

# Managing 'Cruise Leaks' Navigating in a Sea of Information

Papathanassis

Prof. Dr. Alexis



Cruise Management &

E-Tourism

*Prof. Dr. Alexis Papathanassis*

Handelsblatt Kreuzfahrt Kongress 2012 – Hamburg 22<sup>nd</sup> of  
November

While managers are managing  
the **technology**, the  
democratisation of  
**information** is generating  
more 'expert' guests and  
'guest' experts...

# The Cruise Sector in the *Age of Transparency and Digital Ubiquity*



Image Downloaded from: <http://cordis.europa.eu/ictresults/index.cfm?section=news&tpl=article&ID=88790>

How does cyberspace affect  
traditional notions of Cruise  
**Branding** and **Reputation**?

What is the impact of emerging  
**information technologies** on  
the cruise sector?

To what extent are the cruise sector's  
**e-practices** relevant?

# What the Cruise Companies Do...

## Oceania Cruises: "A Laptop with WiFi for every Cabin"

Share | Guest Services | Germany (Change) | English | Welcome, Log In or Register

OCEANIA CRUISES®  
Your World. Your Way.®

EUROPE | S. PACIFIC | N. AMERICA | ASIA | AFRICA | S. AMERICA | CARIBBEAN | GRAND VOYAGES | TRANSOCEANIC

HOME | ITINERARIES | PROMOTIONS | EXPLORE SHIPS | EXPLORE ASHORE | BROCHURES | CRUISE PLANNER | ALREADY BOOKED

Lifestyle and Activities • Fine Dining • Suites and Staterooms • Points of Distinction Videos

Home > Explore Ships > Riviera > Suites & Staterooms > Suites Staterooms

### Explore Riviera

May we help you?



**Riviera Ship Information**

Ship Information | Suites and Staterooms | Dining | Lifestyle and Activities

Suites | Veranda | Ocean View | Inside Staterooms

Owner's Suite (OS) [VIEW DETAILS](#)

Vista Suite (VS) [VIEW DETAILS](#)

Oceania Suite (OC) [VIEW DETAILS](#)

Penthouse Suite (PH1) [VIEW DETAILS](#)

Penthouse Suite (PH2) [VIEW DETAILS](#)

Penthouse Suite (PH3) [VIEW DETAILS](#)

PRINT DECK PLAN  
WATCH VIDEOS  
VIRTUAL TOURS

- Select Tour -

REGISTER FOR EMAIL UPDATES  
Click here to register for special offers and itinerary updates.



Interactive Deck Plan

### 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

**Online Access Revenue?**

### ► Findings (Reasons for Usage):

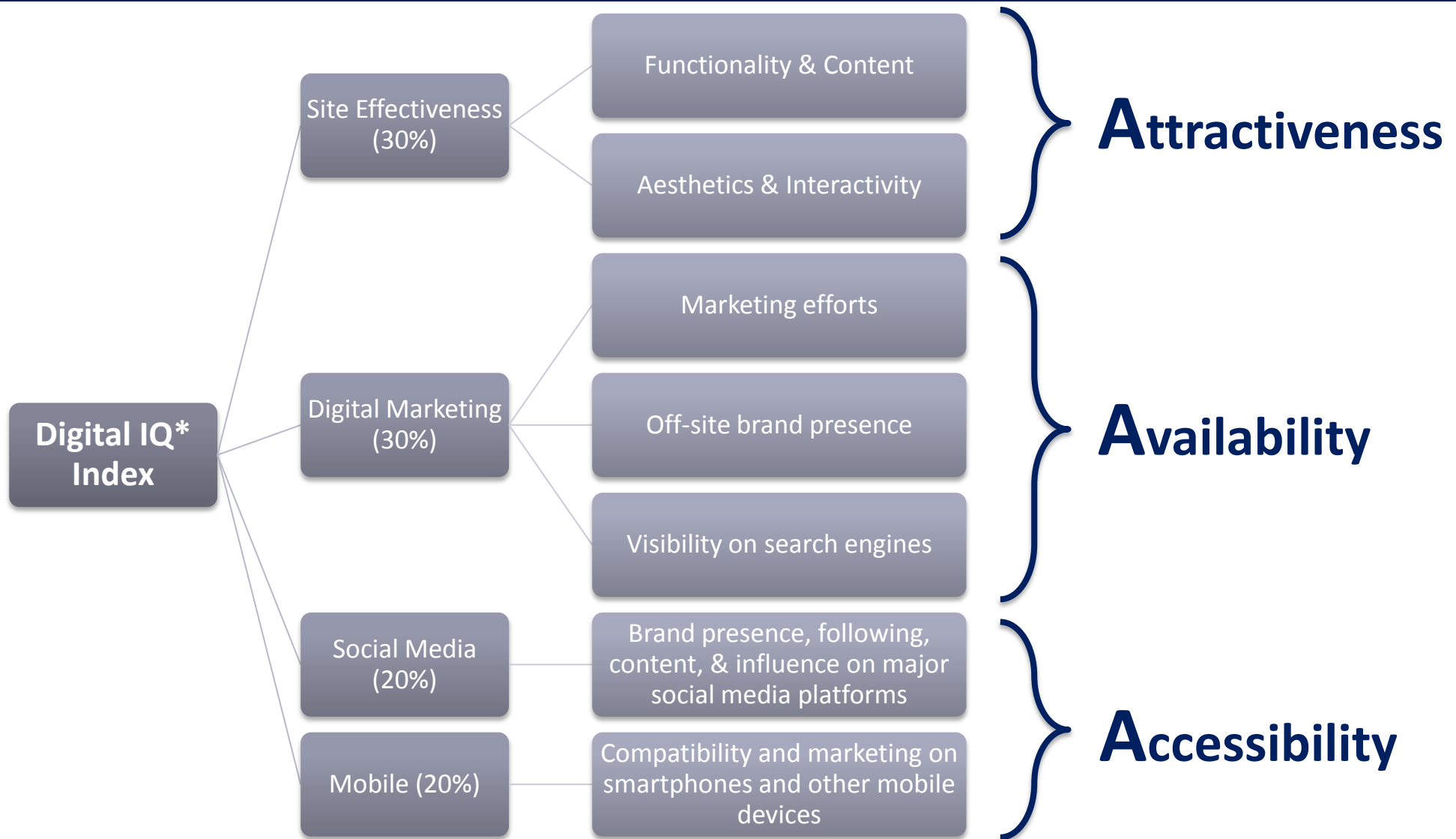
- 35% “out of habit”
- 31% Entertainment
- 29% Keeping in contact with home
- 27% Work
- 12% Researching ports and destinations
- 6% Boredom
- 2% Shopping

**Online Services Revenue?**

Technology usage and free  
**internet access** on Board  
are neither Amenities nor  
Exciters; They are  
**Satisfiers...**

# Digital IQ in the Tourism Sector:

## *A Methodological Note*

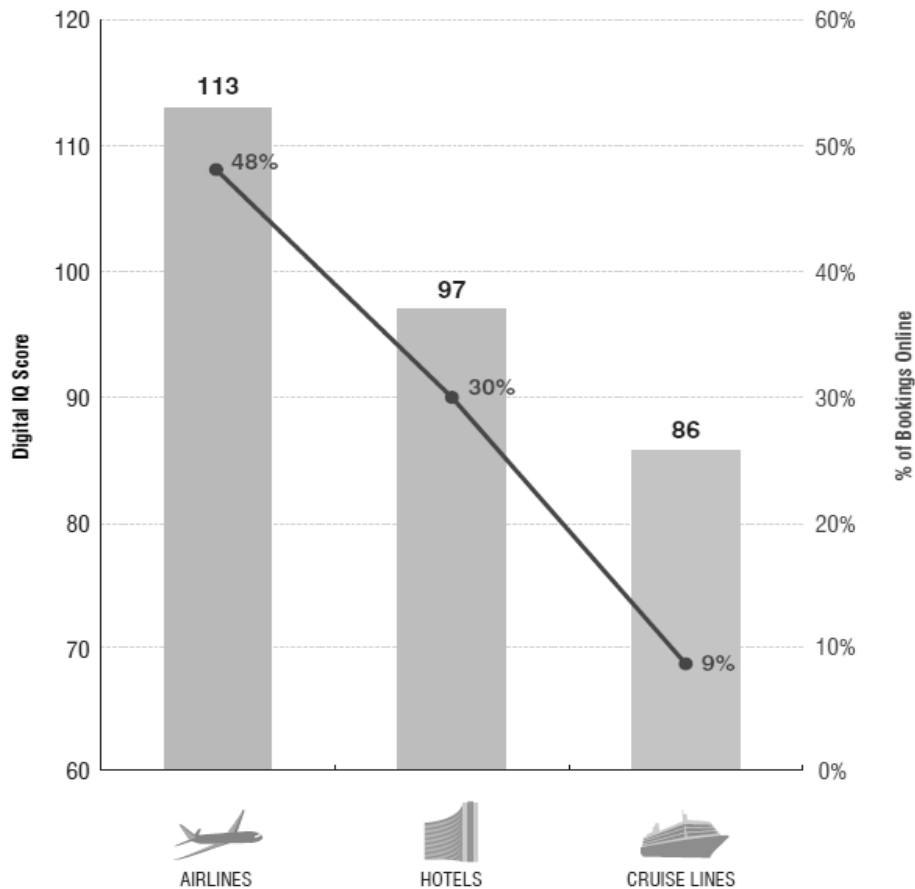


# Digital IQ in the Tourism Sector:

## *Online Bookings are a matter of Digital Intelligence\**

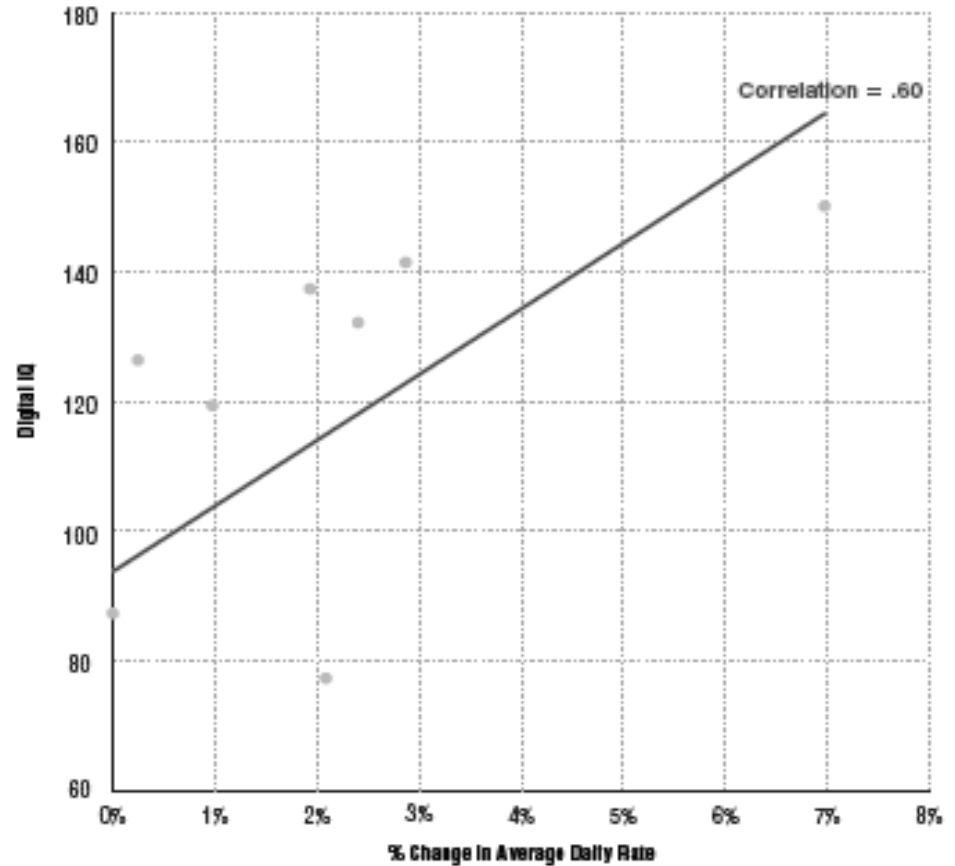
AVERAGE DIGITAL IQ &  
PERCENT OF BOOKINGS ONLINE

By Category



DIGITAL IQ vs. YEAR-OVER-YEAR CHANGE IN  
AVERAGE DAILY ROOM RATE

(Hotels with Published Data: 2010 vs. 2009)

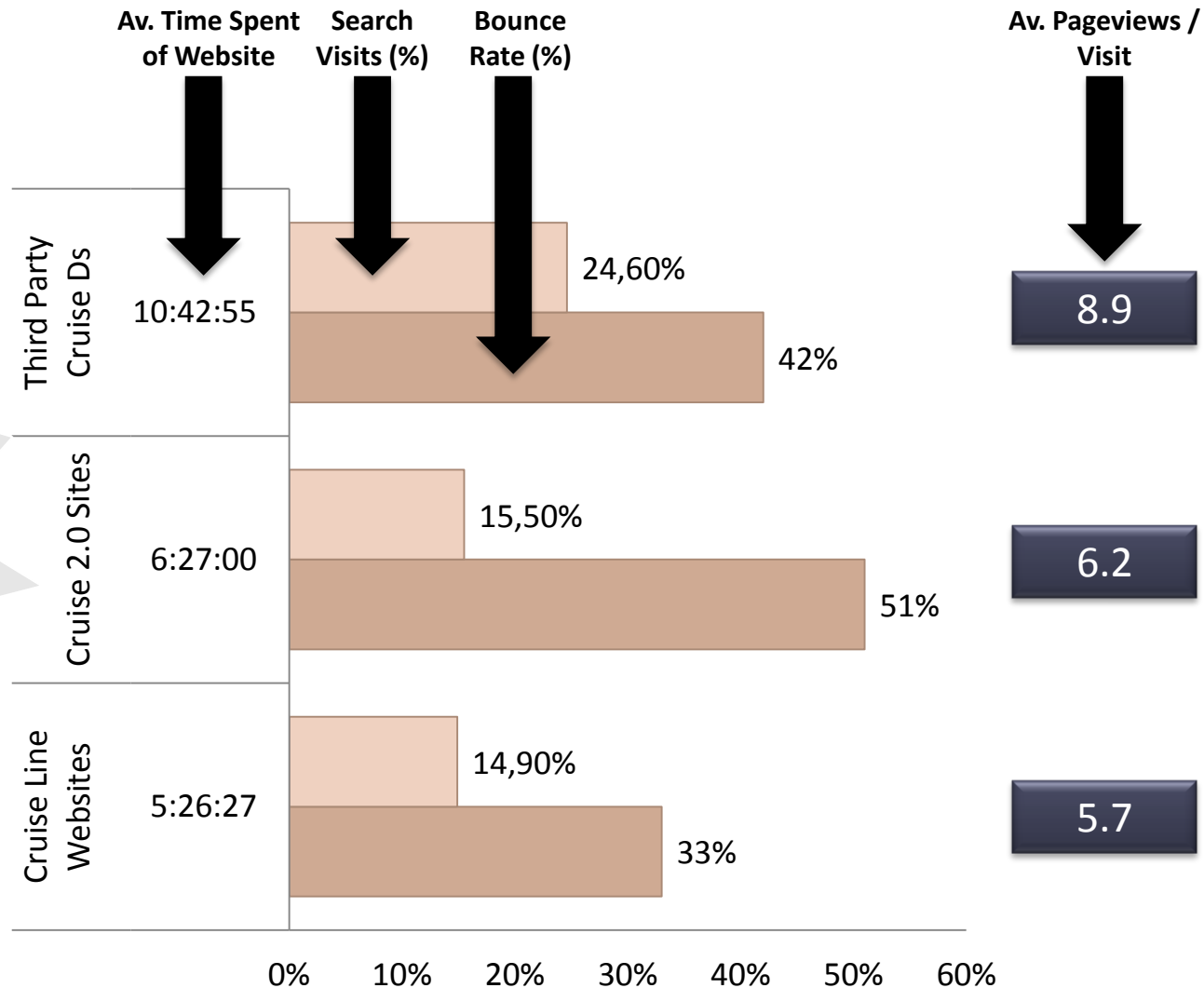




There is a **Correlation**  
between **e-competence**  
and online **bookings**

# Key e-Competence Indicators: (German) Cruise-Related Websites\*

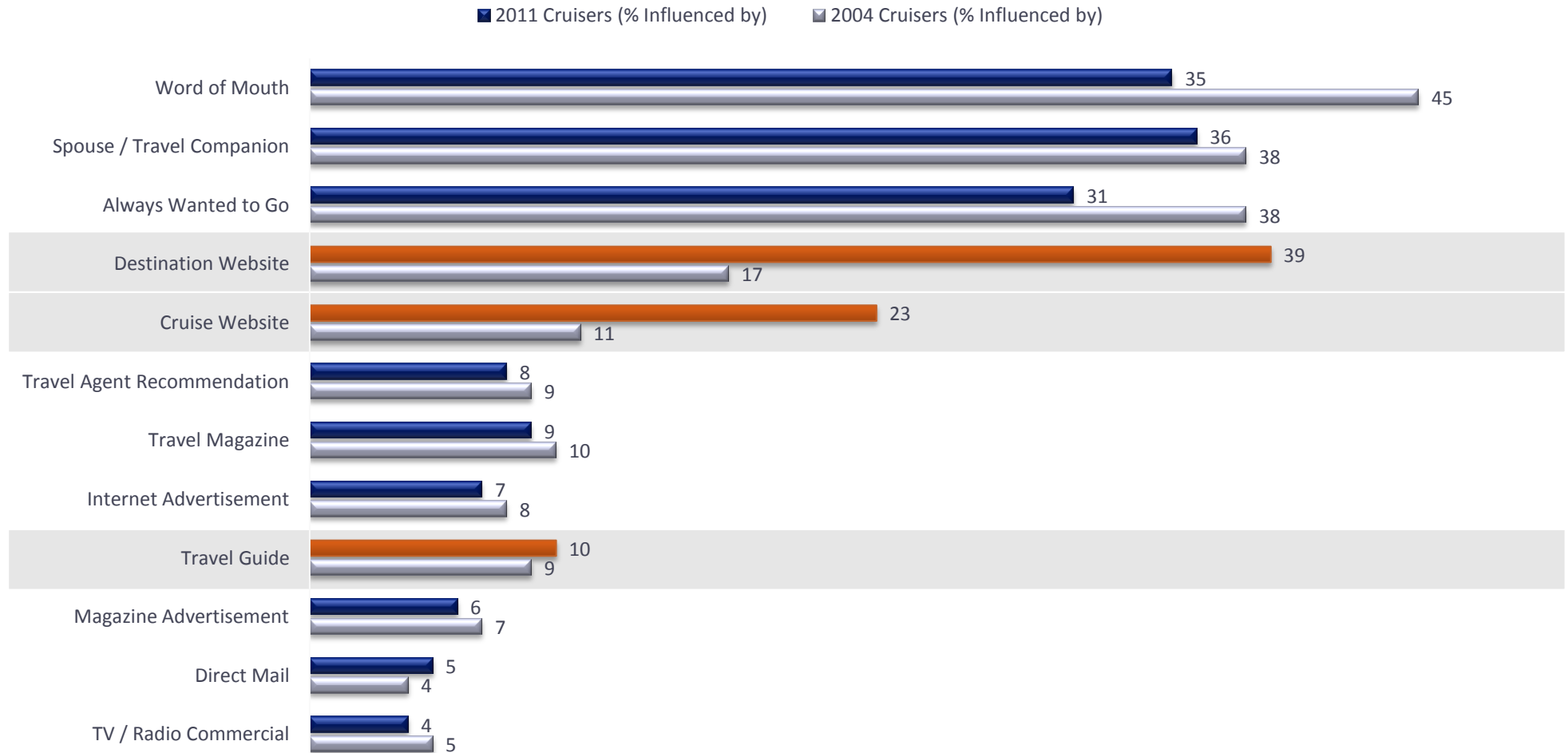
Digital Competence Class\*\*  
(04:00:00 Spent on Site =  
Average Digital Travel IQ)



# Online Cruise Content is Gaining Importance


## *From 'Cruise Promotion' to 'Guest Consulting'*

### Cruiser Decision Influences\*



# What the Cruise Companies Do...

## Carnival Cruises: "Travel Agent Reward Programme"



BEGIN ENTERING YOUR ONLINE BOOKINGS TODAY.

ALREADY REGISTERED?

Email

Password

LOG IN >

[Need help?](#)

VIEW THE FAQ ?

### 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 GDS, 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 flatscreen 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!

ENROLL NOW!

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](#).

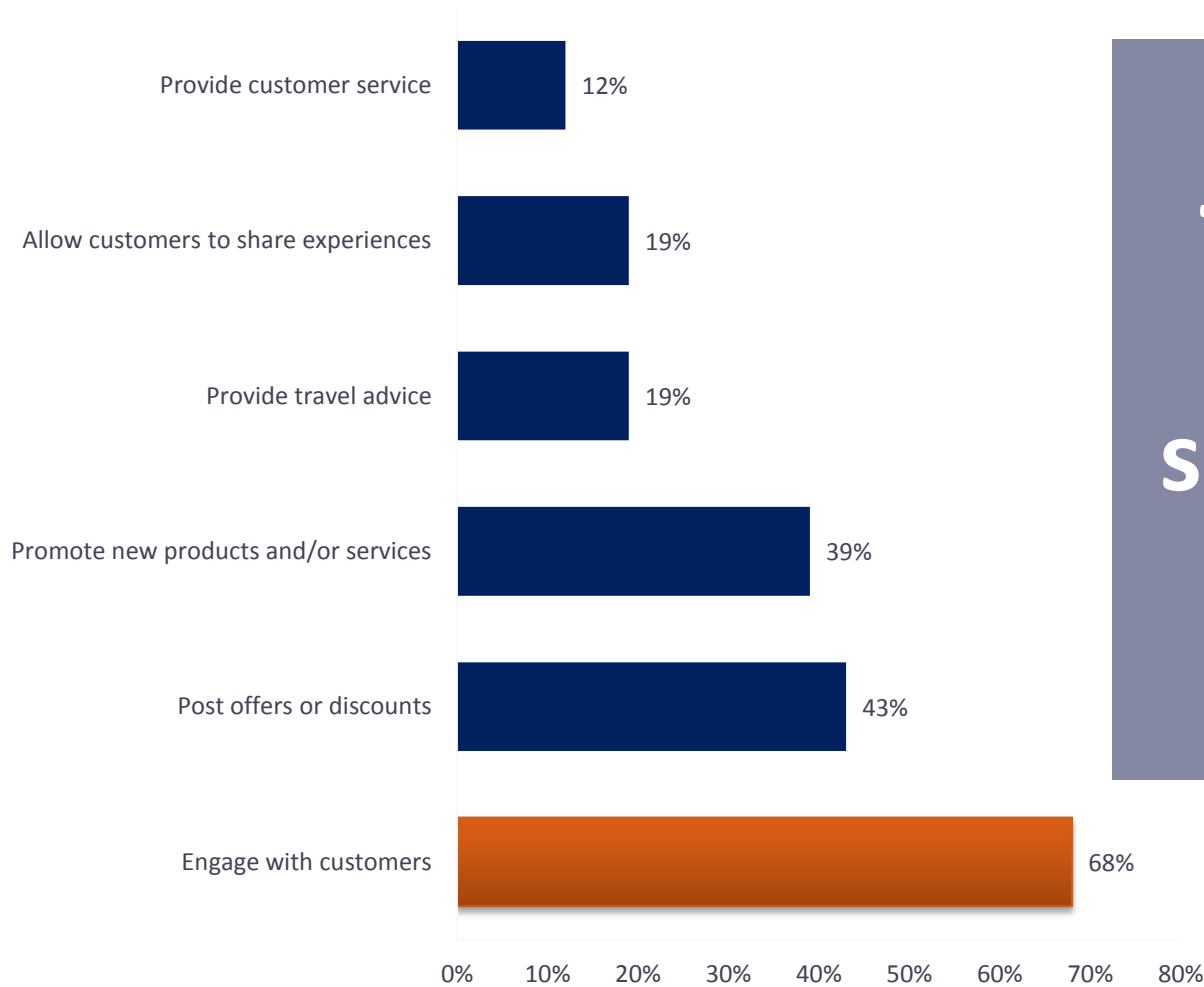
**HELPFUL HINT:** When you have a promo code, make sure to select the correct item on the drop down menu under the "Non-Booking Activity" section. Then enter your Promo code and click Submit.

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



This site has been tested with Chrome, Firefox, Internet Explorer 8+, and Safari. ©2012 Carnival Cruise Lines. All Rights Reserved.

# Cruise Specialists & Social Networks...



Source Data: Amadeus & CLIA (2011)

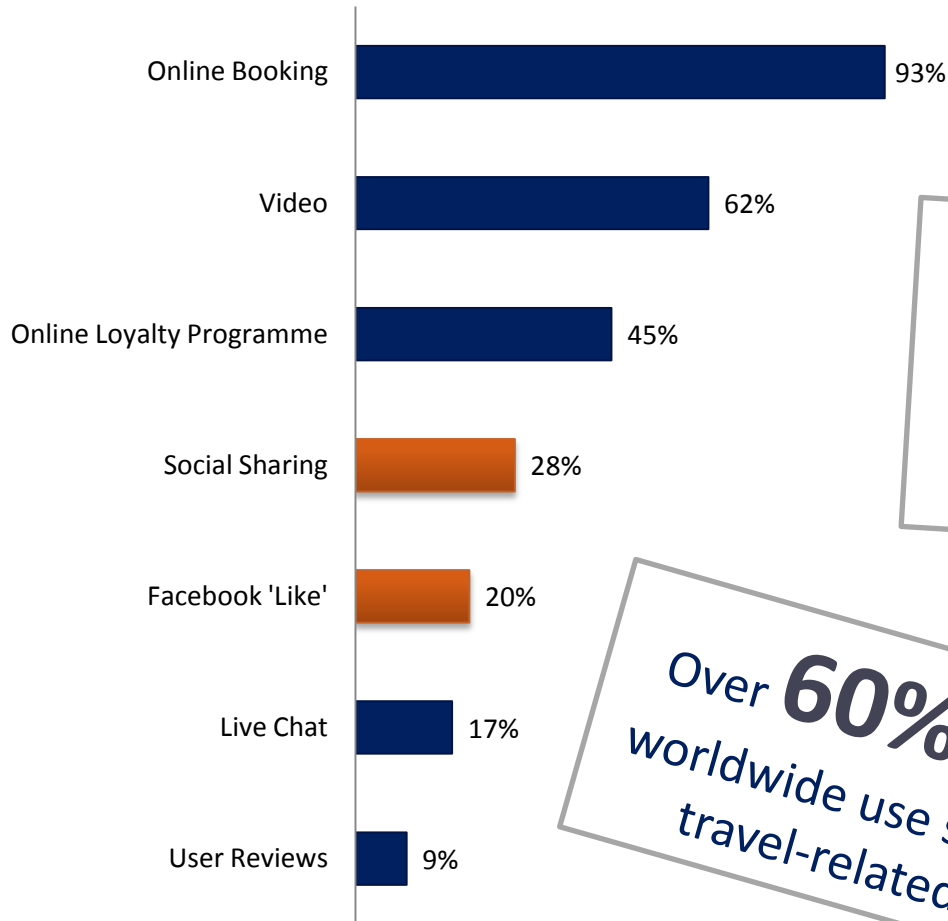
“Against expectations,  
**72%** of the specialists  
without Websites use  
**social networks** as  
an effective  
**substitute!**”\*

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

# Understanding the e-Cruiser's Cyber-Itinerary

## Facebook Traffic

Travel Website Content Availability\*



**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\*

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

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

# Guest Cruise Reviews

## *Guest Empowerment & Multiplication Effects*



[Redacted] [Redacted] [Redacted]

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.

[Redacted] [Redacted] [Redacted]

Worst cruise out of the 13 I've been on. The most rude people I have ever encountered on land or sea. Costa 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.

[Redacted] [Redacted] [Redacted]

We chose this cruise line 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](#)

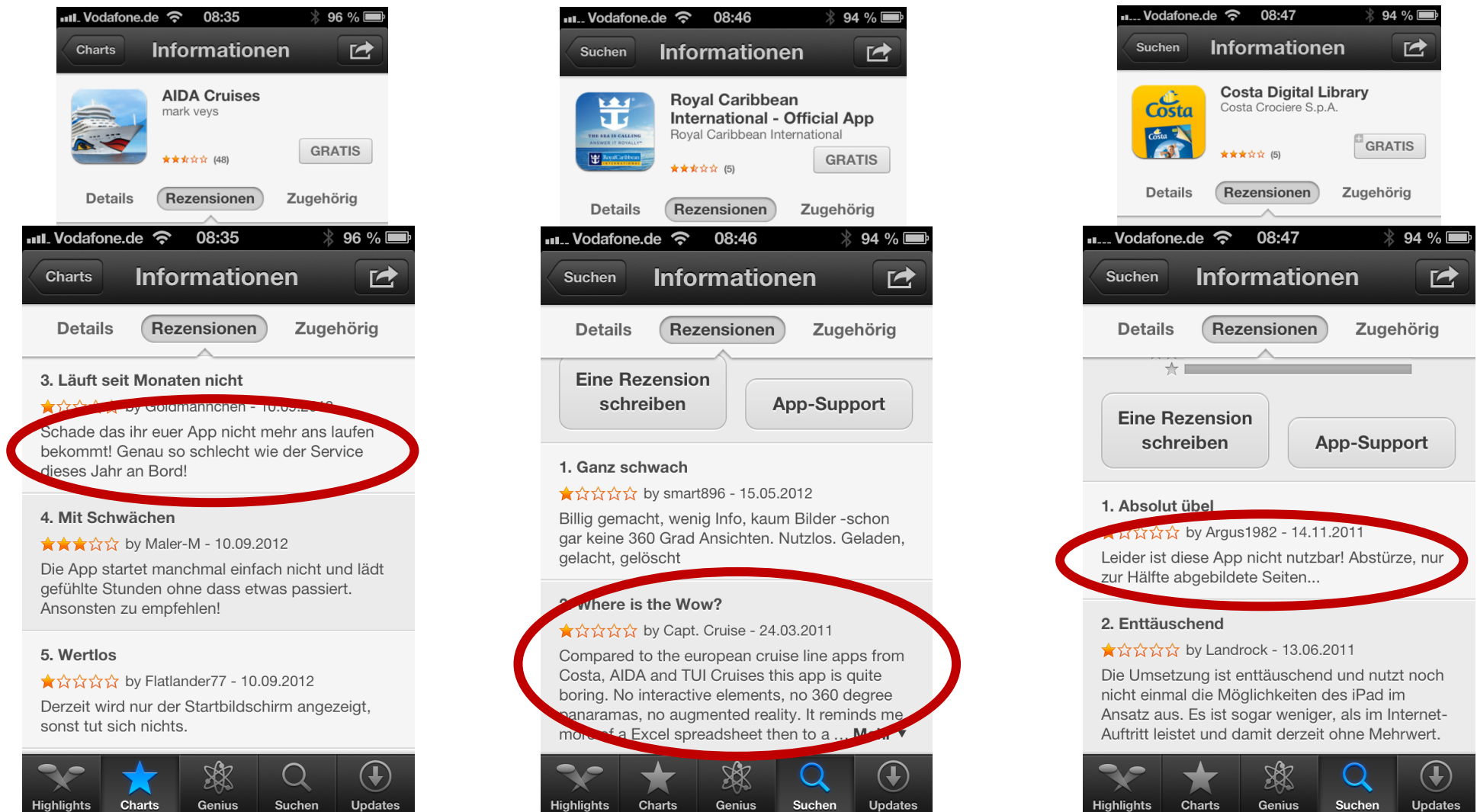
58 users found this review helpful.

1 cruise, 3  
dissatisfied  
guests, 160  
readers!



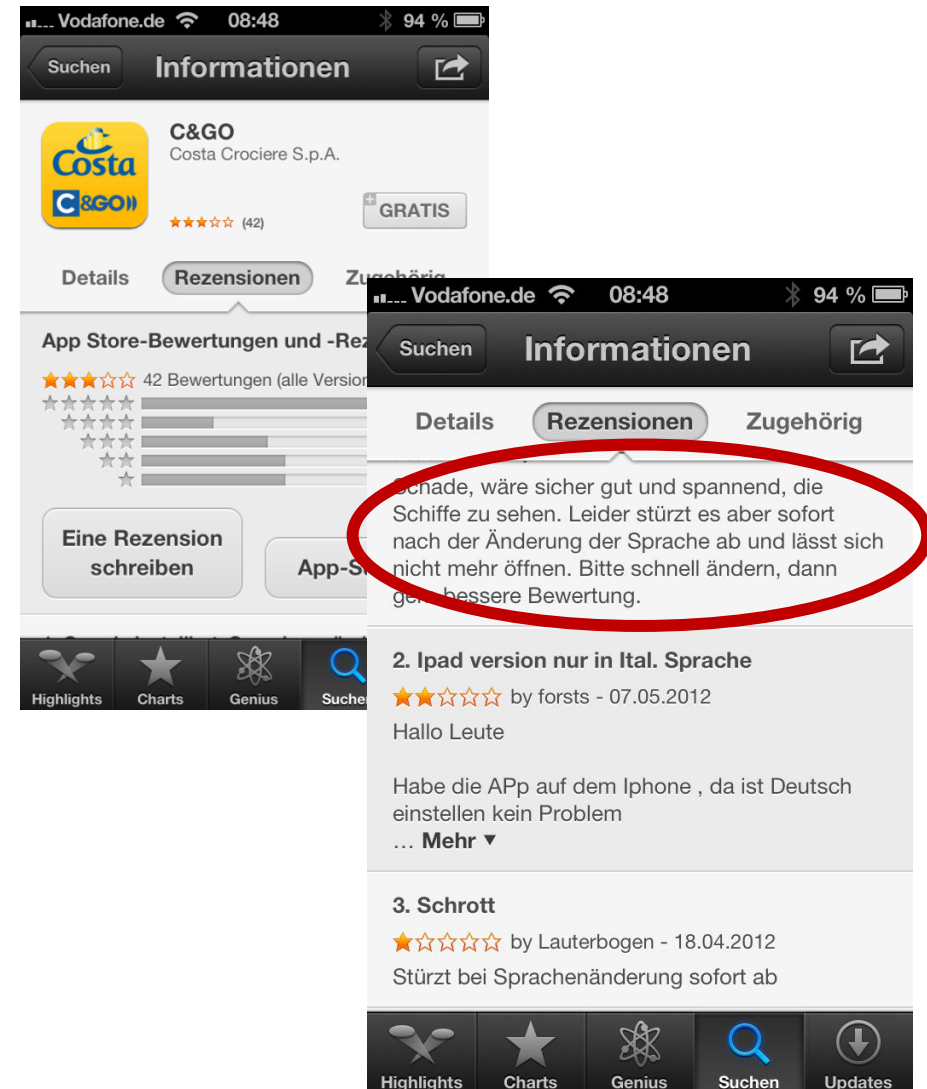
# Cruise Online / Mobile Presence represents the Brand

## *It needs to work!*



# ... It must add value for the guest!

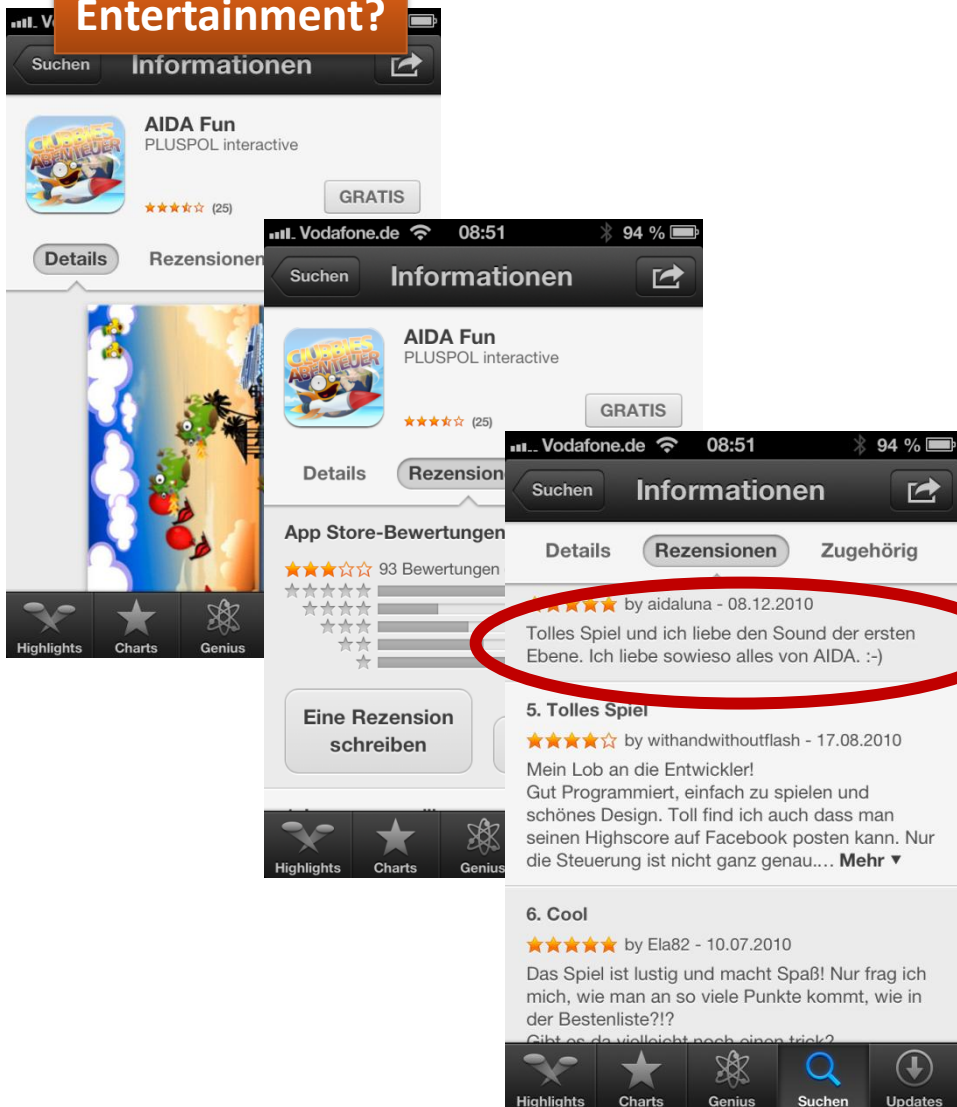
## Usefulness & Usability



# Beyond the online / mobile brochure

## Fun Factor!

### Entertainment?



### Safety Training?



### Product Placement?



### Brand Awareness?

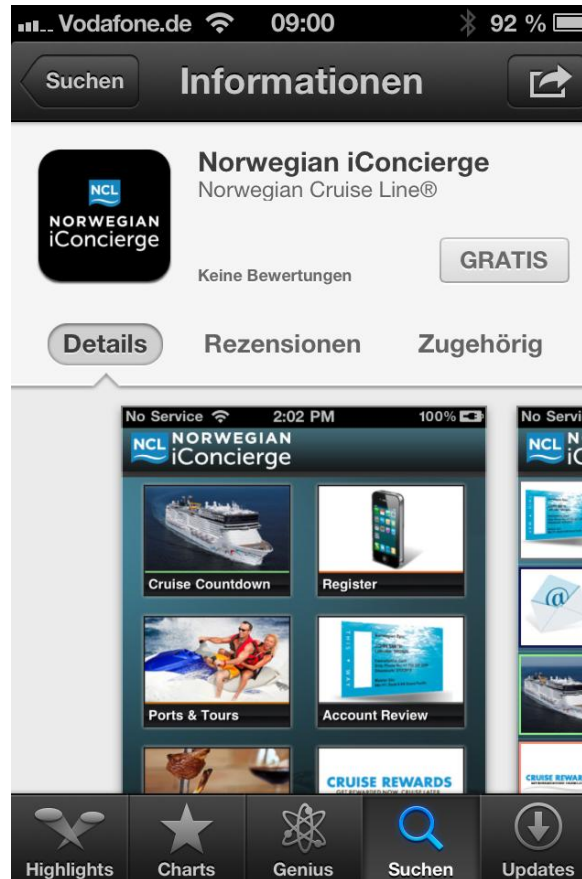




# Some other App examples



Destination / Activity Support



Onboard / Activity Support

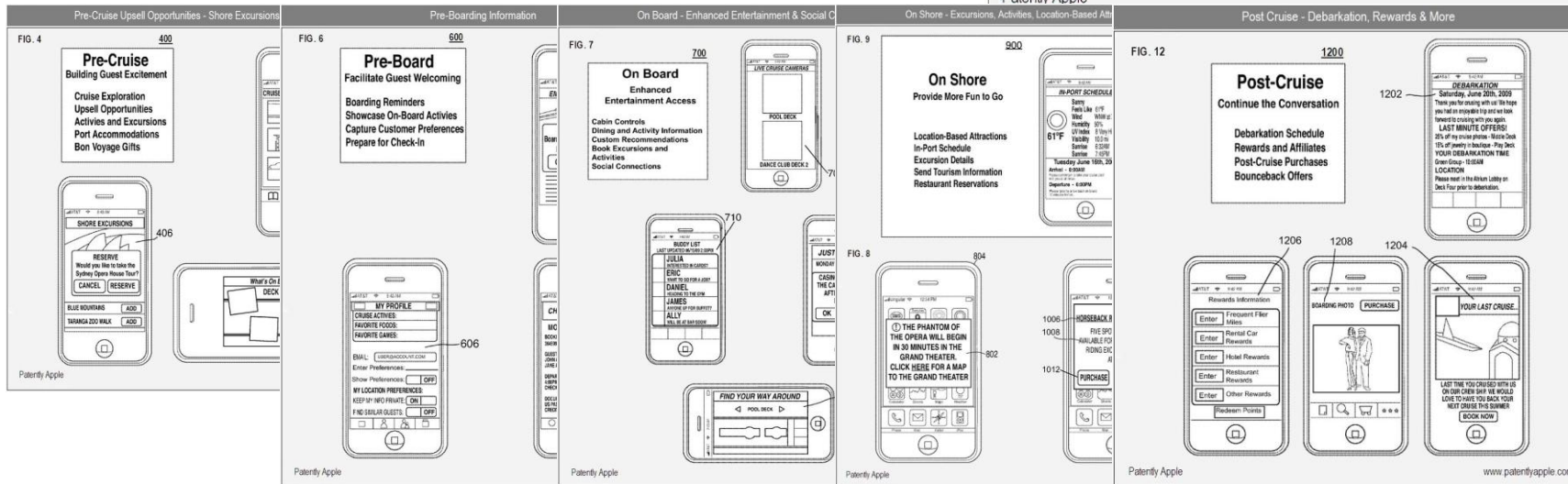
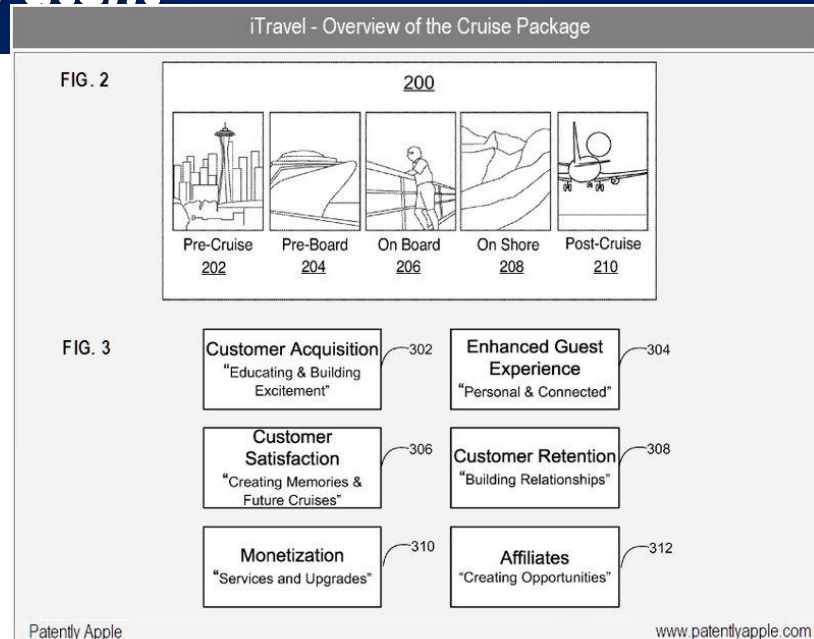
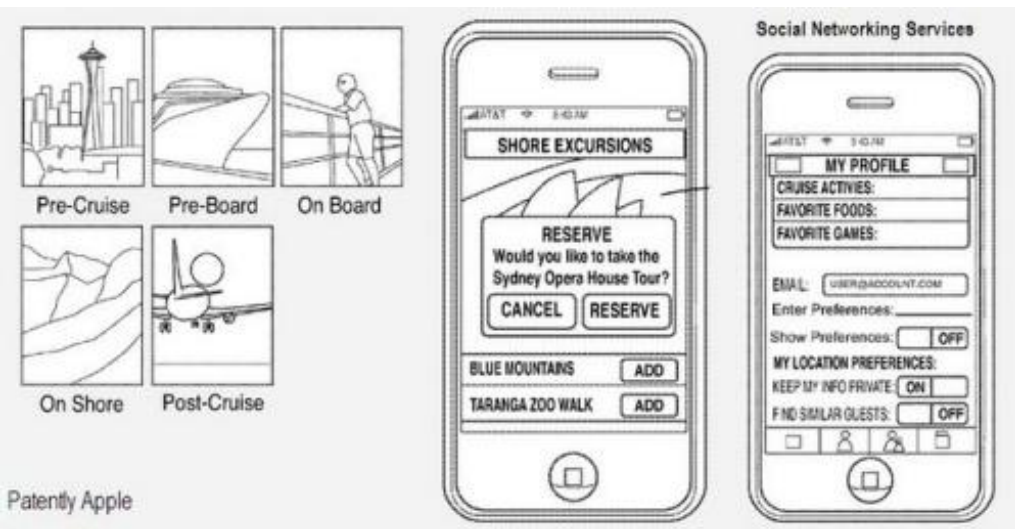


Information Aggregation

## Usefulness!?

# New Players...

## Apple iTravel Cruise Patent



# Brand Promotion Possibilities?!

263 comments,  
744 people 'Likes'...  
since yesterday!

**Cruise Critic**  
Yesterday

A big 'ol tip of the hat to Captain Greybeard for revealing the hull design for Norwegian Cruise Line's Breakway. Painted by Peter Max. Love it or hate it? <http://bit.ly/OMY5aa>



Like · Comment · Share

100

744 people like this.

View all 263 comments

# 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

### Online Presence:

"Is the website useful for you... or for the guest?"

- 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 – Weak in Germany

### Social Network Management:

"Do you trust your guests and do you believe in your services?"  
"

- 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)

- a) Ho, C.L. & Lee, Y.L (2006). The development of an e-travel service quality scale, *Tourism Management*, 28(6): 1434-1449
- b) Morosan, C. Jeong, M. (2008). Users' perceptions of two types of hotel reservation Web sites, *International Journal of Hospitality Management*, 27(2): 284-292
- c) Papathanassis, A. & Brejla, P. (2011). Tourism Extranet Acceptance in the Cruise Distribution Chain: The Role of Content, Usability, and Appearance. *Information Technology & Tourism*, 13(2): 105-117
- d) Papathanassis, A. & Knolle, F. (2011). Exploring the adoption and processing of online holiday reviews: A grounded theory approach, *Tourism Management*, 32(2): 215-224
- e) Sohns, K. , Breitner, M. & Papathanassis, A. (2011). Online Content Mining Technologies for the Cruise Industry: State-of-the-Art and Acceptance, *European Journal of Tourism, Hospitality & Recreation*. 2(3): 55-77
- f) Sparks, B.A. & Browning, V. (2011). The impact of online reviews on hotel booking intentions and perception of trust, *Tourism Management*, 32(6): 1310-1323
- g) Vermeulen, I.E. & Seegers, D. (2009). Tried and tested: The impact of online hotel reviews on consumer consideration, *Tourism Management*, 30(1): 123-127
- h) Ye, Q. , Law, R. , Gu, B. & Chen, W. (2011). The influence of user-generated content on traveler behavior: An empirical investigation on the effects of e-word-of-mouth to hotel online bookings, *Computers in Human Behavior*, 27(2): 634-639
- i) Ye, Q. , Zhang, Z. & Law, R. (2009). Sentiment classification of online reviews to travel destinations by supervised machine learning approaches, *Expert Systems with Applications*, 36(3): 6527-6535
- j) Zhan, J. , Loh, H.T. & Liu, Y. (2009). Gather customer concerns from online product reviews – A text summarization approach, *Expert Systems with Applications*, 36(2): 2107-2115

There is an **imperative** to  
extend from Customer  
Relationship Management to  
**Customer Inter-**  
**relationship** Management



# Information Management in a Wider Context

## *“Cruise Leaks” – Big Brother is being watched!*

### 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)

### Investors

- Pax Numbers vs. Profitability
- Risk of over-capacities
- Critical profitability dependencies (Regulatory environment and fuel prices)

### 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

### Competitors

- Fusion packaged tourism – cruise tourism (extended competitive scope)
  - New players

The age of online  
transparency has  
arrived...What happens  
at sea does not stay at  
sea anymore!