



Cruising The Apps

Cruise-related applications for the iPhone and other smartphone systems have been trickling into the market.

iCruise's Cruise Finder, available for free download on the iPhone, has features comparable to those of a full-fledged cruise-selling website, with highlighted deals, profiles of cruise lines and ships, deck plans, destinations, port calendars, passport requirements, port directions, and more. The user can input all sorts of different criteria to search for cruises, though there are a few flaws--the search by date isn't specific enough, and not every hot deal has the price listed for easy scrolling. And to actually book a cruise, the user has to either go to the actual website or call iCruise. In general, though, users can efficiently search and sort through thousands of cruises using this robust tool.

Royal Caribbean and Celebrity are the first major cruise lines to come out with iPhone apps, although their apps are not as user friendly as iCruise.

The Ship Mate apps for Royal Caribbean, Celebrity, Carnival, and Norwegian are more useful for passengers already on the ships rather than prospective bookers, as it keeps track of things like onboard expenditures and deck plans.

Cruise Deals, from Gill's Cruise Center, bills itself as the first Android cruise deal app. It's a basic deal-listing app, much more limited in scope than iCruise.

Can agencies actually expect to build business via a typical attention-span-challenged iPhone user? Too soon to tell, though suppliers indicate to Cruise Week that there are certainly more coming.--*Bill Driscoll*

Targeting America, Carnival-Style

Evidently, Carnival Corp. has no plans to slow down its European capacity increases, despite sharpened concerns about the European economy. Even with a 13% increase in European brand capacity--which might be expected to deflate prices--Vice Chairman/COO Howard Frank said during the most recent earnings call that second quarter booking volumes for European brands and European itineraries "had been higher and are keeping pace with year-over-year brand capacity increases." Carnival Chairman /CEO Micky Arison added of Europeans: "They not buying the cruises on credit."

But the news from Carnival Corp.'s largest brand, Carnival Cruise Lines, continues to be capacity growth in North America. In the latter half of 2011, CCL will base two larger ships in Galveston (including the *Magic*) year round and will also position two ships--*Conquest* and *Ecstasy*--in New Orleans year round starting in 2011.

Carnival CEO Gerry Cahill explains, "By focusing on one culturally homogenous market, like North America, you can really define your product and target that product to that market."

Birds of a Feather

As one example, Cahill tells Cruise Week, "We have one language, so we don't have to make announcements in six languages." And Cahill considers the CCL customer unusually sociable compared to passengers on other ships. "I recently got off a ship and was once again amazed that so many people get involved in karaoke on our ships," he observes.

The common sociability impacts onboard life. "If you look at the entertainment that takes place on our ships, a lot of it is very interactive with our guests," says Cahill. "That works very well when you have a common language and a common culture. It doesn't work as well when you don't."

The predominantly North American makeup is one reason behind Carnival's recent announcement that there will be comedy clubs fleetwide on CCL. "We're heavily reliant on comedy on our ships," says Cahill. "If we had a ship that was half Americans and half Italian, one of the two groups is not going to get the jokes. Believe me, I have given speeches in Italy, and the entire room stares blankly at me when I tell jokes."

Also, every cruise brand has a marketing budget, but Cahill sees CCL's as easier to target than most: "We can focus our entire marketing budget on the North American market, as opposed to spending 20% in the U.K., 10% in Italy, etc. When we do that, it causes the phone to ring in North America for our travel agent partners, and it causes the phone to ring here."

Overcoming Homeport Limitations

Concurrent with the focus on North America is the now familiar Carnival theme of homeport expansion. "We're focused on families--we carry 700,000 kids annually," says Cahill. "Air is a big deal, and our homeport strategy is to strip out the air and maintain the value proposition. This circles back to our focus on North America."

Potential negatives of the homeport strategy is its destinations, and Cahill says you can run into, 'Been there, done that.' To combat this, Carnival alternates homeport itineraries and varies cruise lengths, And they make much use of Carnival Corp's development of new ports in the Caribbean--Grand Turk, Half Moon Cay, and Mahogany Bay. "We do that to offer some new, interesting things to do in the Caribbean," says Cahill. "If you look at the theme parks, they're always offering new attractions--it's the same sort of thing."

For those North Americans who love Carnival but are weary of the Caribbean or Mex. Riviera the line throws in a few different destinations each year. ""Next year we go back to Europe, mainly for repeat guests," says Cahill as one example. "When we do Barcelona next year we will of course source more Europeans than we would on a Caribbean cruise, but the vast majority is going to be



Carnival in America *continued from p. 1*

North Americans."

Eggs in One Basket?

Reliance on one source market would seem to have it share of risks for Carnival. A bad hurricane season can devastate more than huts. But Cahill appears more concerned with the bigger picture: "Our industry is no different than any other consumer-driven industry. We are affected by the economy. We're affected a lot by unemployment--our guests typically work for a living. We get retirees but maybe not as many as the other cruise lines. We have more younger working people."

But a reliance on the working man can work to Carnival's advantage. "Last year, we saw value up there, so we fared better than everyone else," he says. "We can see it today in the marketplace--consumers are very price conscious, they're looking for value. We have homeports, short cruises, and a price point that our guests can afford."

Fain On New Partners, Old Partners

Suppliers are working hard to reassure agents worried about suppliers' attempts to directly connect to consumers. For example, at the Vacation.com conference in Orlando, a key message from Richard Fain, chairman/CEO of Royal Caribbean, couldn't have been more basic: "Travel agents and the cruise industry need each other."

As the VCom conference took place in Central Florida--a hub for family entertainment--it made sense Royal also highlighted its partnership with Dreamworks, since Shrek and company will soon be sailing on *Oasis*, *Allure*, *Liberty*, and *Freedom of the Seas* out of Pt. Canaveral. And Fain referenced another new partnership, that of Royal Caribbean and the Culinary Institute of America.

But the focus of the partnership talk was supplier and agent. Fain recalls that 22 years ago, during his first weeks and months with Royal Caribbean, he visited agents across North America to learn about service. "You know better than anyone how to provide great service and satisfaction," he explained. "You do it every day."

He emphasized that what he heard from agents has been applied to Royal Caribbean's customer dealings.

While there's clearly respect in the chairman's words (and actions) we've heard from agents that the partnership is being tested in the most basic of ways: money. Agent commissions are tied to supplier revenues; in the case of Royal Caribbean--encompassing RCI, Celebrity and Azamara and others--total revenues dropped from

\$6.5 billion in 2008 to \$5.9 billion in 2009. Accompanying that was a jump in overseas-sourced business.

But Fain says the big picture is still one of commonality: "We're all in the same boat. Sometimes the motor sputters. Sometimes we're rowing. And sometimes it's full steam ahead. But we're always in it together."

While not glossing over the difficulties of 2009, he says both sides are now operating more efficiently, and times are better in 2010: "Although times are still tough, we are clearly having a better year," Fain said, adding, "Booking volumes are up, yields are increasing."

Fleetwide Shipboard Changes

Changes made by lines fleetwide to their onboard product continue full force. Florida correspondent Art Sbarisky provides a status report on some major lines.

CCL will complete fleetwide implementation of Your Time Dining by the end of the year. Already fleetwide are Between the Fun, Master Mixology, Care to Play activities, and Circle "C" for 12-14 year olds.

Celebrity recently introduced both Celebrity Select Dining (a pre-cruise day-by-day flexible dining reservation program) and Personal Concierge program (in which concierges learn guests' personal preferences to be better able to tailor the experience for them). Also new this year is "Savor The Destination," a line-up of special interest cruises, where guest chefs and food/wine experts bring the shoreside experience onboard.

In September, **Crystal** will add to their Computer University @ Sea with new iMac work stations including 27" screens; guests can learn both Windows 7 and Mac OSx10.6 operating systems with five new free classes.

Holland America continues to expand and evolve Signature of Excellence; during its 17-day drydock, *MS Ryndam* underwent changes, including the addition of the Canaletto Italian restaurant concept originally on the *Eurodam*. Total spent on onboard enhancement has now surpassed \$525 million.

Oceania recently introduced Canyon Ranch spa cuisine in main dining room and terrace cafes and is now offering complimentary and unlimited bottled water and soft drinks (not dissimilar to what Azamara introduced earlier this year). Changes enabling the line's "Pillars of Distinction" program will take place during ship drydocks, which means a significant enhancement to Oceania's onboard enrichment program.

Royal Caribbean has implemented a daily online reservations program utilizing the line's My Time Dining program. Several dining, entertainment, and children's programming features introduced on *Oasis* will be added to two of the Freedom-class ships starting in early 2011.