



Sailing into the Future: How Digitalization Creates a Seamless Travel Experience in the Cruise Sector

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1. Cruises in profitable waters

Cruises are now more popular than ever – in the Mediterranean, around the Caribbean islands, or to the Antarctic. The industry is growing rapidly. Every year, new routes are becoming available, cruise lines are launching new ships on the market, and passenger numbers are increasing. While some 26.7 million passengers embarked on cruises in 2017, the figure is expected to exceed the 28 million mark in 2018¹.

Therefore there's no denying that the cruise industry has been sailing through very profitable waters for a number of years now. In 2016, total sales generated in the world cruise industry amounted to US\$ 35.5 billion. But that's a relatively meager amount when we look at the forecasts: sales are predicted to rise to around US\$ 57 billion by 2027². With such figures, it's all the more surprising that comparatively little has been done to introduce impressive technical innovations on board these floating cities, with the exception of the vessels' operational equipment. While in other areas of the travel industry or, for example, e-commerce, state-of-the-art technologies are being used to build a cross-channel user experience, cruise fleets are only just beginning to embrace this development. On the bridge and below deck, modern technology is already responsible for energy efficiency and optimal navigation. However, high-tech offerings are still rare above deck and when it comes to personalized and passenger-centric communication.

“The technological concepts of the future already exist – the potential of digitalization, for the cruise industry, represents an exciting opportunity to meet the needs and demands of passengers who know and appreciate the convenience provided by technology in other areas of their lives,” says Dominic Grant, Senior Key Account Manager, Sales Travel, Wirecard



¹ CLIA: 2018 Cruise Industry Outlook, June 2018

² Statista: Revenue of the cruise industry worldwide from 2007 to 2027

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But digitalization will find its way into the cruise industry, too. “The technological concepts of the future already exist. The cruise industry just needs to start using them. To meet the needs and demands of passengers who know and appreciate the convenience provided by technology in other areas of their lives, and to be able to keep up with the market, cruise companies must come to grips with the potential of digitalization,” says Dominic Grant, Senior Key Account Manager, Sales Travel, Wirecard.

2. Smart ships: Digitalization is set to transform the cruise industry

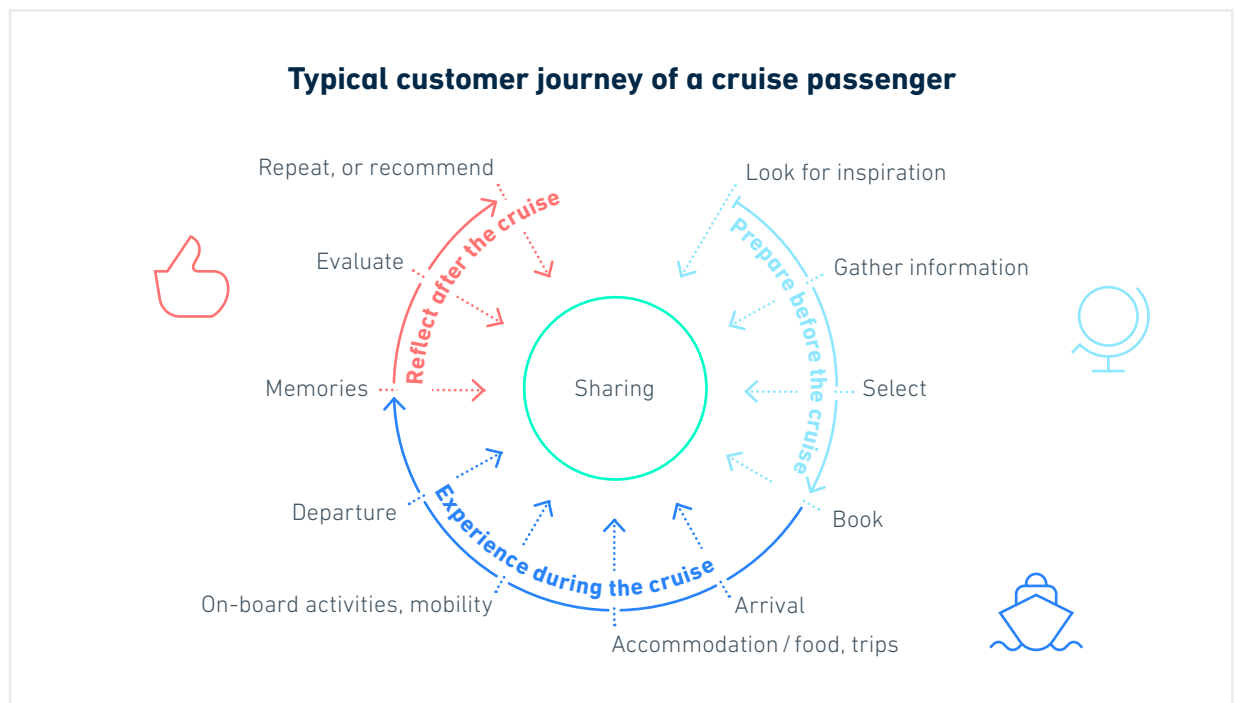
Digital technologies are now part and parcel of our daily life. Like in other industries, digitalization will bring significant changes to the cruise sector. If providers deploy it

on their ships in a targeted and effective way, not only will passengers enjoy greater comfort and improved safety, but cruise lines themselves will benefit from a higher conversion rate and increased revenue.

The opportunities generated by integrating digital services into the cruise experience are many and varied. Some of them are already being exploited on cruise providers’ most modern ships.

But there’s far more potential to be exhausted. For example, wearables and apps can serve as credit cards, cabin keys, ID, or orientation aids. Mobile devices such as smartphones and tablets are becoming more and more important. Not only just for planning and organizing the cruise but also during the trip itself the “mobile” channel is being used more and more.

More than half of passengers would use a mobile app for check-in, if it was possible, and 61% would book a later check-out time³. The willingness to use digital services with mobile end devices is already here – the industry just has to offer such services.



³ MNI targeted media: Take a trip – 2017 Travel Industry Factbook

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Digital services can provide added value to cruise guests along the entire customer journey. Let's have a closer look at these possibilities.

The customer journey begins with finding out about the cruise and the potential route, which users can easily find in the app or on the provider's web site - enriched with VR views of the liner and the requested cabin class. Three weeks before setting sail, users receive suggestions for excursions with early booking discounts, weather forecasts, and a reminder about digital check-in on the evening prior to departure. They take advantage of this service, receive their cabin number, and can board the ship stress-free with minimum waiting time. They open their cabin door with a wearable or an app, which they can also book a table in the restaurant for the next evening with. Thanks to the app's navigation function, the passengers can easily find their way around the liner and always know where their children are. The children, meanwhile, can pay for selected snacks, services, and entertainment with their wearables, with a limit set by their parents in advance. At stopovers, passengers receive a message about a personalized offer in a nearby restaurant or shop, then they can re-board without having to stand in line, thanks to the ID feature on their app or wearable. At the end of the cruise, they can check the digital receipts for their vacation in peace in their cabin, with all services listed clearly, so they can see exactly how much they've spent on what. And those are just some of the many possibilities. The result: instead of being one anonymous passenger among thousands on a ship, every guest feels that they are recognized, addressed, and treated as an individual.

3. Creating personalized services with the right technology

To be able to offer their passengers such comfort through digital services, cruise lines need intelligent data analysis, in addition to technology such as beacons or NFC. Only then will customer histories be visible, enabling the crew



to provide personalized offers with added value for guests. Which other products or activities might interest the passengers? Could they be interested in a reward program or discounts for their next cruise? Information like this, which can only be unearthed by efficient data analysis, is a good marketing instrument, but, above all, it increases revenue through crossselling and customer loyalty. If you consider that the average passenger already spends an average of around US\$ 500 on board⁴, it's a very lucrative business. The key to success lies in breaking down data silos and, instead, connecting information and making it visible and usable. Here's an example to illustrate how this works.

A passenger pays for a service by credit card:

When passengers set foot on the ship for the first time, the crew doesn't know much about them, their preferences, or their customer history. If they book a service, such as an excursion, and pay by credit card, then they become known as a passengers.

The use of credit cards enables the crew to get to know every customer better, so they can present passengers with further products or services that are tailored precisely to their needs. Similarly, our passenger can be made aware of offers at other times during his cruise, for example, via push notifications or newsletters. Because their ID and payment data have been stored, they can book and pay for products and services with a mere tap or a click.

⁴ Cruise Market Watch: Financial Breakdown of Typical Cruiser; retrieved in September 2018 at <https://www.cruisemarketwatch.com/home/financial-breakdown-of-typical-cruiser/>

These personalized digital services offer benefits for both parties. Passengers receive an individual and seamless travel experience both on- and off board, and throughout the entire customer journey. The cruise companies get to know their passengers better and look after them more appropriately, which ultimately leads to an increase in sales. There are also organizational benefits. Long waits are avoided thanks to services such as check-in on the evening prior to sailing; logistics and planning become easier; and capacity can be managed better as well.

4. Seamless solutions from Wirecard create new travel experiences

Wirecard offers cruise lines an optimum range of payment options for passengers and the whole payment process – but that’s not all. Innovative digital payment methods reduce the need for cash on board, and the effort and costs associated with it.

Above all, Wirecard accompanies and supports cruise lines in implementing digital strategies and covering the entire value chain. Wirecard’s vision is to work hand-in-hand with cruise companies to create new travel experiences through innovation. “The combination of cruise lines know-how, existing infrastructure, and the expertise of Wirecard in payment and data innovation has the potential to bring new trends to the market,” says Jan Rübél, Head of Sales, Sales Travel & Transport, Wirecard.

Seamless solutions from Wirecard combine transaction and customer data from all sales channels and enable

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cruise companies to gain completely new insights into the behavior of their passengers. Thanks to international banking licenses, transaction data from passengers can be connected in all ports worldwide.

Used in a meaningful and targeted way, digitalization on board cruise liners facilitates the creation of a high-tech ecosystem. And although technology plays a decisive role here, passengers barely notice it. When they book their next excursion by tapping or clicking, they receive a voucher for a restaurant on land based on their customer status, and then pay effortlessly by smartphone for their meal, they enjoy a convenient and, above all, seamless booking, travel, and payment experience – without long waiting times and with personalized, perfectly tailored services.

5. Conclusion: The future belongs to digitalization

Digitalization is gaining ground everywhere, and, on cruise liners, it will transform both the travel experience of passengers and the way crews work. Whether it is behind-the-scenes changes, such as the Wirecard payroll solution, which enables employees to be paid conveniently and practically via reloadable prepaid cards. Or there are all the changes that digitalization will bring about in communication on board and especially with passengers. Ultimately, before and during the cruise, in ports or at sea, through discounts or recommendations, digitalization will make cruises more pleasant, safer, and above all more personal for passengers.

Yet, customer expectations are growing almost faster than the industry can react to them. Despite their expensive new technology, modern vessels like those launched in recent years are just the first step. Cruise companies must know what their passengers’ expectations are before they can start catering to them. The key question is: “How can added value be created for all parties, from the beginning to the end of the customer journey?”

The answer for the industry is even greater customer focus, which can be achieved by evaluating the masses of passenger data generated. And that’s also how Wirecard’s vision of creating new travel experiences can be turned into reality.

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About Wirecard

Wirecard AG is a global technology group that supports companies in accepting electronic payments from all sales channels. As a leading independent supplier, the Wirecard Group offers outsourcing and white label solutions for electronic payments. A global platform bundles international payment acceptance and methods with supplementary fraud prevention solutions. With regard to the issuing of own payment instruments in the form of cards or mobile payment solutions, the Wirecard Group provides companies with an end-to-end infrastructure, including the requisite licences for card and account products.

Wirecard (GER:WDI) is one of the world's fastest growing digital platforms in the area of financial commerce. We provide both corporate clients and consumers with a constantly expanding ecosystem of real-time value-add-

ed services built around innovative digital payments by using an integrated B2B2C approach. This ecosystem concentrates on solutions in the areas payment and risk, retail and transaction banking, loyalty and coupon programs in addition to data analytics and conversion rate enhancement across all sales channels (online, mobile, ePOS). Wirecard operates regulated financial institutions in several key markets, in addition to holding issuing and acquiring licenses from all major payment and card networks. Wirecard AG is listed on the Frankfurt Stock Exchange (DAX, TecDAX, ISIN DE0007472060). Visit us on www.wirecard.com, follow us on Twitter @wirecard and on Facebook @wirecardgroup.

For further information about Wirecard solutions for the travel industry, please visit www.wirecard.com/travel or contact travel@wirecard.com.

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