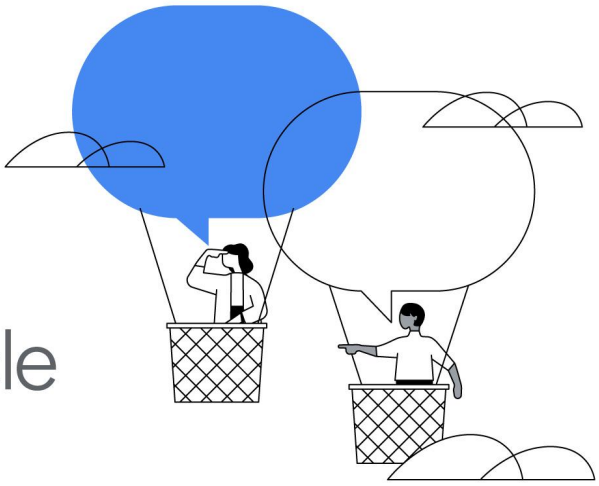
Think Travel
Leadership Circle



SEASON 2, EPISODE 6

Directed by data: adaptations and innovations

Host: Hermione Joye, Sector Lead APAC Travel, Google
Guest: Shirley Lesmana, Chief Marketing Officer, Traveloka

Hermione
Welcome to think travel leadership circle, a podcast series where we talk to travel industry experts about the latest and greatest travel trends. I'm Hermione Joye, Sector Lead for Travel here at Google Asia Pacific. My guest for today's episode is Shirley Lesmana, Chief Marketing Officer at Traveloka. Traveloka is a leading technology and travel company in Southeast Asia. So I spoke to Shirley to learn more about the magic that happens when data and marketing is combined.

Hi, Shirley, how are you?

Shirley
Great, Hermione. So good to see you.

Hermione
It's so lovely to have you on the Think Travel Leadership podcast. Thank you so much for joining us. Traveloka is a very well-known brand across Southeast Asia. Can you just share a little bit about you and your role within the company?

Shirley

Yeah, sure, I'm Shirley Lesmana, Traveloka's Chief Marketing Officer. So Traveloka is the leading travel and lifestyle platform of Southeast Asia. We have over 20 products, serving in travel from flight accommodation, attractions, and as well in lifestyle. So we also have beauty and spa, to food delivery to ensure that we can cater consumer needs of lifestyle all across Southeast Asia.

Hermione
For today's show, we wanted to focus on Traveloka, obviously, but also the use of innovation for travel, during the pandemic and into this endemic phase. So I think Traveloka is a really interesting place to start because as I've known in the industry, it's always been incredibly data-driven. I was wondering how you, as a company, were able to approach both your consumers and business from a data-driven perspective during the pandemic, especially given that I would expect demand has gone down a lot. So what was it like for you, and how did the company pivot around this?

Shirley
For us in Traveloka, data is embedded in our DNA, it's critical in the way we operate, we develop and offer our products. So to your point, this is very spot on that pandemic has caused unprecedented challenges, especially for us in travel and lifestyle industry, right, from the changes in the regulation, the shifting in consumer needs, and as well as asymmetric supply recovery. But we see that we managed to emerge from this pandemic to endemic well, partly, I will attribute that to our capability to harness the data that may make us agile. So um, first, we would attribute that to our robust first party data complemented with third party data. As a technology company, we have this advantage of merging the first party data with the third party data so we can combine that into sets of leading and lagging indicators that enable us to forecast the trend ahead and as well iterating performance improvement to ensure that we can be ahead and more importantly, helping the industry to recover well from this pandemic. Then, secondly, on the data handling capability, not just about the tools, but as well creating a cadence that will allow across teams to share their knowledge and insights. And then thirdly, of course, having the right people that are fluent in synthesizing the data and turning them into actions. So that's something that I attribute the ability and the capability to harness the data into actions and insights. That is something that is critical to our strong recovery.

Hermione
So if I summarize what you're saying, and for people who are listening, learning is that no matter the demand, keep focusing on the data. Because intuitively, it can still tell us what's happening even if it's not a high demand. In fact, troughs could actually be educational as well. And also keep investing in data, even in the downtimes because it helps future proof the business. Is that a good summation of how you guys approach it during the pandemic?

Shirley
Yup, yup, exactly that, Hermione.

Hermione
So with that in mind, I'm very curious to understand the data that was showing what trends came out and how you pivoted on that in the pandemic. Was there anything new or old or just already known that really helped you capitalize both in the pandemic and on your recovery so quickly during that time?

Shirley
Yeah, sure, I can give you two very recent example. So first, on the early part of travel search momentum that happened earlier this year, we see that the demand recovery pattern was asymmetric actually, across different customer segments, across different source countries, and as well destinations. And by having this robust data, this will enable us to be more targeted, more precise in tapping those demand. And the second example is, in the very recent situation about flight fare increase, we see that the demand resiliency among different consumer segment, destinations, source country or even cities might differ on how consumers or cohorts will cope up with this situation. So let me give you some concrete examples. In the light of this flight fare increase, there are some routes that have this, let's say, substitute product. So for example, with the rapid rise of flight, we see there is a resurgence in ground transport in Java Island, for example. Or, for example, some of our consumers, the younger one, the more flexible ones, we see an uptick in the early booking window for some consumers actually decided to convert to other airlines that has a lower fare, and some even do bargain hunting. So given this quite complex situation, and this is very fascinating to see how consumers deal differently with this situation, then having a good visibility to the data will enable us to give the right solutions to our consumers through technology. So let's give one example. So for those customers who, with this situation they plan ahead, then we can give a better recommendation, more spot on recommendation about the dates, the best dates to fly, for example, are the best days to stay in your hotel, for example.

Hermione
So essentially, you're using your data to offer a more relevant and personalized Traveloka experience, knowing the bargain hunter or the leisure buyer. So yeah, that's a great way. Have you pivoted your business into new areas at all, as a result of what you've seen in your customer insights?

Shirley
Consumers has higher concerns of safety, and as well, flexibility. So in the travel vertical, we introduced Covid testing on our platform. And secondly, we also ramped up our offering in travel insurance and even larger to the bigger insurance offering. First on the Covid testing,

we offer Covid testing in some of our markets in Southeast Asia. And this has been very helpful for our customers just to ensure that they are not only able to book flight, hotel and attractions, but as well, all the Covid testing, and even we're giving them the regulation updates all in one platform, all in one page. So this makes their travel planning easier. And then secondly, on the travel insurance, given the uncertainty, people tend to be a bit risk averse, they want to cover the risk associated with travel a bit more carefully. So that's why we see an uptick as well in travel insurance.

Hermione
And when you're offering these ancillary benefits, are you yourself - Traveloka - supplying them? Or are you working with partners on ground to give the customer that full experience?

Shirley
Yeah, we have partnerships with local partners, both in Southeast Asia and beyond. So this is also one of our focus: how can we as the leading travel and lifestyle platform of Southeast Asia can create even wider impact to our partners, including the local ones because travel is one of the vertical that creates this economic multiplier.

Hermione
You are sitting on a wealth of insights from your customers and during these podcasts when I've interviewed different people, we've just been talking about, you know, fads. I'd love to hear a bit of your views in terms of what you think is here to stay. And what you think is like, is going to probably peter out as we return to endemic and hopefully, I don't know what we call normal, no, normal Covid world.

Shirley
Okay, something that we want, not we want but one of our priority is to push forward on the sustainability. This is something that is still quite early let’s say in the tourism sector, but we want to be part of it. So this is something that we will like to focus, we started to see that among certain cohorts of consumers, they are putting more conscious efforts to ensure that they can travel sustainably, some of them even in some market, for example, in Asia, there is a higher willingness to pay more for sustainability. And this is something that we want to educate forward. For the trends that we see, let's say that we will question whether this is something that will stay or not, probably it's on the workation. So a couple years ago, prior to pandemic, this workation is very popular among a quite segmented niche, which is digital nomads. But then with the pandemic, we have flexibility right in terms of the working place, so people can work from Bali, from some other places all across Southeast Asia, quite freely. And we see quite strong demand. And it has accelerated from this very niche demand into, I would say, quite popular among early adopter. But then now as we transition into, let's say, not sure how to call it as well, let's say this new endemic or new normal situation, then some of the companies have started, still keeps this flexible working arrangement, some converted

to hybrid, for example, I think this will be really interesting to see how this trend will emerge. Because the tipping point, let's say, of those trends will be from early adopters to the early mass. We see in the past example of staycation with the pandemic, this staycation trend was adopted quite well among the early mass in some market, for example, Singapore, Indonesia, but then in some market, it's a bit lighter, let's say. So I think those new - yeah, especially on the workation, this is something that we would like to see, let's say whether it has the same power among the early mass.

Hermione
I will look to you for some advice as as we continue into the endemic phase. But I'm glad to hear that sustainability is at the top of mind. I think that's really an interesting point. Because some data I know Booking.com released some data and said that people it was a an interesting, it was definitely a factor in purchase. I think it was Booking.com. Factor in purchase but not necessarily going to pay more. And so it's interesting that in Indonesia, you're seeing a willingness. Are you seeing a willingness from different generations within sustainability that that would pay? Like, is Gen Z, more likely to pay than a millennial?

Shirley
Yeah, there is a skewness in the demographics that we see on our data. First is among the more affluent one, and secondly, that's spot on, this is among the younger one. This is let's say part of our focus is on the education. How can we make sustainability as easy, as seamless as possible right to our users, because we see that this is still relevant among a quite niche segment. How can we make this sustainability something that will resonate more, make it easy, make it fun for them? So some gamification, so I'll give you one example. So a couple months ago, we did quite some experiments, let's say to our consumers. So with additional less than $1, they can plant a mangrove plant, for example, to offset the carbon footprint. The takeup rate was actually pretty good. So this gives us even more confidence, let's say, and a boost of, let's say, a moral confidence on how can we help our consumers. How can we educate our consumers to put more, make it much more attainable, make it much easier for them to participate.

Hermione
There's no denying that the pandemic was devastating for our industry and across many countries as well. And now obviously, there's resurgence and growth and excitement in the industry and we're all excited. But you know, we need to recover and we need to build back revenues and audiences and consumers. We talk a lot at Google about experimenting and spending time on, you know, 20 10% projects on everything else. Traveloka, you know, you've been a startup, you've been so innovative. You've had some big investments. Like how do you guys now approach experimenting? And is there anything you do in this new endemic world?

Shirley

Experiment has been an integral part of our operations, I will say even dated, even prior to pandemic. And with experiments, this will give us, let's say, not a hedge. But in a sense, given that the world is changing very dynamically, then experiment is a very good way for us to, let's say, tap into potential growth in a sandbox experiment.

So I'll give you some example. Two years ago, in the early days of pandemic, we saw a very huge uptick of video demand, live video demand. And at that time, we see that consumers are looking for interactions. So at that time, we saw, okay, why there is an opportunity for us to launch a livestream, for example, and experiment with doing small experiments before we're scaling up and investing more. So we started by broadcasting our livestream video through various social media platforms, including YouTube. And then we once we see a great uptake within one or two months, then we invested more in our application. So now we have an embedded in-app livestream capability on our platform, and giving you one example of as we see, for example, more attractions, there are lots of experiments being done inside this livestream platform, how can we create this referral platform? So those power users can invite more of their team members? How can we customize the offers that would suit to their needs? How can we maximize our revenue generation with the right offer with the right propositions to our consumers?

So experiments is a really integral part of our operations, both when, say putting that in marketing, on how we manage our campaigns, on how we scale up. And for example, in the recent context of flight price increase, there are lots of multiple experiments that we're doing to ensure that we're not just able to capture demand, but as well, we can help our airline partners or even hotel partners, in fulfilling those empty capacity, for example, what will be the most optimum pricing or discount or coupon that we can offer to ensure that both consumers and our partners can get the value added out of this, for the partners, they can get maximum capacity fulfillment very well, to optimize their revenue. And from the consumer perspective, of course, they can smash a good deal, right. And beyond that, as well for the larger ecosystem, because we see a good multiplier effect of people traveling to the local economies, this is something that we see the experiment is very important, not just to the business growth, but as well to give maximum value to our stakeholders.

Hermione
One layer deeper on this, I have a question for businesses. And I have a question for consumers. Hopefully you can answer and don't mind sharing some of your secret sauce. The first question for businesses, how do you experiment and be scrappy, not everyone has the resources of Traveloka, and you've been part of the company for a while and have seen it grow. Like how do you, like experimenting is often associated with big companies, is there any tips as to how you could just get out and experiment without it being a heavyweight, and still learn things? Or how to set up a good experiment?

Shirley
I put that actually, as part of the OKR of the team, Hermione, we put, let's say on top of some of the committed growth, a target, then we also put some big bets, let's say. So this will encourage the team to take that calculated risk. So I will say that by creating the safe space, let's say that for us, in order to keep continue growing, we need to continuously adapting, we need to continuously innovating, right then we need to ensure that this cascaded down well to the team. Secondly, we also equip the team with the right, let's say, not just the capabilities, but as well infrastructure. So having multi team operation so in this sense, let's say for the marketing context, we need data team, we need also collaboration with revenue, with product. So having this alignment, working forward. Let's say the same goal. This will enable the team to be quite committed, let's say, with experiments. And then thirdly is to mitigate the risk to create the sandbox environment. So for example, we can give them some, let's say, budget, for example, to experiment, something that you can burn. For example, if this works well, then this can be scaled up. If not, that's okay. Because at the end of the day, we're as a leader, we have calculated this as a yeah, basically a sandbox environment.

Hermione
So if I listen to, if I've heard you correctly, I mean, what you've done is, like, reduce the fear of failure. So it's like, this is yours to go and test and learn. And if we learn that this doesn't work, that's great. And if we do, we move forward with it. And then it sounds like communication throughout, even if you're a small business, communicating that one single goal really allows innovation and experimentation, because you're all talking to each other and sharing what you know. And then also making people aspire to experiment more and be bold, through OKRs. I think we all love OKRs in the tech industry. It is not a bad thing, but I can understand it make it more meaningful, right? Like it's a human impact.

Okay, so for a consumer, you know it better than anyone, there are revenge travelers are sitting throughout Asia in particular, and travel is getting expensive. I mean, it's right now it's peak supply, demand, you know, friction. What's your best tips in terms of how to get value and save when you're traveling? What should I be looking out for, and how am I gonna find the the cheaper flight, or to know the next destination that is a better opportunity?

Shirley
Yeah, I will suggest you to follow the social media accounts of the travel providers. Yeah, one of them of course, Traveloka, and then cycle because if you're following the social media, subscribing to those new newsletter, then you will get a lot of good insights right about the promotion, secret deals. Let's say that that will be my first tip.

Hermione
Are they really secret? I always wonder when it's like a secret deal. And I was like, how many people was this secret to?

Shirley
Yeah, sometimes there are secret coupons, for example, or secret deals that we give out to our priority customers, right. So my first suggestion is to subscribe to those newsletter or social media subscriptions. That will keep the consumers up to date. And then secondly, to use more and more features that the travel platforms has, for example, in Traveloka, we have this flight tracking, so flight and hotel price tracking, so you can easily for example, find out what will be the cheapest time for you to stay in a hotel or flight. Those will be my second one. And then thirdly, is to avoid the peak season. Let's say because, again, for most of our inventories, it is a supply and demand situation. Of course, typically, during the peak season, long weekends, the price is typically quite high. Yeah, I think those will be some of the tips that I would like to give to our users. And yeah, I think the fourth one is to participate in the biggest sale. For each of the travel platform, it's gonna be different. For us in Traveloka, we typically give a very good deal during epic sale.

Hermione
Fantastic. And when is that just so everyone knows?

Shirley
Yeah, I'll keep you posted. Once we have the date.

Hermione
It's a surprise. It's for those customers who are loyal. First in best dressed. Well, thank you very much. I've actually learned a lot, which is not surprising, but I love the tips along the way. And thank you for having the conversation, making the time, and sharing what you know with the industry. It's just really great to connect and be able to chat about recovery. So have a lovely day.

Shirley
Likewise, thank you so much, Hermione. Hope to see you soon.