Managing ‘Cruise Leaks’
Navigating in a Sea of Information

Prof. Dr. Alexis Papathanassis
Handelsblatt Kreuzfahrt Kongress 2012 – Hamburg 22nd 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

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”**

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**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

Online Access Revenue?

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* Index

- Site Effectiveness (30%)
- Digital Marketing (30%)
- Social Media (20%)
- Mobile (20%)

Attractiveness
- Functionality & Content
- Aesthetics & Interactivity
- Marketing efforts
- Off-site brand presence
- Visibility on search engines
- Brand presence, following, content, & influence on major social media platforms
- Compatibility and marketing on smartphones and other mobile devices

Availability

Accessibility
Digital IQ in the Tourism Sector: Online Bookings are a matter of Digital Intelligence*


There is a Correlation between e-competence and online bookings
Key e-Competence Indicators: (German) Cruise-Related Websites*

<table>
<thead>
<tr>
<th>Cruise Line Websites</th>
<th>Av. Time Spent of Website</th>
<th>Search Visits (%)</th>
<th>Bounce Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5:26:27</td>
<td>14,90%</td>
<td>33%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Cruise 2.0 Sites</th>
<th>Av. Time Spent of Website</th>
<th>Search Visits (%)</th>
<th>Bounce Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6:27:00</td>
<td>15,50%</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Third Party Cruise Ds</th>
<th>Av. Time Spent of Website</th>
<th>Search Visits (%)</th>
<th>Bounce Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10:42:55</td>
<td>24,60%</td>
<td>42%</td>
</tr>
</tbody>
</table>

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

* Source Data: Alexa.com
Online Cruise Content is Gaining Importance

From ‘Cruise Promotion’ to ‘Guest Consulting’

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>11</td>
<td>23</td>
</tr>
<tr>
<td>Travel Agent Recommendation</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Travel Magazine</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Internet Advertisement</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Travel Guide</td>
<td>10</td>
<td>9</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>

What the Cruise Companies Do...

Carnival Cruises: “Travel Agent Reward Programme”

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 your loyalty various actions you complete through GoCCL.com, your QDS, 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 iPad® 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!

ENROLL NOW!

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.
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**

<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**
Guest Cruise Reviews

Guest Empowerment & Multiplication Effects

1 cruise, 3 dissatisfied guests, 160 readers!

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.
Cruise Online / Mobile Presence represents the Brand

It needs to work!

3. Läuft seit Monaten nicht

Die App startet manchmal einfach nicht und lädt gefühlte Stunden ohne dass etwas passiert. Ansonsten zu empfehlen!

4. Mit Schwächen

Die App startet manchmal einfach nicht und lädt gefühlte Stunden ohne dass etwas passiert. Ansonsten zu empfehlen!

5. Wertlos

Derzeit wird nur der Startbildschirm angezeigt, sonst tut sich nichts.

1. Ganz schwach


2. Where is the Wow?

Compared to the european cruise line apps from Costa, AIDA and TUI Cruises this app is quite boring. No interactive elements, no 360 degree panoramas, no augmented reality. It reminds me more an Excel spreadsheet than a... Much more...

1. Absolut übel

Leider ist diese App nicht nutzbar! Abstürze, nur zur Hälfte abgebildete Seiten...

2. Enttäuschend

Die Umsetzung ist enttäuschend und nutzt noch nicht einmal die Möglichkeiten des iPad im Ansatz aus. Es ist sogar weniger, als im Internet-Auftritt leistet und damit derzeit ohne Mehrwert.
... It must add value for the guest!

Usefulness & Usability
Beyond the online / mobile brochure

**Fun Factor!**

- **Entertainment?**
  - AIDA Fun
  - Pluspol Interactive
  - App Store-Bewertungen:
    - 5 Sterne Bewertung:
      - Tolles Spiel und ich liebe den Sound der ersten Ebene. Ich liebe sowieso alles von AIDA. :-)

- **Safety Training?**
  - Cruise Rescue Lite
  - Qp Imp.
  - cruise rescue lite für Android
  - Cruise Tycoon
  - TRADEGAME Lab Inc.

- **Product Placement?**
  - Sunshine Cruise Lines
  - UGO Mobile Entertainment Inc.

- **Brand Awareness?**
  - cruise rescue lite für Android
  - Cruise Tycoon
  - TRADEGAME Lab Inc.
Some other App examples

Destination / Activity Support

Onboard / Activity Support

Information Aggregation

Usefulness!?
New Players...

Apple iTravel Cruise Patent
Brand Promotion Possibilities?!
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

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There is an imperative to extend from Customer Relationship Management to Customer Interrelationship Management.
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!