‘All at Sea’
e-Cruising Transformation & Implications

Prof. Dr. Alexis Papathanassis
Aegean Tourism Summit – Kos (Greece), 1st of May 2015
“When we talk about being ‘all at sea’, we do not literally mean that we are out in the ocean, but rather that we are unsure about what to do, as though we were drifting on the water without the reassurance of firm ground beneath our feet.”*
‘Holiday Cocoons’ or ‘Content Monopolies at Sea’

Cruises as a Closed System

“Sales Content & Booking Control”

- Information Search
  - Identifying the need for a Cruise
  - Obtaining information about Cruise possibilities / options and details

- Cruise Selection
  - Comparing alternatives on the basis of own and co-travellers requirements

- Reservation
  - Booking and financing the cruise holiday

“Guest Spending Control”

- Onboard Fulfilment
  - Consuming the services of a Cruise:
    - Accommodation
    - Catering
    - Entertainment
    - Wellness / Sport Activities
    - Shopping

- Itinerary Fulfilment
  - Consuming the services at the ports of call:
    - Pre / Post cruise programme
    - Excursions
    - Entertainment / Shopping
    - Events

“Communication Control”

- Reminiscence
  - Remembering and sharing holiday experiences with others.

- Megaships & Onboard Revenue
  - Vertical Integration (Cruise-terminals, own islands, incoming agents)
  - Itinerary control as supply chain power

- Sector concentration through M&A
  - Information-intensity of the cruise product
  - Reservation Monopolisation (Direct Bookings)
  - Customer Data Control, Repeaters, Loyalty programmes

- Restrictive communication / access to information
  - Coordinated-sector PR
  - Policy of buying the silence of critics

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‘Holiday Cocoons’ or ‘Content Monopolies at Sea’

Cruises as a Closed System

• Identifying the need for a Cruise
• Obtaining information about Cruise possibilities / options and details

• Comparing alternatives on the basis of own and co-travellers requirements
• Booking and financing the cruise holiday

• Consuming the services at the ports of call:
  • Accommodation
  • Entertainment
  • Wellness / Sport Activities
  • Shopping

• Consuming and sharing holiday experiences with others.

e-Cruising & Manageability

Internet, Technology and Digital Diffusion = Dispersion of Information Control = Redistribution of Power in the Supply Chain = Sector Transformation
CRUISE SALES CONTENT & BOOKING CONTROL

The ‘Irrelevant’ Cruise Operator Website
Typical Online Traveller Profile = Cruiser Profile
2008: A study of 2.559 active online users

- Spend over 50% more on travel services annually than their ‘analogue’ counterparts
- 71% use the Internet to search for travel information...
- 41% have taken a virtual tour of a destination
- 38% have built a trip itinerary online
- 37% Influenced by personal comments on social networking or travel advisory web sites

Educated and affluent

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## Cruiser Decision Influences*

<table>
<thead>
<tr>
<th>Influence</th>
<th>2011 Cruisers (% Influenced by)</th>
<th>2004 Cruisers (% Influenced by)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of Mouth</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td>Spouse / Travel Companion</td>
<td>36</td>
<td>38</td>
</tr>
<tr>
<td>Always Wanted to Go</td>
<td>31</td>
<td>38</td>
</tr>
<tr>
<td>Destination Website</td>
<td>17</td>
<td>39</td>
</tr>
<tr>
<td>Cruise Website</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Travel Agent Recommendation</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Travel Magazine</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Internet Advertisement</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Travel Guide</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Magazine Advertisement</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Direct Mail</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>TV / Radio Commercial</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Understanding the e-Cruiser’s Cyber-Itinerary

Facebook Traffic

<table>
<thead>
<tr>
<th>Travel Website Content Availability*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Booking</td>
<td>93%</td>
</tr>
<tr>
<td>Video</td>
<td>62%</td>
</tr>
<tr>
<td>Online Loyalty Programme</td>
<td>45%</td>
</tr>
<tr>
<td>Social Sharing</td>
<td>28%</td>
</tr>
<tr>
<td>Facebook 'Like'</td>
<td>20%</td>
</tr>
<tr>
<td>Live Chat</td>
<td>17%</td>
</tr>
<tr>
<td>User Reviews</td>
<td>9%</td>
</tr>
</tbody>
</table>

90% of the brands recorded Facebook as a top destination site after leaving the brand site.*

Facebook alone accounts for 12.3% of all consumer time on the Internet.*

78% registered Facebook as a top-eight source of referral traffic.*

Over 60% of travelers worldwide use social media travel-related sites**

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Key e-Competence Indicators: Cruise-Related Websites*

<table>
<thead>
<tr>
<th></th>
<th>Av. Time Spent of Website</th>
<th>Search Visits (%)</th>
<th>Bounce Rate (%)</th>
<th>Av. Pageviews / Visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third Party Cruise Ds</td>
<td>10:42:55</td>
<td></td>
<td>24,60%</td>
<td>8.9</td>
</tr>
<tr>
<td>Cruise 2.0 Sites</td>
<td>6:27:00</td>
<td>15,50%</td>
<td>51%</td>
<td>6.2</td>
</tr>
<tr>
<td>Cruise Line Websites</td>
<td>5:26:27</td>
<td>14,90%</td>
<td>33%</td>
<td>5.7</td>
</tr>
</tbody>
</table>

* Source Data: Alexa.com
Cruise Specialists & Social Networks...

Against expectations, 72% of the specialists without Websites use social networks as an effective substitute!*

Brand Promotion Possibilities?!

263 comments,
744 people ‘Likes’...
since yesterday!
What the Cruise Companies Do...
*Carnival Cruises: “Travel Agent Reward Programme”*

Carnival GoCCL.com

**TRAVEL AGENT REWARDS PROGRAM**

Our new “Travel Agent Rewards Program” has rocked the travel agent community since launching at the end of January, bringing in tons of rewards for registered travel partners. By simply enrolling and logging various actions you complete through GoCCL.com, your GSIs, by attending events or even reading Carnival emails you’ll rack up points to redeem for a variety of fun Carnival branded logo items, gift cards, Apple iPads® or even a flat-screen TV.

**CURRENT ACTIONS ELIGIBLE FOR POINTS EARNING INCLUDE:**

- Creating new online bookings
- Booking groups online
- Servicing existing bookings using Carnival’s online tools
- Completing CCLU (Carnival Cruise Lines University) training on GoCCL.com
- Attending Awesome events such as Seminars at Sea, Shipboard Luncheons and more

We encourage you to enroll and accumulate points for these actions now as throughout the year certain point-earning actions will be updated with exciting new choices in order to make the program continually dynamic.

**SO, WHAT ARE YOU WAITING FOR?**
**LET US START REWARDING YOU FOR THE WORK YOU DO TODAY!**

Open to U.S. and Canada Travel Agents. A qualifying transaction must be reported within 90 days. For more information, please refer to the full Terms & Conditions.

**ENROLL NOW!**

BEGIN ENTERING YOUR ONLINE BOOKINGS TODAY.

HELPFUL HINT: When you have a promo code, make sure to select the correct item on the drop down menu under the “Non-Booking Activity” section. Then enter your Promo code and click Submit.

Once logged in, click on “How to Earn and Redeem Points” located at the bottom of the screen for details.

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While managers are managing the **technology**, the democratisation of **information** is generating more ‘expert’ guests and ‘guest’ experts...
Cruise Online / Mobile Presence represents the Brand

*It needs to work!*

1. Ganz schwach

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2. Where is the Wow?

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3. Läuft seit Monaten nicht

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4. Mit Schwächen

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5. Wertlos

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© Alexis Papathanassis
... It must add value for the guest!

Usefulness & Usability
JULY 2007. A MILLION CUSTOMERS IN ONE YEAR.
We would like to take this opportunity to thank all the Travel Agencies who have contributed towards this landmark.
Click here for more details.

Costa Cruises, proud to be the first shipping company in the world to obtain the Best4 certification. Certification Best4 attests respect of the highest international standards in Quality, Safety, Environment and Social Accountability.

Find a News item
- View last 10 News items
- View this month’s News items

News
8/11/2008
A Spa Escape that Gives Your Clients a Vacation Within a Vacation: Costa’s Samsara Spa Experience
8/7/2008
Costa Cruises Celebrates 100th Sailing in China
8/4/2008
Brand New Vespa Given to 60th Graduate of Costa Online Sales Training Academy (C.O.S.T.A.)
7/31/2008
The Winter European Off-Season is “On” with Costa’s Budget Friendly Mediterranean Sailing
Costa & Second Life.... A game?

Word-of-mouth

Social networking

The ‘irrelevant’ cruise operator website??

Retail

Cruise description & supplementary content

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There is a need to re-define the purpose, scope, content and interfacing of the Corporate Website
GUEST-SPENDING CONTROL

Beyond Internet Access on Board
What the Cruise Companies Do...

Oceania Cruises: “A Laptop with WiFi for every Cabin”

Suite Amenities

- Exclusive Access to Executive Lounge Staffed by a Concierge
- Prestige Tranquility Bed, an Oceania Cruises Exclusive, with 1,000-Thread-Count Linens
- 24-Hour Butler Service
- Private Veranda
- Welcome Bottle of Champagne
- Refrigerated Mini-Bar with Free and Unlimited Soft Drinks and Bottled Water Replenished Daily
- Full-Size Jacuzzi Tub
- Priority Check-In and Early Embarkation
- Priority Luggage Delivery
- Priority Restaurant Reservations in Toscana, Polo Grill, Jacques and Red Ginger
- Laptop Computer with Wireless Internet Access++
- Complimentary and Extensive 24-Hour Room Service
- Bvlgari Toiletries
- Thick Cotton Robes and Slippers
- Cashmere Lap Blanket
- LCD Flat-Screen Television
- CD/DVD Player with an Extensive Media Library
- Grohe Handheld Shower Heads
- Security Safe
- Handheld Hair Dryer
- Direct Dial Satellite Phone and Cellular Service
- 110/220 Volt Outlets

++Internet usage charges apply.
What the Cruisers Want....
‘Ultramodern Facilities & Entertainment’ = Laptop?*

**Survey by CruiseCompare.com**
2,000 cruisers & their technology*

**Findings (Usage on Board):**
- 83% have used some form of technology when on a cruise holiday
- 76% web / Internet
- 69% MP3 players
- 52% mobile phones (perhaps too expensive)
- 31% Kindle-type devices
- 23% personal laptops
- 14% gaming consoles
- 9% tablets

**Findings (Reasons for Usage):**
- 35% “out of habit”
- 31% Entertainment
- 29% Keeping in contact with home
- 27% Work
- 12% Researching ports and destinations
- 6% Boredom
- 2% Shopping

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Technology usage and free internet access on Board are neither Amenities nor Exciters; They are Satisfiers...
Beyond the online / mobile brochure

Fun Factor!

Entertainment?

Brand Awareness?

Safety Training?

Product Placement?
Some other App examples

- **Destination / Activity Support**
- **Onboard / Activity Support**
- **Information Aggregation**

Usefulness!?
New Players...

Apple iTReavel Cruise Patent
COMMUNICATION CONTROL

‘Big Brother is being Watched’
Guest Cruise Reviews

Guest Empowerment & Multiplication Effects

We have been on 5 cruises prior to this cruise. We would not ever consider cruising on Costa again nor would we recommend it to friends or family. Of all our prior cruises we never had a... read more

73 users found this review helpful.

Worst cruise out of the 13 I've been on. The most rude people I have ever encountered on land or sea. Cost has cut back to the bare bones and it shows everywhere. The crew seems unhappy as well... read more

29 users found this review helpful.

We chose this cruiseline for the initial reason of the price. It also helped that they offer a kids sail free program and in this economy, who can't say that's a welcome treat. We had an excellent... read more

58 users found this review helpful.

1 cruise, 3 dissatisfied guests, 160 readers!
Critics & Interest Groups
- Tax avoidance – Flags of convenience
- Environmental Externalities (Friends of the Earth Scorecard)

Suppliers
- Economic Impacts at Source Markets
- Destination limitations (Seasonal, infrastructural)

Customers
- Mass Cruising
- Overcrowding
- Safety
- Criminality on board (Balancing security with recreation)

Employees
- Image issue (‘Sweatships’)
  - Intl Transport Workers’ Federation (ITF)
  - International Labour Organisation (ILO)
- Crew living & employment conditions
The age of online transparency has arrived...What happens at sea does not stay at sea anymore!
E-CRUISING STRATEGY

Managing the Extended System Landscape
# Cruise e-Strategy Dimensions (EBC Model)

*Touching the customer... virtually & humanly!*

<table>
<thead>
<tr>
<th>Company Website</th>
<th>Virtual Landscape</th>
<th>Stationary Channels</th>
</tr>
</thead>
</table>
| **Exposure & efficiency**
  - Online brand development (Pull)
  - Search-engine optimisation
  - Content-width
  - Structure & visitor workflow
| **Enrichment**
  - Website promotion (Push)
  - Content mgt & control structures
  - Content-depth
  - Navigation efficiency
  - Price transparency
| **Experience**
  - Content multimediality & interactivity
  - GUI customisability
  - Incorporation of user-generated content |
| **Blockade**
  - Online brand protection (Legal)
  - Content protection (Screen-scraping) |
| **Backup – partnership**
  - 3rd party content integration
  - Online co-branding
  - Mergers & alliances |
| **Best-partnership**
  - Social networking support
  - Online-rating integration & optimisation |
| **Co-opetition**
  - Price advantage
  - Marketplace /portal character |
| **Co-existence**
  - Price parity
  - Structural guarantees
  - Anti-cannibalisation measures & incentives |
| **Co-evolution**
  - Exclusive access to content & offers
  - Incentives for cross-referral (online-offline) |
Some Relevant Research...

“The Ship is still Sailing”

Online Data Mining:
“Are Onboard Questionnaires necessary?”
“Guests use the internet to gather information... Do you?”

• Automated approaches:
  • Quantitative Approaches: Counting and summarising positive / negative responses (Ref. i)
  • Qualitative Approaches: Extracting topics / issues, clustering and prioritising them (Ref. j, e)
  • But can also be done manually – need for a methodology / systematic approach

• Correlation between website e-quality and guest satisfaction / loyalty (Ref. a)
• Usefulness above aesthetics (Ref. b, c)
• Users prefer 3rd party websites (comparison and choice render them more useful) (Ref. b)
• Source market cultural fit in website design

Online Presence:
“Is the website useful for you... or for the guest?”

• Guests are sophisticated and efficient when assessing online reviews and content is dominant (Ref. d)
• Online reviews regardless positive or negative increase guest consideration and it does not really matter if the reviewer is an expert (Ref. g):
• Reviews have a significant impact on online bookings (Ref. H): 10% increase of reviews = 5% increase in sales

Social Network Management:
“Do you trust your guests and do you believe in your services?”

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**Research Functions:**
- Founder & Chairman of the Cruise Research Society ([http://www.cruiseresearchsociety.com](http://www.cruiseresearchsociety.com))
- Co-Director of the Institute for Maritime Tourism (IMT) ([http://www.imt.hs-bremerhaven.de/](http://www.imt.hs-bremerhaven.de/))

**Administrative Functions:**
- Dean of Studies – Faculty of Business & Economics
- Chairman of the CIM Examinations Committee
- Member of the CIM Study Affairs Committee