

LAURA ISABEL HERNANDEZ GONZALEZ

MARKETING PROMOTION

414-KPT-AS

IMC COMMUNICATION PLAN

NORWEGIAN CRUISE LINE

PRESENT TO

CARMEN CIOTOLA

LASALLE COLLEGE

November 25<sup>TH</sup> 2015

Contents

INTRODUCTION ..... 3

COMPANY INFORMATION..... 4

    MISSION & VISION..... 4

    OBJECTIVES..... 5

    SERVICES AND PRODUCTS..... 5

RESEARCH AND ANALYSIS ..... 7

    MARKET POTENTIAL ANALYSIS ..... 7

TARGET AUDIENCES ..... 9

OBEJECTIVES AND GOALS ..... 12

STRATEGY ..... 13

REFERENCES ..... 16

## INTRODUCTION

In this project, we will check step by step an intergrade marketing plan design for the Norwegian Cruise Line. On this plan are develop different aspects that the cruise will do for reach their goals by 2016-2017.

Norwegian Cruises is a recognized and innovator cruise line traveling with a 49-year history of breaking boundaries of traditional cruising, giving to their guests the freedom and flexibility they are looking for on their cruise vacation.

Through this integrated marketing plan, will search what are the principal objectives and goals to achieve, and how the correct implementation of the media through a new campaign for winter 2017 will attract more tourist that want to experience a unique and memorable cruise vacation.

A innovate campaign strategy based on the target market choose and their needs, with the integration of a well combined use of the media is the new opportunity for Norwegian Cruise Line to generate improvements not seen before and provide to their guests an incredible getaway cruise vacation.

## COMPANY INFORMATION

Norwegian Cruise Line Holdings Ltd. is a diversified cruise operator of leading global cruise lines spanning market segments from contemporary to luxury under the Norwegian Cruise Line, Oceania Cruises and Regent Seven Seas Cruises brands.

These three brands operate a combined 21 ships with approximately 40,000 lower berths visiting more than 430 destinations worldwide. The company's brands will introduce six new ships through 2019.

Norwegian Cruise Line is the innovator in cruise travel with a history of breaking the boundaries of traditional cruising, most notably with the introduction of Freestyle Cruising, which revolutionized the industry by giving guests more freedom and flexibility on the most contemporary ships at sea. Oceania Cruises is the clear market leader in the upper premium cruise segment featuring the finest cuisine at sea, elegant accommodations, impeccable service and destination-driven itineraries. Regent Seven Seas Cruises redefined upscale cruising and is the market leader in the luxury cruise segment with all-suite accommodations, highly personalized service and the industry's most inclusive luxury experience, featuring round-trip air, inclusive luxury hotel stays, unlimited shore excursions and open bar throughout the ship among its numerous included amenities.

## MISSION & VISION

Norwegian Cruise Line mission is to introduce a new revolutionized freestyle cruising that transform the traditional cruising industry into an original concept, by exceeding customer expectations and welcoming new ways to innovated, Norwegian Cruise Line give to our guests, travel partners, team members and shareholders an resort cruise vacation opportunity to enjoy services that bring the best to our all-start team in some of the newest ships at the sea.

## OBJECTIVES

The successful integration of the, Oceania Cruises and Regent Seven Seas Cruises brands under one corporate organization is the top priority for Norwegian Cruises in the upcoming years (2016-2017). The fusion of this three well recognized brands will positively affect the Cruise Line and the management from all three brands will bring along additional learnings and information that will innovated the organization and their pricing strategies in order to deliver an outstanding onboard unique and memorable guest experience.

Norwegian Cruise Line wants to increased their sales and revenue for the upcoming years. More targets are try to be reach by the use of different distribution channels, in order to create more brand awareness.

Norwegian cruise Line as well is looking forward the acquisition of more ships and new routes, which it will cover most the major overseas tourist destinations, giving to their guests more options to choose from.

## SERVICES AND PRODUCTS

Norwegian cruises offer a completely unique cruise experience. All the products and services created are for satisfied the guest's needs and give them a memorable cruise vacation. The products offered varies depending of which type of cruise the guests are staying, some of this products are:

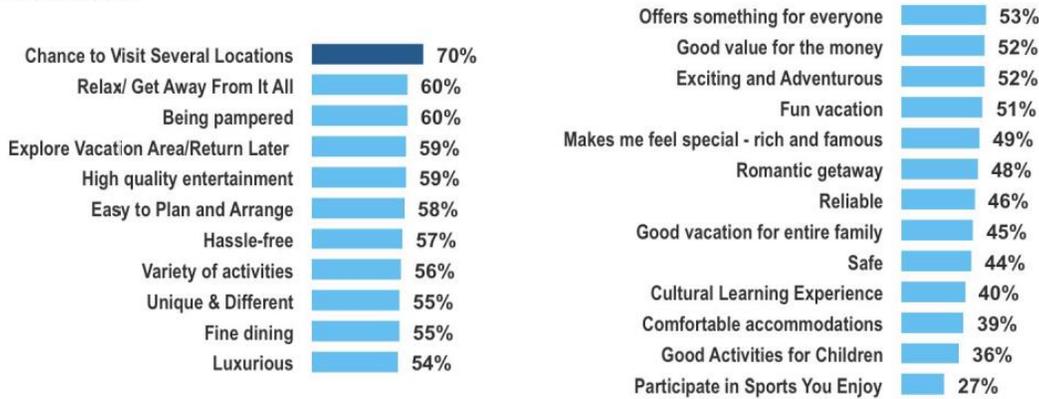
- Aqua Park
- Cinema
- Casino
- Adults- Only pool
- Library
- Climbing Wall
- Card Room
- Restaurants
- Bars
- Beauty salon and Spa services
- Fitness Room
- Shore Excursions
- Medical services
- Internet Café
- Bowling Alley
- Gift shops
- Laundry Services
- Entertainment onboard
- Chapel

These are some of the products and services offered on board for the guests. Norwegian Cruise Line wants to guarantee that your stay is unforgettable and as well as wants to exceed the customers' expectations. All the facilities are created based on satisfied the needs of the clients and give them the opportunity to relax and enjoy their vacations without any worries along.

Depending of the age or interest and all the facilities can be enjoyable, many options and privileges are available on the cruise and the excellent customer service onboard by the crew and the staff will facilitate our guests stay.

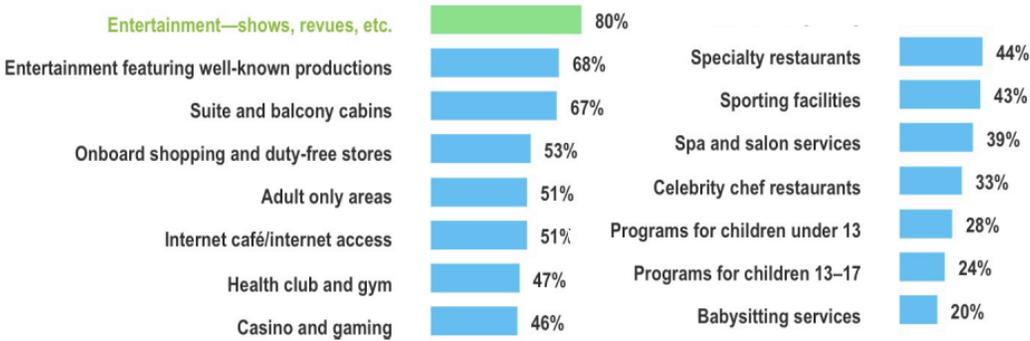
**Benefits of Cruise vs. Other Vacations**

% of Cruisers, 2014



**Importance of Amenities**

% of Cruisers, 2014



## RESEARCH AND ANALYSIS

### MARKET POTENTIAL ANALYSIS

There are many cruise lines operating around the globe, however Norwegian Cruise Line is the only cruise line that offers a new concept call “Freestyle Cruising” this unique idea place this cruise line in a well position and exclusive competitor level in the industry.

“Over 91% of cruisers are aware of the Norwegian brand which is known for freedom, flexibility and choice—highly valued benefits for Norwegian’s target audience within the cruise vacation market. The Oceania and Regent brands are well established in the upper premium and luxury segments of the cruise industry, respectively, for offering the highest level of luxury and service to customers.”

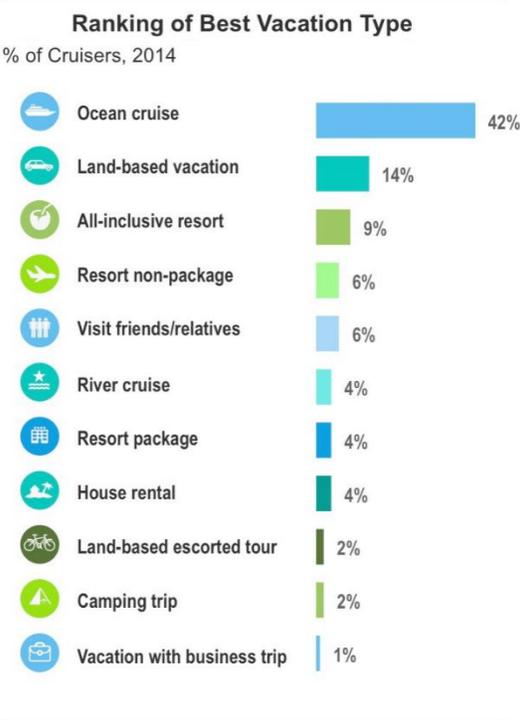
Many of various cruise lines that operates around the globe, have historically categorized base on the quality of the product and service offer. These categories are:

- Contemporary
- Premium
- Luxury

Depending of the type of cruise vacation choose by the client, likewise will be classify in one of the three categories. Contemporary, generally are cruises that last seven days or less, is less expensive and provides a casual ambience. Premium, generally are cruises that last seven to fourteen nights, has a higher quality product and services offered , is more demanded and is a more expensive than the contemporary. Luxury in the other hand, offers the highest quality product and services level, longer cruises on small ships. Norwegian cruises are find between Premium and luxury quality category level. Their category is called “upper-premium”.

The major competitors in the industry are the North American cruise brands Carnival Corporation and Royal Caribbean Cruises. This competitors are really

well known in the industry for their credibility and their popularity around the globe. However, Norwegian Cruise Line is so well positioned on the cruise industry that their unique combination of values and leisure services to cruise guests is like no one seen before in the industry.



As we can see on the graph, many tourists are ranking the Ocean cruise with 42% as the best vacation type.

Most of the tourists are choosing cruise vacations because it is one of the best ways to visit many destinations in one trip. As a result of this high demand, Cruise Lines have often kept improving their products and services offered in land and onboard in order to keep their guests satisfied and encourage them to keep choosing the same brand (Loyalty program) every time they will book a cruise vacation.

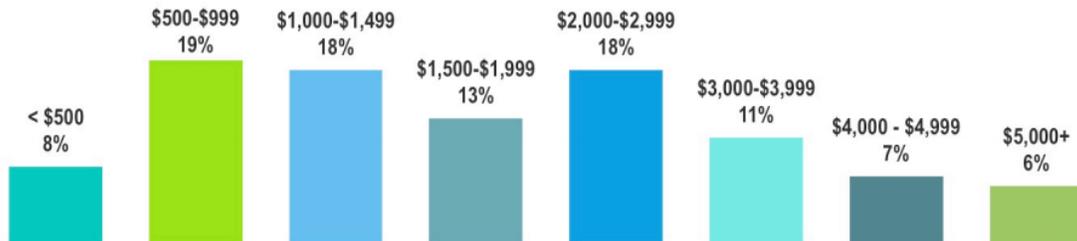
Norwegian Cruise Line's concept has a competitive advantage from other cruise line offerings. By focusing on "Freestyle Cruising," Norwegian has been able to achieve the ability to attract more diverse clientele and the flexibility offered to their guests, this is a strength that only can be offered by Norwegian. The freedom that the guests have onboard to do and choose what they want, at the time they want, and without the necessity of a formal dress code is something the clientele is looking for when they are booking a cruise vacation, since they want to relax and enjoy as much as they want without having to worry about a specific itinerary to follow, and this particular cruise can offer that.

Many of the clients that book a cruise vacation, often they book two, since they want to keep exploring and traveling. This trend has been growing during the

last past years, which means that this targets have the money and the time to invest on the cruise.

### Total Trip Spending

% of Cruisers, 2014



### TARGET AUDIENCES

The segmentation characteristics that are consider on this plan will be: Geographic, demographic, purpose of the trip and distribution channel.

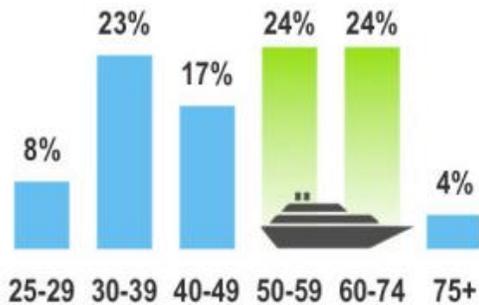
Norwegian Cruise Line get a lot of tourist each year, and most of their visitors are baby boomers. The geographic market choose for this project is Canada. The people that will be target are + 55 years old. The purpose of the trip is exclusive for leisure and for distribution channel is going to be via media, use of different type of magazines, newspapers ,advertising online, emails and TV.

The target selected is based on the most common age found on the cruises statistics given by CLIA in 2014. The average found was 49 years old, even though the common age found in Norwegian cruises is 55 years old. Most of the tourist are employed or retired and they are traveling with a spouse.

Their income annual is approximately \$ 114,000 per year which allow them to make some income spendable and most of the people at this age are currently working or are retired, based on the CLIA statistics 2014.

## Age Distribution of Cruise Travelers

% of Cruisers, 2014



## Demographics of Cruise Travelers

% of Cruisers, 2014

 Average Age	49 Years
 Average Household Income	\$114,000
 Employment Status	Employed 72% Retired 21% Not Employed 7%
 College/Post College Education	69%

## Cruise Vacation Spending

Average Mean, 2014

 Total cost per person	\$2,200
 Cruise fare	\$1,635
 Onboard and shore expenses	\$565
 Airfare	\$524
 % flew	62%

The income generated by the target selected generate along an increase of the sales and income on Norwegian cruises by 2014. Most of their guests book with this cruise line a cruise vacation on the past, which means that most their comeback clients are fans of this cruise brand.

Based on CLIA annual report, there is an increased of travelers that have a solid spendable income and the time to go for a long vacation. The increased on cruises vacations sales are helping the cruise industry to grow like never before. Many of the travelers found that booking a cruise vacation is more popular since they can visit more destination in one trip than if they book a regular resort vacation. In fact 85% of cruises agreed that cruising was a good way to sample a destination and as well they agreed that cruises are a better way to relax and get away from it all, than other type of vacations.

## Total Trip Spending

% of Cruisers, 2014



After this general idea, there are the financial highlights that Norwegian Cruise Line was able to improve their sales and revenue by 2014. The right market and good quality on their services and products offers are a showing a well position level for the competitors and a how they brand is been more noticeable.

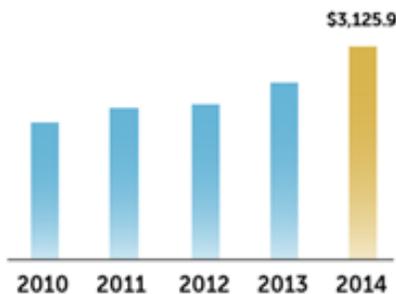
## FINANCIAL HIGHLIGHTS

\$ in millions, except per share data

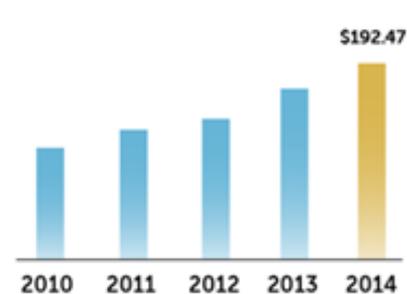
	2014	2013	% CHANGE
REVENUE	\$3,125.9	\$2,570.3	21.6%
OPERATING INCOME	502.9	395.9	27.0%
ADJUSTED NET INCOME <sup>(a)</sup>	480.6	295.8	62.5%
ADJUSTED EPS <sup>(a)</sup>	2.27	1.41	61.0%

## REVENUE

\$ in millions



## NET YIELD



## OBEJCTIVES AND GOALS

- A modernized campaigns, limited time specials offers and discounts, and affordable packages based on the guests need will be create in order to attract more attention, will encourage them to become part of our loyalty program.
- New creations of services not seeing before in other Cruise Line will generate more interest not only on our loyalty clients, as well is going to appeal people that never experience a cruise vacation and they are looking forward to try it.
- Hiring staff that will be bilingual, polite and friendly will help to give that unique onboard experience Norwegian cruises promised to our guests when they book a cruise vacation with them.
- Creations of more seasonal getaways will increased the demand of more tourist not only for certain period of time, it will be for all year long.
- The next campaign that will be launch by October 2106 to February 2107, will bring more clientele, since the promotion offer will be attract the attention and as well it will create more brand awareness that not only will last during the campaign, as well is going to create word of mouth and the popularity will talk by itself.

## STRATEGY

The strategy used for this campaign is based on target the baby boomers between the ages of 49-74. The 48% of this generation are booking cruises vacations all year long, over other types of vacations.

Overall the past years, in 2014 the interest for cruising increased in such a good way that the campaign plan for Norwegian cruises will attract more travelers that are looking for quality in services and products and as well are looking for a memorable experience onboard and during all their vacations, without have to worry about any process during and after their cruise vacation is book and reserved.

The motivators found based on statistics for personal travel are 57%, in order to get away from the normal, and 54% of time spend is to relax and rejuvenate. This is one of the reasons our campaign is targeting this generation. A perfect promotion to get away from the winter and have the opportunity to relax and enjoy is how our campaign will based on.

80% of the baby boomers are travelling with their spouse, and the possibility of book another cruise after is 86% , which it means that the concept of the campaign will be really attractive for our clientele since the main promotion is book a cruise vacation and get 30% off on the second cruise vacation.

The media use for promote the campaign will be mainly via TV, online, emails, newspapers, magazines. Television is certainly an important way to promote the campaign since most of the baby boomers watch TV and studies have found that television advertising is the channel with the largest purchase influence.

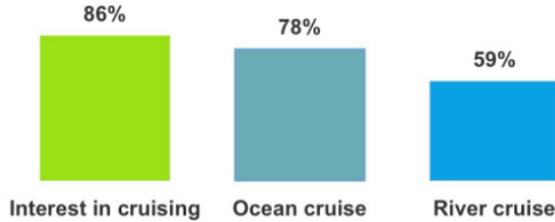
On the campaign we choose do the TV commercial with a women, since 82% of women are the major influence and decision makers when it comes to purchase travel packages and vacations based on Financial Synchrony state studies.

Another way to promote the campaign is advertising online and emails since 54% % of the boomers owns smartphones and tablets. And based on the statistics find on CLIA 67% of the time baby boomers will only do the research and planning online about the cruise, but more than 70% of clientele prefer to

book directly through a travel agency since they find this way more safe and secure, and 64% found a strong satisfaction ratings to their agent.

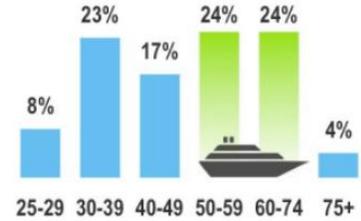
### Interest in Cruising in Three Years

% of Cruisers, 2014



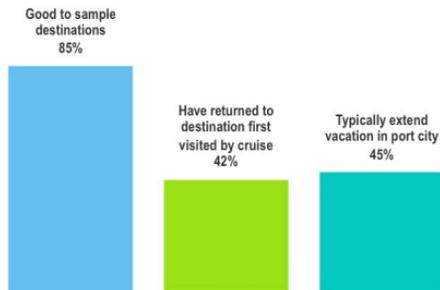
### Age Distribution of Cruise Travelers

% of Cruisers, 2014



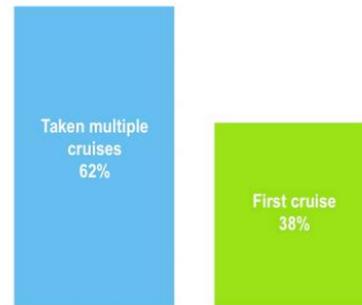
### Cruising as a Source for Future Trips

% of Cruisers, 2014



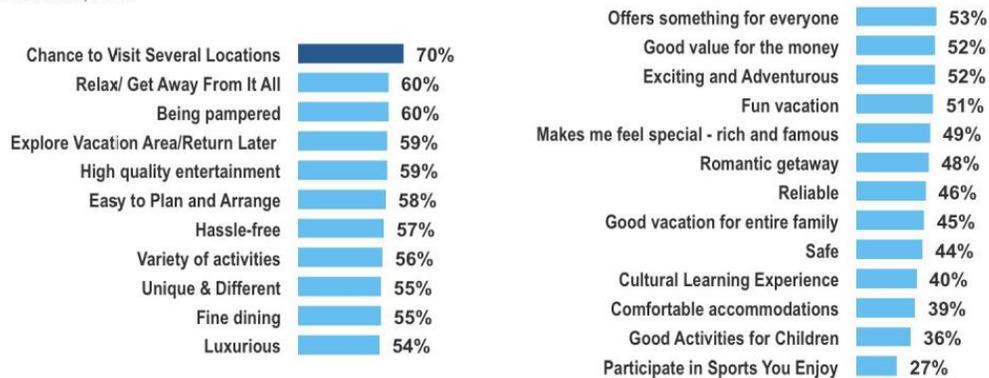
### Repeat Cruise

% of Cruisers, 2014

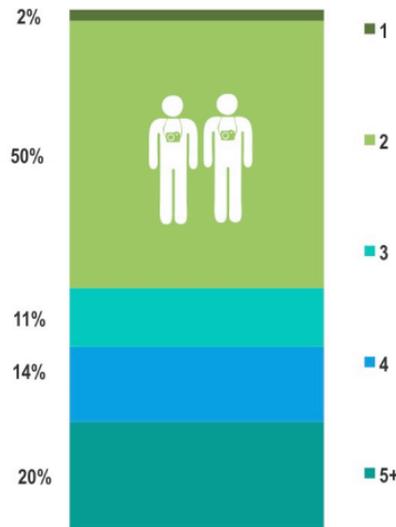


### Benefits of Cruise vs. Other Vacations

% of Cruisers, 2014



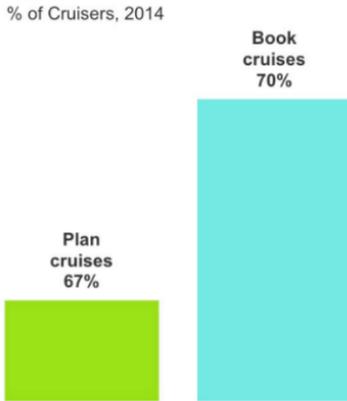
### Travel Party Size % of Cruisers, 2014



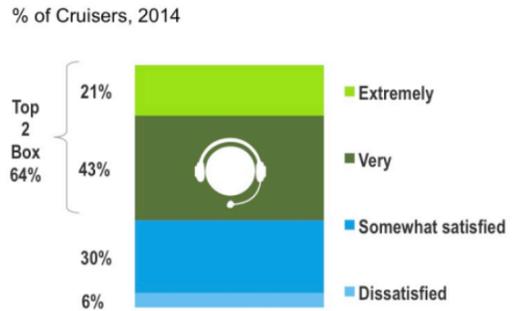
### Cruise Travel Party Composition % of Cruisers, 2014

Spouse	80%
Partner/Companion	7%
Children Under 18	27%
Under 2	4%
2-5	9%
6-12	16%
13-17	13%
Adult Children	10%
Other Family Members	19%
Friends	17%
Members of an Organization or Group	<1%

### Travel Agent Assistance % of Cruisers, 2014



### Travel Agent Satisfaction % of Cruisers, 2014



### Ratings of Distribution Channel with Best Service and Price % of Cruisers, 2014

% of Cruisers, 2014



## REFERENCES

[file:///C:/Users/Laura/Documents/clia\\_naconsumerprofile\\_2014.pdf](file:///C:/Users/Laura/Documents/clia_naconsumerprofile_2014.pdf)

[http://www.nxtbook.com/nxtbooks/ncl/fleet\\_brochure\\_15-17/#/0](http://www.nxtbook.com/nxtbooks/ncl/fleet_brochure_15-17/#/0)

<https://www.ncl.com/>