Cruise ship industry in crisis:

A comparative analysis of crisis events in the travel industry from a public relations

perspective.

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Abstract

This study examines three current crisis events in the cruise ship industry from a media relations and crisis management perspective. Using newscopy and other sources, this study seeks to establish the essential nature of organizational response to these crisis events using apologia, and then the SWOT method to further my recommendations to future crisis events involving cruise ships.

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Introduction

"It really is a great value for people and a great vacation," Rosenberg said. "I see the cruise industry as a very positive industry and a strong industry, as far as vacationers go." For nearly all of the 17 million passengers who have taken cruises in the past year, great vacations have been the norm, but here is a look at the issues that have arisen on and below the decks of a few ships." (Breslin , 2013).

This paper will focus on crisis communication in the cruise ship industry. The cruise ship industry is used and loved by millions of consumers year round. Hoovers, a D&B company, describes the cruise ship industry as of 2013. "The US cruise ship industry, which is divided into deep sea cruising and inland/coastal cruising segments, includes about 450 companies with combined annual revenue of more than $13 billion. Major companies in the deep sea cruise segment, which accounts for about 90 percent of industry revenue, include Royal Caribbean, Disney, and the US operations of Carnival and Genting Hong Kong. The deep sea cruise segment is highly concentrated: the four largest companies generate more than 90 percent of segment revenue." (Cruise Ships, 2013).

Background

Generating over 13 billion dollars between 450 different companies leaves a lot of room for error and crisis within the cruise ship industry. "The **Cruise** Lines International

Association estimates that 17.6 million passengers will sail this year from North America, up from about 17.2 million last year." (Sanburn,2013). Although most cruise ship companies hope to never use their crisis plan, most companies, if not all 450 companies have a crisis plan in place for when a crisis does arise. "An important component of the preparedness program is the crisis communications plan. A business must be able to respond promptly, accurately and confidently during an emergency in the hours and days that follow." (FEMA, 2012). The media influence on the cruise ship industry is vast all year long but when it comes to a disaster the media influence skyrockets. This is why many cruise ship companies, such as Carnival Cruise Ships, has taken a new approach to crisis communication in the past couple of years. This approach is social media; Twitter, Instagram, Facebook etc. The use of social media has enhanced the arrival time of the message to the various audiences. Using newscopy and other sources, this study seeks to establish the essential nature of organizational response to these crisis events using apologia, and then makes specific management recommendations for future crisis events.

Most believe that the cruise ship industry began somewhere around the 1920's at the height of the progressive area but in fact according to Ric Hajovsky "The Cruise/Tourism business was well established and functioning in the mid- 1300s." (Hajovsky, 2012). These cruise ships acted as "well organized, money-making machines that took the pious European pilgrims to the Holy Land" (Hajovsky, 2012). For as long as cruise ships have been operational there have been various uses for these large ships; pleasure, business, and travel make up a few of the uses of these large ships.

As referenced before, over $13 billion dollars is grossed annually from the cruise ship industry alone that is made up of about 450 companies. Each cruise ship depending

on the size can have up to 1500 employees working on the ship at any time. Then,
factoring in the employees who work for the cruise ship companies off of the boat, the
cruise ship industry employs millions of employees year round. These millions of
employees are needed to help and serve the customers. According to statistic brain in the
year of 2010, there was 14,300,000 passengers of cruise ships in the United States alone.

The enormous cruise ship industry leaves plenty of room for mistakes and crisis
to arise. This is why a crisis communication plan is essential for all of the 450 companies
surviving in the industry. Crisis communication can be defined in three stages, Pre-crisis,
crisis, and post crisis. (Coombs, 2012).

Starting with the pre-crisis companies begin the process of creating a crisis plan.
In addition the pre-crisis stage also looks for prevention methods for all possible crises
and build a crisis management team of trained professionals in crises communication.
"Once people are involved in developing, implementing, and evaluating the crisis
response, then planning for ongoing simulations with the crisis plan can be a much more
viable part of organizational practice." (Dyer, 1995). Once a team is developed and
implemented in the organizational crisis plan the next step is writing the plan. FEMA,
states on their official website that knowing your audience is key in preparing a crisis
plan. "Understanding the audiences that a business needs to reach during an emergency is
one of the first steps in the development of a crisis communications plan. There are many
potential audiences that will want information during and following an incident and each
has its own needs for information." (FEMA, 2012). Knowing your audience when the
crisis occurs within the company can help a crisis avert while leaving a favorable light on
the company. Post-crisis is as important as the pre-crisis within a company. To maintain

the favorable light, a follow-up to the audiences of the company describing how this crisis will affect, or not affect future business, is important to the audiences and the future of the company.

In recent years, the cruise industry has faced numerous disasters that call for the use of a crisis plan. It is no surprise that as the industry keeps expanding so does the need to keep up with the ages. With this have come many injuries and even worse, deaths. With that, more and more cruise ship companies have had to deal with the task of handling these crises, which are not pleasant. In the past couple of year's cruise ships have been showcased in the media for fires on board, missing passengers, broken down ships, ships flipped on their sides while in water, food poisoning, 70 foot waves, among other crises.

Three current crisis events in the cruise ship industry will be explored from a media relations and crisis management perspective. First, this past February there was an incident in the Gulf of Mexico. On February 15th 2013 a fire disabled a ships power system on the Carnival cruise ship, Triumph. "The Triumph's five-day odyssey of misery ended late Thursday night when the ship docked here, guided to port by four tugboats. As the 3,141 passengers on the ill-fated Mexican cruise made their way home Friday, they described a desperate atmosphere that brought out the best and worst in people." (Hennessy-Fiske, 2013). While aboard passengers began to hoard food including boxes of cereal afraid that it might be days before they were rescued. "After a fire disabled the ship's power system Sunday, the crew of 1,086 offered an open bar, Moyes said. But that was canceled after some passengers drank too much and began cursing and fighting. Passengers said one woman, a newlywed, got into a spat and threatened to leap off the

ship (she didn't)." (Hennessey-Fiske, 2013). Carnivals move to decrease the tension aroused from the power system failure was not very smart in calming down the passengers and could have led to a possible death on the boat. Later on reporting as the ship kept drifting farther from last the freezers stopped working, food was spoiling and poor sanitation was at an all-time high and was increasing. "It was like a hot Porta Potti," Moyes said. And when the ship tilted, "it would spill." (Hennessey-Fiske, 2013). Although random acts of kindness could be found all throughout the cruise ship several lawsuits were filed against Carnival Cruise Ships for the lack of sanitation and safety towards its passengers at sea. There is no word yet on the outcome of those suits. But the real question is did Carnival Cruise ships have a plan in place for when this sort of crisis arises on their cruise ships?

"A voice on the intercom woke Danielle Miller and told her to put on her life jacket and run to a deck. Not knowing what the emergency was, she nervously woke up her roommate and did just that." (Johns, 2013). Another crisis struck on March 28th 2010 when passengers heard a big explosion. At 2:50 am the cruise ship, Royal Caribbean International, hit a reef while at sea sending 2,000 guests back home after the ship caught fire. Luckily the cruise ship of 2,000 guests never lost power and the fire was then put out in a port just outside the Bahamas by 5:00 am the same morning. Fortunately for Royal Caribbean International, they were quick to respond to the incident saying "Royal Caribbean said it was arranging flights to get passengers back to Baltimore, where the ship left port on Friday on a seven-night cruise. The first flight carrying cruise guests from the Bahamas left Tuesday morning, and flights will continue throughout the day, Royal Caribbean said" (Johns, 2013). Royal Caribbean International only sent that the

exert on how the passagers were to get home, a better crisis plan should have been in place apologizing and telling their target future audience how it might and could affect their cruise ship experience in the future.

Then again on May 31th 2013 the Royal Caribbean International caught fire at the port in Baltimore. This cancelled the voyage to Bermuda and caused the company over a million dollars. Luckily no passengers were aboard on this cruise. "Guests who booked the May 31st cruise from Baltimore will receive a full refund and a future cruise certificate with 50 percent of the fare paid. In addition, guests who booked airfare through Royal Caribbean will receive a full refund. Royal Caribbean will also pay for any airline change fees for guests who purchased airfare on their own." "Royal Caribbean will work very quickly to repair the area of the ship and get it back to working order," she said. "I suspect that after the next week the ship will be up and running." (Zelko, 2013).

Throughout these three crises the companies are using Instagram pictures and Tweets to hit their audiences faster and more efficient since social media helps industries like the cruise ship industry control the media and highlight themselves in a more favorable image to their audience and target audiences. Using social media such as Intsagram does leave room for error, Instagram is such a new application that most of the users are between the ages of 14-24, meaning that most of the cruise ships industries target audiences are not being reached through that form of social media. Although, posting to Instagram does get the pictures to go viral and the picture end up later on websites such as CNN and Yahoo News which hit the target audience of most of the cruise industries audiences.

Discussion Questions

Using the Case study method Apologia, I will answer the following research questions:

RQ 1:

What can be learned about media relations and crisis response from these crisis events?

RQ 2:

What specific recommendations for communication management can be made from a case analysis of these crisis events?

Method

Within this paper I will compare the three cruise ship disasters using the Apologia method. There are two various forms of apologia. The first is basic apologia where the speaker publicly apologizes for an event or action. The second and very opposite form is non-apology apology where the speaker fails to apologize or admit to any wrongdoing. I will be looking at the Apologia method and when the method should be used after a cruise ship industry disaster. Then focus on how the media responds to the crisis events. Finally, I will give specific recommendations from my perspective on improvements of these crisis events.

Another method I would like to use to compare the three case analyses of cruise ship disasters is SWOT. "Originated by Albert S Humphrey in the 1960s, SWOT Analysis is as useful now as it was then. You can use it in two ways - as a simple icebreaker helping people get together to "kick off" strategy formulation, or in a more sophisticated way as a serious strategy tool." (Mind Tools, 2013). Mind Tools states that SWOT analysis stands for strengths, weaknesses, opportunities and threats. Using SWOT

to outline a plan for a crisis concerning one of my three case comparisons will help the cruise industry succeed when future crises arise.
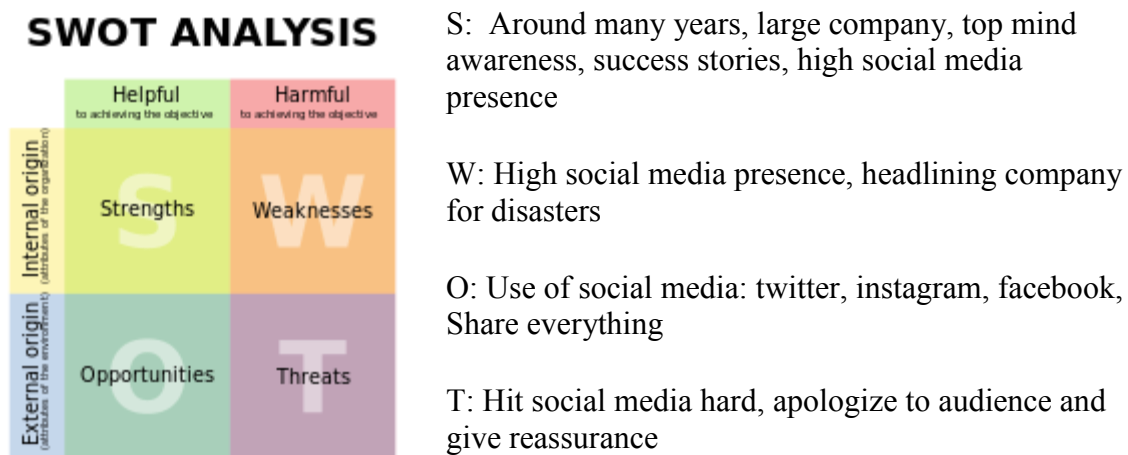
Discussion and Recommendations

Based on my case comparison of three various crisis events where the cruise ship company was at fault, a discussion and then further recommendations will be made to help the cruise ship companies and the industry in itself when dealing with a large media crisis. Based on my first research question: What can be learned about media relations and crisis response from these crisis events? We need to look at how media relations and the crisis response were handled in each of the comparative cases listed above. I believe the media relations from the three cruise ship crises described above could have been handled in a better manner. The crisis that occurred on May 31st on Royal Caribbean International handled the media in the best manner out of all three of the cases. On May 31st Royal Caribbean International personally notified the media to explain the plan and future actions that will be taken by the company to ensure that all customers that were expected to be on board of the cruise ship understood the actions that were being taken by the company. Alhough I would never say that was 100% the best way to have approached the media after such event. I would have liked Royal Caribbean International as well as the other cruise ship companies, to use the apologia theory then show how they are making it up to the customers and then touch on how future customers will be affect and the actions the cruise ship has in place for when they decide to set sail again.

Now on to research question number two: What specific recommendations for communication management can be made from a case analysis of these crisis events?

Similar to research question number 1 communication management is key when dealing with a crisis that affects such a large amount of people i.e. passengers and employees alike. Making sure that any information not meant for the public does not leak out to the media until the crisis team has planned for it to happen. As I have stated before a crisis team is essential to each individual company in the cruise ship industry when dealing with a crisis large or small a crisis team can help. Within the crisis team most if not all communication management of the crisis should be dealt and handled to the best of their ability, and crisis plan.

Within the methods section I described was SWOT was and how it could be useful to a crisis in the cruise ship industry. If I was the public relations specialist assigned to any of the three cases in the case analysises I would use SWOT in my crisis communication plan. As a public relations specialist the SWOT for Carnival Cruise Ships crisis communication plan would look like:

S: Around many years, large company, top mind awareness, success stories, high social media presence

W: High social media presence, headlining company for disasters

O: Use of social media: twitter, instagram, facebook, Share everything

T: Hit social media hard, apologize to audience and give reassurance

Using SWOT for Carnival Cruise Ships in such a crisis like stated above is how I would handle the crisis if I was the public relations specialist on the team for Carnival Cruise

Ships.

Conclusion

Thousands of crises occur daily in the United States of America and around the world. Being prepared for when a crisis occurs is one of the most important steps a company should take when making a solid plan. This paper compared three case analyses of cruise ship crises that have occurred only in the last 6 months. With the end nowhere in sight for these crises my advice and recommendations for the cruise ship industry should be taken to heart and carried out in an event that another crisis should occur.

Resources

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