



Online CRM – still a hidden gem?

Customer relations management has yet to experience its breakthrough in the cruise and ferry industries, but signs are that there will be rewards for those willing to make the most out of their customer data.

By SARA EDLINGTON

Your company computers have a gold mine of information on them that you can use to help keep your customers loyal to your company, or even to one of your vessels. And customer loyalty is good to have when competition is tough. The 'gold mine' is what you know about your customers – when they booked, how often they've used your services and so on.

You can make use of this valuable information through the internet and customer-relationship-management (CRM) technologies. On-line booking has become commonplace but using the internet customer-relationship-marketing, is a relatively new direction for cruise and ferry operators. And an important one, as customers increasingly choose to make their travel arrangements on-line.

In fact, almost 40 per cent of travel bought in Europe, will be booked on-line by the end of 2008, says PhoCusWright, a travel, tourism and hospitality research firm. In the European market, in 2005, on-line travel sales were EUR 25.2 billion, says Carl Marcussen, Senior Researcher at the Centre for Regional and Tourism Research, in his Trends in European Internet Distribution of Travel and Tourism Services report. One industry that is already using the internet for customer relationship marketing is the hospitality industry.

Building loyalty

Felix Laboy, CEO of E-Site Marketing, says that: "These technologies (internet marketing and CRM) have helped the hospitality industry build customer and brand loyalty, because they have helped companies track their best customers. And this has enabled companies to recognise and reward their best customers."

As passengers increasingly choose to make their travel arrangements online, customer relationship management is becoming more important.

"By recognising and rewarding their customers, companies are able to generate additional revenues for their companies," explains Laboy. Which could create a win-win situation for ferry and cruise operators. So what has the hospitality industry done to get the most from CRM and the internet?

According to Laboy, they have found that two techniques in particular have worked well: Search Engine Optimisation (SEO) and carefully targeted e-mail marketing. Both of which are relevant to cruise and ferry operators.

SEO is a way of getting the most out of a search engine listing. It aims to help your web site appear at, or as near the top of, the results listings as possible. The most common way of using SEO is to have specific keywords in the text of your web site.

The idea is that these keywords match the words that your customers are most likely to type into a search engine, when looking for a company in your industry. Some companies employ specialist internet marketing agencies to optimise their web sites for them.

E-mail marketing also works well, providing it's carefully targeted to the right customers. Steve James, Sales Director at Brittany Ferries explains that the ►



► company is working with digital communications agency, Strange, to implement its on-line marketing strategy.

More targeted e-mails

He goes on to say: "We've recently been sending considerably more targeted emails – the result being an increase in our overall response rates. This has allowed us to broaden our offerings in terms of the targeting of more diverse groups."

If you decide to use e-mail in your marketing campaign, you need to comply with the 2003 Privacy and Electronic Communications (EC Directive) Regulations. Under the Directive you can only send marketing emails to customers, if your customers have 'opted-in' to, for example, a mailing list on your web site. Or if you have a pre-existing relationship with the customer that meets all the following criteria:

- 1) The customer's contact details were given to your company, when the customer bought a product or service from you;
- 2) Your e-mail contains information about a similar product or service;
- 3) You allow the customer the opportunity to 'opt-out' of receiving more marketing e-mails from your company. Such as by having details of how to be removed from your e-mailing list in the e-mail.

It would be wise to either seek legal advice or the advice of an e-marketing company before going ahead with an e-mailing campaign, to make sure you are complying with the Directive correctly.

Brittany Ferries has followed the Directive as James explains: "By ensuring the permission integrity of our e-mail marketing data and only delivering relevant targeted messages to our audience we have achieved highly successful campaign results." Web sites can also be used to help boost the loyalty of your customers.

Hebridean Cruises is one company that is using its web site to help with its customer marketing. Joanna Craven, Marketing Manager at Hebridean Cruises explains: "We have used a gallery on our website as a showcase for guests' images. And will continue to look at ways of developing this side of the web site as a way of communicating with our guests."



Customer relationship management could provide opportunities for ferry- and cruise operators alike, but many operators have been relatively slow in taking advantage of the possibilities. Two companies that have started looking at online customer relationship management are Hebridean Cruises (with the HEBRIDEAN SPIRIT, pictured above) and Brittany Ferries, which deploys the NORMANDIE (pictured below).

Involving customers, in this, and similar ways, helps keep your customers connected with your company. And to do that, you have to know more about them. This can come from analysing data you've already collected, buying in new software or working with an e-marketing company.

Brittany Ferries has developed an e-marketing conversion tracking system. "We have worked closely with Strange to develop a bespoke system that gives us excellent visibility of our customer's behaviour and enables us to improve our e-marketing in terms of message, design and targeting." But is the ferry and cruise industry using these customer relationship technologies enough?

Signs of improvement

Craven feels not, but sees signs of improvement. "At the moment I think the emphasis is too much on function and not enough on information. E-mail marketing seems to have been used more regularly over the last 12 months or so."

James says: "The on-line travel market in general is still in its infancy, which is mainly due to backend technologies that are required to support the complex process of selling travel on-line. However, the internet has been a positive influence. It has enabled the cruise and ferry industry to raise consumer awareness and widen its product portfolio by cross selling with other brands to improve revenue streams."

James also highlights an important, and sometimes forgotten, area – the customer's experience of using, for example, your web site. "As a company we try to stay in touch with our customers' expectations. This is why we research user trends continuously and place our main focus on the 'User Experience', which is what the user remembers most of all." So what will be next 'big-thing' for internet marketing and CRM?



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Laboy believes it will be “the implementation of the combination of technologies that is currently available.” Including the current internet buzzword - Web 2.0. Laboy explains that this refers to the “consumer generated” content that is now widespread on the internet. One example of this is Hebridean Cruises’ guest gallery on its web site. And there are other methods.

Blogs (a frequently updated journal), podcasts (broadcasting audio files on-line) and customer reviews are all ways that customers can create content for web sites. Laboy goes on to say that: “In addition, the growth of on-line video, mobile technologies and community type Websites such as MySpace.com, Tripadvisor, etc., are becoming more and more popular, and these elements have major implications for the hospitality industry.” And cruise and ferry companies too.

Differences in product

Craven believes the future depends on: “The kind of cruise product. For low to middle price band, on-line marketing will probably increase. For the luxury, niche sector, on-line will probably continue to be used for comparisons and information gathering, but for the current customer profile direct communication will continue to be the preferred method of contact in the decision making process.”

James agrees with Laboy about Web 2.0: “With user generated content and social networking becoming increasingly influential in consumers’ decision making we will need to make sure that these aspects are a part of our on-line strategy.”

He also feels that e-mail will be an important aspect of future marketing. “We are always trying to improve our profiling for e-mail marketing and this will be continually important as users receive increasing amounts of e-mail and demand e-mails with highly targeted relevance.”

As the internet continues to grow and develop, this new area of marketing offers great rewards for those companies willing to make the most of their customer data. ■

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