

# Developments

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FALL 2020



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## Mike Nelson

ARRIVIA (FORMERLY ICE)



Mike Nelson

Mike Nelson recently became CEO of travel exchange behemoth International Cruise & Excursions Inc. (ICE), which is rebranding as **arrivia**. He previously had been CEO of Global Travel Insurance for Allianz, one of the world's largest insurers and asset managers, leading the multibillion-dollar global specialty insurance and assistance business since 2012. Prior to Allianz, he was part of the management team that launched Orbitz and served as president of partner services, global chief operating officer, and in other roles. We met Nelson on Zoom, and he told us what excites him about timeshare and how he is transforming the business of **arrivia** (formerly ICE).



### What made you decide to make the move to **arrivia** (formerly ICE), and what are you excited about?

I didn't know a lot about ICE when I was first contacted about the role. When I started looking into it, I found it to be an intriguing combination of businesses making up a full-scale travel platform. We're really unique in terms of partnering with different players — timeshare, financial services, airlines — and the quality of travel inventory we get as a result of our access to closed user groups. Also, the company has proved to be highly resilient despite the pandemic. We have an incredible opportunity to further penetrate domestic and international markets and broaden our offerings with new products and enhanced digital capabilities. My focus is on ensuring that we have the absolute best solutions for our partners.

### What main problems does **arrivia** solve for the timeshare industry?

We bring developers' brands to life with technology that helps expand their footprint while driving engagement, loyalty, and profits. Our clients benefit not only from a capital light platform to create their own custom-branded travel service, but also from the ability to leverage our trusted network of large-scale, blue-chip corporate partners such as AMEX and USAA to distribute their inventory and expand their memberships. In a matter of weeks, our partners can add our full suite of travel products to their existing ownership benefits, offering a true end-to-end, custom-branded e-commerce shopping experience. Or they can create an entirely new term product using a combination of their products and our travel platform benefits. As the industry looks to recover from the pandemic, our services offer new revenue streams and can help generate arrivals across their resort networks. It's a true win-win situation.

### What new initiatives have you championed?

I am proud to announce that we have rebranded the company as **arrivia**. It is

travel-inspired with the combination of two words: **arrive** and **via**, which is rooted in the Latin definition, "by way or path." More importantly, I am supplementing our very talented team with expertise that can take us to the next level in terms of data analytics, products, and technology. I recently hired a chief product officer and chief technology officer. Both come from online travel companies and have deep experience with digital technologies.

### What leadership strategies are you bringing to the company?

Our company has gone through tremendous growth and change within the last two years. I believe in a leadership style that challenges the essence of "how you've always done it." So we have taken a look at our business with a new lens and started building upon our strengths while adding a few key leaders that bring new skills and experiences. In terms of engaging the team, transparency and clarity are critically important. Not everyone can adapt quickly to all the changes that the pandemic has forced upon us. Our team needs to hear from leadership frequently and be clear on our path forward.



#### **How has the pandemic changed how you are conducting business?**

Like most other companies, we've been working from home since mid-March. Unlike many other companies, we were in the process of merging three companies and searching for a new CEO. The team has responded in an extraordinary manner and accomplished more than I would have thought possible given the challenges. We reprioritized some initiatives to focus on travel categories that will recover more quickly (such as lodging) but maintained what we deem to be long-term strategic investments.

#### **How has the pandemic changed your approach to building a strong team?**

Taking over a travel company and moving across the country in the middle of a pandemic is not something I would recommend to most. Fortunately, the challenges have been navigable thanks to the technologies available today. Interestingly, we are probably executing better than ever because we are very focused on key

initiatives and talking more frequently. I started a regular OPEN MIC livestreaming forum on Microsoft Teams where everyone around the globe can dial in and listen to a companywide message and ask questions. I look forward to when it is safe to return to the office, but I have confidence that our teams will continue to execute well from wherever they happen to be.

#### **How and when do you expect timeshare and the travel industry generally to recover?**

This is unlike anything that anyone's experienced, unless you were alive in 1918. None of us know how long this is going to last, but our business is holding up better than I expected. We're prepared for a slow recovery but still making all the investments necessary to ensure that we're going to thrive over the long term.

#### **What's made you stay in the travel industry for so long?**

How can I leave after going through 9/11, the global financial crisis, and a pandemic? I have too many battle scars to

leave now. Those events aside, the travel industry is fun. Every time I've taken a new role, from Orbitz to **arrivia**, I've learned a lot. It's a very dynamic category with interesting challenges. Travel is a massive \$1 trillion category that is exposed to all the interesting trends.

#### **What are your favorite places to travel and why?**

We like to go to new places; I don't know that there's any one place. One of the most fun years of my career was when I lived in the U.K. We did little trips like going to the Isle of Wight off the southern coast for a couple of days. We popped a tent, stayed on a campsite, met all these people from England, and played American football and cricket. That's what I love about the travel industry: experiencing new things and meeting new people. ■

Learn more about ICE's rebrand to **arrivia** at [arrivia.com](https://www.arrivia.com).

# Corralling Price Elasticity

How do you monitor and impact price elasticity while protecting your margin, as the travel landscape changes?

BY STACEY SUTHERLAND



*Stacey Sutherland is the vice president of B2B marketing & communications for **arrivia**, formerly known as ICE (International Cruise & Excursions Inc.). She has been in the timeshare industry since 1988, forming a marketing and sales services company and also serving as vice president of corporate branding and communications at Holiday Inn Club Vacations.*

If you're like everyone else in the travel and hospitality industry, you find yourself glued to the news — hoping we will wake up and the bad dream will be over.

Every day, we contemplate when a vaccine for COVID-19 will arrive, spend days on end issuing and reading travel indicator surveys and juggling the balance between low occupancy and limited staff.

As we start to see increased activity in domestic and close-to-home travel, we are starting to feel like there may be a light in that tunnel somewhere. *But, how are we going to look in six months? In a year?*

For businesses lucky enough to have survived this long and that are now fighting a different battle for market share, the crisis has rendered meaningless the typical reference points, such as booking and occupancy trends that drive price optimization, otherwise known as “price elasticity.”

These dramatic changes have turned revenue management systems into blank slates. Further, the average cost for a nightly stay, an airline ticket — even the purchase price for timeshare has trended slightly down. So, how do you monitor and effect price elasticity in order to protect your margin as the travel landscape changes?

While no one can predict a sharp increase in travel once a vaccine is in place, companies that move fast while being flexible and adapting to the new conditions have the greatest potential to recover and gain significant market share. As we look to the future, we must not only carefully manage our pricing to capture any revenue we can, we must also pay close attention to our customer relationships and perceived value — while keeping an eye on optimizing revenues into recovery.

By taking a few steps, we can address the issues at hand and help minimize revenue dilution as the crisis slowly fades and we emerge. We have to start consciously looking for alternatives and laying the groundwork for recovery.

First, many of us have already put pricing policies in place and developed standards that can override revenue management systems. But, we also need to closely monitor market signals and identify indicators to understand what recovery may look like in order to optimize prices during the recovery. Investing in analysts and tools to track and build models is imperative because *historical data will not matter as we move forward.*

For example, back-to-school season has proven to be one of the most unpredictable we have ever experienced, with

false starts and selective online learning options shaping an all-too-unfamiliar August and September. Whereas this season is generally quiet, we saw a slight uptick in travel year over year as students and their parents realized they could learn and work virtually from anywhere. As we move forward, analysts will need to track data by market, because the intensity of recovery will differ by region, event and customer segment.

Secondly, whether you are trying to get your owners/members to come back to your properties, activate package leads to travel and tour, or boost your rental bookings, developers must maintain communication with their customers and take steps to reduce uncertainty and fear by relaxing cancellations, refunds, and “re-bookings.”

Airlines are doing it best right now by ditching change fees and extending

premium advantages to loyal customers as a sign of good faith. These, combined with messages of health and safety measures and helpful travel information, will help customers understand what steps you are taking to protect them and ease hesitation.

Thirdly, adding value to the existing programs you already have make customers feel like you are taking care of them, even in unusual times when perks or benefits are generally removed or reconfigured. Generational trends continue to lean toward subscription models, and timeshare resale companies continue to attack owner/member bases — while developers are turning to providers of travel to offer immediate ancillary value with capital-light, seamless network integration.

Some of these companies already have the tools and analytics to provide valuable insights about your customers and can deploy trigger and geotarget-based

marketing campaigns to reassure and engage them at just the right time. This results in moving customers from *dreaming of travel* to *booking travel* with one-stop-shop travel solutions. Additionally, custom-branded solutions allow you to create new product categories and new ancillary revenue streams such as term membership products.

As the travel landscape continues to evolve and demand begins to return, it's more important than ever to implement timely and effective actions that will make the difference in your performance recovery. Looking for creative ways to move fast and adapting to the new conditions are key to flexing your price elasticity and gaining significant market share while protecting your margin as travel picks up. Partners who offer ancillary value that comes with additional benefits at little-to-no cost can help prepare you for the new age of travel. ■



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