

# Social Travel

Providing an Integrated Travel Experience



Shopping on Social Media conjures up magnificent images of Retail. There are numerous websites which allow consumers to leverage their own network instead of salespeople to suggest the next best tablet or Smartphone, and to decide which pair of shoes would look better with the dress bought last week (Connoisseurs can create their own how-to style manuals to this effect, which can be shared with people less-in-the-know). There are options to read and solicit feedback, save and vote on products, that one buys once you are completely satisfied with what is on offer.

While we are certainly moving towards a completely integrated, social media enabled retail model, most of the action has been reserved for products. Services are yet to make much progress. Most of the services initiatives are restricted to reviews and feedback, which are great for CRM but not-so-good for providing impetus to direct sales, since they fail to capitalize on the complete potential of social networks.

The Travel & Hospitality sector is one such service-oriented industry, which has the capability to offer an immersive social experience to travelers. Travel is a social experience which is seldom undertaken alone, and the quality of the experience is also partly dependent on the company of fellow like-minded travelers. Thus, being a group activity, it automatically qualifies as a good candidate for an end-to-end social media integration.

## Social Commerce, and Social Shopping

While we all know e-Commerce as the buying and selling of goods and services on electronic systems, there are multiple new terminologies that are related to this term albeit with slight differences.

Social Commerce is a subset of eCommerce, where the activities happen over social media, such as Facebook and Twitter. This leads to specific terms like F-Commerce.

However, social shopping is markedly different. It intends to mimic the offline shopping experience in the online space. For example, taking a friend's recommendations into cognizance or buying things together to avail of bulk discounts. Thus, social shopping refers to activities beyond the seller's purview (as these require minimum or no intervention on its part), which are being taken care of by the buyer and his/her social circle.





# Traveler Pain Points – An ‘as-is’ perspective

## How do we actually book travel today?

Consider a traveler planning her next vacation, and the way she goes about it.

The first stop is choosing a destination. In that, “Where to go?” can be a daunting question, involving going through review sites like Lonely Planet, gathering opinions from friends and colleagues, or just looking up the destination on plain old Wikipedia.

Once a destination is finalized, she will move on to flight/rail/bus/car/hotel booking portals looking for options that fit into her budget while providing the required levels of comfort and service. Multiple meta-searches are required, as the traveler looks for the best deals. A loyalty member would look at maximizing reward miles and possibly redeeming some and these additional factors would further influence her search. Simultaneously, an itinerary would be planned as well. The final step would be processing the payments.

The above case showcases a simplistic scenario. Let us consider a case where the traveler is going abroad and there are Passport/Visa considerations, and travel advisories which come into the picture.

Add another angle to it - consider a group of friends travelling to a common destination say a college reunion. Everybody might be coming from different cities, have different budgets and travel preferences. Apart from the various websites that need to be traversed, additional complexities arise like the need to communicate fluently within the group (preferably real-time) and ultimately facilitating a consensus. Planning, thus, becomes a harrowing exercise, involving visits to some of the following websites in the process.

### Travel Shopping Stages



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# What to book, where to book and How to book

In order to find the best available options, the traveler keeps hopping around. While destinations are usually researched on travel blogs and sites like Lonely Planet.com or tripadvisor.com, bookings and flight availability is checked on OTAs. Similarly, with hotels, cars and restaurants, the traveler might prefer to switch to specific availability websites (Hotels.com, OpenTable) or go directly to the service provider to check for lower tariffs. At the same time, s/he would be engaged in discussions with fellow travelers or friends, thus using social channels or communication tools.

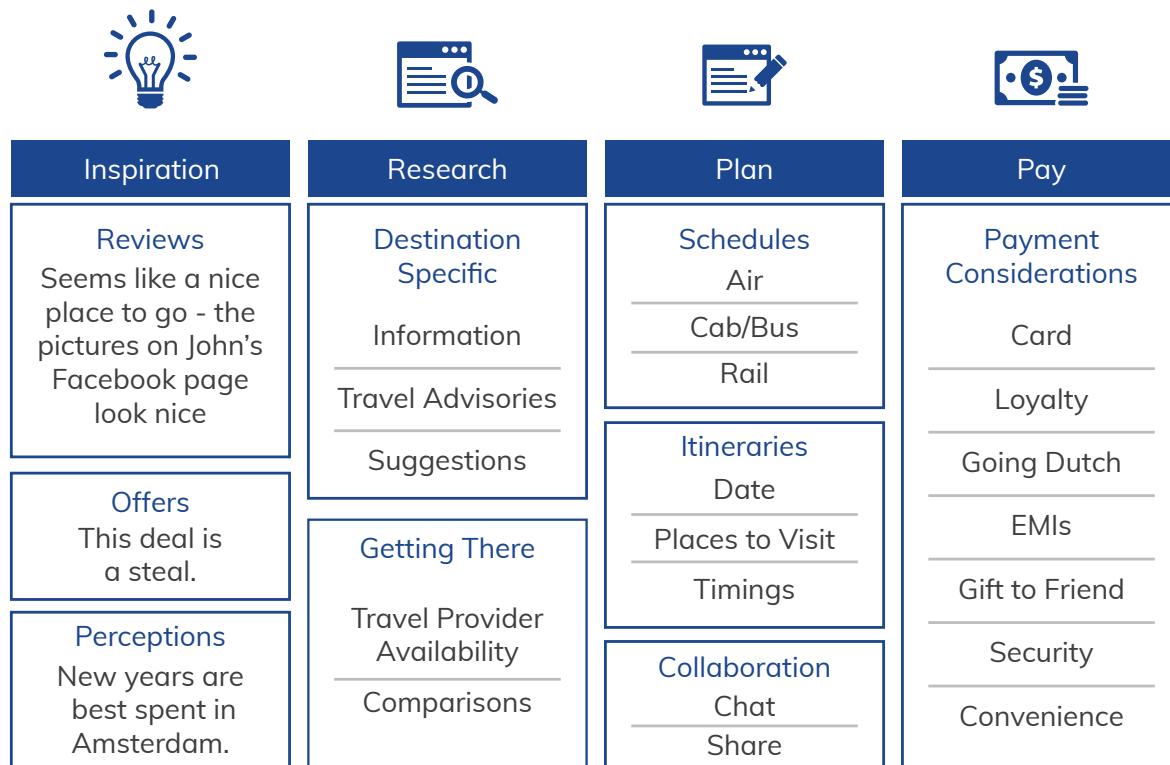
## Breaks in customer engagement can impact sales

In the absence of an integrated shopping portal, the traveler is repeatedly getting disengaged and brands are unable to retain the prospect's attention for the complete booking cycle, thus losing out on sales and the opportunity to build brand loyalty. Bringing customers to the website is an arduous task in the first place, with lot of effort and money spent on search engine optimization and marketing activities. It is imperative that the customer treats the website as the final destination, and not as a checkpoint to be passed through – thus enhancing the look-to-book ratio.

This makes the overall travel booking activity, one with a high cognitive overhead. To be able to book what you really want at prices that you can really afford, is not common knowledge. And imagine the horror of forgetting to book a connecting cab between the airport and the railway station, when your flight arrives shortly before your train arrives.

## The concept of Social Travel

If we translate the traveler's activities into business requirements, the following 4 phases define the complete travel booking process:





A solution to bringing all these activities under one integrated platform is social media, and specifically Facebook. A typical travel booking process would then play out like the user story below:

## Bridging the gaps: The ‘potential to-be’ perspective

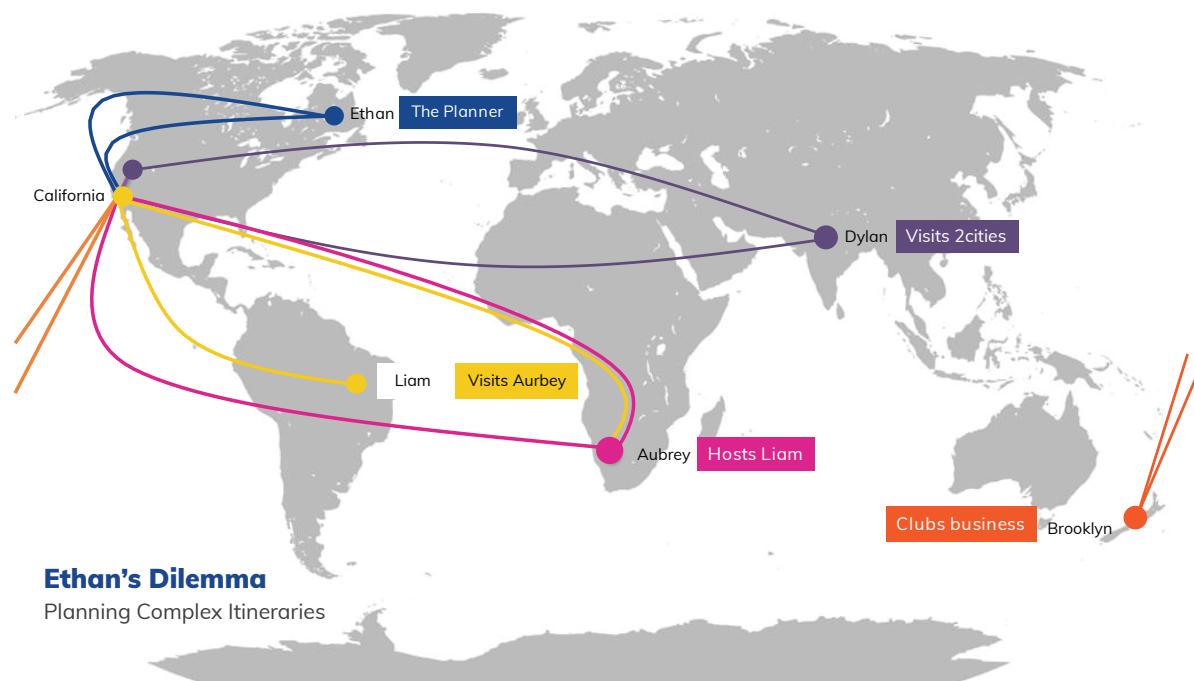
Ethan is planning to go to his college reunion with his friends, and is looking out for great deals to California, where his alma mater is located. He and his friends would be flying in from various destinations inside and outside of the US. He has volunteered to plan the trip, enthusiastic as he was about the entire event.

In order to track the attendance of the alums and make appropriate arrangements, the institute alumni association had created a Facebook event for the reunion, and requested everybody to mark their attendance there. Ethan has selected the “I am attending” option.

Fortunately, Ethan glances at an advertisement on Facebook, which was promoting “Cheap flights to San Jose/San Francisco”. He clicks on the offer and is redirected to an application where he checks fares, and finds

them to be reasonable enough. He thus creates a travel plan called „Reunion and invites all his friends to use the application (called Plan Your Trip or PYT). They can now see a common travel page with conference and one-on- one chat capabilities. Additionally, people can suggest flights or travel deals to the group which will then be visible to all.

Ethan asks everybody to fill in their requirements, which are stored by the application. The itineraries are pretty complex – Liam and Aubrey wish to arrive a day earlier than everybody else (and from different cities), but plan to leave together back to Aubrey’s city. Dylan would be attending a business meeting in a city close by after the reunion and would like to book a one-way flight to San Jose and book a return flight from another airport after 4 days. Brooklyn has clubbed an official tour with the reunion, and also wants to enjoy Business class. PYT factors



in these requirements and comes out with the list of available flights for everybody. The fare combinations are attractive, as the app has suggested group discounts for Ethan and Claire as they are coming from the same city and open jaw fares for both Liam and Dylan. Once the flights are finalized, PYT suggests „pick- up and drop cab services in California and the connecting cities. Since Dylan is on an open jaw, he gets options for his travel to close the loop as well.

Hotel booking can be handled in a similar fashion as well – however, the group prefers to stay at their alma mater and choose not to book any accommodation.

The final step is payment. Ethan and his friends have been able to keep a tab on their total trip cost and pay at one go through the application itself. Multiple payment options are available. Apart from Credit/Debit Cards/Net banking, the travelers can utilize their loyalty points with an airline while making the payment. Friends can also decide to chip in with their money or loyalty points to gift the travel to one amongst them. In our case, Ethan's group decides to go dutch, split the total cost and pay for each travel individually.

PYT is also available for mobile devices and would seamlessly assist the travelers throughout their trip. For example, e-tickets and booking PNRs would be automatically retrieved based on the traveler's current location (through GPS and Google maps) and they would be able to chat with each other throughout the trip.

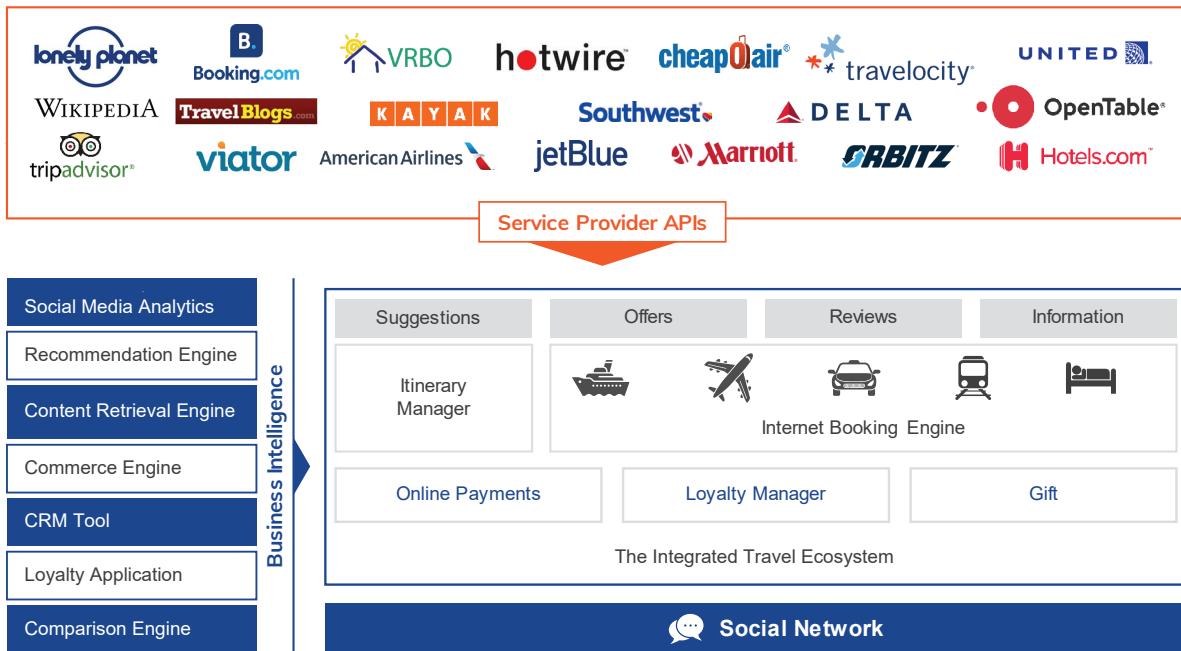
## Behind the Scenes: Technology Enablers

Creating a truly integrated shopping experience requires the capability to dynamically retrieve, unify and transmit content to and from multiple sources; including 3rd party review sites, destination info sites, maps, GDS, OTAs, LCCs, loyalty programs and a robust payment gateway. All of these would be sitting on a common social platform, which would then provide communication abilities – to add friends, chat, post updates and notify members of the group in real-time.

Thus, the social platform would also be instrumental in providing analytics data.

Let us go back to the step when an event was created with the venue as California, and a number of people expressed their interest in attending it. By analyzing the locations of all participants, the social media marketing analytics engine of a prominent travel organization was able to put two-and -two together. The event had the potential to increase flights in and out of California over a particular weekend, and a selective advertising campaign was initiated targeted to people like Ethan. (Similarly, other activities which have the potential to generate travel can be identified as well. For example, people who have recently been engaged)

After Ethan is directed to the application, the recommendation, content retrieval and comparison engines come into play. Based on the details gathered from the event, flight availability is automatically retrieved and displayed. Since the event is planned over a weekend, the context is understood and Friday evening flights to San Jose and Monday morning flights out of San Jose are displayed at the top, thus reducing the user's intervention to a minimum. Since flight and hotel inventories can vary in presentation based on the source, the comparison engine streamlines and standardizes the content. Additionally, the content engine also pulls out data relevant to the destination such as weather reports, sightseeing options and travel advisories.



Since multiple users need to travel together, the Itinerary module creates separate itineraries for each user, along with options to book connecting travel. The itineraries would be integrated with the loyalty programs, in order to credit or deduct points and also apply any offers applicable to a traveler's membership.

The payment gateway would depict a combined trip itinerary but accept payments separately. Each itinerary can be separately or jointly confirmed, i.e. booking trips only if tickets are available for all passengers. Payment can also be made by a person who is not a traveler, thus, allowing people to gift travel to each other.

The social media application would largely function as an aggregator. An overview of the various modules being aggregated is given in the table below:

Social Media Analytics	<p>This engine is required to generate relevant leads at the first stage. A decent analytical tool will come with the following functionalities:</p> <p>Gauging customer sentiment (attitudes, opinions and trends) across dispersed sources</p> <ul style="list-style-type: none"> <li>• Analyzing conversations</li> <li>• Predicting customer behavior and recommending actions</li> <li>• Identifying the primary influencers within a social network group</li> <li>• Creating customized campaigns and promotions</li> </ul>
Recommendation engine	This would analyze user preferences and general trends to come up with "similar services" to facilitate up-sell and cross-sell.
CRM	To incorporate and analyze previous travel feedback, and store customer information for future use

Content Retrieval	To support a customer's research, content needs to be fetched from official destination pages, GDSes, LCCs, OTAs, cab/bus/cruise engines, 3rd party review aggregators, influencer blogs, regulatory authorities and other myriad sources. The dynamic content can be retrieved via APIs extended by friendly service providers, and static content (Ex: Government regulations which rarely change) can be uploaded directly.
Comparison Engine	Since content from different sources can vary greatly in presentation and formats, a robust framework to analyze and standardize the data is necessary. This will help the customer by expediting the decision making process
Itinerary Manager	This application will help the passenger keep track of all bookings and will dynamically load data without requiring manual entry (E.g. Apple Passbook). It will filter out conflicting schedules and will also prompt the user for changes in cases of rescheduling (Ex : flight delay). The Itinerary Manager will also keep track of the tickets and receipts, and will automatically update tasks completed with the help of GPS Tracking and Flight/Rail running information.  A chat tool would also be required to facilitate synchronous/asynchronous communication between fellow travelers.
eCommerce Engine	The payment gateway would consolidate all costs, allowing the customer to pay one time, while distributing the payments according to prevailing contractual agreements. Subsequently, bookings will be confirmed and acknowledgements would be provided.
Loyalty	To apply benefits applicable to a passenger's loyalty tier, and facilitate redemptions through loyalty points

## The Possibilities: Emergence of a New Distribution Channel

As of the third quarter of 2018, Facebook had 2.27 billion monthly active users. As the Facebook community continues to grow, organizations are getting desperate to tap into the largest group of potential consumers.

This holds true for the Travel industry as well. Some airlines and hotels have been quick to capitalize the opportunity by creating vibrant communities, which are kept engaged and all feedback is monitored diligently.

While such organizations do succeed in creating positive buzz around their brands, the key benefit of social media is the ability to turn existing customers into brand advocates. After all, such advocates can be much more influential than the most successful marketing campaign which would have come at a very high cost. Consider the following numbers :

**84%**

of consumers trust recommendations from their peers.

**66%**

of consumers trust recommendations from others, even people they don't know, over branded content.

**81%**

says they've received advice on a product purchase from friends or followers on a social network site

**73%**

of population are influenced by family and friends.

**83%**

of consumers share information from people they know

**82%**

of consumers do read reviews before making a purchase decision

**67%**

of consumers spend more online after receiving recommendations from friends

**20%**

of people trust advertising

However, there are different opinions on how to measure the ROI for Social Media , none of which can be termed as the most conclusive. Most of the uncertainty stems from the fact that the social channel is a source of intangible or long term benefits, which may or may not translate to positive bottom line growth. This has led to marketers struggling to justify their budgets to C-level executives.

In such a scenario, consider the concept behind creating a travel shopping application on top of a social network – an end-to-end integration. Currently, online travel planning is a heavily scattered exercise. While travelers trust reviews found on 3rd party forums, blogs or their own social networks, tickets and bookings are handled separately through OTAs or Airline/Car/Bus sites. Itinerary management is again relegated to a 3rd party application, which requires manual data entry which requires updating in case of modifications.

When the entire booking process is handled on the social network, it transforms into a new distribution channel with its own stream of steady revenue, thus, justifying the IT Investment immediately.

An end-to-end social travel application makes sense for the following stakeholders:

**Global Distribution Systems** – With GDSs already handling availability, it would be highly desirable for them to be able to include social media connectivity as well. This would allow them to move downstream and capture highly relevant customer data apart from last mile connectivity with travelers.

**Online Travel Agents/Travel Management Companies** – While OTAs have started coming out with mobile and social media applications, the switching costs for customers remain abysmally low. Customers do not think twice before checking out another travel aggregator, as there seems to be no difference in service apart from fares. With an integrated app in place, travelers will find it highly difficult to let go.

**The Social Platform:** Social forums like Facebook tend to gain a lot from implementing a travel planner tool. The 2012 EyeForTravel Social Media & Travel Report states that 50% of all travel brands generate direct bookings from social media. It makes sense for the social platforms to claim their share of that pie.

## Sources

1 <http://www.shopstyle.com/> - allows branded shopping and style books creation (Last referenced on 3/31/13)  
2 <http://www.iliketotallyloveit.com/> - allows adding, filtering and voting on products (Last referenced on 4/1/13)

<sup>3</sup>Cognitive Overhead, as explained by David Lieb- <http://techcrunch.com/2013/04/20/cognitive-overhead/> (last referenced on 4/25/2013)

<sup>4</sup>Experienced travelers sometimes also come out with guides to game the system, such as this one -<http://www.slideshare.net/maheshmurthy/> 60-countries-on-a-plump-shoestring- hacking-global-travel (last referenced on 4/25/2013)

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