

RISE BY
DIGITALBCG
ACADEMY

BDA09 Grp05 Hackathon



Executive Summary

Background

The global online travel booking market is expected to grow by around USD 204 billion by 2024 with a CAGR of close to 5%¹ despite the recent pandemic. Pelago is a young venture of Singapore Airlines group that is looking into tapping this market by connecting travelers with their unique experience offerings.

It is looking for ways to address gaps in customer experience so as to improve customer satisfaction and retain their loyalty to use Pelago as their preferred booking platform to book their vacation.

Recommendations

We should introduce a One-Stop App that:

1. Provides seamless end-to-end experience for the Millennials² as the primary target user.
2. Encourages customer engagement by empowering them to build a community³ to share travel experiences and ideas.

Impact

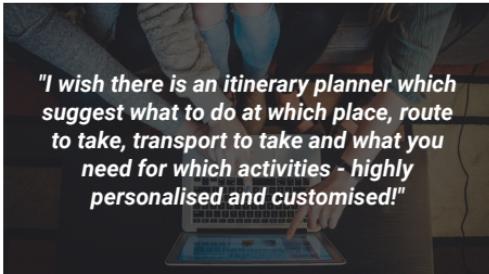
Using a phased approach aligned with the opening of travel restrictions, Pelago can target the **domestic travel market for Millennials in Singapore** to increase its commission based revenue **by estimated USD 120 million by 2023**. With more travel restrictions lifted, Pelago can further extend its reach to **Millenials in neighboring countries** to increase its commission based revenue **by estimated USD 850 million by 2027**.⁴

The data collected within this App could be used for further analysis to troubleshoot and enhance customer's experience.

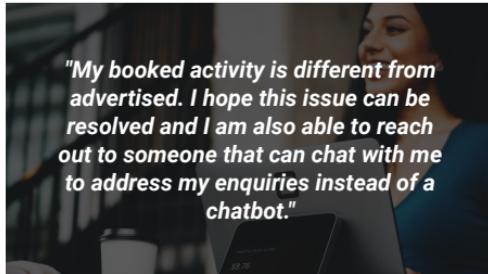
Next Steps

With your approval, we can work with the App developer to develop and roll out the App.

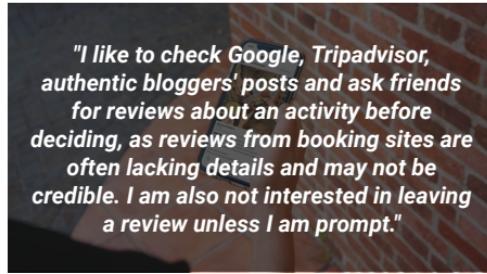
What we heard from the users



"I wish there is an itinerary planner which suggest what to do at which place, route to take, transport to take and what you need for which activities - highly personalised and customised!"



"My booked activity is different from advertised. I hope this issue can be resolved and I am also able to reach out to someone that can chat with me to address my enquiries instead of a chatbot."



"I like to check Google, Tripadvisor, authentic bloggers' posts and ask friends for reviews about an activity before deciding, as reviews from booking sites are often lacking details and may not be credible. I am also not interested in leaving a review unless I am prompt."

Users want seamless experience

Key Insight:

- End-to-end experience from booking, to attending the activity, then post-activity review
- See travel plans in one single source

Opportunity Area:

- One stop travel planner

Users want in-person and real-time customer service

Key Insight:

- Lack of personal touch
- Booked experience is different from advertised

Opportunity Area:

- Local contact points for on the spot issues
- Live customer service support

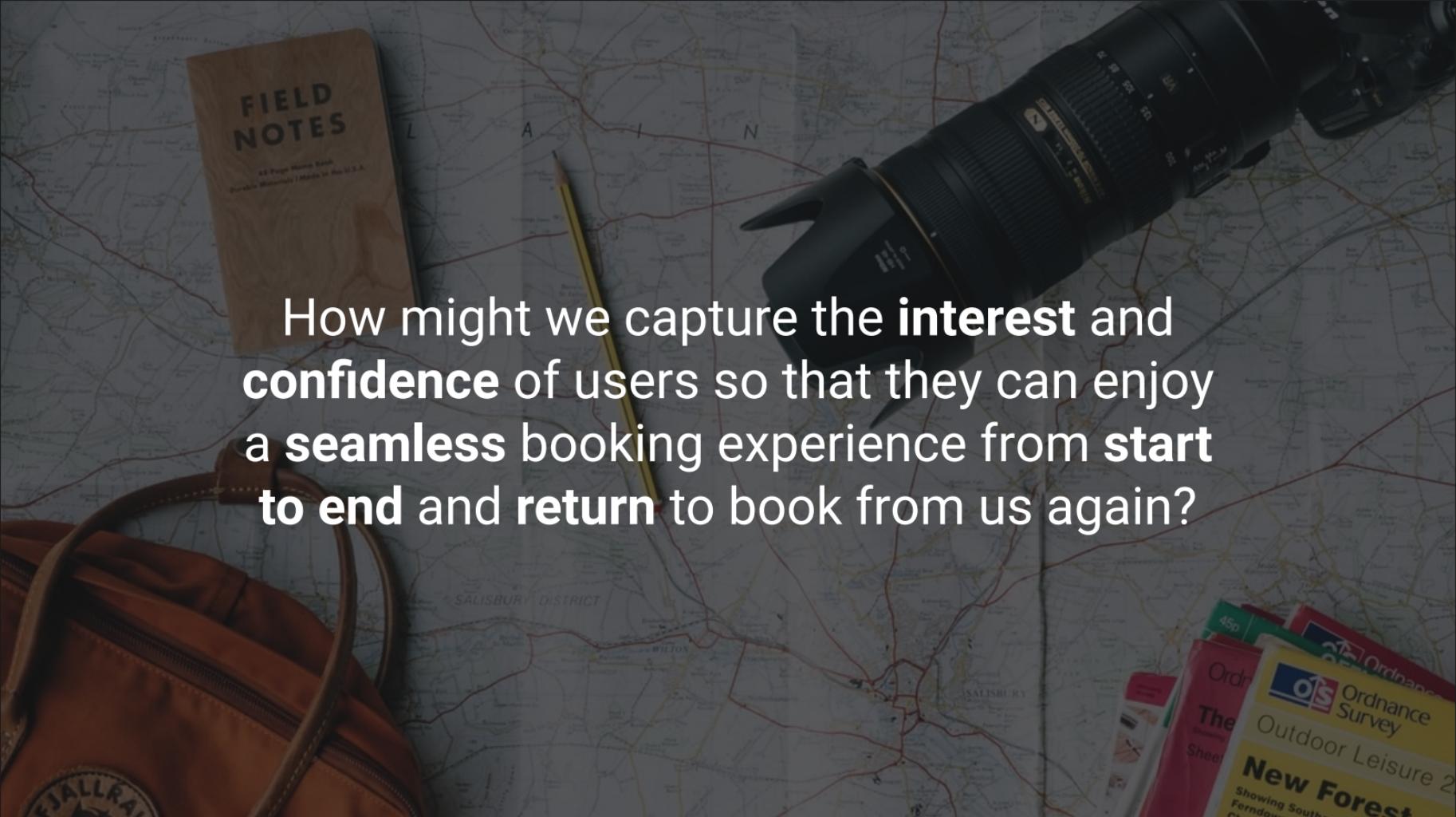
Users want more reviews as reference before making decision

Key Insight:

- Reliance on past user reviews to make decisions
- Do not initiate reviews unless prompt or incentivised

Opportunity Area:

- Incentives for leaving reviews
- Send prompts for users
- Engage through community platform



How might we capture the **interest** and **confidence** of users so that they can enjoy a **seamless** booking experience from **start to end** and **return** to book from us again?

Primary user:
Millenials
(25 - 45 years old)

Secondary user:
Service providers



1-Stop Travel Booking App



Curated Itinerary Builder



Suggested Surprise Activities



Live Map & Live Chat Function



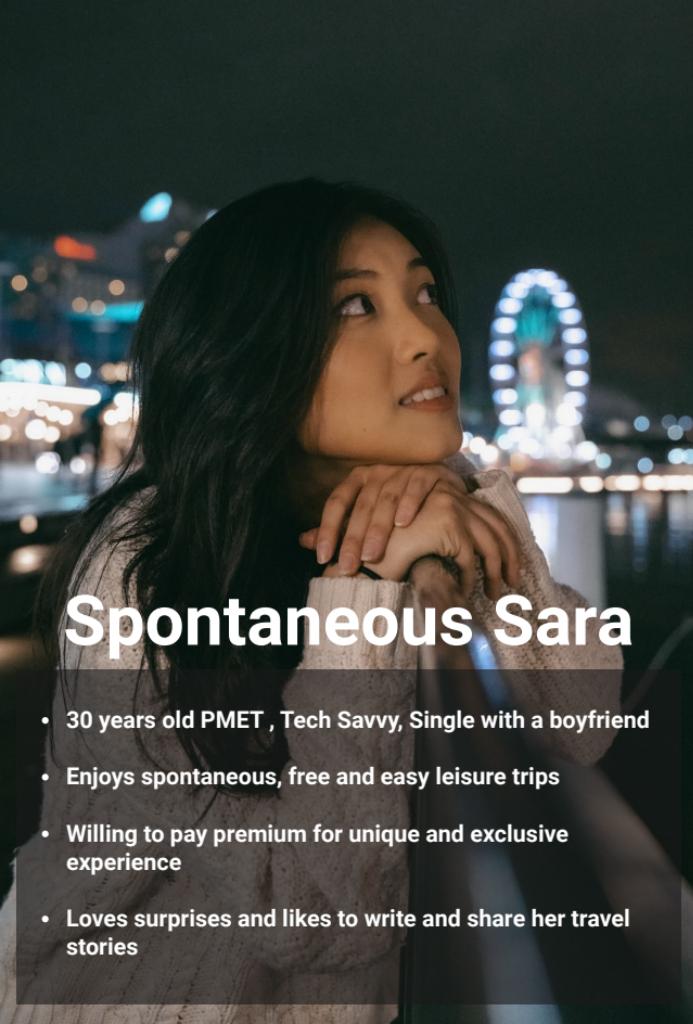
Accredited Pelago Pal Badge



Pelago Community (Pelagram)



Pelago



Spontaneous Sara

- 30 years old PMET , Tech Savvy, Single with a boyfriend
- Enjoys spontaneous, free and easy leisure trips
- Willing to pay premium for unique and exclusive experience
- Loves surprises and likes to write and share her travel stories

"Carpe Diem is my motto. Experience the world. Unique tours that get me close to the local culture."

Goals:

I want to use one platform/app to book my accommodation and local activities in a quick, seamless and fuss-free way with on-time customer service support to serve my needs/queries.

Tasks:

1. Checks other users' reviews for itinerary recommendations/suggestions
2. Makes arrangements for accommodation and activities

Needs

- Needs reliable booking platform
- Needs a local customer support to address queries/issues timely
- Wants to travel to unique places so can take photos to share on social media
- Needs a credible platform that allows her to read other users' experiences

Pain Points

- Actual experience differs from what is advertised
- Lack of Customer Service Representative to address her concerns
- Unable to book her itinerary in one single platform
- Lack of extensive user reviews showing an overview of the whole experience

Discover App

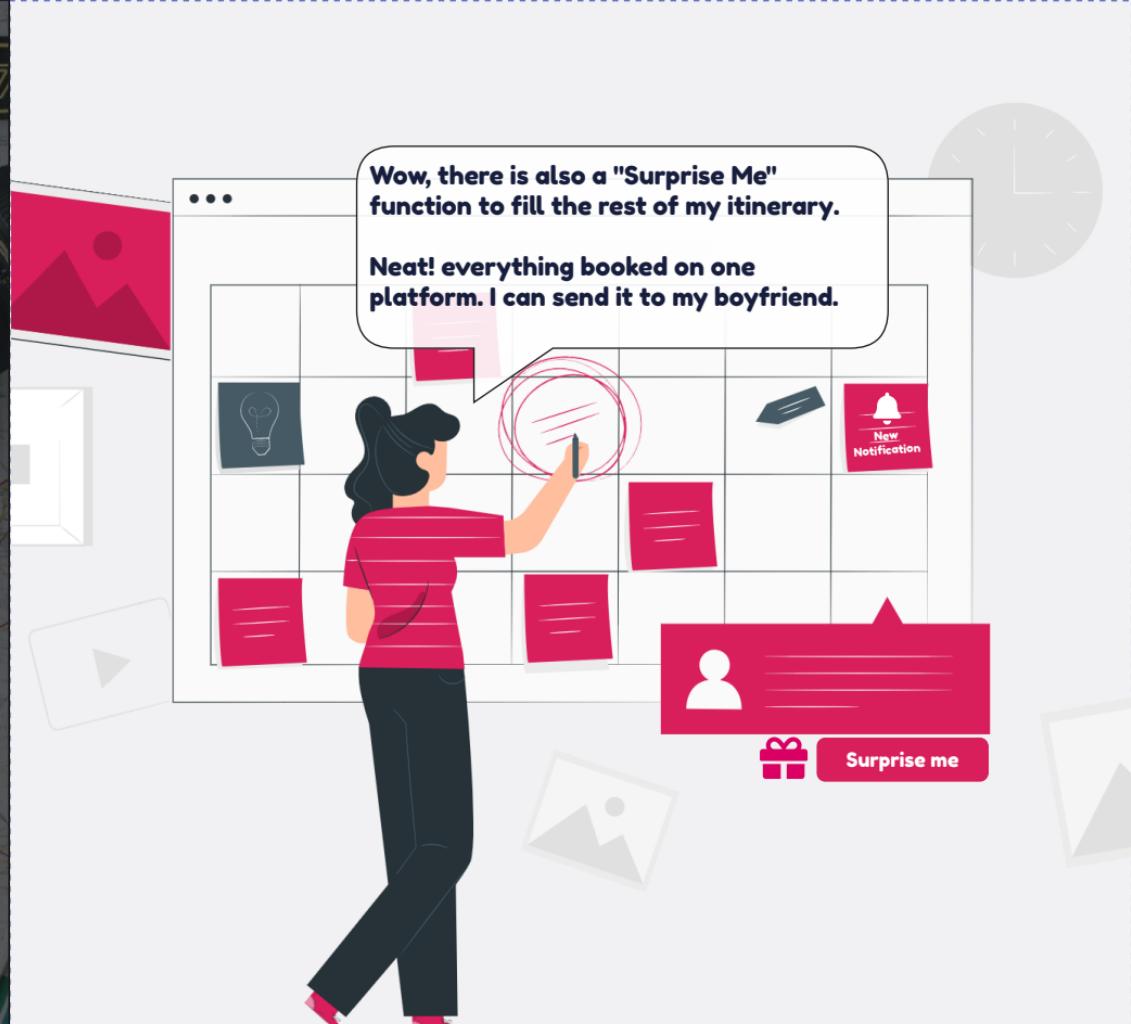
- Discover app through Krisflyer EDM
- App features 10% off the first trip and an itinerary builder

A new travel booking app! I can get 10% off my first trip. I can also book everything on one platform. How convenient.



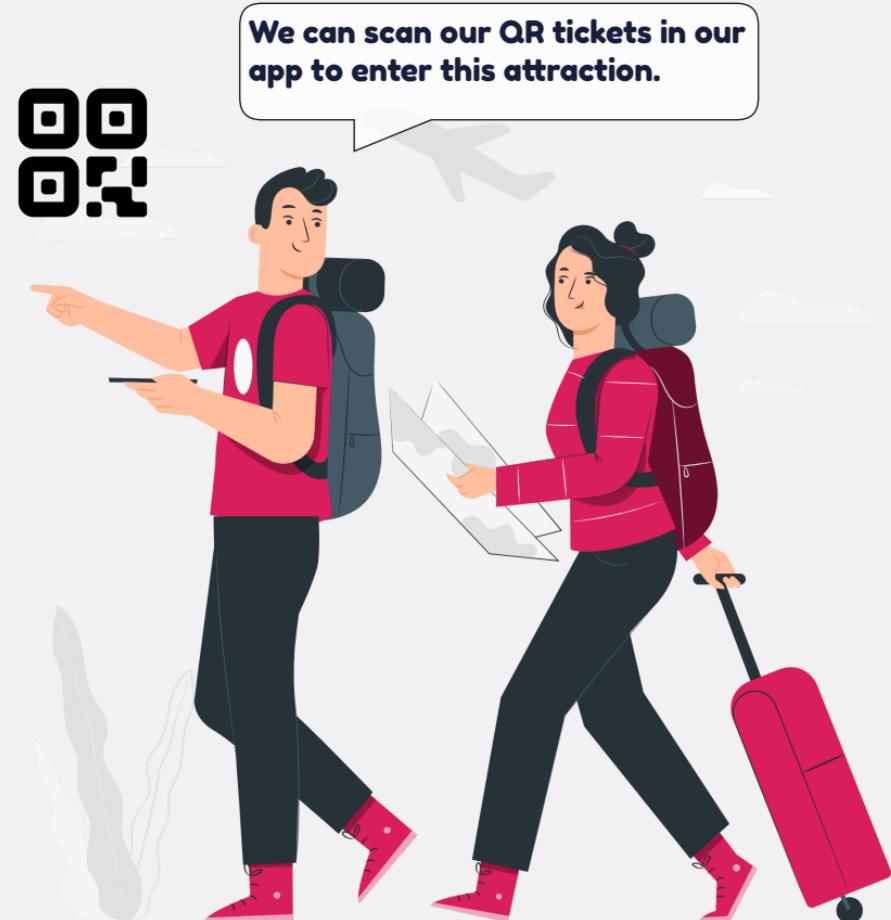
Booking

- Itinerary builder with suggestions based on preferences
- "Surprise me" function that offers booking of a surprise activity
- Pre-trip reminders and itinerary changes
- Live Chat function to address inquiries



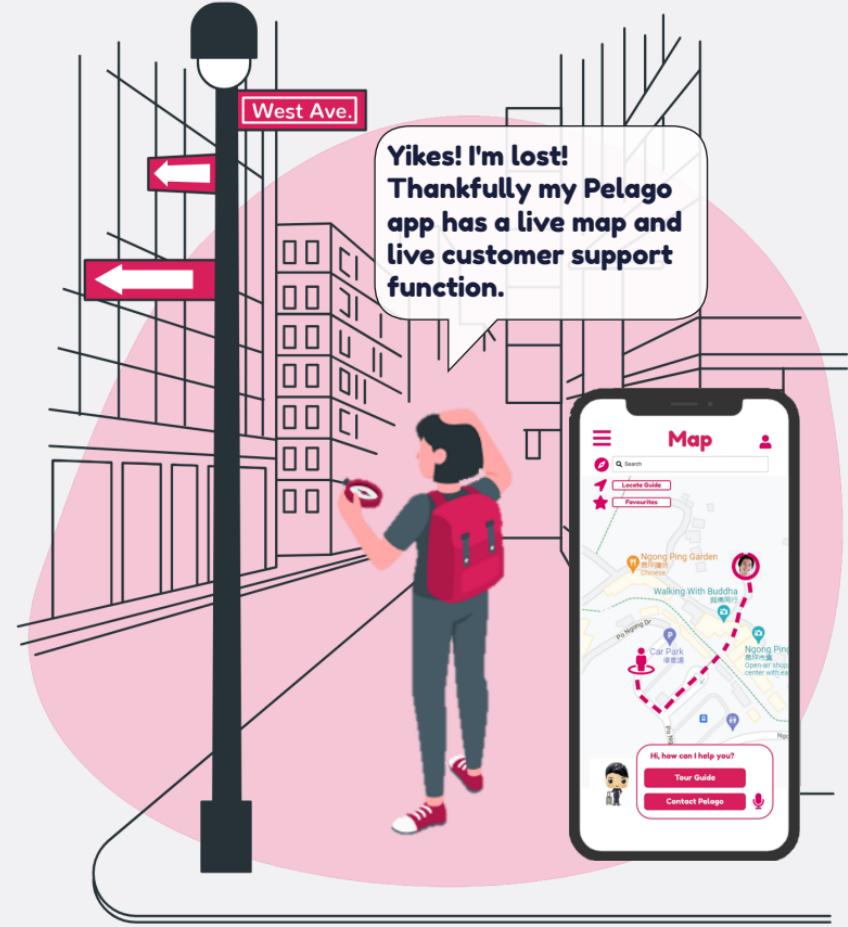
Activity Check-In

- Check-in with QR ticket available on the app (paperless)



Live Support

- Live Map to navigate and locate tour guide
- Live Chat with Tour Guide and Customer Representative



Review

- Accreditation badge for users that frequently leave reviews
- Badge elevates user status and provides incentives
- Activities reviewed by such users are viewed as more reliable

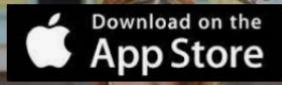


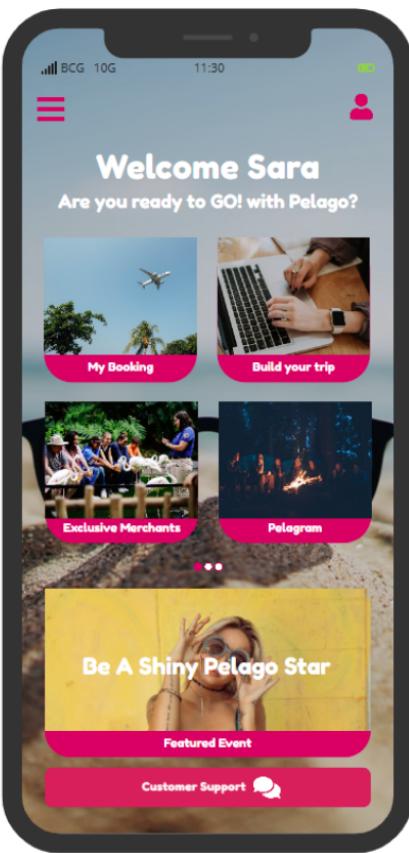
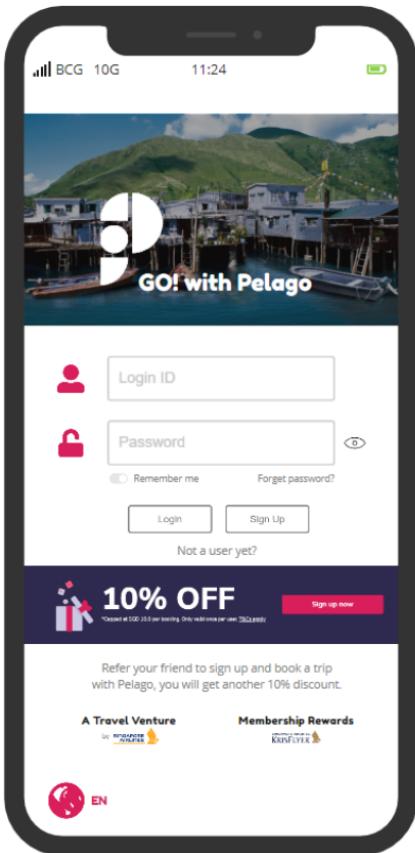
Community (Pelagram)

- Community for users to share their Pelago experiences
- Featured events to encourage users to share on the platform



The Pelago community, Pelagram allows me to share my stories and interact with other Pelago users. I've already received likes and shares on my post about my recent trip!



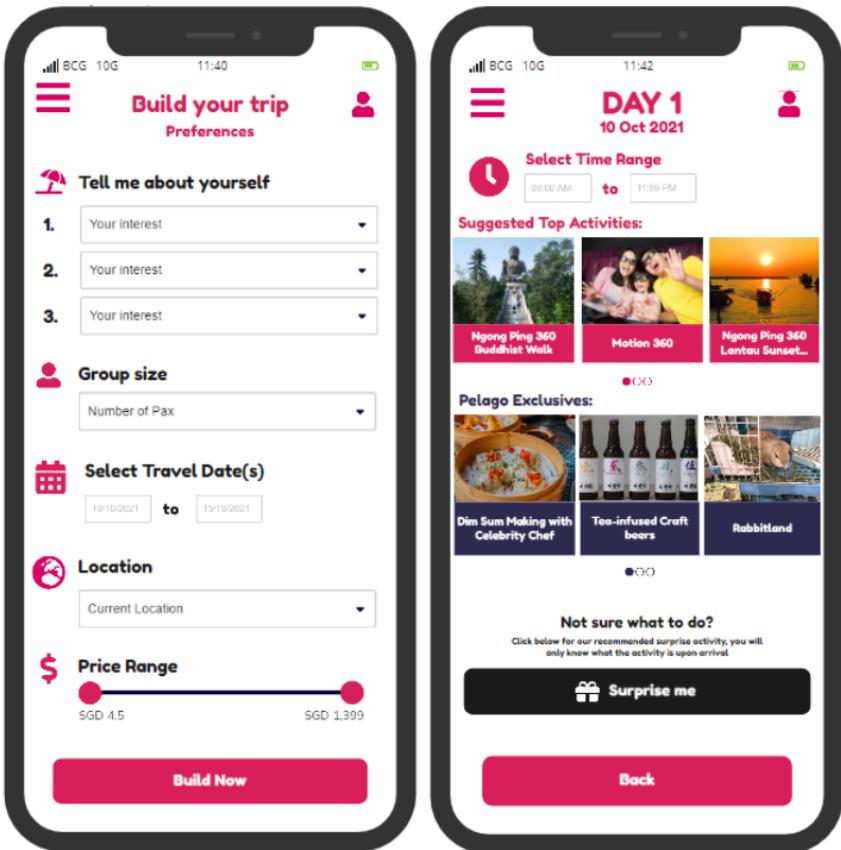


Login page

- Affiliation to SIA
- Referral

Home page

- Easy access to booked items
- One stop trip builder
- Exclusive merchants offerings
- Pelagram Community and featured event
- Customer Support



Build your trip: Preferences and Suggestions

- Input preferences to receive curated recommendations
- Pelago Exclusives and 'Surprise me' sections

The image shows two smartphones side-by-side, both displaying mobile application interfaces for travel activities.

Left Phone Screen:

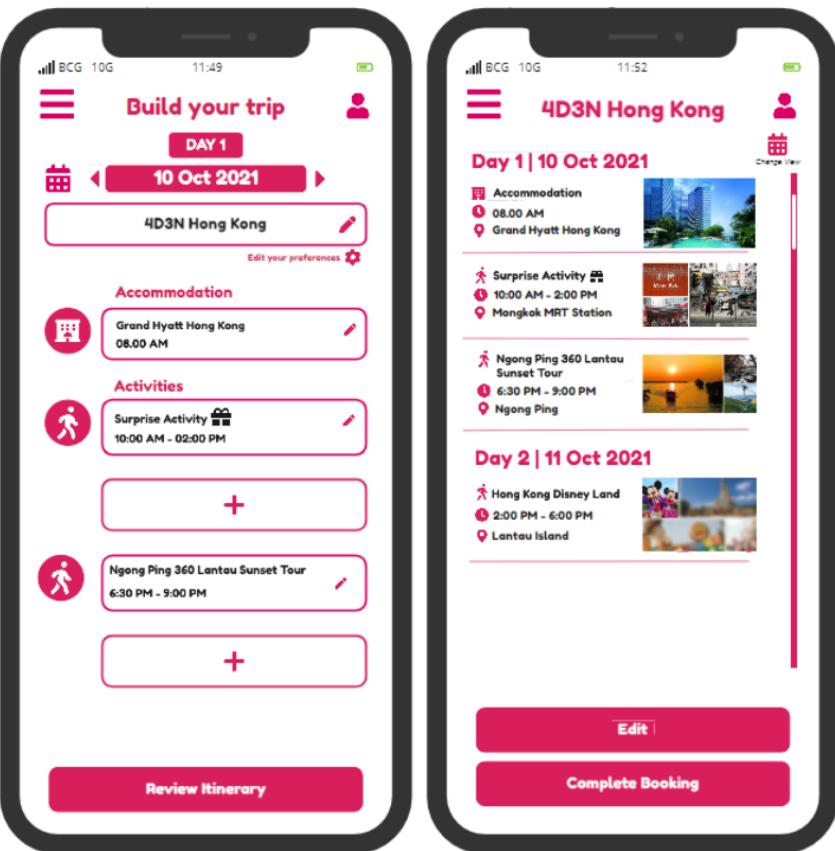
- Title:** Ngong Ping 360 Lantau Sunset Tour
- Image:** A sunset over water with a small boat.
- Text:** Art, Culture & History Tour
- Options:** Families with Kids, Group Travellers, Instagram-worthy
- Checklist:** Add to Itinerary
- Details:** Duration: 5.5 Hours, Guide Language: English, Mandarin, Show mobile or printed voucher, No Cancellation Allowed
- Description:** Begin your excursion with a Ngong Ping 360 cable car ride. Choose between a standard or glass-bottom crystal cabin and enjoy panoramic views from Tung Chung town centre to Ngong Ping on Lantau Island. Continue to the Ngong Ping Village to see Chinese architectural masterpieces. You will also pass through a wide array of retail and dining outlets. Finally, enjoy a local ride at Tai O Fishing Village, also known as the Venice of Orient, before a mesmerizing stargazing experience at Cheung Sha Beach.
- Highlights:** Includes a map of the Lantau area with a red dot indicating the tour route.
- Promotion:** 10% OFF
- Buttons:** Add to Itinerary, Back

Right Phone Screen:

- Title:** Surprise Activity
- Image:** A street scene in Mong Kok.
- Text:** Mong Kok
- Details:** SGD 50/Pax, Confirmation with 24hrs, No cancellation allowed
- Checklist:** 11 October 2021, 10:00 AM - 2:00 PM, Mongkok MRT Station
- Information:**
 - Additional Information:
 - Lunch Provided
 - Casual Wear
 - Covered Shoes
 - Bring along a water bottle
 - Wear sunscreen
 - You will find your tour guide at Exit A so please arrive on time
 - Map: Includes a map of the Mong Kok area.
- Buttons:** Add to Itinerary, Back

Individual and Surprise activity pages

- View additional details before adding activity to itinerary

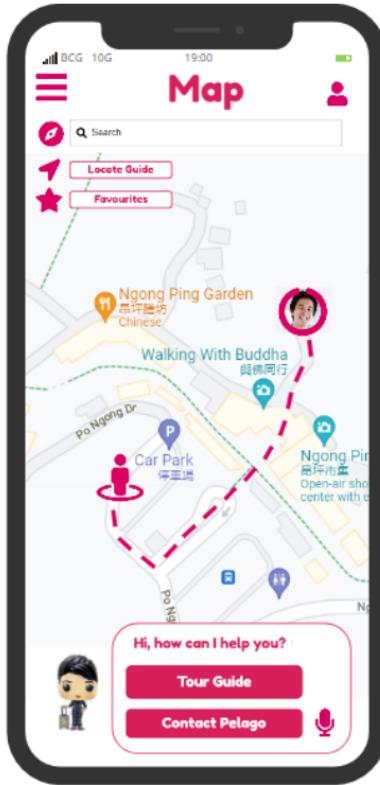
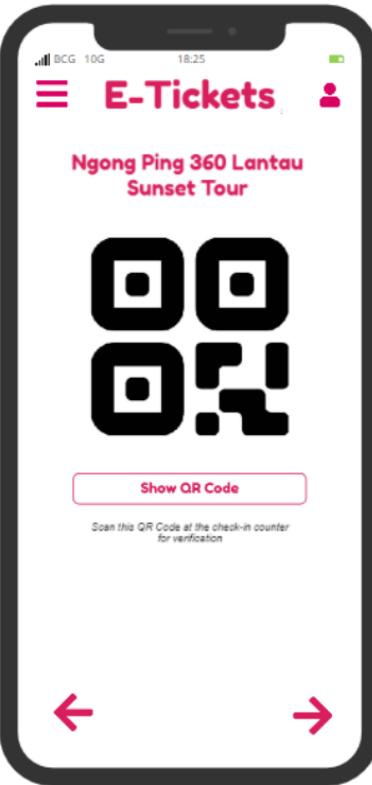
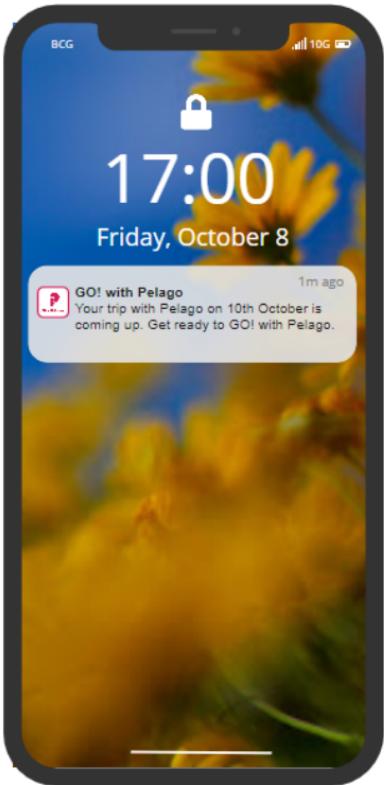


Build your trip

- View, add or remove accommodation and activities by day

Review Itinerary page

- Preview of overall activities with important details
- Toggle between list view and calendar view
- Complete booking to make payment for all booked activities



Pre-trip notifications

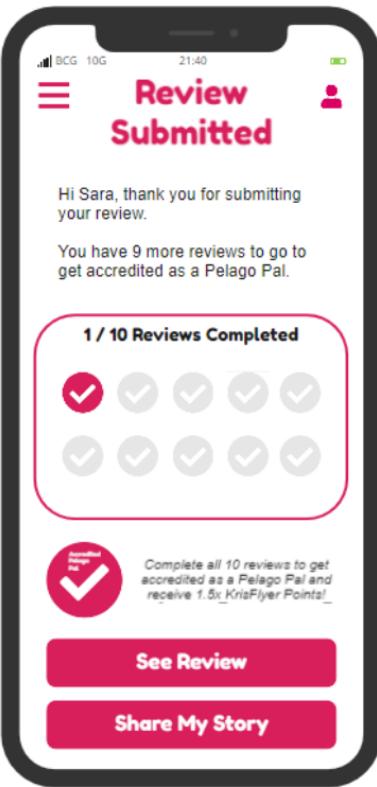
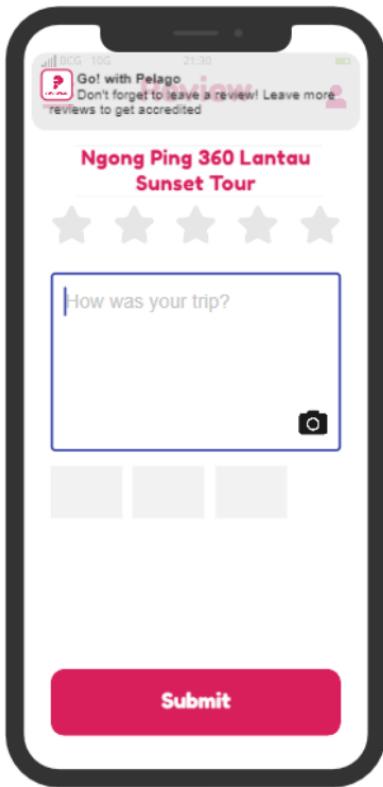
- Push notifications will be sent via the app to remind user of upcoming trip

Check-in with QR code

- Access the app for e-ticket

Live Chat and Live Map function

- Live Chat with Pelago and tour guide during trip and Live Map



Push notification and Review page

- Post-activity, push notification will be sent to user to prompt a review

Review Submission

- Show users number of reviews before becoming an **Accredited Pelago Pal** (grants user 1.5x KrisFlyer points after 10 reviews)
- 'Share My Story' allows access to Pelago community which allows you to share your itinerary and experience



Community Page (Pelagram)

- View others' stories and share your own
- Chance to be featured on Pelagram / Pelago website and win prizes

Concept Summary

Primary user: Millennials (25 - 45 years old)

Secondary user: Service providers

1-Stop Travel Booking App

- Curated Itinerary Builder**
- Suggested Surprise Activities**
- Live Map & Live Chat Function**
- Accredited Pelago Pal Badge**
- Pelago Community (Pelagram)**
- Pelago**

Why Might It Fail?

- 1) Pelago is relatively new, potential new users might not have the confidence to use Pelago App.
- 2) Visibility of Pelago being new entrant to booking platform market is low.



How will we know it's working?

- 1) Increase number of active users and return customers
- 2) More activities booked through the app
- 3) Increase in number of user reviews
- 4) Increase in commission revenue by USD 120 million within one year of full rollout.



How will we deliver this to the world?

The timeline shows the following stages:

- Concept**: Start of Project
- Paper Prototype**: 1 month, 100 users
- Testing with small group of users and local merchants**: 1st Month
- App Experience Prototype**: 3 months, 300 users
- Testing with frequent travellers and selected merchants**: 4th Month
- Beta Version Rollout**: 6 months, All users
- Beta run with all users and merchants**: 10th Month
- Full Version Rollout**: 10th Month

*Estimated Major App development cost USD 278,000

?

Q&A

Appendix

Estimated Commission Revenue

Online Travel Agency Landscape 2021 - South East Asia¹

	Singapore	Indonesia	Malaysia	Thailand
OTA market value (USD billion)	61.00			
Market value of Bookings made through OTA	80%	48.80		
Market value % of top 5 OTAs	80%	39.04		30.08
Market Value of OTA not in Top 5	20%	9.76		
15% Commission Revenue of top 5 OTAs (USD billion)	15%	5.86		

Note: Values highlighted in blue are assumed - Skift Research

Calculation of Revenue Commission (Non-top 5 OTA) booked by Millennials (in USD Billions)

Market Value of OTA not in Top 5	20%	9.76		
Target Market 5% (Singapore) ²	5%	2.44		
Target Market 10% - Regional (Indonesia, Malaysia, Thailand) ³	10%			
Revenue commission % (Assume similar to report at 15% rate) in USD billion	15%	0.366		
Commission revenue for Millenials - Singapore (Assuming 32% of bookings made by Millennials) in USD billion		0.12		
Commission revenue for Millenials - Indonesia, Malaysia, Thailand (Assuming 32% of bookings made by Millennials) in USD billion	32% ⁴			
Commission revenue for Millenials - Singapore		120 Million		
Commission revenue for Millenials - Indonesia, Malaysia, Thailand (Assuming 32% of bookings made by Millennials) in USD billion				850 Million

Source Material

¹<https://research.skift.com/report/online-travel-agency-landscape-2021-southeast-asia/>

²5% as a conservative estimate which is only a quarter of the remaining OTAs that are not in the top 5.

³10% due to economies of scale - Having tested locally, benefit of testing, expect more offerings and returns in 2-3 years, this is also a conservative estimate as we expect a post-COVID travel boom

⁴<https://www.thewanderingrv.com/millennials-travel-statistics/>

Singapore
Online Travel Booking Market Value (USD billion)
Bookings through OTAs
Market Value of OTAs (USD billion)
Market value % for top 5 OTAs
Commission %
Revenue of top 5 OTAs (USD billion)
Agoda
Booking.com
Tripadvisor
Expedia

Indonesia
Online Travel Booking Market Value (USD billion)
Bookings through OTAs
Market Value of OTAs (USD billion)
Market value % for top 5 OTAs
Commission %
Revenue of top 5 OTAs (USD billion)
Agoda
Booking.com
Tripadvisor
Expedia

Note: Values highlighted in blue are assumed
Source: Competition and Consumer Commission Singapore; Similarweb; Skift Research

Thailand
Online Travel Booking Market Value (USD billion)
Bookings through OTAs
Market Value of OTAs (USD billion)
Market value % for top 5 OTAs
Commission %
Revenue of top 5 OTAs (USD billion)
Agoda
Booking.com
Tripadvisor
Expedia

Malaysia
Online Travel Booking Market Value (USD billion)
Bookings through OTAs
Market Value of OTAs (USD billion)
Market value % for top 5 OTAs
Commission %
Revenue of top 5 OTAs (USD billion)
Agoda
Booking.com
Tripadvisor
Expedia

Estimated Major App Development & Maintenance Cost

Major App Cost			
App project lead (in house or external)		8,000	
Total Development cost		50,000	Assume Advance App, range is USD 10K to 50K , take max limit ¹
Paper prototype - 1 month with 100 users	Phase 1	50,000	USD 100 per user per day including agency fee, 5 Days per user in a month ²
Experience prototype - 3 months with 300 frequent flyer users	Phase 2	150,000	Each user go for 2-3 activities , USD 500 worth voucher, Encourage them to write in Pelagram, provide feedback on usage
Beta - 6 months for all users	Phase 3	20,000	Assuming live users. Cost is maintainance cost.
Major App cost:		USD 278000	Possible SG government grant (e.g productivity grant) to lessen the cost.
Ongoing from year 2 onwards			
Annual Maintainance cost (Assume 20% max)		USD 10,000	The industry norm for software maintenance is about 15 to 20 percent of the original development costs. ³
Source Material			
¹ https://javascript.plainenglish.io/how-much-does-it-cost-to-create-a-travel-app-in-2021-5f1257376bb0			
² https://www.nngroup.com/articles/recruiting-test-participants-for-usability-studies/			
³ https://www.fiercewireless.com/developer/maintaining-app-critical-to-its-overall-success			