



The “Ins and Outs” of Booking a Group Cruise

By Cindy Bertram

As the cruise industry has grown and evolved over the past thirty years, cruise lines now embrace group bookings as a way to help fill every berth. As a result, group departments have grown and become more sophisticated to fit those needs. What might have been standard policies for groups even 4 or 5 years ago may no longer be the norm today. This article deals with those items you need to know at time of booking. In the next issue we will cover areas you need to know about after you've executed your contract.

In 2003 many cruise lines launched new group programs designed to make the process easier. Costa Cruises launched an aggressive group program with their sales force receiving specialist group training, in order to help market and handle groups more successfully. Groups now

account for 60% of their business. Norwegian Cruise Lines upgraded its reservation system and now has a more user-friendly system that treats each cabin as an individual booking within the group. Carnival Cruise Lines shifted its Amenities Program to a point system, offering more choice. And Royal Caribbean International and Celebrity Cruises totally revised their group policies and procedures. Perhaps Bradford Miller, Vice President of Guest Sales and Services for Royal Caribbean International and Celebrity Cruises, best described this new approach when he commented that cruise lines' new policies are designed "... to release the mystery behind the group department in order to let group organizers understand exactly how the group department works as well as having those open lines of communication available." Group leaders need to be informed of the possibilities, whether or not booking through

a cruise agency. Let's examine the most important areas group leaders should consider.

GROUP DISCOUNTS

Cruise lines used to offer percentage discounts, but these were confusing. Today, most lines offer set discounts to groups. This discount varies according to the ship and sailing date involved, with the norm being that a group must consist of at least a minimum of 8 staterooms booked with 16 passengers. For longer cruises and certain destinations, cruise lines might require fewer staterooms and passengers to be booked to receive the group discount. Other offers may also apply. For example, Costa Cruises is offering an extra incentive discount off their oceanview veranda and suite categories for 2004 & 2005 sailings. If booked at least 120 days prior to the sailing date, Costa Cruises extends an extra \$100 per person discount.

Dining on deck



TOUR CONDUCTOR BERTHS

In the past, some cruise lines limited the number of tour conductor (“TC”) berths a group could earn. Today most lines offer one passenger free with 16 passengers booked. The first 15 passengers pay and the 16th cruises free, paying the port charges and taxes. Although air is not complimentary, if airfare is booked through the cruise line for the group, then the tour conductor can also purchase airfare and transfers. Depending on the length and cruise itinerary, cruise lines will reduce the number of full fare passengers needed to earn a tour conductor. Note that some lines’ amenities programs offer more than the standard number of TCs as part of their points system mentioned above.

AMENITIES PROGRAMS

Back in the late 1990’s, Carnival Cruise Lines discovered they had groups booked who were non-drinkers and their standard offer of a bottle of wine or champagne was not appropriate. As a result, they introduced a system of offering other options, ranging from cabin upgrades, transfers or shipboard credits as an alternative. Now referred to as the “Carnival Group Amenities” program, there is a point value for each item offered, with amenities points varying with the ship and sailing date. Other cruise lines quickly adopted similar programs using the same concept – the ability to offer flexible extra benefits to groups, whether it be a shipboard credit extended to each stateroom, a private cocktail party for the group, to upgrades, and “Dollars Off” discounts. Most cruise lines have adopted a point system, with each ship and sailing assigned a number of points, giving the organizer or agency more flexibility to customize perks for their groups. (The exception is holiday or high demand sailings where limited or no points are given.) Before booking, group leaders should be sure to identify the possible amenities and compare them across cruise lines, as they vary. Princess Cruises and some others actually publish a group amenities brochure.

DEPOSITING GROUP SPACE

Cruise lines used to require a nominal a nominal deposit, from \$25 - \$50 per person per stateroom, within 30 days of blocking space. Then, when members of the group wanted to confirm a specific cabin, a second deposit was required to hold that cabin. This might typically be \$250 per person, per stateroom for a 7-day cruise. Final payments were then due to the cruise line 60 to 70 days prior to the departure.

Most cruise lines still require a per person deposit to block the space, with the due date varying by line. Costa Cruises requires this within 14 days of blocking space, while Royal Caribbean International and Celebrity Cruises allow 30 days from booking. Princess Cruises does not require an initial deposit for small groups of 8 staterooms. Instead, they only require the \$250 per person deposit at the time the specific cabin is reserved. Holland America has a similar no initial deposit policy. Note that staterooms that can accommodate 3 or 4 passengers and suites are in much higher demand than doubles. As a result, the full deposit on these types of cabins are usually due within a shorter time.

PRICE GUARANTEES

Cruise lines encourage groups to book early to insure they have the space needed and it’s not uncommon for groups to block space a year out. Yet pricing can change over time on departures that aren’t booking well and discounts for regular individual bookings then become quite aggressive as a way to woo passengers to book. Realizing this presents both a credibility problem with groups as well as creating ill will as far as who gets the best rate, most cruise lines offer a price guarantee to groups. If a better rate becomes available after a group has blocked and deposited space, most cruise lines will switch the group over to the lower pricing. With Norwegian Cruise Lines’ new reservation system in place, if the individual cruise rate is less than the group rate, NCL will allow the group to be booked at the lower rate. Carnival Cruise Lines matches the lower individual price by offering a compensating shipboard credit, but then takes away the group amenities program mentioned above. The bottom line is to make sure to confirm the cruise line’s policy on price guarantees at the time of booking and make sure you are protected before you invest your marketing dollars developing bookings that disappear because a lower price becomes available.

AIR SCHEDULES

Group contracts do not guarantee specific flights or air schedules, even if the entire group is departing from the same airport. In some cases group members might have to fly in the day before the ship departure, in which case they may have to pay for their own hotel stay. As a result, cruise lines strongly suggest that groups who want to ensure they’re flying together use the Air Deviation Department to request specific flights. There is a nominal nonrefundable charge, typically \$50 per person for Caribbean sailings, which varies from cruise line to cruise line. In addition, if the new airfare is higher, the cruise guest must pay the difference. If the group members opt not to do this, air schedules will not be confirmed to the group until after final payments have been submitted, by which time it will be too late to request and confirm alternate flights. ■