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# JUST THE TICKET

Slowly but surely, mobile ticketing is finding its way into the mainstream in a variety of sectors, **says George Cole**

For a growing number of people, their mobile phone is now also an electronic ticketing device. The mobile ticketing market is set to explode. Juniper Research forecasts that more than one in 10 mobile subscribers will use mobile ticketing by 2014, with 15bn tickets delivered by mobile in the same period, compared with just over 2bn this year. The main markets for mobile ticketing today are transport, sport and entertainment, including concerts and movies. "There has been a dramatic growth in mobile ticketing in the past couple of years, especially within the airline and cinema sectors. Rail and retail have been slower to develop," says Ronnie Forbes, founder and CTO of Mobiqa, a mobile content optimisation company.

Howard Wilcox, senior analyst at Juniper Research and

author of the report, *Mobile Commerce Strategies: Payments, Ticketing, Coupons and Banking 2010-2014*, says: "Mobile ticketing provides significant cost savings for ticketing providers - there's a reduction in paper and printing costs, for example. It's also part of the one-to-one marketing strategy. If a provider knows I've bought a ticket for say, baseball, they can send me offers tailored to my interests. Putting their marketing dollars into people whose interest they know is more effective than a widespread leaflet drop." He adds that the benefits for users include speed and queue-busting.

Stephen Wood, director of product management at mobile transaction network mBlox, says: "The main interest for the ticket seller is that m-ticketing offers a secure and easy method for consumers to buy tickets,

with reduced costs and fraud relative to other methods."

Mobile ticketing services are achieving these objectives. Mobiqa's mobile ticketing solutions are used in more than 50 countries, and the company is working with many organisations, including Ticketmaster, Movietickets.com, and airlines such as Delta and Swissair.

### Boarding passes

In the airline sector, Mobiqa provides mobile boarding passes. At the boarding gate, the passenger scans a barcode on their mobile phone screen as they would with a paper boarding pass. Mobiqa distributes its tickets to handsets, often as 2D barcodes, via a variety of methods, including MMS, WAP (push and link), SMS and email. "The benefit for consumers is convenience - you always take your phone with you, so

**"WE DIDN'T WANT SOMEONE PURCHASING AN M-TICKET TO HAVE TO PAY MORE THAN SOMEONE BUYING ONE IN THE USUAL WAY. IN FACT, THE 4-WEEK TICKETS ARE 10 PER CENT CHEAPER"**

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Train companies are beginning to embrace mobile ticketing

there's nothing to leave behind. You can get a ticket at the last minute and then go. For businesses, there are cost savings, as it's more expensive if people have to be checked in. Customer service also improves," Forbes tells *Mobile Marketing*.

Trinity Mobile provides ticketing for various sectors, including events, transport, festivals and nightclubs. Trinity's business model is to offer the service free to the venue/company/organiser, with the consumer paying a booking fee. For event ticketing, Trinity can provide a full end-to-end service, including ticket scanners. "Nightclubs like the idea of having paperless entry into the venue. People can just turn up with their barcode in their telephone, and can

be scanned quickly - queuing can be reduced. Everybody carries their mobile, so there's no issue about forgetting your ticket. It's a technology that is accessible to everyone," says Trinity Mobile sales director, Rod McKinty.

There are other benefits, he adds: "A paper-based ticket system limits how far in advance you can sell a ticket, but with mobile ticketing, people can purchase a ticket as they stand in the queue - it's that instant."

The key benefit for the venue is having the customer's mobile number, which can be used for post-event marketing, for example, to promote other events or offer ringtones or music downloads. Mobile ticketing is catching on fast in the events sector - Trinity Mo-



Arriva launched mobile ticketing in 2009. A recent survey found 86 per cent customer satisfaction with the service

bile's mobile ticketing service was used at the West Festival, which attracted 10,000 people, while the Gatecrasher club in Birmingham, UK, only offers advance tickets by mobile.

### On the buses

mBlox has worked with technology company CDT to provide a mobile ticketing solution for the transport company Arriva, which offers the service on around 1,000 UK bus routes, covered by more than 4,500 buses. The service was launched nationally in November 2009. CDT has developed an m-ticketing app in the form of a small Java file that can be downloaded onto some 90 per cent of handsets. There are also larger apps for iPhone, Android and BlackBerry hand-

sets. The second component of the system is the back-end server platform that deals with product updates, payment processing and version control. Users can register for the m-ticketing app via a website, and then receive a WAP-push link to start the download process. Daily, weekly or 4-week tickets are available.

Credit or debit card payment is used, and the ticket is downloaded to the user's handset. It is an open ticket and is only activated when it is used. Arriva uses a visual verification system, with the driver checking the ticket, which is date stamped and includes security features. The ticket automatically self-deletes when it expires. "We call it Martini ticketing [anytime, anyplace, anywhere], and emphasise its speed, ease of use and security - if you lose your phone, your m-ticket can be replaced," says Mike Woodhouse, marketing manager UK Bus, at Arriva.

"The biggest challenge is that services like m-ticketing involve moving data around, and the consumer should not have to bear the cost," says mBlox's Wood. "If I'm buying a 70p ticket for the bus, and also



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have to pay an additional 50p in data charges, that makes a significant difference to the overall price of my ticket.”

To avoid this scenario, the Arriva system uses an mBlox solution called Sender-pays Data. “Sender-pays Data ensures that the consumer doesn’t get charged; instead, the content provider pays for it. This is critical for this type of service,” adds Wood.

“We wanted to use a Sender-pays Data system, because we didn’t want someone purchasing an m-ticket to pay more than someone buying one in the usual way,” says Arriva’s Woodhouse. “In fact, the 4-week tickets are 10 per cent cheaper. People are now comfortable purchasing goods and banking online because they trust the systems, and we believe the same will eventually happen with m-ticketing.”

#### Additional services

Sender-pays Data offers other benefits, says CDT managing director, Larry Breen. “You can wrap additional services around the m-ticket, such as real-time information, or combined train fare and car hire. The m-ticket remains the core offering, but other things can

be added. Because the consumer isn’t paying for the data, they will be more inclined to browse and search for additional services.” Since the launch of Arriva’s mobile ticketing service, more than 300,000 journeys have been made using m-tickets, and more than 18,000 people have registered for the service. An initial Arriva survey revealed 86 per cent customer satisfaction with the m-ticketing service.

Mobile ticketing still faces challenges, however. Many ticket issuers would like to use contactless near-field communication (NFC) technology, but the cost, coupled with the small number of NFC-enabled handsets and readers in most markets currently prohibit its widespread adoption – a major exception is Japan, where the NFC-enabled Mobile Suica m-ticket is used by millions of rail commuters. “There is a need to educate the market,” says Mobiqa’s Forbes. “Consumers are quite easy to educate – people take to the technology very quickly. Businesses are harder to convince.

Juniper Research’s Wilcox notes that there’s also a difficulty in a multi-ticketing environment. “In the UK, there



Arriva’s m-ticketing solution has proved popular with passengers

are more than 20 train operating companies,” he says. “For mobile ticketing to work, all on-train staff, station ticket barriers and train operating companies need to be able to read my mobile ticket: there is the danger of potential bad publicity if the system does not work as it should do.”

But CDT has developed a mobile ticket for national travel, approved by the UK’s train operating companies. The m-ticket will be rolled out by Raileasy this autumn. Until redemption equipment is widely available, however, the default position is for users to obtain a paper ticket from a Fast Ticket machine or station counter using a reference number. CDT has also developed a mobile ticket for use in several Asian countries, with ticket information and language automatically updated in each country.

Despite the challenges, supporters of mobile ticketing are optimistic about the future. “I’m convinced that m-ticketing usage will reach a tipping point over the next few years, in the same way as with internet banking, 10-15 years ago,” says Arriva’s Woodhouse. “The market is yet to catch-up with where we are now,” adds CDT’s Breen. “M-ticketing technology ticks all the boxes.”



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Source: Juniper Research



Some airlines have replaced paper boarding passes with mobile versions to speed up the boarding process



Mobile tickets are finding favour with nightclubs, who like their queue-busting abilities