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"Fun Ship" Marketing Philosophy

Abstract

The President of Carnival Cruise Lines discusses his company's philosophy and operations as they relate to the "Fun Ship" cruise experience. Carnival, the world's largest cruise line, is positioned as a model in the business.

Keywords

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“Fun Ship” Marketing Philosophy

by
Robert H. Dickinson

The President of Carnival Cruise Lines discusses his company's philosophy and operations as they relate to the “Fun Ship” cruise experience. Carnival, the world's largest cruise line, is positioned as a model in the business.

What makes Carnival Cruise Lines “The Most Popular Cruise Line in the World?”sm We've got the fun! Only Carnival offers the “Fun Ship” cruise experience. Since the early 1970s, we have been marketing our “Fun Ships” as destinations in themselves, with the ports of call as secondary considerations.

This continues to be a unique approach in the cruise industry as other cruise line competition emphasizes the ports of call and dwells less on the shipboard experience. Our decision to be different is predicated on the fact that 94 percent of the American population has never taken a cruise before. Therefore, they have no direct experience of what cruising is all about. By emphasizing the ship itself as the destination, we discipline our marketing to focus on both the shipboard experience and the vacation benefits that appeal to the consumer.

Taking advantage of our large ships, we've developed a shipboard product that provides a wider variety of activity and entertainment choices throughout each day and evening and throughout the length of the cruise than anything available to the consumer in an alternative land-based resort or comparable cruise vacation. We emphasize variety and choice because we recognize that our guests will inevitably have a wide range of preferences. Further, we recognize that people's moods vary within the time framework of a three-, four-, or seven-day cruise. Accordingly, if guests have enough options available to them at all times, they will always feel entertained and pampered—never bored.

Of course, another vital option for guests is to do nothing at all. Unlike some land-based resorts, no Carnival guest is cajoled or coerced into participating in any activity. The choice is theirs to do as much or as little as they want, when they want to. This freedom of choice is a critical ingredient in the enjoyment of one's vacation time.

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Because we have been marketing our cruise ships as “Fun Ships,” our guests come on board with a clear anticipation of having fun and enjoying themselves. This creates a self-fulfilling prophecy as the expectation of fun, relaxation, and conviviality generates fun, relaxation, and conviviality. In fact, when we counsel travel agents as to what kind of clientele to send on a Carnival cruise, we admonish them not to send us curmudgeons, on the theory that one bad apple can spoil the bunch!

Passengers Are Diverse

Apart from the expectation of fun, it is important that our passengers represent a wide diversity of geographic, demographic, and psychographic characteristics. The broad geographic dispersion of our passengers assures people that they will meet folks from their area of the U.S. and Canada—no matter where that area is. Also, they are assured that they will meet interesting people from all other areas as well.

This same phenomenon holds true for age, educational background, lifestyle, profession, etc. Because there is no regimentation on board the vessel, people are free to either mix and mingle or keep to themselves as they choose. From long experience, it is virtually inevitable that people will develop new and fascinating friendships on board the “Fun Ships.” A unique camaraderie develops among guests as the cruise progresses.

Our Carnival crew members work very hard to encourage this friendly atmosphere in subtle but effective ways. For example, by design, cruise staff members lead double lives as entertainers, relishing the applause and appreciation of the audience. Because they double as cruise staff members during the day, you can be assured that they are as friendly and helpful as possible with the guests who form their audiences at night.

Cruise Separates Passengers from Hassles

Beyond the efforts of the crew, however, an almost mystical transformation of the guest occurs when any of our enormous ships drops its lines and heads out to sea. Whether it is the guest's first cruise or his fiftieth, a pleasant, almost subconscious, sense of separation from the daily cares that the “land” represents begins to evolve. This separation from the hustle, bustle, and hassle of the work-a-day world allows people to really unwind, relax, and become refreshed. Without the ties to land, they can become and act as they want to—shaking off the strictures and stereotypes of the routines of the normal world. This is a critical element for deriving the maximum enjoyment from one's vacation.

The “I've got to get away” feeling that people associate with the need for a vacation transcends merely spatial considerations. The psyche has to get away as well. The mind and spirit need to rest, recharge, and grow.

Exit interviews of Carnival guests typically point to the fact that the cruise had a dramatic impact on them—far surpassing that of mundane land-based resorts or sightseeing destinations. Admittedly, this impact runs the continuum from a carefree non-stop party to the life-transforming process of taking stock of one's self and setting or reaffirming career and personal goals.

It is generally recognized in the travel industry that cruising enjoys the highest customer-satisfaction rating of any vacation alternative. Studies suggest that 85 percent of returning cruise passengers are completely satisfied with their vacation experience.

Every Carnival guest is encouraged to fill out a comment card which is used internally as a report card, both to measure performance of key elements of the cruise (dining room service, food, entertainment, etc.), as well as total customer satisfaction. Not surprisingly, all Carnival "Fun Ships" score extremely high. For example, the percentage of guests who respond favorably to the question, "In general, did you enjoy your cruise?," is in the 97 to 100-percent range on virtually every voyage.

Bearing in mind that the key ingredient in the product specification of a "Fun Ship" cruise experience is a diverse mix of people who share the common expectation of a fun vacation, the challenge then, from a marketing standpoint, is to present this cruise experience in a way that achieves this objective. The advertising priority is to describe the appeals of the "Fun Ship" cruise experience itself. Consequently, our ads typically show people and talk about the things that happen aboard our "Fun Ships." This is very different from most cruise advertising that tends to emphasize ports of call with a photograph or an exterior shot of the ship in a compelling destination. At Carnival, we prefer to show people having a good time on board in our ads, because our "Fun Ships" are destinations in themselves. The ports of call are the icing on the cake!

Advertising Promotes Concept of Fun

Recognizing that 94 percent of the U.S. and Canadian population have never taken a cruise before, these first-time cruisers could have no direct experience of what cruising is all about. Without direct experience to the contrary, myths and misconceptions may arise. For example, research tells us that some people perceive cruising as a confining experience, and even boring! Certainly, this is not the case with Carnival's "Fun Ships." Rather than finesse these misconceptions, we attack them head-on in our advertising with references to our very large ships and smorgasbord of activities.

For many years, the bulk of our advertising resources had been focused on Sunday travel sections—over 200 different newspapers each year in towns large and small. Then in 1984, in addition to a vast newspaper commitment, Carnival Cruise Lines introduced a nationwide television advertising campaign—the largest and most extensive in the history of the cruise industry. The campaign utilizes

our spokesperson, Kathie Lee Gifford, who co-hosts the *Live With Regis and Kathie Lee* daily television program and frequently appears in television specials. For the past 10 years, her vivacious, sparkling personality has lent itself to the fun message of Carnival Cruise Lines. The campaign has generated billions of viewer impressions. The action and color of television advertising create a vivid portrayal of the "Fun Ship" cruise experience.

We have been extremely pleased with the results of this campaign and are committed to its continuance in the years to come. Our newspaper advertising and brochures incorporate Kathie Lee Gifford and our theme, "We've Got the Fun!,"sm to provide maximum exposure and message reinforcement.

In 1994, Carnival Cruise Lines completed its twentieth consecutive year of operating in excess of 100 percent occupancy on an average fleet basis—a record for the industry. Don't worry, we are not renting the life boats! 100 percent occupancy is based on two persons to a cabin. Most ships have cabins that can accommodate three and four persons. This allows for occupancies in excess of 100 percent.

Our fleet expansion plans do not allow us to rest on the laurels of this achievement. The introduction of our SuperLiners, the *Holiday* in 1985, the *Jubilee* in 1986, and the *Celebration* in 1987, necessitated attracting twice the number of annual guests in three short years.

The addition of our new generation of SuperLiners, beginning with the *Fantasy* in 1990, the *Ecstasy* in 1991, the *Sensation* in 1993, and the *Fascination* in 1994, results in an additional 80 percent increase in our "Fun Ship" fleet capacity. We are confident we can successfully continue to grow sufficient consumer demand to keep pace with our expanded capacity. These super new "Fun Ships," representing the state-of-the-art in cruise designs, are strong attractions in themselves.

Fleet Expansion Broadens Appeal

Moreover, our fleet expansion provides more diversity of itineraries, home ports, and vacation lengths to further broaden our appeal. Our deployment of the *Fantasy* to Port Canaveral, the newest and largest ship to serve that market, is a good example as it now offers cruise and land vacations featuring Walt Disney World and other Central Florida attractions of five-, six-, and seven-day durations in addition to our popular three- and four-day cruises.

Each addition to the "Fun Ship" fleet gives us the opportunity to explore different home ports and exciting new itineraries. The inaugural season of the *Fascination* began with a first-ever series of cruises from New York. Several five-night cruises from New York called at St. John, New Brunswick, and Halifax, Nova Scotia, as well as two full, "fun" days at sea. Two-night weekend "Fun Ship" mini-cruises featured the *Fascination* itself as the destination.

In October 1994, the *Fascination* began year-round sailings from her home port of San Juan. She assumed the *Tropicale's* exotic

seven-day Southern Caribbean itinerary. With the *Fascination's* arrival, the *Tropicale* features two new itineraries—both including U.S. ports of call. Guests may either board the *Tropicale* on Sunday for seven-day, round-trip cruises from Tampa, calling at Grand Cayman, Cozumel, and New Orleans, or they may embark on Friday in New Orleans for seven-day, round-trip cruises to Tampa, Grand Cayman, and Cozumel. It is a unique itinerary pattern that gives both New Orleans and Tampa a year-round, seven-day cruise ship. These two U.S. ports were chosen because both cities have tremendous appeal and offer attractive pre-and post-cruise vacation options.

Apart from the product itself and our advertising program, another key element to our marketing is our pricing. The typical cruise line prices its ships with the budget expectation that they will sail with 80 to 85 percent paying occupancy. As a result, for example, the fixed costs and budgeted profit levels are borne by 850 passengers on a ship that carries 1,000. At Carnival, because of our singular history of sales performance, we set our prices at 100 percent paying occupancy. In other words, our fixed costs and budgeted profit levels are borne by 1,000 passengers on a ship that carries 1,000. This difference in pricing strategy allows us to price our product 15 to 20 percent below other roughly comparable cruise offerings. Our attractive pricing means greater value for the dollar which generates the sales that provide our full occupancy levels. In turn, the high occupancies allow us to offer reduced pricing. In fact, it has been our ability to expand consumer demand by attractive pricing and a most satisfying product that has allowed us to grow from a one-ship fleet to the largest cruise line in the world!

Because the modern contemporary cruise industry is only about 28 years old, only 17 or so million people in the U.S. and Canada have ever cruised. For Carnival to continue its aggressive growth, it is critical that our product be positioned to appeal to first-time cruisers. After all, the potential first-time cruiser represents over 100 million people in North America. We have been able to accomplish this objective by positioning our product to the widest group of prospective customers by focusing on cruising as a great vacation for Everyone, with a capital "E."

On a fleet-wide basis, 64 percent of our guests are first-time cruisers, while 36 percent have cruised before. Within the fleet, this ranges from 85 percent first-time cruisers on the short three- and four-day cruise offerings to 45 percent first timers on the more exotic Southern Caribbean cruises of the *Festivale* and the *Fascination* and many sailings of our SuperLiners, the *Holiday*, *Jubilee*, and *Celebration*. Importantly, however, more than half our repeat guests have cruised with Carnival before. This is a very gratifying percentage considering the relatively short history of the company; Carnival is much younger than its competitors. This statistic attests to high customer satisfaction with our unique vacation product. This, in turn, creates strong, positive word-of-mouth advertising by our satisfied customers. This is

the most effective element of our marketing program: Enthusiastic, happy Carnival guests sell our "Fun Ships" all over this land, informing all kinds of people in all ways of life, mirroring and reinforcing the diversity of our guest mix. Their common denominator: the desire to have a terrific vacation in an unstuffy, fun atmosphere at a price that represents the best vacation value.