

Carnival cruise line essay sample



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PART I. THE ISSUE

The main issue of the case is how the Carnival Cruise Line can improve their “Fun Ship” strategy without losing its original meaning. They are having difficulties on how can they innovate some of their facilities aboard the ship and their services to proved to their competitors and the industry that they’re still the Fun Ship, and this title is only belong to their company. PART

II. SUMMARY OF THE CASE

It started when Ted Arison purchased secondhand ships. The Mardi Gras was then first ship of Carnival. Rapid shrinking transatlantic passenger base, opportunities shipping companies repositioned their service from transportation to vacation travel. The lines that led the transition were Princess Cruises (1965), Norwegian Carnival Cruise Line (1966, now the Norwegian Cruise line, NCL), Royal Caribbean Cruise Line (1969, now Royal Caribbean International, RCI), and Carnival Cruise Line (1972), paced the industry. The competition for contemporary customers was fierce, particularly between Carnival and RCL. Carnival Corp. won a battle with RCL to gain ownership of Princess Cruises in 2003; five years earlier Carnival acquired the Cunard Line in a move that sent a shockwaves throughout the industry of its symbolic significance as the venerable, upscale 150-year-old British line was scooped up by the American company powered by the Fun Ship. Carnival emerges as the largest cruise company in the world, for at least one brand positioned in each four main segments. When Carnival and RCI pass each other the RCI cruise directors would launch a broadside “There goes the Kmart of the Caribbean”.

Hardware competition (ship themselves) begin when RCI launched the first mega ship Sovereign of the Seas, (1988), the Carnival answered when their launched the Fantasy (1990). RCL launched the Voyager of the Seas (2000) with rock climbing wall which became a signature element for RCI, in year 2000 they also launched the Get out there promotions. This campaign was intended to reposition the brand by targeting vacationers who had an explorer mindset and focusing on active and adventurous dimensions of experience. The Carnival continues to emphasize its Fun Ships positioning strategy. By anchoring the brand with the Fun Ships positioning strategy, Carnival built an unmatched value proposition on the promise of fun- a promise that the company's marketing strategy for at least 30 years. Today's Carnival a label that company executives used to underscore changes in the brand, was different in a form, but not necessarily direction, than the Carnival of the past. Carnival continued to promote its augmented fun image with the biggest media buy in the company's history. With the slogan " Million Ways to Have Fun", this campaign was intended to build the brand by showcasing product enhancements. PARTIII. HISTORY OF COMPANY

Carnival Cruise Line is one of the most successful vacation cruise lines in the world. It was established in the early 1970s and by the 1990s came to ferry more passengers than any other company. Carnival Cruise Line was established in 1972 by Ted Arison. He built the company as a cost-effective, short-term cruise line. The first ship introduced to Carnival was the Empress of Canada, purchased the same year (cited [http://www. travels. com/vacation-ideas/cruises/history-carnival-cruise-line/](http://www.travels.com/vacation-ideas/cruises/history-carnival-cruise-line/)). Although the name Carnival Corporation didn't come into existence until 1994, the foundation

for the company was laid when its flagship brand, Carnival Cruise Lines, was formed in 1972 by cruise industry pioneer, the late Ted Arison. In April 2003, agreements were finalized to combine Carnival Corporation with P&O Princess Cruises plc, creating the world's first global cruise operator encompassing 12 highly recognizable brands and making the new company one of the largest leisure travel companies in the world.

The merger with P&O Princess Cruises included some of the most recognizable brands in ocean-going travel – premium brand Princess Cruises, which gained worldwide acclaim from the hit television series, “ The Love Boat”; P&O Cruises, an esteemed British cruise operator; contemporary brand P&O Cruises Australia, the country's largest cruise operator; AIDA Cruises, Germany's number one cruise company; Ocean Village, a contemporary United Kingdom operator catering to a younger, active clientele; and Swan Hellenic, a premium United Kingdom brand offering a distinctive and refined cruise experience.

Carnival's unprecedented rise to the world's largest cruise operator can be attributed to its ability to manage brand autonomy, with each major cruise line maintaining separate sales, marketing and reservation offices, as well as through the industry's most aggressive shipbuilding program.

After achieving its position as “ The World's Most Popular Cruise Line”, in 1987 Carnival made an initial public offering of 20 percent of its common stock which provided the initial influx of capital that allowed the company to begin expanding through acquisition.

Over the years, Carnival has acquired representation in virtually every market segment of the cruise industry, including premium operator Holland America Line in 1989 (the purchase included niche operator Windstar Cruises and Alaskan/Canadian tour operator Holland America Tours); luxury brand Seabourn in 1992; Genoa, Italy-based contemporary brand Costa Cruises, Europe's number one cruise operator, in 1997; and venerable premium/luxury operator Cunard Line in 1998, which built the world's largest ocean liner, the 150, 000-ton Queen Mary 2 (cited <http://phx.corporate-ir.net/phoenix.zhtml?c=200767&p=irol-history>) THROUGH THE YEARS (Cited <http://www.carnivalcruiselines.de/en/about-us>)

1972 – Maiden voyage of Carnival's first ship, the TSS Mardi Gras, which runs aground on sandbar outside the Port of Miami
1975 – Carnival purchases Empress of Britain, enters service as the TSS Carnivale
1978 – The Festivale, formerly the S. A. Vaal, undergoes \$30 million refurbishment, begins service for Carnival as the largest and fastest vessel sailing from Miami to the Caribbean (the ship has since been retired from the fleet)
1982 – Debut of the Tropicale, the first new cruise ship the cruise industry has seen in many years; ship marks the beginning of an industry-wide multi-billion-dollar shipbuilding boom (the ship has since been retired from the fleet)
1984 – Carnival becomes first cruise line to advertise on network T. V. with the premiere of new advertising campaign starring company spokesperson Kathie Lee Gifford (then Johnson)
1985 – Debut of 46, 052-ton Holiday
1986 – Launch of 47, 262-ton Jubilee (the ship has since been retired from the fleet)
1987 – The 47, 262-ton Celebration enters service Carnival earns distinction as “ Most Popular Cruise Line in the World,” carrying more
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passengers than any other Carnival Cruise Lines undertakes its initial public offering on Wall Street, raising approximately \$400 million to fuel future expansion; entity later becomes Carnival Corporation & plc, a multiline worldwide cruise conglomerate 1990 – The 70, 367-ton Fantasy – the first and namesake vessel in the highly successful “ Fantasy Class”- enters service as first new ship ever placed on three- and four-day Bahamas cruise program from Miami. Eventually, Carnival would construct eight “ Fantasy-class” vessels, the most cruise ships in a single class. 1991 – Launch of 70, 367-ton Ecstasy

1993 – Carnival introduces its third 70, 367-ton SuperLiner, Sensation 1994 – Debut of 70, 367-ton Fascination Carnival’s parent company renamed Carnival Corporation to distinguish between it and its flagship brand, Carnival Cruise Lines. Company is later renamed Carnival Corp. & plc following the combination with P&O Princess Cruises, creating the world’s largest cruise vacation group by far. 1995 – 70, 367-ton Imagination enters service

1996 – Carnival’s launches sixth “ Fantasy-class” vessel, the SuperLiner Inspiration Carnival debuts the first passenger vessel to exceed 100, 000 tons, the 101, 353-ton Carnival Destiny, at the time the world’s largest cruise ship 1998 – Carnival Cruise Lines introduces seventh “ Fantasy-class” vessel, the Elation, the first new cruise ship deployed on the West Coast The eighth and last in the “ Fantasy-class” series, the Paradise, enters service 1999 – Debut of the 102, 000-ton Carnival Triumph, Carnival’s second “ Destiny-class” vessel 2000 – A third “ Destiny-class” vessel, the 102, 000-ton Carnival Victory, is launched. 2001 – Carnival introduces a new class of

vessel with the launch of the 88, 500-ton Carnival Spirit, the first new “ Fun Ship” ever positioned in the Alaska and Hawaii markets 2002 - A second “ Spirit-class” vessel, the Carnival Pride, is launched Carnival’s third “ Spirit-class” ship, Carnival Legend, enters service Debut of the 110, 000-ton Carnival Conquest, the largest “ Fun Ship” ever constructed.

2003- Second 110, 000-ton “ Conquest-class” ship, the Carnival Glory, begins year-round seven-day cruises from Port Canaveral, Fla., July 19. 2004 - Carnival Miracle, the fourth in Carnival’s “ Spirit-class,” begins a series of 12 voyages from Jacksonville, Fla. - the first “ Fun Ship” sailings from that port - Feb. 27, 2004. A third 110, 000-ton “ Conquest-class” ship, the Carnival Valor, begins year-round seven-day service from Miami Dec. 19, 2004, becoming the largest “ Fun Ship” ever based at that port. 2005 - A fourth 110, 000-ton “ Conquest-class” vessel, Carnival Liberty, is slated to debut July 20, 2005, operating Carnival’s first-ever Mediterranean cruises. 2007 - Carnival Freedom, the line’s fifth 110, 000-ton vessel is scheduled to enter service in February 2007. 2008 - Carnival Splendor, the biggest Carnival ship ever built with 113. 000-ton. For the first time in Northern Europe. 2009 - The 130, 000-ton Carnival Dream - the largest Carnival ship ever constructed - entered service in Europe Sept. 21, 2009. 2011 - The second 130, 000-ton vessel of the Dream Class, Carnival Magic, is set to debut in June 2011. 2012 - Carnival Breeze, the line’s third 130, 000 ton vessel is set to debut in Spring 2012.

PART IV. REPORT

1. Define the issue of the case and how it was handled by Management. The Carnival Cruise lines have a problem on how to maintain their image as the <https://assignbuster.com/carnival-cruise-line-essay-sample/>

Fun Ship, and how to improved their product and services for their guest to meet their expectations, because in the past the product that they offered are not in a high quality, they also want to improved their strategy to prove that they are not the K-Mart of Caribbean. The management handled this situation by launching a commercial that featured the amenities onboard and the different activities that the guest(s) can enjoyed and different ways to have fun as the voice over say “ On a Carnival cruise, at any one moment, there are million ways to have fun. Carnival. The Fun Ship.” The company is also in a process in searching new ideas for Fun Ship. 2. Identify the goal, mission, objective and corporate social responsibility of the company and enumerate the reason as to why or why not the previous was achieved. Goal: Providing a good quality, affordable vacation to mainstream travelers. Mission: To consistently provide quality cruise vacation that exceeds the expectations of our guest. Objectives: To introduce vacationers to cruising and reinforce the image of Carnival as the essence of fun. They achieved this by the following reason:

* By offering an entertainment experience, with the industry’s first full casinos, live music, discos etc. * By giving an average price per person per day of about \$175, compared to an industry average of \$235. * The ships and onboard product were improved.

* They introduced the “ Share a Smile” to remind the crew to smile while interacting with guests. * They offered the first customer loyalty program, where the guest re given a “ Sail & Sign” card. This card serves as the identification for boarding the ship, with a cabin key, and credit card for purchasing almost anything onboard. * They also introduced the gold “ Sail &

Sign” card for the repeat guests for them to be recognized by the crew that they are patronizing they product and for them to offer more personalized attention.

3. Explain the cause of the issue and how the management exhibited control.

The cause of the issue was that they are being branded as a Kmart of the Caribbean, for this image to be change they offered a unique experience for their guests and introduced services and amenities that can provide Fun for their customers. 4. Define the Leadership Style in force by the Management.

The Leadership style in forced by the management is customer oriented.

They consider the comments and suggestions of their valued guests since they are concern on how to satisfy the needs and expectations of their

valued guests. PART V. UPDATE OF THE COMPANY

Carnival Cruise Lines is a British-American owned cruise line, based in Doral, Florida, a suburb of Miami in the United States. Originally an independent company founded in 1972 by Ted Arison, the company is now one of ten cruise ship brands owned and operated by Carnival Corporation & plc. The company has the largest fleet in the group, with 24 vessels currently in operation that account for 21. 1% of the worldwide market share. Executive control of the company is provided by the North American division of Carnival Corporation, headquartered in Doral, Florida. Carnival was a pioneer in the concept of shorter, less expensive cruises. Its ships are known for their Las Vegas-style decor and entertainment. The line calls its ships The Fun Ships, and there are a wide range of activities offered on board. Its trademark is the funnel, which is red, white and blue and shaped like a

whale's tail. The mascot for Carnival is " Fun Ship Freddy", a character in the shape of Carnival's distinctive funnel.

In 1996 the Carnival Destiny of 101, 000 GT became the largest passenger ship in the world at the time. In 2004, Carnival Corporation ordered for a development program for Carnival's new ships, which was called the Pinnacle Project, which calls for a 200, 000-GT prototype, which would have been the world's largest cruise ship. As of 2009, the latest and largest ship in the Carnival fleet is the Carnival Dream, a new 128, 000 GT ship. The Carnival Dream entered service on 21 September 2009. After several voyages in the Mediterranean she is set to offer weekly Caribbean cruises from Port Canaveral from 5 December 2009.

A sister ship, the Carnival Magic, debuted on May 1, 2011. On December 1, 2009 it was announced that Carnival placed an order for a third Dream-class vessel. It entered service in June 2012 and is homeported in Miami. On May 10, 2010, Carnival selected a name for their new Dream-class vessel in 2012; the Carnival Breeze. On 26 October 2012, it was announced that Carnival had ordered a brand new ship for their Carnival Cruise Lines brand. This ship will be built by Fincantieri and will be the largest ship they have ever built. It will also be the first of a brand new class of ship with a passenger capacity of 4000 and a displacement of 135, 000 tons. It is scheduled to be delivered in the Winter of 2016, nearly four years after the Carnival Breeze entered service. (Cited in http://en.wikipedia.org/wiki/Carnival_Cruise_Lines)

PART VI. RECOMMENDATION

I will recommend that they must continue their image as a Fun ship; in order to this they must create a new product(s) or facilities that can provide fun for their guests. They must also continue to improve their services that they are being offer to their customers and provide exceptional products and services that can be responsible for guest satisfaction, for example they can offer discounts for repeat guests. They can also offer a more personalized service that can be appreciated by their valued guests. Through this innovation they can create a positive word of mouth and it can increase their revenue.