

Cruise Lines



Loyalty Programs Move Beyond the Captain's Cocktail Party

Holland America Lines' ms Noordam

By Cindy Bertram

Cruise Lines' past passenger loyalty programs have come into their own. No longer just an invitation to a private captain's cocktail party or a discount on a future cruise, loyalty programs aim to create "passengers for life."

The goal of any loyalty program, regardless of whether it involves travel or not, is to create "promoters" – from its earliest days to today, the cruise industry has done just that. According to Fred Reichheld, author of several books, world-renowned authority on business loyalty, and Director Emeritus and Fellow at Bain and Company, "Promoters... are loyal enthusiasts who keep buying from a company and urge their friends to do the same." Latest cruise statistics provided by Cruise Line International Association (CLIA) show that the cruise industry has achieved more than 2,100-percent growth since 1970. Promoters have been instrumental in that growth along with new ships, new destinations, and a richer onboard experience.

Measurements

How do cruise lines measure a past passenger's loyalty? Traditionally, cruise lines based their past passenger clubs on the number of cruises a passenger took, and that is still prevalent today. Celebrity Cruises and Royal Caribbean, for instance, still go by the number of cruises a passenger has taken with tiered membership levels. The latest trend

some cruise lines are now using is the number of cruise days a guest has sailed. Holland America Line, for instance, has done a transition from number of cruises taken to number of days sailed with their Mariner Club. In the case of Princess Cruises, both are used.

Using a point system is another avenue used by other cruise lines. MSC Cruises' newly launched past passenger program, MSC Club, uses this. An MSC Club member earns a point for each night spent onboard, with three different levels of membership offered. As Richard E. Sasso, President and CEO of MSC Cruises USA notes, "The more our guests travel with MSC Cruises, the more benefits they earn, both on land and onboard. The points MSC Cruises Club members earn allow them to reach different levels of membership and as the points increase, so do the benefits."

Costa Cruises' Costa Club offers an interesting twist to the point system. Not only do guests earn points for each cruise day, but can also earn points for every \$50 (USD) spent onboard.

Levels of Benefits

Most cruise lines' past passenger clubs have three levels of membership (MSC Cruises USA, Celebrity Cruises, Costa Cruises, Princess Cruises are a few) while others like Norwegian Cruise Line, Royal Caribbean and Cunard Line have four tiers. When Carnival Cruise Lines rolled out a

new past-guest loyalty program in 2006, they included “Carnival Concierge Club” benefits to their Platinum cardholders who had sailed aboard Carnival ships 10 times or more. A fully staffed concierge desk is available on each ship for Platinum cardholders as one of the extra amenities.

Keeping in Touch

Cruise lines pioneered past passenger club magazines and print newsletters early on, but now also use emails to keep in touch with their guests. Carnival Cruise Lines’ print magazine, *Currents*, goes to Carnival’s 3.6 million past guests and includes articles ranging from products and itineraries to providing an inside look into the cruise line complete with photos. Holland America Line’s Mariner Club members are provided a complimentary subscription to its full-color magazine featuring Mariner Society savings. Mariner is also available online. Princess Cruises has their Captain’s Circle Quarterly, while NCL’s past guests receive a copy of *Latitudes*. In the case of Royal Caribbean, their two print publications, *Crown & Anchor Society Newsletter* and *Crown & Anchor Magazine*, come out twice a year.

Recognition and Benefits beyond Discounts

Each cruise line’s benefits vary, of course, but the trend is to offer special perks while onboard the cruise. Royal Caribbean’s *Crown & Anchor Society*’s offers range from a complimentary wine tasting and commemorative gift to priority check-in, robes for use onboard, and access to a private departure lounge. Their highest-level members (Diamond and Diamond Plus) can receive priority departure from the ship, concierge services on select ships and more. In the case of Princess Cruises, benefits can range from free Internet access, free laundry services, priority tender embarkation, and even priority disembarkation.

Loyalty beyond Adults

Royal Caribbean recently launched the cruise industry’s first loyalty program designed for young cruisers on the *Liberty of the Seas* maiden voyage. Its benefits to cruisers under the age of 18 include discounts at Ben & Jerry’s, the arcade games, and Y-spa, Royal Caribbean’s teen spa treatment center.

Interchange Privileges

Royal Caribbean International and Carnival Corporation have recognized the importance of interchange privileges to keep guests within their own respective family of cruise lines. Royal



Caribbean International has a program for the upper two tier levels of Royal Caribbean and Celebrity Cruises – the cruise credits stay with each brand and do not cross over, but past guests receive the equivalent recognition. With Carnival Corporation’s World’s Leading Cruise Lines “Vacation Interchange Privileges” program, guests who sail on any of their cruise lines – Princess, Carnival, Holland America, Seabourn, Cunard and Costa Cruises – are provided with the same discount benefits accorded to members of that line’s past guest program.

How Groups Are Impacted

Group leaders realize that half the fun of taking a cruise together involves the extra benefits provided. Are these impacted if the cruise group members also happen to be members of that

cruise line’s past passenger club?

First, it’s important to find out what amenities the cruise line is extending to the entire group. Second, cruise lines don’t usually allow combining discounts. So if the group is receiving a discount and a discount is also available through the loyalty program, a passenger in the loyalty program that’s a member of the group will likely not get both discounts. As Cherie Weinstein, Vice President of Group Sales & Administration for Carnival Cruise Lines clarifies, “If the past guest benefit is an upgrade, then it applies at the individual reservation rate, not at the group rate. As we sometimes say, there is no ‘double dipping’ so the agent and the guest must decide which option to choose – the past guest offer or group rate.” Third, the rewards cruise lines offer their past passenger club members go beyond a discount on the cruise price. Fourth, the guest’s past passenger number can be included in the group reservation, so any benefits can be applied that don’t conflict with ones already being extended through the group.

By offering more than just a cruise discount, the value of being a past passenger definitely has its benefits. A wide range of value-added amenities and benefits for past guests allow cruise lines to build and expand the cruise experience in new ways that groups can take advantage of as well. ■

Cindy Bertram has more than 15 years of cruise and travel industry experience and began her career in frontline sales, marketing, and business development. She then expanded into areas of business partnering, public relations and promotions as well as training and strategic planning for clients. Currently in the Chicago area, Cindy holds an MBA from Loyola University Chicago, a liberal arts BA, and has written extensively about the cruise industry for trade publications and magazines.