and so on. Palomar Pomerado Healths (PPH) had created the mobile app platform called MIAA (Medical Information Anytime Anywhere) in 2010. Its important feature is it will bring in hospital's data from the main system in order to provide a patient's real time information for physicians. Moreover, when physician access into the software application, which use in a service area to generate a list of their patient currently in the hospital, the app will link to the patients' Radio Frequency Identification (RFID) wristband for determining their whereabouts and

provides a summary of patient information to let physician know in time. (CIO.com, 2013)

While mobile application is widely used now a day. Many people are connecting with companies via an application. Therefore, many businesses have realized that they have to create an app by setting a mobile strategy which be supported from your infrastructure and resources. The Oracle Endeca Web solution company has come up with the *"Six Steps for Building a Long-Term Strategy for Mobile"* (2012) for guiding and helping you achieve the goal. To be more clear understanding I decided to build the diagram of the six steps in figure 2.1.

2.1 Six Steps for Building a Long-Term Strategy for Mobile

Step 1: Start with a clear strategy. You have to determine the mobile's purpose and goal within your organization and build your mobile strategy that appropriate for your company in long term in order to know the scope of budget, timeframe and internal effort to support the strategy.

Step 2: Select the right mobile environment: Mobile site VS Mobile Application. After you define the strategy, you need to understand the consumer usage, means that know where and how your target audience is interacting with the mobile channel. There are two mobile environment options to determine which are Mobile Site and Mobile Application to support your mobile strategy and your audience's preferences. Mobile sites will use with a browser that have internet available for example Safari on Apple iPhone. The good thing is mobile site can access 99% of enable internet accessed devices and it will automatically format the content for optimal platform that be created from HTML so it's easy to adaptable. Mobile application, user has to download from a marketplace such as Google Play or Apple App Store. It provides more attractive function.

Step 3: Prioritize Devices. This step you must focus on which device you intend to support. You have to consider on which platform your target audience uses, and also determine which device bring you the greatest impact. For example, in USA, IOS via iPhone and iPad is the highest engagement device with the mobile channel.

Step 4: Decide Whether to Own or Outsource Technology. Research approaches for building your offering. There are four technology approaches to developing a mobile strategy and to determining the best approach to support your goal; such as 1) engage a mobile service provider, 2) engage a software provider, 3) engage an agency and 4) create and use homegrown solutions.

Step 5: Determine what technology you can repurpose: Identify web technologies to leverage in mobile. You should leverage the core function on mobile channel such as e-commerce, platform, merchandising tools, content management system, user reviews and product information.

Step 6: Align your technology with short and long term goals: You have to build a tiered road map to support the mobile strategy, and make sure you are selecting the most suitable technology to support your mobile goal and long term strategy.

Moreover, some businesses who already run their own mobile application to support their business model indicates that the mobile app has contributed their business be more brand awareness and well-known in market. Because of a smartphone user can reach and find a company's mobile app then make a contact with a company faster and easier. As a result, the company can attract more lead and finally will become a customer, beside the company also gain more revenue via their mobile application.
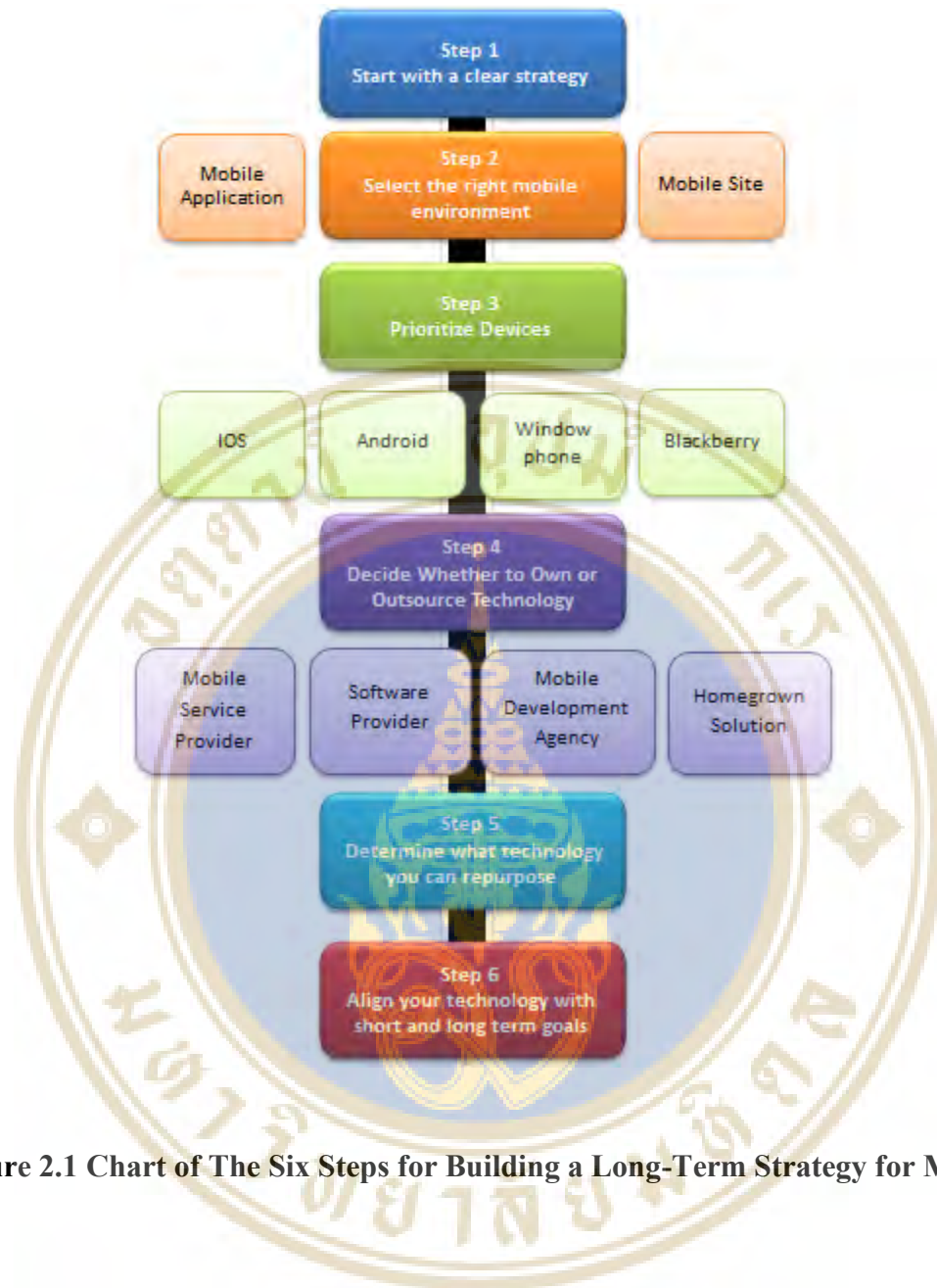
Figure 2.1 Chart of The Six Steps for Building a Long-Term Strategy for Mobile

CHAPTER III
RESEARCH METHODOLOGY

Due to the main purpose of finding how Noomsao tour attract more new clients via Mobile application. In order to get insight of efficiency information the research will be conducted by deep interview some of consumers who have experience with using mobile application and have ever traveled with travel agency to understand their usage attitude and motivation. In addition, the paper will analyze relevance research and academic journals as the secondary information for discover and study more in depth of Thai mobile app user behavior.

3.1 Area of Questions

The observation and interview the directing sale manager at Noomsao Travel and Tour, the area of question with following by; what is your current marketing strategy? How to separate customer into two types; new and existing? How different of them? Which marketing channel that customer gives a good reaction? And so on.

3.2 Research Problem

The research mainly focuses on respondent who has qualification of using smartphone, using internet via smartphone and used to download mobile application both free and purchase. Besides, the area of questions for interview smartphone users and used to travel with any travel agencies are following by; which channel that you mostly search a tour program? How different between mobile site and mobile application in your opinion and which one do you prefer? Which content that you expect to see in the mobile site or mobile app of travel agency? What is the most important attribute of using on mobile site or mobile app? And so on. As a result, the

question above will reach to the understanding of customer's attitude and motivation of using mobile site and/or mobile application.

3.3 Research Finding

3.3.1 Understanding Noomsao Travel and Tour's Customer

According to the observation at Noomsao Travel and Tour and interview about current marketing strategy with the directing sale manager, Mr. Pravit Rodratsamee, the company already has their own website , *http://www.noomsaotours.co.th*, that provide several information for visitors for example program information both of domestic and international, booking an airline ticket, providing incentive tour and seminars for a corporate company, car rental services and also in-networking. Furthermore, Facebook is one of the most attractive marketing tools they have. Noomsao staff keeps update the information not only a tour program but also update about new tourist attractions in both domestic and international, a new promotion campaign and events, sharing previous tour picture and also some relevance video media. The company believe that the social media can keep in touch customer closer than any channels because of their observation around 50% of customer contract them via the Facebook Fanpages messages, while other 45% is come from website and magazine and other 5 % is a walk-in customer.

In addition, the company also publishes their own travel magazine which mainly covers about tour program both of domestic and international and its price. The magazine does not sell on public in the market but the magazine, which is a free copy, will be sent to a customer who used to travel with Noomsao Travel and Tour according from their informed address.
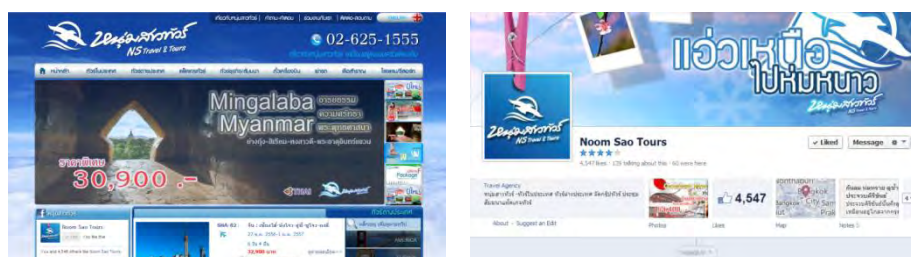
Figure 3.1 The picture of Officially Website (left), Facebook Fanpage (right) and private magazine (down) of Noomsao Travel and Tour

However, Mr. Pravit informed that as he is a sell encounter not only the manager, he could divide customer into two types; new customers and repurchase customers. He explained that a new customer will tell a sale person that he/she has seen a tour program from the website and some of them contract the company by the positive word of mouth from their friends. In contrast, an existing customer will tell a sale person that they are an old customer and used to travel with the company in few years ago.

3.3.2 Understanding Smartphone User Attitude and Behavior

According to deep interview from five respondents which are 2 female and 3 males, and age range is between 24 – 30 years old. Their occupations are master degree student and also an employee of private company. Some of them prefer to search tour program via a smartphone and tablet devices than personal computer and laptop because it is comfortable that can access every time they want. Moreover, in their attitude the different between mobile site and mobile application are the same functions because they thought that it has a similar platform and layout which provide a main button such as home, contract us, main information and main functions. The

contents of travel agency mobile application are expected to have are tour programs, some interesting travel guide, recommendation of new tourist attraction, some review comment among member and also if there is some function that can record their previous trip journal in, it might be more interesting. The most concerning factor via using mobile application is it has to be stability, loading fast and not to get stuck. These attribute will relate to their attitude for downloading, they thought that purchasing app should be run better in workflow and more stability than free app.

Due to encounter interview above, there is some useful relevance research about Thai mobile application users of Master student of CMMU (2012). Their research was collected data by using questionnaire from 263 respondents who are Thais and use smartphone.

The finding of the research were 69% of total respondent use IOS, Apple mobile platform, and other 31% use Android, Google mobile platform. They divided mobile application user by a download behavior; 61% are free download only, 38% are both free and purchase download and other 2% are purchase download only. Moreover, they found that 31% of people who download with purchasing will spend more time around 7 – 9 hours with their apps and people who download both free and purchasing, 40%, will spend 1 – 3 hours with their apps. The mobile application user would download an app that could support their lifestyle around 44% such as Yoga and Whatsales Thailand app, 23% focus on functional utility such as HD camera function and other 13% focus on entertainment function such as games and Youtube app.

The research also indicated that there are 2 mains influencing attributes for downloading of mobile application user. The rating in marketplace (such as Google Play or Apple App Store) is one factor that motivates people to download it. For example, a user will pay more intension for a high rating application that most people was downloading and give a satisfaction's rate between 1 to 5 stars. Secondly, the most significant factor of downloading is a word-of-mouth which comes from close-friends and trusted person. They have recommended and shared experiences of using the app together then lead them to downloading both free and purchasing an application and become a customer.

3.3.3 The Attributes of Good Mobile Application

Smartphone users have concerned more about using an application. There are 5 mains attributes of good mobile apps in consumer perception.

First, mobile apps should be a *friendly-user* means that an app should provide a basic function, show up the main points and good navigation to find a next step, for example, an airline ticket application should provide a booking system, flight schedule and a contacting number in that app.

Secondly, mobile app should not hang while the app is loading. Smartphone users say that while the app is loading or running a program some apps will bounce out from the system, they will feel unsatisfied and may delete that app out of their phone.

Third, an application should have a good theme design. The screen of smartphone is quite small and narrow if a mobile app developer does not design well and clear, the dazzle design and template will lead to negative feeling and action of the user. Not only the dazzle design that causes an unsatisfied user, but a non-creative app design will lead to a low reliable image means that user will feel an app does not build from a professional app designer.

Fourth, mobile application should be favor among smartphone user and in social community. A favor app will occur from a word of mouth for sharing an experience among users and the high rating at the marketplace channel (Android Play Store and Apple App store), for example, the 3 mains favor categories are social (i.e. Line, Facebook and Whatsapp), games (i.e. Hay Day, Candy Crush Saga and Clumsy Ninja) and photo and decoration (i.e. Instagram and Camera360)

Fifth, mobile application should be updated frequently. A mobile app developer has to keep update an app system and improve all of the occurred error in the app such as hanged loading, error information saving, time-consuming and so on.

CHAPTER IV
STRATEGY IMPLEMENTATION

4.1 Applying Strategy with Noomsao Travel and Tour Company

According to the above analyzed of current mobile application market which mean for Thai consumer's behavior lifestyle and the higher tendency of Thai travel agency with an increasing of both domestic and international tourists. Therefore, Noomsao Travel and Tour should move forward for develop an outstanding competitive advantage, as a result, I would like to recommend the step of creating sustainable mobile application which is a "Six Steps for Building a Long-Term Strategy for Mobile"(2012). This process will help and lead Noomsao to be efficiency well planning and develop their mobile application.

Six Steps for Building a Long-Term Strategy for Mobile

Step 1: Start with a clear strategy

First of all, the management team of Noomsao has to set a meeting with all department managers with the purpose of announcing about a new technology and digital market tool, mobile application, which company would like to adapt and then set up the possibility and effective goal of this new tool together.

Due to this report is aim to focus on the goal of Noomsao Travel an Tour which they would like to find more new customer, so the goal could be "To attract more new consumer and increase a customer in long term" Then marketing manager has to respond for planning a process base on the goal of agreement and also set up an appropriate budget and timeframe. For another department manager, he/she has to convey about the goal of doing mobile app to his/her subordinate officer in order to have same information. Moreover, the meeting will make everyone in the organization have a same understand direction and objective.

Step 2: Select the right mobile environment between mobile site and mobile Application.

After the goal is set up next step is to find a suitable mobile environment or platform for the capability goal and action plan. According to the trend of increasing mobile app usage of Thai consumer, therefore to support the goal the mobile application is the most suitable for attract more new customer of Noomsao. Because of when their app is launching in marketplace like Apple and Google Play store where connect with many people in worldwide so they could attract more customer via this channel.

Step 3: Selecting an Appropriate Operating System (Prioritize Devices)

In this step a marketing team has to find out which operation systems are popularly using in current market. There are 4 main operation systems as well as Android which based on the Linux kernel, IOS stand for IPhone Operating System, Window phone and Blackberry. Besides, in Figure 4.1 indicates the current market share of operating system is owned by Android OS 82%, secondly is IOS by gaining 13 %, and thirdly is Window phone 3% and 2% is owned by Blackberry. (2013) As a result, to attracting more new clients an Android operating system would be suitable and widely attractive marketplace.
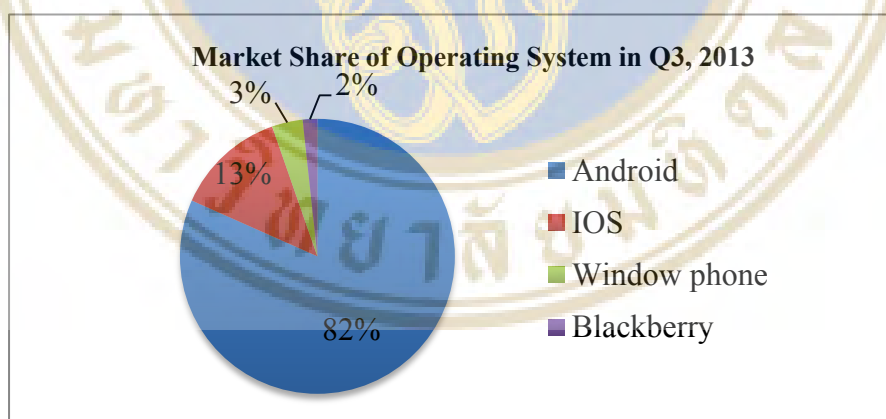
Market Share of Operating System in Q3, 2013

- Android
- IOS
- Window phone
- Blackberry

3% 2%
13%
82%

Figure 4.1: The proportion of operating system in Quarter 3 of 2013. (Emil Protalinski, 2013)

Step 4: Decide Whether to Own or Outsource Technology.

In this step the company has to determine about creating mobile application between using outsource operation or build by their supporting technology. However, there are 4 approaches to creating mobile app and also indicate a pros and cons of each one in the table 4.1 below. According to the 4 approaches mobile, I would like to recommend that Noomsao should engage with a mobile development agency which will provide a full option of mobile development feature and will look forward for long term even through it is costly. However, as a professional provider they will create a good design mobile app that could make customer more reliable and increase a brand image also. There are many mobile development agencies in Thailand such as Devsenses Co., Ltd, IDMAXIMUM Co., Ltd and so on.

Step 5: Determine what technology you can repurpose.

After the company can find a mobile development agency, next step is the company has to identify web technologies to influence a mobile app. Moreover, the company should re-think the goal again in order to adapt more plans or cut off some unnecessary objectives.

Step 6: Align your technology with short and long term goals.

Finally the company has to create an implementation plan by including short-term and long-term of the mobile application strategy and the company has to ensure that they have selected the most suitable technology which not lost an unnecessary budget.

Table 4.1 The 4 Approaches Mobile Explanation (Oracle, 2012)

	Mobile Service Provider	Software Provider	Agency	Homegrown Solution
Explanation	A provider that provide a full option of mobile solution, including development and hosting the site.	An e-commerce software company that also operate a mobile.	A company that offer with a full service design and operation firm.	To create an mobile application by your own technology and tools
PROs	• Less time consuming for launching to the market • The provider is a professional mobile site development	• Tight integration with an existing tool • Easy to maintaining and supporting over long-term	• High custom-designed feature • Rich combination • Tight integration with an existing tool	• Fully in-house control feature • Tight integration with an existing tool
CONs	• Limited option of mobile site • Not suitable for small startup company	• Not cover all function of mobile development. • Costly at the beginning	• High cost for implementation • Less control in-house and information • Time consuming for launching an application	• Insufficiency of mobile development skill • Costly in the beginning and ongoing maintenance • Time consuming for launching an application

CHAPTER V
RECOMMENDATION AND CONCLUSION

According to all analysis in formation above, I would like to conclude that a mobile application will help and support Noomsao Travel and Tour more competitive than other company in tourism industry. Moreover, it will increase brand awareness and brand image more modern and get into a digital marketing. In my perception, I believe that this marketing tool can attract lead from any marketing channel and they will become a new customer definitely. Not only attract to increase new clients, the company can keep in touch with existing customer easier. However, there are some points that I would like to recommend by following below.

1. When the mobile application is finishing build and going to launch into the marketplace, the marketing team should consider on how to motivate people to go-in and download their app. People are interest in an app that fit with lifestyle and will expect for some benefit in return, so it lead to action of downloading. For example, people who have tendency to download a Noomsao App they might expect that the app should provide an interesting information of traveling or some customer will expect that they will get some specific promotion for people who booking via the app only when downloading.

2. The application should providing a main function not make user feel confuse and be friendly-user. The loading process must be smooth and fast to create a positive user expectation, and developer has to keep updating the system and information to avoid an error issue. The design of application has to be more concern also because this attribute is quite important for attract people to download the app.

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