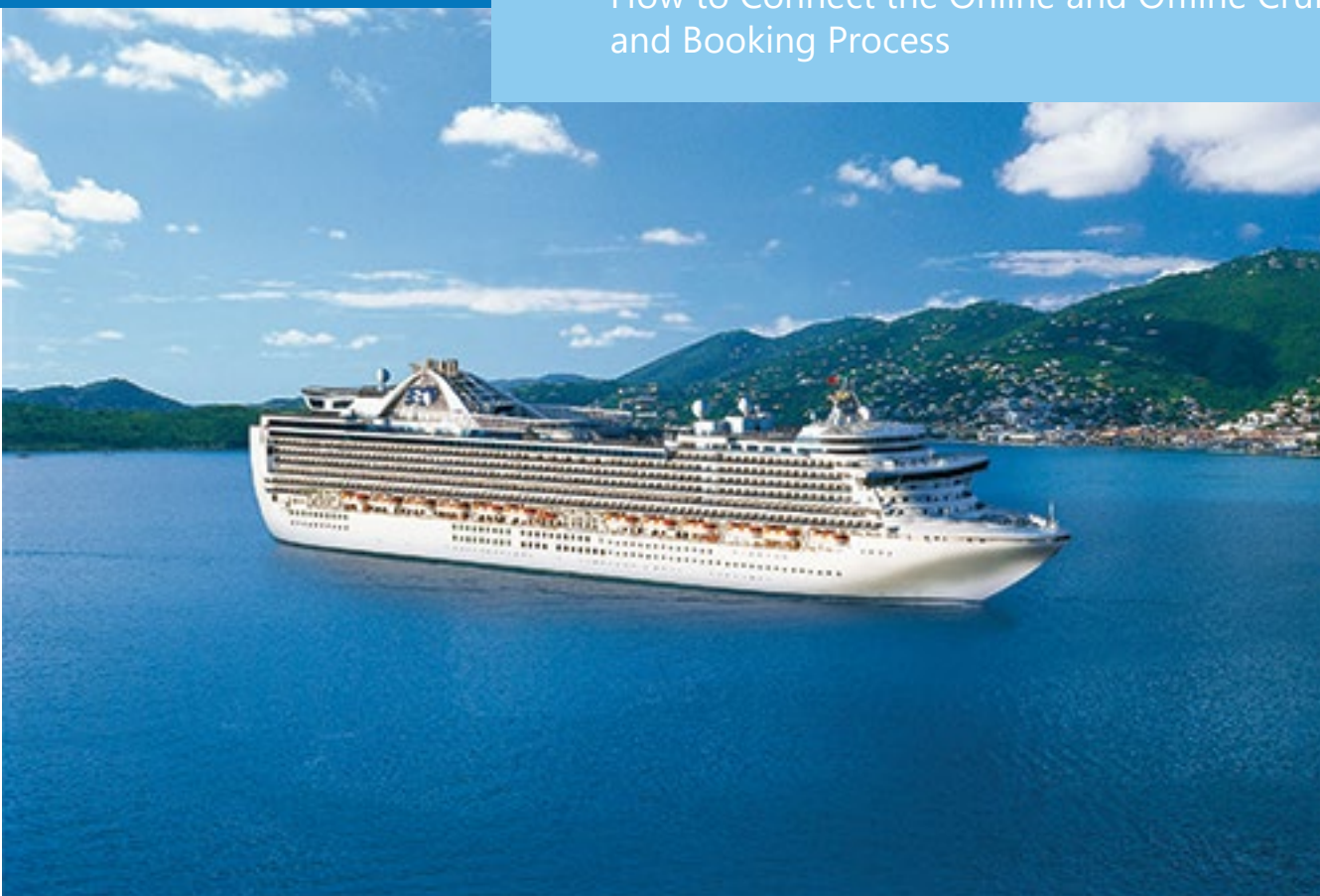# ODYSSEUS
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DRIVING EFFICIENCIES THROUGH INNOVATION

The Digitization of Cruise Bookings

How to Connect the Online and Offline Cruise Planning and Booking Process

TRAVEL TECH
CONSULTING

Foreword

The online revolution has changed the way consumers research and shop, and cruise vacations are no exception. Whether consumers book their cruise online or simply start their research there, travel sellers need to be ready to assist them through the entire process. All signs indicate the use of mobile devices will continue to increase as both consumers and agents are constantly connected to social media, making mobile technology a must have and not just a nice to have.

Integrating the online and offline experience is critical since many consumers will switch between various devices as they research and eventually purchase their travel online. Mobile devices enable consumers to be online anywhere, at any time, allowing consumers to start their cruise research on a mobile and even complete the booking on that device or request a quote or share that itinerary with friends and family and then call an agent or use their tablet or laptop to complete their purchase. While the major cruise lines make their products available for instant booking, some of the more boutique brands require an agent's involvement to complete the booking and even those that are bookable online, considering the choices available, may trigger a query to an agent.

Regardless of how a consumer ultimately purchases a cruise, the ideal solution needs to integrate the online and offline process and provide the consumer with up to date availability and pricing as well as detailed descriptions with rich media including images, videos, 360° views and other, to assist during the research, shopping, and booking process.

This paper is intended to provide insight into some of the challenges experienced when booking a cruise online and share Odysseus Solutions' vision of how a hybrid online and offline experience needs to be in place to merge online consumer research with cruise agent expertise.

Monish Luthra

President & CEO

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Introduction

INTEGRATING THE ONLINE AND OFFLINE EXPERIENCE

In 2018, almost half (43.97%) of all global travel will be booked online. [i] During the same period, Cruise Lines International Association (CLIA) projects that 27.2 million passengers will set sail. [ii] Despite advances in automation, many of these passengers will complete their bookings offline. According to Phocuswright, in the U.S. only 19% of cruise revenue was booked online in 2017. [iii] On the surface, these statistics seem to imply a primarily offline process. The truth is, in today's connected world it is likely that majority of these consumers spent hours online, researching and planning their cruise vacation across different devices, before completing the transaction online or with a travel agent or cruise line sales representative. Clearly there is a need to integrate online research with offline expertise.

With mobile devices enabling consumers to be online anywhere at any time, what type of technology do travel companies need to deploy to integrate online research with offline bookings? For the modern travel agency, what type of platform is needed to improve the efficiencies of booking cruises? What impact will emerging technology such as Virtual Reality (VR) have on the cruise planning and booking experience? This paper will discuss solutions needed to unify the online and offline processes.

With mobile devices enabling consumers to be online anywhere at any time

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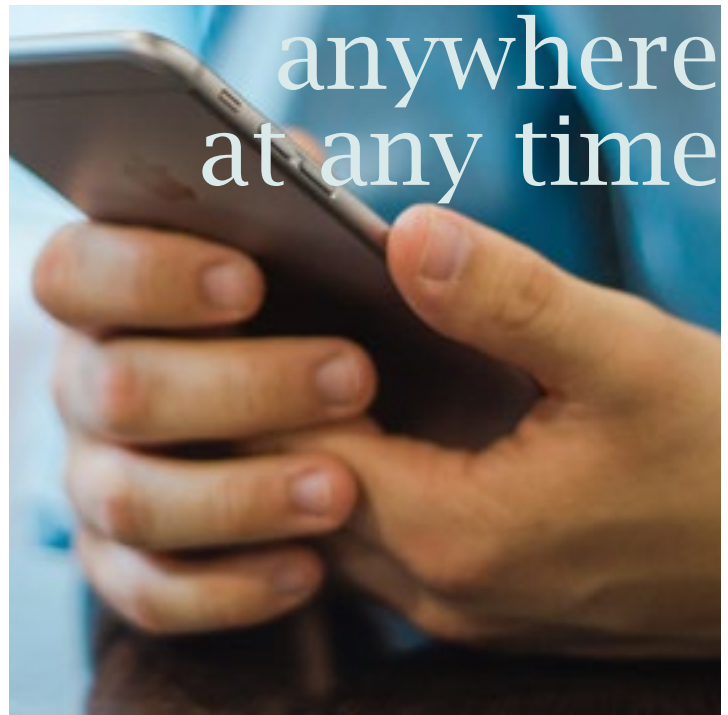
The Online/Offline Cruise Challenge

THE CRUISE PLANNING AND BOOKING PROCESS

Currently the cruise planning and booking process is long and generally involves multiple online and offline steps. Online is no longer strictly a desktop/laptop experience as a recent study by Sojern and Google revealed that 29% of cruise searches were conducted on mobile devices.[iv]

Online research may include interaction with cruise line websites, cruise review sites, online travel companies, and social media applications. Offline cruise shoppers will often seek advice from friends and family, visit and/or talk to a traditional travel agent, or call a cruise line representative. The challenge is to integrate consumer online planning and research with the offline expertise of a traditional travel agent. One way to accomplish this goal is for the travel agency to deploy an online cruise booking tool. This may sound counter intuitive to some traditional agents who want to keep the booking offline, but allowing the consumer to plan online with an agency sponsored booking tool may represent one of the most important ways to integrate online and offline activity.

The Cruise Online and Offline Process
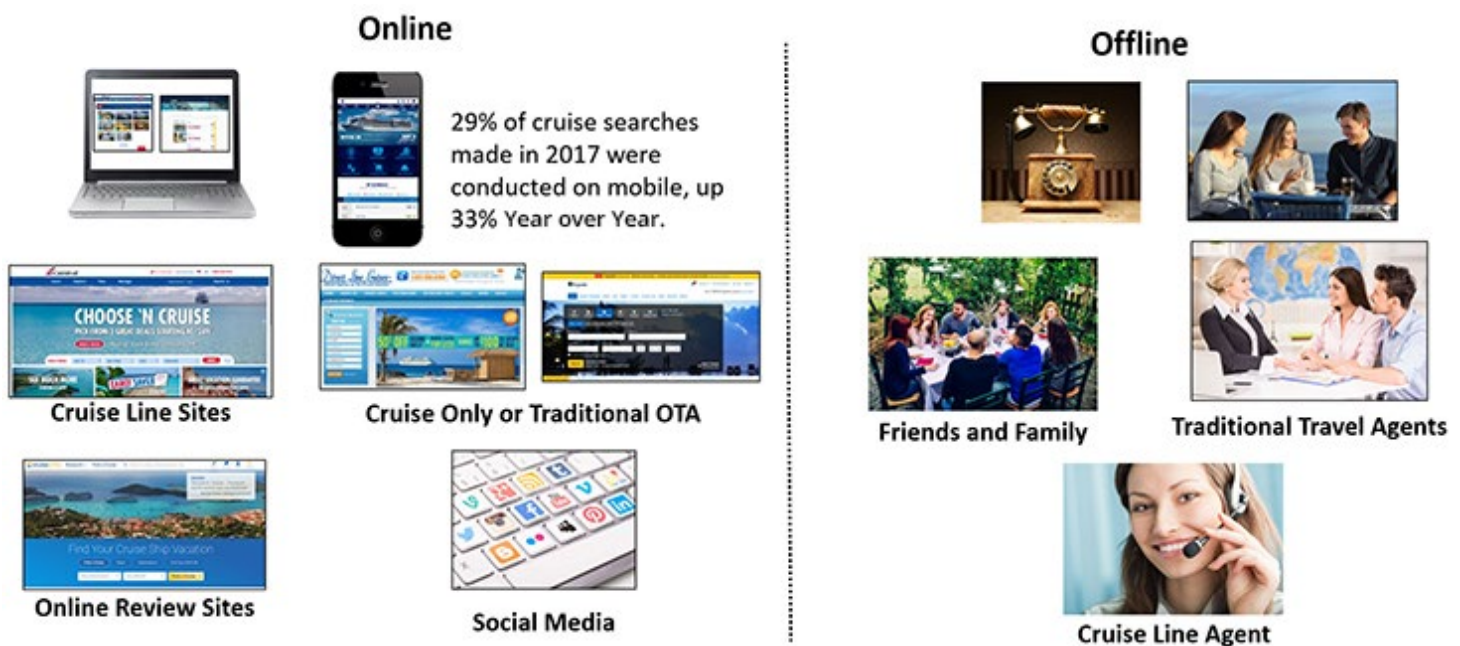
- Research is not linear - consumers jump between devices and between online and offline advice.
- Research and planning is a long process before booking occurs.
- The amount a given source influences the choice of cruises depends on the nature of the individual.
- Millennials are more likely to rely on online sources for research.

Sources: Sojern/Google Research, Cruiseline.com

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Why Do Cruises Continue To Be Booked Offline?

THE COST OF A CRUISE

For most travelers a cruise holiday is a significant expense, especially for families or those purchasing high-end cruises. The significant price tag often motivates consumers to seek assistance with cruise purchases. A traveler who is buying a $25,000 cabin may need reassurance that they are getting the proper value for their money, even if they are a repeat cruise booker. The cost of the cruise may be an even bigger online booking deterrent for the first-time cruiser who wants to be assured that their purchase satisfies all their needs.

THE CHALLENGE WITH CONTENT

The most difficult challenge for digitizing cruise content is its complexity. Ship-specific content and configurations differ across ships and cruise lines. These differences continue to grow, as more cruise inventory is added, including new and larger ships. This new inventory makes the cruise ship itself the destination, especially as cruise lines build ships with their own unique design and features. Access to detailed descriptions, deck plans, cabin photos, links to media rich files and videos has become increasingly important to help with the research and shopping process. Content must be created using responsive design to enable viewing across multiple types of mobile devices.

Overall, normalizing global cruise content is challenging. Cruise lines continue to refurbish their ships both while sailing (e.g. converting libraries to cabins), and by taking the ships off the grid for a few weeks. When the ship reenters the market, it may suddenly have new balcony cabins or specialty dining restaurants. The refurbishment impacts the deck and floor plan and the categorization of the ships.

It is also important for travel agencies to have access to "offline" cruise content using cached data and booking request information. This can lead to increased user adoption, but presents challenges in integrating cruise lines cached availability with live connections into a single availability display.

COMPLEXITY

Cruise content by its very nature can be complex. For example, cruise lines offer bundles and specials (dining/WiFi/drinks/gratuities, etc..) which can confuse the customer. Even the basic process of choosing the right category can be challenging for someone new to cruising. For example, the common request of families who want to book multiple cabins where the parents have a balcony while the kids stay in a less expensive cabin or a connected cabin can be a daunting task for the average consumer.

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GENERATIONAL SHIFTS

The millennial generation (i.e. people born between the early 1980s and 1990s) now represent a significant percentage of leisure travelers. As they mature, the behavior of millennial cruise shoppers will help spur more online cruise activity. CLIA research has shown that 39% of millennials say ocean cruises are the best type of vacation.[v.] A recent New York Times Article stated that millennial travelers want three things:

customized experiences, digital convenience, and relevant information on social media and are willing to pay for memorable experiences.[vi.] Though this article referred to the hotel selection process, it is safe to assume the same criteria is true for millennials when searching and booking cruises. Therefore, easy access to detailed descriptions, deck plans, cabin photos and links to media rich files and videos is increasingly important to help with

the research and shopping process especially for millennials. Offering millennials unique dynamic/customized packages may play a significant role in providing the right experience to this generational segment. It is essential that the overall customized experience of a given cruise be properly presented to attract the millennial customer.

The Challenge For Travel Agencies

AGENT EFFICIENCY

Deploying the right technology backbone for the travel agent is an essential decision point for travel agency owners. Some agents prefer to use an interface provided by the cruise line, while other agencies use third party tools that provide a single platform for multiple cruise lines. It is essential that every agency owner deploy a solution that facilitates the maximum efficiency for the travel agent booking experience.

THE ONLINE / OFFLINE GAP

With consumers researching cruises

online and on their mobile devices, a completely disconnected process where the agent begins a new cruise enquiry with a customer call or visit could ignore hours of work already completed by the customer. This gap in agent efficiency results from a lack of seamless integration of customer online research into the agent's process. As previously stated, offering an online cruise booking tool to their customers may actually improve the efficiency of the offline agent by capturing online research behavior of the consumer. Simply

stated, traditional travel agencies need to consider deploying an online cruise booking engine, not to push the consumer to a self-service solution, but rather as a key tool to capture online shopping behavior.

TRAINING

If the traditional agent uses cruise line portals for booking passengers, training and consistency become an issue. Training agents to match a client with the correct cruise line, cruise ship, destination, etc. can be time consuming. Each cruise line has

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its own unique look and feel with varying online capabilities, making the need to be trained on multiple systems a problem for agency management. Agency management also needs to ensure that a consistent marketing message is delivered to both customers and agents. Content changes may require retraining agents to ensure the right message is delivered to the customer. It is essential that every travel agency manager understand the steps their agents take in researching and booking a cruise reservation to identify common best practices and eliminate inefficiencies.

A SINGLE PLATFORM ACROSS CRUISE LINES

A superior solution is to streamline the process into a single work flow accessing comprehensive content across cruise lines and the online/offline processes. This includes access to offline cruise content (e.g. schedules, itineraries, pricing and availability cache) as an integrated search, shop and booking process. It is essential that the travel agent have access to aggregated search results that enables competitive shopping across cruise lines. An efficient third-party cruise booking tool provides the opportunity to create a standard booking experience across cruise lines for both consumer research and for the agent.

ADMINISTRATION AND INTEGRATION

Travel agencies need and often do not have backend integration with their CRM and accounting systems. This is another essential capability necessary to avoid manual retyping of information. Integration with CRM technology can also help streamline the processes by understanding the customer requirements especially for repeat cruise customers.

Agency management needs a platform that can help control the booking process by creating a common set of rules for travel agent use. Defined rules can prevent agent errors, call attention to exclusive agency/consortium offers, and provide clearer shopping comparisons to shift cruise sales to preferred suppliers. In addition, these tools can provide a normalized invoicing and payment reminder process through integration with agency accounting/ERP back-end systems.

Travel agency managers also require administration tools to track the performance of their agents. An ideal solution needs to define, highlight and monitor the use of preferred suppliers, special offers and/or price adjustments. The agency needs the ability to bias the screen to promote unique deals which maximize consumer satisfaction leading to recurring and increased revenue for the agency.

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The Role Of Packaging

PACKAGING – DRIVING REVENUE AND EXPERIENCE

Packaging, the ability to combine cruise, air, hotel and tours, has emerged as a major revenue source for the cruise lines and travel agencies. This extends the process from simply selling a cruise to selling the entire vacation experience.

Packaging capability is a crucial requirement for cruise booking platforms, especially in specific markets such as Australia, Asia and China where packaging increases the ability to sell the cruise itself. As previously stated, creating a dynamic package is essential for the millennial traveler who wants customized experiences. Failure to offer a level of customization forces the consumer to shop elsewhere for part of their vacation, and can interrupt the process and lead to dissatisfied consumers. While Packaging can make the online comparable shopping experience complex, it also allows the agency to offer consumers predefined itineraries alongside a cruise only itinerary, leading to further customization highlighting each agency's uniqueness.

The Solution for Integrating Online and Offline

As a new generation of travelers considers cruise vacations, their path to purchase becomes increasingly complex. Consumers will naturally move across different devices, sites and channels when researching a cruise vacation. The data captured from the research and shopping activity should be driving a new level of traveler engagement, with the goal of delivering the right information on the preferred device at any point in the search, shop or buy cycle. This includes the increasingly important mobile research part of the cruise purchase process. The agent support experience must keep up with the advances in online cruise bookings, so service is seamlessly integrated with online shopping.

The identification of common preferences through big data analysis should produce cruise segment profiles to assist in planning (e.g. families, older couples, income levels, etc.). Eventually this will lead to a more personalized cruise booking experience. For first time cruisers, content needs to be normalized and simplified to educate the new purchaser on the value of different options. Techniques such as collaborative filtering (e.g. similar customers purchased this cabin/package) can be deployed with first time cruise buyers, using past data from similar customers to recommend options that meet the new purchaser's needs.
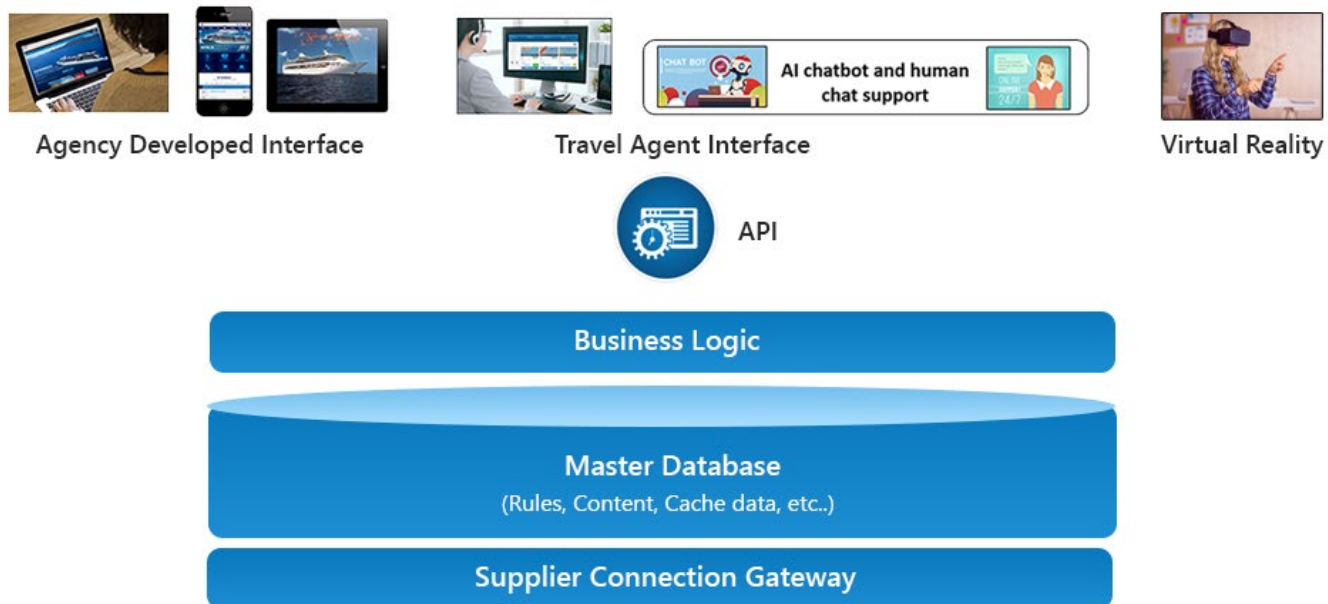
THE IDEAL CRUISE SOLUTION AND PROCESS

The key to an effective integrated online and offline process is the ability to compare prices and itineraries across multiple cruise lines to determine total value, including prices and amenities. While comparative shopping is challenging when different amenities are offered by each cruise line, it is an essential capability to drive efficiencies.

A hybrid online and offline experience needs to be put in place that combines the consumer's online research with cruise agent expertise. Tools need to be deployed that connect the online planning process seamlessly with expert advice at every step of the process and across multiple devices. Deploying common techniques such as online chat to immediately respond to customer questions is a given in today's online world.

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The following diagram describes the ideal platform for a modern travel agency; some of the key elements of this solution include:

- A common platform that powers both the online consumer and offline agent process. This can include agency-unique online interfaces built against robust APIs offered by third party providers. This is essential to capture consumer shopping behavior.
- An AI chatbot to answer basic questions. With advancements in natural language processing (NLP) AI chat can understand text and voice to supplement human interaction. There needs to be a balanced approach where AI chat is combined with human advice to reduce the complexity of the search process while improving the efficiency of the travel agent.
- A business logic layer that manages content and processes for both online and the agent.
- A master database that stores the rules, and content (including cache data), that drives both the consumer and agent interfaces.
- Supplier connectivity to all the major cruise lines allowing comparative shopping across cruise suppliers that is normalized across ships and cruise lines.
- Offline cruise content such as schedules, itineraries, pricing & availability cache.

THE IDEAL CRUISE SOLUTION AND PROCESS

DRIVING EFFICIENCIES THROUGH INNOVATION

The ideal platform should provide a common solution for the online and offline processes. Every seller of cruise content needs to take an omni-channel approach which includes mobile, online, emerging chat and even voice assistants. Customer insight needs to be captured from the data generated from multiple devices used during research, shopping and the booking process. Consumers need to be able to begin their initial research using any device (e.g. mobile tablet or laptop). At the end of the day, all these capabilities must be tightly integrated with a service approach that is immediate and aware of all prior digital behavior. The omni-channel approach also reduces the training an agency has to offer their agents on supplier tools and focus more on training of the product itself.
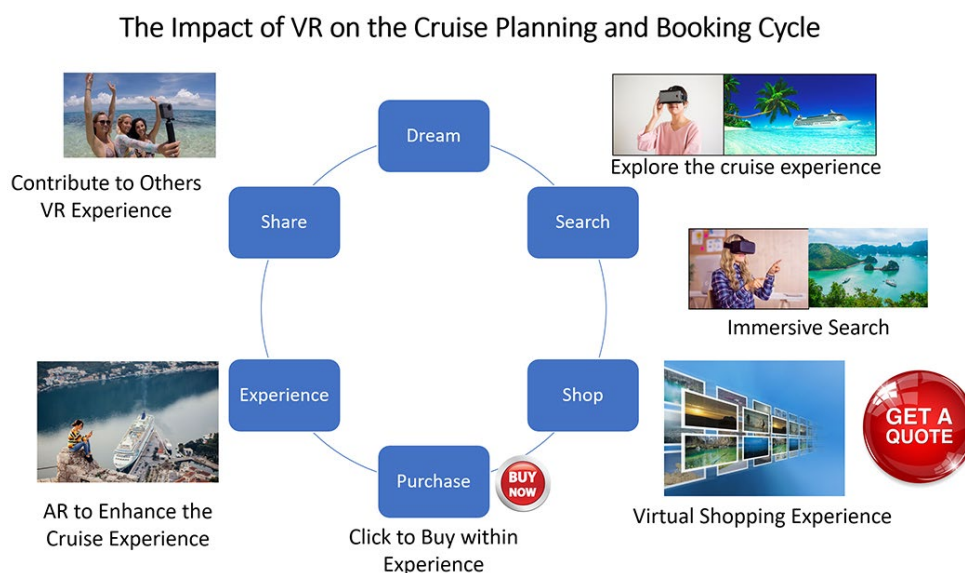
VIRTUAL REALITY

Emerging technology such as Virtual Reality (VR) may help enhance the cruise vacation search, shop and buy process over the next 1-3 years. It is essential that VR be integrated with other channels (e.g. a buy button on a VR screen that takes the consumer a web page for purchase). VR can also be used to sell ancillary services and excursions. Some cruise lines have started down the VR path, though currently limited to specific ships and awaiting greater overall consumer adoption of VR technology.

Both Virtual Reality and Augmented Reality have suffered from over hype. Despite this fact, these technologies are emerging to improve virtual and real-life experiences. As the millennial generation embraces the experience of travel, virtual reality may emerge as a key tool to help, the dream, search, shop and purchase of cruise vacations. This may lead to a complete immersive shopping and buying experience provided the ever-changing dynamics of cruise content does not make the VR process cost prohibitive.

Augmented reality is emerging on board and in port to enhance the cruise experience. The low cost of VR cameras is leading to cruise passengers creating their own VR content and sharing it with friends and family.

The Impact of VR on the Cruise Planning and Booking Cycle

Contribute to Others VR Experience

Explore the cruise experience

Immersive Search

AR to Enhance the Cruise Experience

Click to Buy within Experience

Virtual Shopping Experience

Dream · Search · Shop · Purchase · Experience · Share

Summary

A comprehensive platform is needed to fully integrate the online and offline experience. As cruise bookings grow, digital native generations (e.g. millennials) will expect a more integrated shopping and buying experience. The solution is a common platform for all channels.

Comparative shopping across cruise lines and ships is needed at both the consumer and agent touchpoints. Even if the traditional travel agency is committed to offline cruise fulfillment, adding online booking capability for a travel agency's website is an important enhancement to consider. This booking capability can help today's online consumer get all the benefits of using a travel agent along with the ease and convenience of an online research and shopping.

When needed, expert advice must be seamlessly integrated into all points of the cruise search, shop and buy process, capturing all customer shopping behavior.

As technology evolves, unique offers will be incorporated into the process and provide options for agents and consumers to "pick the perk" that best meets their needs. Ultimately this is intended to identify the overall value of a booking beyond the cabin to the total cruise experience. Big data analytics will continue to drive mass customization targeting specific offers to traveler segments leading to greater adoption. This will lead to the on-board experience influenced by information gathered during the planning and booking process with

packaging an essential tool for cruise line resellers generating incremental revenue and enhanced experiences for customers.

Today it is clear that traditional travel agents need a platform that integrates and standardizes multiple cruise content and captures and controls the user interface for the customer and travel agent. The goal is to simplify the experience for the consumer and improve the efficiency of the online and offline process. Cruise planning and research will continue to grow online, the key to this evolution is a next generation platform that connects the online and offline worlds into a seamless user experience.

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Travel Tech Consulting, Inc. founded in 1995 is the recognized leader on how emerging technologies impact the global travel industry. Based in the Silicon Valley, Travel Tech Consulting helps clients create, define, market, purchase, and implement next generation travel software systems and solutions.

[i] Phocuswright – Phocal Point Summary of all Global Research, 2018 projected.
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[vi] Eng, Dinah What Do Millennials Want? Hotels Have Some Ideas, New York Times, April 4, 2016