Great success m commerce and e commerce marketing essay

When we talk about a industry that has achieved great success in m-commerce and e-commerce we have to think about travel industry. This industry has changed the view of M and E commerce for ever in less than a decade and half. In this M and E commerce world phase, ' Orbitz' is leading travel industry. It connects plane ticket-booking from more than 400 airlines and has information about 80, 000 hotels room booking worldwide. On an average, Orbitz consumers make at least 2 million online searches for airline tickets and about 1 million for hotel room-booking in a single day.

Orbitz Worldwide, Inc (NASDAQ: OWW) also provides car rentals, cruises and total vacation packages, real time travel planning services.

In the year 2001 Orbitz was launched by 5 major Airlines- United, Delta, Continental, Southwest and American and only after 3 years of the launch 2004, Orbitz was purchased by Cendant in the travel division known as Travelprot. And, soon after this company was again purchased by The BlackStone Group which did not exclude Orbitz.

In the year 2003 it entered in IPO in NYSE and also recruited more than 100 independent hotels in addition to its listing, which included the big hotels as Marriott, Hilton and Hyatt.

By 2006, It was the first internet travel company to launch mobile website for its users and it surpassed its competitors thereafter. This time their users were able to check flight statuses for 27 airlines. They also enabled a personal page 100% concentrated to give information for Orbitz booked trips for customers.

The year 2008, they came up with an additional application for Iphone and Ipod users with the same facilities for flight status, WiFi availability, wait time checking, itinerary and also ability to traffic condition and weather view options.

By 2010, they invested more money on m-commerce and launched different mobile app for iPhone, Android and windows based smart phones. They continued developing their website in the following years as well in 2011 and 2012.

Company Portfolio:

Orbitz Worldwide, Inc enhances the ability to ease travel plans all within one website. In order to become # 1 travel website and give best customer experience to its customers, Orbitz has acquired several online companies:

Orbitz

CheapTickets

ebookers

HotelClub

RatesToGo

the Away Network

Corporate travel brand Orbitz for Business

Business analysis:

Five force analysis

The Porter's Five Forces analysis is a simple but powerful tool for understanding business situation. It is useful, because it helps to understand both the strength of your current competitive position, and the strength of a position you're considering moving into. With a clear understanding of business situation, you can take fair advantage, improve a situation of weakness, and avoid taking wrong steps.

Supplier Power: Here we assess how easy it is for suppliers to drive up prices. As Orbitz is Ð° leader in online booking industry and the number of suppliers here is really huge. All hotels, car rentals and air companies are suppliers and their power do drive up prices is really low. Orbitz just imply Ð° tax on Ð° hotel's or air ticket normal price so any change in price would affect supplier more than Orbitz Company. Partnership with Orbitz would increase the number of clients as well as maximize profit for Ð° supplier. All in all supplier power in the industry is low.

Buyer Power: This means how easy it is for buyers to drive prices down. It is driven by the number of buyers, the importance of each individual buyer to particular business. People who order hotels and air tickets are usually wealthy but price is Ð° main condition in choosing airline or hotel. People would not hesitate to buy air tickets through other website if Ð° price is lower. Thus buyer power is high

Threat of Substitution: This is affected by the ability of customers to find a different way of doing what Orbitz do. There are Ð° lot of tour firms who

organize trips and order hotel directly as well as car rental places and air tickets, but nowadays people tend to organize trips by themselves. As this trend continues to grow the threat of substitution will decrease over time. Overall threat of substitution in this industry is low.

Threat of New Entry: Power is also affected by the ability of people to enter your market. If it costs little in time or money to enter the market and compete effectively, then new competitors can quickly enter your market and weaken your position. Orbitz is an established brand and in such industry reputation matters Ð° lot. People would rather use known websites which provides guarantees other than order Ð° cheaper air ticket of unknown company. Thus new entrants have to face Ð° lot of difficulties. Orbitz also has contract with such huge players as Hyatt and Mariott so they can easy lower Ð° price if Ð° new website appears. The treat of New Entry in online booking industry is low.

Competitive Rivalry: What is important here is the number and capability of competitors. If company have many competitors, and they offer equally attractive products and services, then company have little power in the situation. In other words Ð° customer can easily switch service. Despite the fact that Orbitz is Ð° largest player, there are Ð° lot of companies that can offer Ð° similar service, so the level of competence is very high.

SWOT Analysis:

Strength:

Innovative technology to help customers stay one step ahead.

Customization of travel packages

Flex search enables the travellers to look for alternative travel dates, packages etc.

Orbitz negotiates with hotels, air tickets to give its customer the best possible rates.

Weaknesses:

In November 2010 American Airlines left Orbitz which contributed 5% of its total revenue in 2010. This kind of termination of contract from a big airline like this could cause them problem in future as well.

Slow response to corporate inquires

Opportunities:

Attract and cooperate with other partners

A more accessible mobile web site

Improve upon website recognition

Threats:

Strong competitions

Government regulation

Market volatility

Problems:

1. Finding Financial Resources

2. Maintenance & Improvement Technologies

3. Attraction of New Customers to M-Commerce

4. Offering Useful Services

Recommendations:

Finding Financial Resources

IPO

Partners Relationship

Credit

2. Maintenance & Improvement Technologies

Merger & Acquisition

R&D Department

Outsourcing

3. Attraction of New Customers to M-Commerce

Promotions Targeted Specific Customers' Niche

4. Offering Useful Services

Marketing Research

Tracing Quantity of Clicks

Case Study " Orbitz"

Questions:

When compared to traditional desktop customers, why are mobile phone users much more likely to book a room or airline reservation for the same date?

Nowadays Internet technology greatly simplifies the procedure of choosing or buying tickets and booking a hotel room. This line of service is beneficial not only to customers, but also to companies that significantly reduce their costs.

The number of people who book the hotel with mobile devices is growing every day. Mobile booking – is a booking through special applications or mobile versions of the sites. Today that kind of reservation is especially in great demand among business traveler. Travelers very appreciate the mobility and the ability to solve problems " here and now". With mobile applications Orbitz. com and mobile version of the site, they can easily book a room, rent a car or buy an airplane ticket, regardless of location, and thus quickly adapt to changing circumstances or be able to change their schedule. Also in many respects it saves them time and provides maximum comfort and convenience when selecting destinations.

Sometimes tourists travel light and take with them only such mobile devices as smartphones or tablets. In addition there are more and more " free travellers", wandering from country to country. For them the possibility to book a hotel with a mobile device is vital.

Mobile phones are designed to make life easier for the advanced active people. Such people often take all decisions instantly. Moreover their plans can dramatically vary. That is why they use the cell to make a reservation for the same day as such device is now familiar to everyone. Obviously, the regular e-commerce version of web sites is more convenient for usage and requires more comfortable environment with comparison to mobile version, and therefore, it disposes to think up plans for the long term. Respectively booking tickets with the help of desktop computers will be made in advance.

One of the reasons why mobile reservations do not do for the next month because often m-commerce web sites do not provide a refund if somebody cancels his/her reservation. If a person makes a booking at the same day, he/she can be sure what he/she exactly will come and payment will not go to waste.

In the mobile design project of 2011, why did Orbitz management decide to construct a mobile website for corporate users rather than a native app?

In 2011, Orbitz implemented its strategy of constructing an end-to-end mobile web site or called " M-Commerce Site". Through carrying on this strategy, Orbitz had become the most powerful online travel services company all over the world. However, most people still questioned that Orbitz is taking the risk of losing much more customers due to giving up constructing the native website and apps. as a matter of fact, by doing so, Orbitz was to seek more opportunities and more benefits in the long run. And these benefits are mainly manifested in several below points which most people did not come up with or never predict.

Orbitz is confident about their mobile website can provide fantastic search and booking abilities for the corporate customers. And applying the normative corporate travel policies to each customer's reservation. Moreover, the mobile website is not only a internet search engine, it also can offer corporate users the functions of making a travel plan and purchase air, hotel, car which the business travelers need radically in their trip. This website had technologically surpassed many native websites and apps from other online travel service company. Orbitz is actually exploring more loyal professional user groups, not only individual customers on which only native apps concentrate.

Orbitz decided that the optimal solution was to construct a mobile web site that could be accessed from any Web-enabled device. The goals were to provide a uniform and native app-like experience for each type of device, and deliver full travel policy compliance for businessmen. For example, the Orbitz for Business mobile Web site delivers saved policy controls to new reservations, and delivers both global and company-specific messages to help business travelers in adhering to company guidelines. Another thing was that Orbitz released the newest version of Hypertext Markup Language, HTML5. It enables m-commerce sites to incorporate capabilities identical to mobile apps simply by tapping into the mobile devices. The mobile transaction speed was through the implementation of global online travel agency platform. The platform was used to speeding up mobile web pages loading from the standard e-commerce Web page. Not only can improve the speed of browsing, but also can reduce labor hours for company. Overall, it is beneficial for both company and customers that urge Orbiz management

decide to construct mobile web site for corporate users rather than a native app.

What is " business logic" and why was it important for corporate travellers to have online reservation systems that included business logic?

Business logic consists of rules or algorithms that handle the exchange of information between a database and user interface. In the case of Orbitz business logic consists of business rules, which are policies that govern price hotel preference and service availability in detail flow of information or data. Sometimes business logic called domain logic. The algorithms involved in business logic are invisible to the user but are very important to operate efficiently for today's economy.

For better understanding what business logic we should look at the example of it. A credit card issuer's business logic may specify that out-of-state credit card transactions above a certain limit, may be flagged as suspicious and the issuer contacted as soon as possible to confirm the authenticity of the transaction. Every day millions of transactions are made all over the world and business logic enables such transactions processed in an efficient and timely manner.

Corporate travellers must adhere to company specific business logic rules, which can include such features as preferred vendors, cost changings, mandatory services and others. Thus the platform must be able to store and operate with these rules. As big percentage of Orbitz m-commerce customers are business people it is very important to have Ð° online reservation system that include business logic. Due to Ð° fact that every

company has its own business logic rules mobile commerce platform should be customized for every firm specifically. To solve this issue Orbitz decided to construct а mobile Web site that could be accessed from any web-enabled device. In this situation all business clients could enter their firm's password and all the business logic rules would apply automatically.

New customer acquisition can be triggered, at least for those customers who search same-day reservation. Mobile website can automatically offer last minute promotions and deals, by using business logic that sends message for clients who are now looking for available room or air ticket.

Why Orbitz launched different apps for iphone, android and windos?

From the beginning 2001 to 2012 Orbitz always kept a close look on their technological development of their website. In the year 2010 they first launched android and windos based apps. Iphone version of the app was launched few years before this in 2008. In 2010 they launched another upgraded version of their IOS app.

They mainly started these different applications to make their customer experience better with them as these apps are more user friendly, easy and faster.

Different apps based on different mobile operating system creates an uniqueness in the app and easier to operate.

Though they had to incur some extra expenses to build and launched these apps but with the upgrading technology they had to update their services.