



## An Epic Story of Twists and Turns from NCL in the Debut of *Epic*

With Reba McEntire christening the *Norwegian Epic* in New York on July 2 and the ship playing host to Macy's 4th of July fireworks show (televised live on NBC), it's likely hype will be strong for *Epic's* inaugural U.S. activities.

Even prior to the splashy opening, national retailers report *Epic* is attracting above average yields for NCL, and expectations are that will continue. "The June 24 transatlantic is sold out, and we have not discounted the ship at all," reports NCL Exec VP Andy Stuart. "Prices have only gone up, and we expect that to continue."

Several departures feature a lead price of \$659 (lead balcony rates \$949) with higher on the more popular dates. The new stateroom concept--studios for singles--is running \$979 or higher (and on several dates they are already sold out). That's less than the price for two in an inside stateroom, which pulls in about \$1,300, but the per person rate is much higher. Carolyn Spencer Brown, editor in chief of [CruiseCritic.com](http://CruiseCritic.com), notes, "The studio cabins were made for Easy Cruise hipsters with backpacks--but that didn't sell. Turning them into solo cabins makes lemonades out of lemons."

Like any good epic story, the *Epic* has had its shares of twists and turns in its unfolding. One national retailer told us this is part of a bigger picture: "After Kevin Sheehan came onboard as CEO and they made their initial round of organization changes, NCL made great strides in being a better-run company."

### **Assessing Consumer Interest**

We asked Brown about level of interest in *Epic* on [CruiseCritic.com](http://CruiseCritic.com) message boards and stories. "*Epic's* design is so innovative and exciting, but it doesn't seem to be resonating in quite the same fashion as *Oasis of the Seas*," Brown replies. That ship, she says, not only generated unprecedented advance interest, but it continues to generate excitement. "All *Oasis* has to do is breathe and people want to hear about it."

Another perspective on consumer buzz comes from Gene Sloan, editor of [USA Today's Cruise Log](http://USA Today's Cruise Log): "It's definitely the ship of the year, and there's a fair amount of chatter about it at Cruise Log, but I don't see the buzz as being nearly as hot as with last year's debut of *Oasis of the Seas*. Our traffic leading up to and during the unveiling of *Oasis* was through the roof, and even now *Oasis* stories continue to draw a heavy amount of clicks and comments from readers."

Sloan adds that *Epic* is proving a bit harder to hype than *Oasis*, which had the easy-to-understand "biggest ship ever" tagline. "*Epic* is revolutionary for NCL and has elements that are truly unique for the industry, but...it's not so revolutionary for the industry as a whole, and that means less buzz among our consumer readers."

### **Strategies For Agents To Maximize Sales**

Still, it's seen as the big new ship of *this* year, so how can agents take advantage of the buzz there will be in upcoming months?

Stuart replies: "The first thing is to use travel collateral and online content that is available and is dedicated to *Epic*; there's a range of brochures or a plethora of tools related to *Norwegian Epic* online that they can download from our travel agent site to an *Epic* microsite that they can actually host. There's an enormous amount of content they can use under their own brand to tell the story of the ship to their customers."

NCL is going to be running a lot of marketing about the ship--ads in [Travel & Leisure](http://Travel & Leisure), [Islands, New Yorker](http://Islands, New Yorker), [Wine Spectator](http://Wine Spectator), etc. "Agents can reproduce articles and drive clients to publication sites to use this content," says Stuart. "Use call-out lines like, 'As seen in [Travel & Leisure](http://Travel & Leisure)' or 'As seen in [The New Yorker](http://The New Yorker)' to add to the story on the ship."

Agents can also target various markets. "The family segment, the solo segment, the upscale segment--use that aspect of the ship to tell the story of *Norwegian Epic* to customers in the database," says Stuart. "For instance, the Nickelodeon brand is a powerful brand to use with their family customers. Those who can segment their database should be thinking of whatever segment of the customer base is appropriate when telling the story."

As for the entertainment side, point out the value content of Blue Man Group and other shows onboard. "If you take the value of seeing all the content in a week, it really is a significant savings that is included in our ticket price," says Stuart. "It's hard to put a value on most cruise ship entertainment. It's easy on this."

Agents can tie in with the TV programming around Macy's 4th of July parade. "Send your customers to watch that one-hour special on NBC at 9 p.m. EST on July 4," says Stuart. "That's an email that should go out to everyone's database--advise them to watch this fantastic show. It's not going to show every room on the ship, but it's going to give people a sense of the excitement surrounding *Epic*."

He further advises using the content on youtube ([ncl.com/youtube](http://ncl.com/youtube)). "We just put a sneak peek video out there which is really the first live footage available to give customers a feel of the ship," reports Stuart.

And agents can make use of other social media, such as the *Epic* page on Facebook. "Also, we have our *Epic* blog, which has all sorts of content and which agents can share with customers to generate excitement about the ship," says Stuart.

### **As For Promoting *Epic* In Europe...**

How will the promotion of entertainment in the sales



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process be impacted when *Epic* moves from the Caribbean to Europe effective in May 2011? Simplistically, the ship itself is usually more of the draw in the Caribbean than in Europe, where it's more the ports of call.

"You're not going to Europe simply for the ship," says Stuart. "But you can be in the Vatican in the day and see Blue Man Group in the evening. It's a perfect combination. I doubt anyone is going to pick *Epic* in Europe because of Blue Man Group, but when looking at the choices, it's, 'I get Rome, the Vatican, and Florence, Naples, and Pompeii and the Amalfi coast. In addition to that, I have kids. I can excite them with Fun with Nickelodeon and an expansive water park onboard. And for a couple of evenings in this fantastic environment, I can have choices of seeing Blue Man Group, Cirque Dreams, and Legends In Concert.'"

He emphasizes that there are plenty of other enticements onboard. "We've added even more dining choices to what is already the most varied choices of dining in the industry," says Stuart as one example. "There's the first studios for solo travelers and a broad range of facilities for our upscale customers, the courtyard complex, spa facilities, and an amazing sports deck with every sport you can imagine--rock wall, rappelling, etc."

## Hot Markets: Singles and Luxury

*Travel Leaders Leisure Group (parent company is Travel Leaders Group) encompasses an unusually broad spectrum of agency brands focusing on cruises, with several focusing on specific demographics. President Tom Baumann zeroes in on two of the hottest markets: singles and luxury.*

### Exploding Singles Market

Baumann reports the singles market is up 50% this year and is continuing to expand. What hasn't changed is the destination for this market. "The vast majority of this business is Caribbean," reports Baumann. "Carnival is number one here--they're the Fun Ships for singles, and their group department works well with us."

Booking patterns for this segment aren't like for other segments. "Normally, our group space is sold six months out," says Baumann. "However, we sell very close in for singles groups, since they don't plan far ahead."

In terms of marketing, the focus is on the Internet, because, as Baumann puts it, "That's where singles are." Sales points include pricing (there's a complimentary stateroom match service, so customers don't need to pay a single supplement) and the general perception that cruises are a safe way to meet people.

Also, the dining set up is of particular importance to this market (SinglesCruise.com reserves a block of tables that it seats round robin) as are daily events that are exclusive to singles.

While the goal is to provide a fun vacation, sometimes there's a lasting impact. "We had four people who ended up getting married after meeting on a cruise last year, and many more who entered long term relationships," reports Baumann.

One key is the math. "We work hard to keep it 50/50 male/female," says Baumann. "We have all sorts of strategies, such as marketing more heavily to men when we see the majority signing up initially are women."

While one might think homeporting would be of more interest to this market, Baumann says that's not necessarily the case. "We do feature New Orleans, Galveston, Baltimore, but it doesn't have the same pizzazz with this market," he says. "They prefer to fly to Miami, Ft. Canaveral, and Ft. Lauderdale.

### Expanding The Luxury Customer Base

The overall luxury spend for cruises is higher this year, in part because of the expanding breadth of the products. For example, lines usually associated with luxury have grown (in the latest example, *Seabourn Sojourn* launches in London this week) and lines not normally associated with luxury are offering luxury accommodations: the loft suites on *Oasis of the Seas* are the most notable examples.

"I don't associate luxury with being on a ship with 6,000 people," says Baumann. "Yet these loft suites sell fast at rates averaging well over \$1,100 per night for two (well over \$8,000 for most seven-day sailings we researched). That's higher than most per diems on the luxury side--it's higher than most Four Seasons anywhere in the world."

One factor, says Baumann, is these are the only two-story staterooms anywhere in the world. It's not clear yet whether those booking these suites would book on luxury lines normally or whether they're a brand new type of cruiser.

In any case, the definition of luxury is different. As Baumann notes, *Oasis* rates don't include tipping or even some alternative dining: "If you eat at 150 Central Park, you pay." And there's basically no dress code on *Oasis*.

Growing informality by high spenders is not limited to loft suites on *Oasis*. Baumann notes that world cruises, one of the last bastions of formality, are easing up the dress codes. "For instance, even on a 112-day Holland America world cruise, it's now casual and formal nights as opposed to casual, informal, and formal," he says.