

B2b organizational marketing

[Business](#), [Marketing](#)



Present day market leaders confront a number of challenges in securing new orders and customers. These challenges may take the form of a larger number of players influencing the customer decision process, increased buying criteria, greater expectations of faster feedback, and more expectations from the customers that the sales force understand the customer's requirements. The customers have become more demanding and the competitors have become more productive which have also increased the challenges being faced by the businesses.

The businesses are expected to possess the characteristics of flexibility, speed, easiness in dealing, fast, resilience, customer focus, and human warmth in their dealings (Rick Wolfe). Being a business based on the impulse and moods of the customers, the leisure cruise business needs much of these factors to be integrated into them for being successful in attracting more and new customers.

This paper attempts to make a detailed report on the marketing techniques and business issues relating to the Carnival Cruise Lines and Crystal Cruise Lines who are the players in the same line of business with different marketing approaches to the business. Carnival Cruise Lines – A Background
The evolution and growth of Carnival Cruise Lines marked the redefining of the leisure cruise industry. The company approached a diverse market adopting a novel theme of 'Fun Ships' adequately supported by competitively low pricing.

There was increased pressure from competition which forced the company to have a relook into its 'Fun Ship' brand, without disturbing the equity content of the brand already developed by the company. From the points of view of <https://assignbuster.com/b2b-organizational-marketing/>

the customers the cruise lines do not have any differentials. Hence it became necessary for the Carnival Cruise Lines to differentiate them to the customers by providing upgraded product features, efficient service, and a brand image which is not only convincing but also sophisticated.

The 2, 974 passenger capacity 110, 000 ton Carnival Liberty was set to sail in July 2005. Built at \$ 500 million the ship was the twenty first vessels in the fleet of Carnival Cruise Lines and it gave the company more passenger carrying capacity than any other cruise lines. The company arranged cruises covering more than three million guests during the financial year 2004 and the company's revenues were in the region of \$ 9. 73 billion, with net earnings of \$ 1. 85 billion in the year 2004.

The company has been maintaining its principles to adhere to the term ' Fun Ships' throughout the year and a time has come when the top leaders of the company have to have a rethinking on the level of customer service so that they can still maintain the brand image. This was due to the fact that there have been increased expectations and renewed competition in the industry. Marketing Strategy of Carnival The company had to develop its marketing strategy purely out of necessity. At a certain point of time Carnival did not have to make an advertising campaign to promote its cruises.

In fact at that time no cruise lines made any efforts to advertise. During the start up years which were lean the onboard product was limited. The customers' expectations were also limited as the cruise products that were available were still relatively new to the market and to the customers. The ' Fun Ships' concept of marketing was set in motion by Dickinson for the first time in the 1973 when he took charge as the vice-president sales of Carnival.

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He was inspired by the concept of ‘ Happy ship’ promoted by Commodore Cruise Lines.

This promotion started at a time when the cruise marketing focused its attention on the destinations covered by the cruises rather than the ships that were used for the cruises. The cruising during these times was promoted as a highbrow, luxurious experience. However Carnival adopted a different marketing strategy by reasoning that ‘ fun’ was what people really wanted to experience in a vacation. The company promoted the cruise in Mardi Gras as a fun-ship experience while cruising instead of promoting the cruises on the basis of destinations.

This way Carnival decided to send a message that was unique in the cruise industry. (20) The marketing strategy of the company centered round the policy of the company to anchor the brand ‘ Fun Ships’ to coincide with its positioning strategy. This enabled Carnival build an unmatched value proposition on the promise of fun during the cruise. This promise of fun has been made the marketing strategy of the company for at least the next thirty years of its existence.

In quite contrast to the other cruise line customers Carnival through its ‘ Fun Ships’ marketing theme attracted middle-class customers who are relatively young. To these kinds of customers Carnival offered full casinos, livemusic, discos, and wild daytime activities--including belly-flop, beer-chugging, and hairy-chest contests which were offered for the first time by any cruise. These fun based activities were quite different from the existing idea of in-cruise entertainment of shuffleboard and afternoon tea.

With a view to make improvements in these fun activities Carnival built the new ships starting from the year 1980 providing for the facilities for the fun activities with bright colors and neon lighting unlike anything before seen in a cruise ship. These were quite different and shocking to the traditional ship owners. Carnival used the first-time cruisers as tools for the market development strategy for communicating the brand message of ‘ Fun Ships’. The company articulated the ‘ Fun Ships image by showing the ships and the possible entertainment architecture within the ships.

The company promoted the marketing theme as ‘ having fun comprising of guests “ dining, dancing, playing, swimming, sunning, and socializing at affordable price”. The company has started the advertising commercials in the 1984 and was the first cruise to advertise on the Television. The marketing objective of the company remained provision of fun all along the cruise. The company however continued to have the marketing objective to “ introduce vacationers to cruising and to reinforce the image of Carnival as the essence of fun” (J. Robert Kwornik Jr 2006).

Challenges to Carnival’s Market-LeadershipThe major challenge to the marketing efforts of Carnival and a threat to its market-leadership position, is the continuous copying of the ‘ Fun Ships’ brand by the competitor lines. For example the Royal Caribbean’s product offering of adventure-theme challenged the fun concept of Carnival Cruise Lines by an active-adventure version of Royal Caribbean; similarly the next generation of the ships of Royal Caribbean had a water theme park which would challenge Carnival Line’s water-park innovation.

Another threat to the market position of Carnival arises due to the repositioning of the brand. This may be the result of the tension faced in the development of brand image which is characterized by the improvements in the product. However the management steers the brand toward a more sophisticated version of fun, the risk of mixed signals and brand confusion. This makes the a brand's equity as more a function of the customers for a particular brand than the function of the brand. Crystal Cruises – a Background Crystal Cruise offers a hybrid style of cruising experience which is intriguing.

Though the cruise line is decidedly upscale, its ships are larger ones quite unlike its luxury line competitors. These ships have the capacity of carrying 940 passengers. NYK lines of Japan own Crystal Cruises. The company founded in the year 1990 is based in Los Angeles. The earlier ships owned by the company included a 940-passenger ship by name ‘ Crystal Harmony. This ship was first launched in the year 1990. The ‘ Crystal Symphony’ was the second one to follow and also has a passenger carrying capacity of 940-passengers.

The company added to its fleet the new ship ‘ Crystal Serenity’ with a capacity of 1080 passengers which first sailed in the summer of 2003. The company has sold the ship ‘ Crystal Harmony’ in the year 2005 to have once more only two ships in its fleet (Cruise Critic). Though the company has only two ships it has earned the distinction of one of the best cruise lines in the world with the extravagance of services it offers on board the ships. The added feature which enhances the marketing ability of the Crystal is thehealthclub products it offers on board its ships including the Spa.

Crystal Serenity is the largest ship of Crystal Cruise. This ship has all the facilities that the cruises of Crystal normally provide. These features include a Sushi Bar, a tennis court, and a board room offering variety of wines. The ship also provides a state – of – the – art children’s play area known as ‘ Fantasia’ and also a teen center. There is also an indoor/outdoor pool and a higher ratio of balcony cabins and about 85 percent of the staterooms are having verandahs. The attractiveness of Crystal Cruise is magnified by its getting the ISO 14001 certification for its fleet-wide environmental management system maintenance.

In continuation of its environmental management program the company is continuously establishing newgoalsto minimize the degradation toenvironmentby reducing the use of plastics and increased recycling and enhanced fuel efficiency (Even Keel). Marketing Strategy of Crystal Cruises Crystal’s bigger ships carrying more passengers are one of the marketing points as against its smaller competitors. The company has a unique characteristic of having a highest guest-to-staff and largest guest-to-space ratio.

This has won more number of repeat passengers. The smaller line competitors do not have the facilities to compete with Crystal. “ The facilities that crystal offer include biggest-ships-in-luxury-class status along with far more options, in terms of entertainment, socializing, casinos, spa and fitness facilities, activities, and enrichment opportunities” (Cruise Critic). “ The renowned Crystal experience is distinguished by incomparable service, abundant space, extensive choices, and superior quality” (Crystal Cruise).

Crystal Cruises is offering a program known as 'Share the Experience' which offers membership to its repeat customers to 'Crystal Society'. The members of this society are given \$ 100 shipboard credit when they are able to persuade a first timer to take a cruise with crystal. Crystal has roughly 60 percent of its customers as first timers to the cruise line. The marketing strategy of the company is to bring in more new customers and increase the ratio of new customers. The company believes in getting more to the new people for its growth (Christopher Elliott, 2007)

The product offering by Crystal includes the 'Crystal Spa' the only Feng Shui- designed Spa on board any ship is one of the major marketing points for Crystal. " Superior service, state-of-the-art facilities and amenities, such as treatment rooms, saunas and a private sun deck or relaxation area with expansive ocean views, propelled the luxury line's Crystal Spa into first place among the magazine's savvy travelers who placed it alongside, and even above, some of the foremost spas in the world" (Crystal Cruises).

The other area where Crystal concentrates to improve the satisfaction of its customers is the service being provided by its extraordinary staff which makes the cruises with crystal a unique experience. The company claims that their attention to details is the strength of its marketing and the company also provides a personalized experience with a boutique 'Crystal Adventures' and other customized 'Crystal Private Adventure'.

" The line's glamorous casinos, array of evening entertainment and creative culinary venues and menus -- such as the cuisine of master chef, Nobu Matsuhisa -- rate high among those seeking quality choices on their floating luxury resort" (Article Avenue). Marketing Strategies of Carnival and Crystal – <https://assignbuster.com/b2b-organizational-marketing/>

A Comparison While Carnival Cruise Lines are perceived to have action packed fun and look for younger and value driven customers, Crystal Cruise targets older generation customers who are keen to receive five star services aboard luxurious ships.

The basic distinction in the marketing concepts of both the lines lies in the way they perceive the preferences of the customers. On the basis of the products that these lines can offer they select their customer bases and arrive at the marketing strategies. The idea of getting more number of new customers is considered unique as far as Crystal is concerned since the company feels that with the extravagant service it offers on board it can make them repeat their visits to their cruises.

By taking more care on the health aspects with the provision of Spa and other extensive health club facilities the travelers will feel more at land than at sea. This coupled with the provision of the highest guest service with more number of attendants and staff would make the customers feel that their travel was filled with an experience quite different and they may decide to experience it once again. In the case of Carnival the marketing strategy involves more value in terms of fun at lesser cost while cruising. The cost factor is taken as the base of promoting their product offering.

The customers that Carnival caters to being young ones the company takes more care to provide as many number of recreation facilities to the customers so that they repeat their visits to the cruise. Conclusion In general as the sales teams deepen their knowledge about the customer's needs and preferences they are able to pinpoint the metrics that the customers will make use of for making an assessment of the product offerings by different

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