

Disney cruise line – marketing analysis assignment

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Presently, the cruise line offers 5 different cruising options, including a 7 day land/sea package, a 3 and 4 night cruise only package to the Bahamas, and either a 7 night Eastern or Western Caribbean Itinerary. It is important to note that the Disney Magic is responsible for the 7 night cruises; whereas the Disney Wonder is responsible for the 3-4 night cruises to the Bahamas. The 7 night land/sea package is an extraordinary and unique package that Disney offers to its customers, where customers are given the opportunity to spend 4 nights at Walt Disney World in Orlando, and then spend the remaining of their time aboard the Disney Wonder.

In addition to the islands of the Caribbean, the Disney Cruise Line offers its passengers a private get away for a day of rest and relaxation on its own island in the Bahamas called Castaway Cay. This island is always one of the stops on the Disney Cruise Line itinerary, and provides the passengers with sun drenched beaches, exciting adventures, casinos, and unbelievable shore excursions. The Disney Cruise line has sole rights to this oasis in the Caribbean; no other cruise lines are given access to this island (Exhibit 2).

Designed to resemble the art-deco style of the luxury liners of the early 1930s, these ships combine the charm of old-world luxury sailing with all the technology and amenities that Walt Disney is famous for. Each cruise liner has the capacity of 1,750 passengers and a crew of 945 employees and consists of 880 staterooms. Disney has done its utmost best in trying to create 'not just another cruise line' by offering unique amenities and features that other cruise lines do not. The Disney Cruise Line offers incredible onboard activities, designed for cruisers of all ages, marketed separately and sometimes jointly with one another.

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Onboard guests will find a different Broadway-style theatrical production each night of the cruise, in addition to first-run films and Disney character appearances. Innovative venues designed for families include a family nightclub, deck parties, and a family pool. There is an open-air deck which hosts celebrations every night and different exciting experiences take place every night. Unique dining experiences include casual and elegant restaurants, a buffet, cocktail and snack bars, and an Italian restaurant just for adults.

The ship offers rotation dining whereby guests rotate to one of the three guests and servers throughout the trip. Disney offers great programs for kids and teenagers, and there's even something special for the smallest of the cruisers. While the kids have great fun by themselves, Disney also provides special restaurants, activities and nightclubs just for adults. Adults can visit the adult-exclusive area of the ship where they can visit the Spa and Salon, or rest on a lounge chair on the pool, or even reserve a quiet table for two at their adult-only Italian restaurant. Following their family strategy Disney offers the

Ocean Club which is specifically designed for kids from three to five years of age and is guaranteed to take 'young minds to the edge of their imagination'. They also offer other activities for kids aged five to nine in order for them to have their most pleasurable and memorable trip. They offer the opportunity to meet the Disney Characters in many settings of the boat, especially in the kids sections. They also offer great opportunities for teens where they can socialize in places where there is music, games,

internet cafe??, in which they are given the opportunity to mingle and meet people their own age.

As we have clearly seen, the Disney Cruise Line ensures that its passengers' experiences on the ship are experiences of a lifetime and ones they will never forget. But what about Disney's employees? Are they given that same 'magical' experience that the cruise line offers to its customers? As one employee put it, "Being an employee of the Disney Cruise Line, as it is for the entire Walt Disney Company, is a privilege and an honor; to say that I work for one of the most well known and reputed companies in the world is something I am extremely proud of.

The Disney Cruise Line is an employer who appreciates the richness that a culturally diverse workforce brings to its company; it is one of the only companies in the industry that hosts employees from 20 different nations around the world. Its training program is one of the most thorough and intense in the entire industry, where employees learn about the history and philosophy of the Walt Disney Company, and its employees are encouraged to attend educational classes where they are able to make suggestions, develop new ideas, and upgrade or change their positions.

The Disney Cruise Line goes its utmost best in trying to make its employees feel at home by offering benefits such as: a crew-only private beach on Castaway Cay, a crew-only pool, TV's in every cabin, on-board medical care, free admission to the Disney theme parks, and discounts on Disney merchandise. To its employees, Disney Cruise Line lives up to their expectations of being "The Cruise for Crews." Industry Analysis As Mackey

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Orison, chairman and CEO of Carnival Cruise Lines puts it, a cruise “ is the best vacation for virtually any nationality and it is a great value. The cruise ship industry’s key strengths are its high desirability among customers as it appeals to people’s sense of adventure, it operates at 100% capacity, and lastly, cruise ships demonstrate the ability to adapt their product to meet popular social trends and Association), “ Consumers are well aware of all cruising has to offer, from the new ships, ports and itineraries to expanded programs and amenities and, of course, crushing’s consistent value. Being the fastest growing category of the travel industry, the cruise ship industry has been experiencing an 8. 3% annual growth rate and has the potential of being a \$97 lion industry by 2005. Just to get an idea of how big this industry is, the CILIA recorded a whopping 7. 2 million passenger cruise traffic in the first three quarters of this year alone (including more than 6 million North Americans), placing the industry on pace for another record-setting year. For North American Cruise Passenger traffic growth over the years, please refer to Exhibit 3.

Furthermore, in order to handle the capacity for the increased demand, the industry plans to see 13 new cruise ships this year, as well as 34 new cruise ships in 2004 which will result in an increase in the level of competition. The industry is dominated by four major companies, The Carnival Corporation, Norwegian Cruise Lines, Royal Caribbean International, and Princess Cruises, that dominate over 85% of the market. The remainder of the industry is shared amongst smaller operators such as Disney Cruise Lines and the luxury operators such as Crystal Cruises, Silveryeyes Cruises and Radios Seven Seas Cruises.

Needless to say, competition in this industry is fierce. With 4 major cruise lines dominating the market, and over 30 different brand names for consumers to choose from, staying on top in this industry is extremely difficult. Consumers rely heavily on their travel agents to assist them in deciding which cruise line would be best suited for their needs; the 'unsecured' passenger has difficulty in telling one brand of cruise ships from another. For this reason, marketing is a very important key to success in this industry; differentiation is key.

Cruise lines have to recognize that they need to create brand awareness and get their names into consumers' minds before the consumers call their travel agents to book a cruise. Segmentation, Targeting, Positioning:

Segmentation: As evidenced in Exhibit 4, segmentation factors that the Disney Cruise Line considers include demographics such as the average income level of its customers. Geographic factors include the urbanity of the region and its proximity to transportation, and some psychographics and behavioral factors they consider include lifestyle and attitudes towards vacations.

The Disney Cruise Line segments the market appealing to the middle to upper-class population as cruises tend to be expensive, in addition to the fact that there are travel costs to be factored in as well. While, both their ships depart from Port up travel accommodations for them. By being able to book their trip online through the Disney website or other travel specific websites, or by being able to go into a travel agency and inquire about the cruises, it has given people all over the world an opportunity to experience something "magical".

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Targeting: The Disney Cruise Line uses these segmentation factors to form their target market. The potential market is every person in the world that is interested in spending time out and would consider a cruise as a vacationing experience. The available market are the people with an interest in taking a voyage on a cruise, but also have a level of income which allows them to afford the premium prices Disney charges. This includes people living around Port Canaveral, as well as people with an income high enough to afford the accompanying travel costs.

The target groups are thus people of all ages, preferably families with children or young adults, with an at-least-average income level. The cruise differentiates itself from other cruise lines as being a very upbeat vacation experience. There is always something to do, and someone taking part in it. Disney appeals to upbeat people who enjoy taking cruises. More importantly, the cruise line caters to families with children. It differentiates itself from the competitors by having the Disney name, and providing the Disney experience.

Disney Cruise Line is able to cater to little ones as young as six weeks old. The only cruise line with a fleet-wide nursery for infants and toddlers, Disney puts families at ease with its friendly and competent youth counselors; The line recently expanded its nursery program. Family programming on the cruises includes: character breakfasts, tea with Peter Pan's Wendy Darling, trivia games, and sing-along piano sessions. The youth program offered on the cruise is for children three years and older and features spacious activity rooms for pre-coolers, grade-school kids, and teens.

In addition to the marvelous activities offered for children and families, Disney also targets the young adults segment by offering an unique dining experience, live shows, and adult only areas. The d?? cord and amazing facilities and activities provide a great experience to all. Positioning: The Disney Cruise Line positions itself using a number of distinct dimensions that differentiates them from their competitors. These elements are their core competitive strategies and their keys to success. They include an extensive, creative, and upbeat itinerary with superior customer service and highly dedicated and competent staff.

Their facilities, food, and rooms are among the best in the industry, offering great value to the customer. As shown in Exhibit 5, Disney further strives to position themselves as the leader in family entertainment and vacationing by offering the very quality service to go along with the Disney name. The ships are truly one of a kind, and Disney is able to further differentiate itself with its excursion to Castaway Cay, mentioned earlier, a private Disney owned island in the Caribbean, with every trip.

The company has its own culture consisting of rich heritage, traditions, quality tankards, and values that create a unique environment for all involved. Disney prides itself in the service it provides and in their employees, and thus an employee commits himself to certain characteristics when going to work everyday, in order to make the experience of a 'magical' vacation possible. The company believes that the success in the family entertainment business is directly attributed to the individual contributions of the entire team of employees.

Performance in this context stresses the entertainment, and excellence the company wants to be synonymous for Disney. Marketing Strategy Disney Cruise Line is the most recent competitor in the industry. It has created a unique strategy that is directly tied to Walt Disney World in Orlando. Disney Cruise Line is targeting the same family market as it does through its theme parks, and they do it by offering combined one-week packages that include several days in Orlando and several aboard ship cruising the Caribbean. Walt Disney World president AAA Weiss calls this strategy “ a perfect match.

It is getting people to cruise and it is getting them to come to see Walt Disney World. ” He believes that the cruise industry as not yet targeted the family market niche and their strategy is doing so. Besides the exceptional service that they offer, Disney’s marketing strategy is also internal. They struggle hard in order for their employees to enjoy their work. Disney’s employees are guided with the notion that they should feel responsible for the happiness of others. Disney offers Jobs that give their employees a different way of life.

Disney has created a new philosophy of life; it built a second family for the employees, with co-workers and with the customers themselves, building extremely strong ties all together. Disney means seeing extremes come together, professionalism and exoticism, self-discovery and intercultural exchange. As a Disney Cruise Line employee, one follows the Disney attitude, which means making life more attractive, imagining another way of spending time, enjoying leisure and work, beyond cultural and social barriers. It means giving preference to human values by building links and ways to genuinely meet people.

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The Disney Cruise Line employees are the core of the Disney Cruise Line concept, because they share the same frame of mind, the philosophy of generosity, the smile, the willingness, and the Joy to live.... He Disney attitude. By recruiting great employees they are able to offer their exceptional service and build new loyal customers. Pricing To follow up on their strategy Disney Cruise Line offers great rates on land and sea stay filled with Theme Park fun each day and the magic of a Disney Resort each night. After that, the customers enjoy a three or four day cruise to the Bahamas and to their own paradise island, Castaway Cay.

They also offer a seven night Caribbean Cruises where the customers can enjoy and have a complete relaxation and tropical adventure in the Caribbean. The rates and the dates can be seen in Exhibit 6. After choosing the desired cruise the customer can choose to stay in different kinds of accommodations inside the cruise ship; they can choose from eleven different categories, from category one which is a Royal Suite with a verandah, which sleeps seven people with a price average of 2600 dollars all the way down to a standard inside state room which sleeps two or three people with a price average of 650 dollars.

To follow their strategy and target families they charge children under the age of 3 only \$99 dollars while children ranging 3 to 12 an average of 450 dollars. The complete price range can be seen in Exhibit 7. Disney's pricing strategy is designed to maintain their prices hand in hand with competition, although Disney offers a superior level of service, the Castaway Cay private island stop, and the Disney magical experience (Exhibit 8). Promotion, Advertising, and Public Relations Their distribution strategy is based on <https://assignbuster.com/disney-cruise-line-marketing-analysis-assignment/>

advertising in the most popular internet sites that sell cruises, and in the main travel agencies around the world.

Some of these sites include Traceability. Com, expedite. Com, orbits. Com, vacationing. Com, cruise. Com, testatrix. Com. Besides these sites they offer brochures in travel agencies which get commissions for recommendations. Not only is this advertising effective but the pre-knowledge of Disney World which sells products such as t-shirts, hats, and other retail store items with their logo is a great way to advertise and promote their service. Their main strategy was to promote their already existing family market that attends their parks and move them to their cruise creating a great cross- marketing opportunity and an immediate success.

Disney also uses the website [www. Discourse. Com](http://www.Discourse.Com) in order to let the customer know about their service and purchase the cruise directly through Disney. Disney Online draws a very large family audience and helps on promoting all their services including the Cruise Line. This site has an interactive video of what the customers should expect if they go to the Disney Cruise. This video is distributed amongst some travel agencies in order for them to advertise their product. In this site, Disney also offers the opportunity to go into the boat by having several 360 degree pictures of the entire boat.

Basically, the customer can hop in the boat before even getting there. One of their main strategies is having an alliance with AAA combining two of the strongest brands in the travel industry. With this alliance, AAA members receive exclusive benefits with Disney vacation packages and special

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discounts on lodging, while AAA clubs receive increased revenue opportunities through sales of AAA. Over the past five years, AAA Club sales through AAA Vacations operated by Walt Disney travel Company increased 101 percent.

AAA members have also reaped the benefits, saving millions of dollars through Disney's resort hotel discount programs and member benefits. Besides this alliance, Disney has several promotion deals that are offered through their distribution channels. Disney's strategy is to have 100% capacity, and they achieve it by having seasonality and special deals with their theme parks. The promotions are made through Disney's different media capabilities. There are five main corporations that own and control the media and one of them is Disney World.

With this in mind, they are able to promote their products in their extensive ownership of radio stations, television networks, magazines, publishers, music, theme parks, retail stores and other international ventures. Service Design The Disney Cruise Line service system begins when the customer makes a reservation online. Their user-friendly online reservation system makes it relatively simple for the customers to choose from different cruises and options it offers. Firstly, the customer goes online to pick a plan, date, and room style, for their trip.

A price quote for the chosen trip will then appear on the website. The customer is required to pay a deposit of \$400 at the time of reservation, and then the balance two months prior to the trip date. The service of the Disney Cruise Line does not only start in Florida, where the ship departs; The Disney

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Cruise Line also offers to book air tickets to Florida from wherever you are located. From the moment you step aboard the ship, the magical experience begins. The service that is provided on the cruise is almost like staying in a hotel.

The guests check-in, and are escorted to their rooms. Their 'personal navigator' will then give them a tour of the ship, and notify them about the variety of activities offered on the trip, and by the time they arrive back at their rooms, their luggage will be awaiting them. More than just serving the customers, the Disney Cruise offers a great deal of interaction between the staff and the customers. An important aspect of The Disney Cruise Line's service design to the company and the customers is to make sure that they are providing the customers with the best hospitality and service.

All staff onboard make sure that they go that extra mile' to ensure that their guests have a comfortable and pleasant time. One guest commented, " One of the Joys of vacationing with Disney is that everyone is so friendly. " Jellied (personal navigator) gave us his recommendations for each course, as he has the entire cruise. That's one great thing about him - he goes above & beyond to do stuff to enhance our cruise. " Mathew Onetime (in disguise as a passenger), was actually onboard asking for feedback to make the service better.

When he heard about a problem, he made sure he change was made immediately. One passenger, Sharon Amoral, wrote on her report of the cruise, "... He pressed me for details. I explained my problem regarding getting up so early. I pointed out that had I not been able to take a shore trip

at SST Thomas, I might have decided not to leave the ship at all and that it wasn't worth while getting out of bed at Sam Just for the benefit of others (no-one can go ashore until all non-US citizens have cleared immigration).

I reassured him that in all probability I would have got up rather than confine everyone else to ship but that I might have been a little resentful.

Surprisingly he said he would do something about it, and I came to suspect he was more than just a regular passenger. A couple of days later we were eating at Pall's when he came over from his table to ask us how we had gotten on. We explained that, on his instructions the pursers' office had arranged an extension for us with immigration on our return to Port Canaveral and we now had an extra hour in bed.

Curious as to his influence over the crew, my wife asked him who he was. He introduced himself as Mathew Onetime, President of Disney Cruise Lines. " Service Systems The key service systems the Disney Cruise Line uses is the advanced online reservation system and the Disney Cruise Line website (www. Discourse. Com). Their website offers a detailed explanation of the cruise experience, including the onshore and onboard activities, and moving pictures of the interior of the ship (staterooms, dining rooms, theaters, and clubs).

It is crucial to have detailed descriptions and photos of the cruise to attract new customers who have yet to experience the cruise. They have specific pages for first time cruisers (to explain in detail about cruises in general in addition to the Disney specific features), experienced cruisers (that show what differentiates regular cruises with the Disney Cruise), and Disney Cruise

repeaters (to show what benefits they get to be a repeating customer). By serving each segment separately, Disney is able to approach each segment in specific ways and make each customer feel more special.

In addition, the reservation process online is very simple and straightforward. It guides you step by step through the process from choosing which cruise, date, and the type of room. During the process, there are also buttons on the side in which people can check the weather for the dates they chose, calendar to check dates, and functions to compare prices. This user-friendliness of the website is very important in designing their service systems. In the present generation, online information is the most accessible source in which prospect customers are most likely to visit first.

If this process is very complicated, customers can give up the idea all together. However, everything you need to know about the cruise can be found easily on this website, and the convenient functions on the side make the research or reservation an even smoother process. Furthermore, the optional survey on the website helps collect information about how people feel he web-users, the Disney Cruise Line can continue providing their customers with a user-friendly website. Another system they use is called the “ Castaway Club”.

The Castaway Club is for repeat Disney Cruisers; customers are automatically included in the club the second time they travel with the Disney Cruise. Members of the Castaway Club have their own free reservation phone number, and once they book their next cruise, they receive priority check-in upon arrival at the port. They also receive special

benefits onboard. This system allows Disney to keep track of their loyal customers. The Bessie also has a special section Just for the Castaway members. They also offer a service to send interested customers a brochure or video of the cruise.

In this section, customer's are asked for certain questions such as contact information, general questions about their interest in cruises, how many children they have, etc. In this way, they can keep information of future customers in their system and contact them during promotions. Finally, an important system they use onboard to ensure the safety of the children on the ship is the two-way-radio. One of the most popular Disney Cruise users is implies with children. During the trip where the children are away from their parents participating in an activity, parents may become worried and concerned with their children's safety.

To ensure the safety of the children, and in order for the parents to feel safe, the parents receive a pager from the staff so that they can communicate with the counselor in charge of children activities at any time. Service Quality Disney Cruise Line's approach to delivering service quality, aligned with all the other Disney departments, is providing all the guests with a magical experience throughout the trip. It is important to Disney and its staff that they maintain the Disney's magical image that makes people forget about time, and reality.

For example, the dining rooms on the ship each have something special and unique about them. One has the best view from the ship, and in another dining room, the color of the room changes as the dinner progresses. They

also have themed dinners such as “ TROPICALifragilisticexpialidocious dinner”, where all the guests are required to wear tropical clothing and the dinner content is all tropical. The harmony of creating such atmosphere, stopping onshore in the tropical islands during the cruise, Disney harassers greeting the guests, and providing the guests with a friendly service brings Disney’s Magical Kingdom onto the ship.

The staff members onboard make sure each guest goes home feeling like they just woke up from a wonderful dream. One guest commented on their experience as, “ In one word, the cruise was magical! ” Critique of Marketing Strategy In performing an analysis and critique of Disney’s marketing strategy, we found that name has been around since 1923, and the company has done an astonishing job in creating synergies between all their lines of business by substantially leveraging their brand name across the entire company. The Disney Cruise Line knows exactly who they wish to target, and does so through every means possible.

The company offers special promotions and deals to its customers through almost every type of media, internet, television, magazines, just to name a few. In addition to offering promotional benefits, Disney advertises their cruise line via their own website, through other travel agency websites, as well as travel agencies, and through other media. In terms of pricing, we feel that this company has a sound pricing strategy. Although their prices fall only within a small range of their competitors, the Disney Cruise Line offers additional benefits and features to its passengers that other cruise lines do not.

As a result of this, we feel that customers are satisfied with the amount they pay and feel as though they are getting 'value for their dollars'.

Recommendations Performance According to the reports of customer complaints, there seems to be a number of places where Disney can improve on the quality of their service. First, the handicap facilities should be improved. The report stated that guests on wheelchairs had a hard time maneuvering up and down the decks due to small elevators at inconvenient locations. Having handicap friendly facilities are important to ensure that the company is not seen as being discriminating.

The cruise line should review their facilities and make it easier for people on wheelchairs to move around. Second, there were several complaints about the children onboard being present at the adult activities and disturbing other guests. These activities are meant strictly for the adults onboard, and that is why there are activities just for children as well. The cruise staff should make better efforts in restricting those children from attending activities for adults by facilitating as well as reinforcing the rules to the children's parents.

Give-swaps As mentioned in the marketing section of the paper, the marketing strategy of Disney as a whole is very good and sound, and therefore, it was very difficult coming up with good marketing recommendations. However, we were able to come up with two ways the Disney Cruise Line can further promote and market their service. One, they can promote their cruise line is by give-swaps. For example, they can set the ticket number as a raffle number, make the prize of the raffle a free trip on a Disney Cruise.

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