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## Seabourn Cruise Line: A Case Study in Achieving Quality

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# Seabourn Cruise Line: A Case Study in Achieving Quality

## **Abstract**

Just about everyone who ranks cruise lines puts Seabourn first on the list. The readers of Conde Nast Traveler ranked it the world's top cruise line for three consecutive years and fifth in their survey of the top 100 overall travel experiences. Of special interest to hospitality professionals is Seabourn's 98.5 percent score for service—higher than any other vacation experience in the world.

## **Keywords**

Seabourn, Cruise, Growth and Development, Sustainability, Study, FIU

# Seabourn Cruise Line: A Case Study in Achieving Quality

by  
Andrew N. Vladimir

*Just about everyone who ranks cruise lines puts Seabourn first on the list. The readers of Condé Nast Traveler ranked it the world's top cruise line for three consecutive years and fifth in their survey of the top 100 overall travel experiences. Of special interest to hospitality professionals is Seabourn's 98.5 percent score for service — higher than any other vacation experience in the world.*

While the cruise line industry is still in its infancy (only 6 percent of all Americans have taken a cruise), it has been growing at an astounding rate. Today the North American cruise industry is a \$7 billion business that carries almost five million passengers annually and directly employs approximately 50,000 persons. It is projected that by the year 2000 as many as eight million passengers per year will go on cruises. Some 150,000 travel agents sell cruises that average about \$225 per person per diem.<sup>1</sup>

Among the more than 35 cruise lines serving the market, Seabourn Cruise Lines which has only two ships, the Seabourn Pride and Seabourn Spirit, is consistently ranked by travel agents, journalists, and consumers as the best. Besides the Condé Nast readers' choice poll,<sup>2</sup> Seabourn has been awarded a Platinum Anchor by Ethel Blum, one of the country's leading travel writers,<sup>3</sup> and five stars plus by Berlitz.<sup>4</sup>

While much has been written on how hotel companies have achieved five stars and awards such as the Malcolm Baldrige National Quality Award,<sup>5</sup> the fact that a cruise line ranks at the top of all vacation experiences (including hotels, resorts, and destinations) in terms of service in a consumer survey such as Condé Nast's is unique and worthy of further attention.

This article is the result of spending two weeks behind the scenes aboard the Seabourn Spirit from Istanbul to Venice in July 1994 and extensive interviews with Atle Brynstad, the line's founder, principal owner, and CEO; Warren Titus, its first president; Larry Pimentel, current president; and Lawrence Rapp, vice president of

hotel operations. The purpose of the research was to learn how and why Seabourn achieved the performance standards necessary to earn its "best of the best" reputation.

### **Company Has Background in Norway**

Seabourn was founded by a young Norwegian industrialist and entrepreneur, Atle Brynestad, a self-made man who started his first business at 16, knitting and marketing his own line of Norwegian sweaters. From sweaters Brynestad took an interest in real estate, hotels, and department store glassware and acquired Norway's oldest company, the Hadeland Glassworks, which today creates some of the world's finest crystal.

Sensing that there was a growing market for cruises and that Norwegians seemed to have a "knack" for running them well (both Royal Caribbean Cruise Lines and Kloster Cruise Lines, which operates Norwegian Cruise Lines and Royal Cruise Lines, are also Norwegian owned), Brynestad decided to develop a new concept for cruising. He was attracted to the premium end of the market because of his personal lifestyle and experience. By the mid-1980s there were several concepts of luxury cruising in the market. Cunard's *Queen Elizabeth II* was a 66,000-ton, dual-purpose ship built for both transatlantic crossings and cruising. The first purely premium line was the Norwegian American Line, which operated the *Sagaffjord* and the *Vistaffjord*. Built for long-range cruising to resemble elegant European hotels, these smaller 24,000-ton ships carried between 600 and 700 passengers.

Royal Viking, another luxury cruise line also owned by Norwegian interests, was started in 1970. Warren Titus, its first president, felt that they could differentiate their product successfully by providing a larger number of deluxe cabins and suites and using a new modular prefabrication system which allowed for greater freedom of design and considerable cost savings. The line had three ships by 1974, the *Royal Viking Star*, *Sky*, and *Sea*. At the opposite end of the scale was another Norwegian company, Sea Goddess Cruises, with two ships launched in 1984 which were designed to have the ambiance of large luxury yachts. At 4,253 tons each, they had a passenger capacity of only 116.

In 1987 Brynestad recruited Titus from Royal Viking and the two men, along with a group of associates, most of whom are still with the company, set out to design a cruise line that would be both better and clearly different from the available products. They reasoned that while Royal Viking's facilities and service were undoubtedly the finest afloat, their ships were too large to provide the kind of intimate and exclusive quality of service that the premium market wanted. While Sea Goddess was able to satisfy this kind of expectation for the most part, their two ships were so small that they lacked many of the amenities that the market expected and, moreover, didn't behave as well in choppy waters as a larger ship might.

Their solution was to design a new kind of ship — 10,000 tons in size that would accommodate 204 people, all of them in 106 suites of 277 to 575 square feet each. Competitive Royal Viking ships had some cabins as small as 138 square feet, while Sea Goddess suites ranged from 205 to 475 square feet. This new ~~they expect the cruise line which sold them the ticket to find it or~~ reimburse them. Given the synergy created by the cruise line and the airline, it is not surprising that Seabourn European cruises often begin with a flight on British Airways. Like Seabourn, British Airways is often cited as the world's best international airline. Its advertising slogan, "The world's favourite airline," is based on the fact that it carries more international passengers than any other airline (30,595,000 in fiscal 1994).<sup>7</sup> A trade poll, the 1994 World Travel Awards sponsored by *Tour and Travel News* and the *Travel Trade Gazette* network of travel publications which surveyed 7,500 travel agents worldwide, also picked British Airways as the world's leading airline in 1994, and the American Society of Travel Agents has awarded BA its coveted Rex Award for excellence in travel for four consecutive years. Many Seabourn passengers upgrade their tickets to business or first class.

British Airways and Seabourn have much in common from a management and cultural point of view. Both are turn-around situations; originally unprofitable enterprises have been turned into profitable ones by skilled marketing and management. Both have a corporate culture which emphasizes the importance of giving the customer a unique and very personalized experience. Both rely heavily on repeat business and both go to extraordinary lengths to nurture, motivate, and empower employees.

BA's first class service from Miami to Istanbul begins with an overnight flight on a 747 that seats 16 persons with a crew of three pursers, two in the cabin and one in the galley. Each seat, which is spaciouly wide, reclines to a completely horizontal position for sleeping. Every passenger has his or her own personal TV set and VCR

player with a remote control unit. With these they can watch the onboard movies provided for the entire aircraft or order one of 44 videos that include old favorites like *Gone With The Wind*, as well as contemporary hits. Sound tracks are available for many cassettes in two languages. Boarding passengers are greeted by name by the cabin service director, a position similar to a hotel manager. First class passengers are presented with an amenities kit in an attractive case which includes not only standard toiletry items, but also rehydration gel "to neutralize dry cabin air for face and hands," eye compress "to freshen tired and puffy eyes," natural lip balm, and a facial spray "to relieve dry skin dehydrated by cabin air." Food service is provided on china designed for BA by Royal Doulton, and glassware is also especially designed by Wedgwood.

On this particular flight there was a choice of three appetizers such as Yorkshire pudding with sautéed goose liver and onion sauce, two soups, a freshly prepared salad, and four entrees. Two of the most popular appeared to be roast lamb with herb and nut crust, and baked snapper with puy lentils and hollandaise sauce. Several platters of vegetables were offered, as well as a choice of desserts in addition to the traditional tray of cheeses with port and fresh fruits.

At Heathrow and Gatwick airports in London, arriving transatlantic passengers are ushered into a first class arrival lounge which has a breakfast cafe and 23 marble and glass shower and dressing rooms complete with hair dryers, toiletries, and complimentary valet pressing so one leaves the airport or continues on the journey completely restored and refreshed. There's even a quiet section with recliner chairs for a rest or to kill time.

### **Airline Service Is Innovative**

From a service point of view BA's methods are sophisticated and innovative. The cabin service director on this flight, Peter Dudley-Hammett, had a laptop computer which contained a personal profile of every first class repeat passenger. It contained not only name, job title, service preferences (aisle or window seat, smoking or non-smoking), but information about their hobbies and favorite drinks. "If I know they're a golfer and drink scotch and soda, I hand them a golf magazine and a scotch as soon as they're seated," he said.<sup>8</sup> Dudley-Hammett, a 20-year BA veteran said that besides assuring their safety and comfort, "We touch our passengers, in other words form a personal relationship with them."

Although it is not generally advertised, BA first class passengers can request anything they want for dinner, whether or not is on the menu, when they book their flights; airline catering services make every effort to provide it. To make certain that BA employees feel involved with the company and participants in solving its problems, BA has instituted several programs, including the "Positive Fleet Management Program," to share surveys on customer satisfaction with employees and give them feedback and positive reinforcement.

Every purser is "owned" by a cabin service director whose job it is to act as his or her mentor. "If I manage and motivate these people well, then I'm rated as a good manager," according to Dudley-Hammett. Even the pilots have been brought into the system. Captain Douglas Ord talked about BA's new communications manager whose job it is to fill him and his staff in on the business aspects of the airline. "I now know why we're adding extra service to one city or curtailing it in another. I'm no longer simply the pilot; I'm also the commercial manager of an airplane. Part of my job is to influence passengers' perception of our service so that they will want to fly with us again. I guess I'm a salesperson as well," he added.<sup>9</sup> BA recently consolidated airport operations so flight and service personnel can meet together and get acquainted before departure and board the aircraft together. This promotes more of a team atmosphere.

To insure that passengers receive quality cuisine, BA has created a mammoth catering facility at Heathrow that is the size of four soccer fields and employs 1,200 people. While inspecting the facility, Darrol Kennedy, one of their chefs, talked of his experience as a chef at London's Dorchester Hotel and in the research and development department of Heinz Foods. Only fresh foods are served in first class. Even the orange juice is freshly squeezed. "Our salmon comes from Aberdeen," he told us, "and our beef is Scottish as well. It's the best there is in the U.K." Kennedy said with pride that their kitchen was so highly regarded that it prepared all of the meals for the Queen and the prime minister when they flew on official business in their own aircraft. The Queen is partial to lamb, although Buckingham Palace likes to keep that kind of information under wraps.<sup>10</sup>

### **The Seabourn Product Stresses Service**

From the beginning Brynestad recognized that he was not selling a cruise, but a "unique vacation experience." Because Seabourn would only carry 200 passengers on a size ship that other cruise lines put 400 or more passengers on and would offer a very high crew/passenger ratio, it would have to be priced at the very top of the market. Seabourn's Mediterranean cruises today cost a minimum of \$878 to \$933 per day per person, and most cruises are 14 days. There are, of course, other venues (the two ships go all over the world, including China and the Amazon), shorter cruises, and some special discounts.

Nevertheless, the average couple pays \$20,000 or more for a typical Seabourn 14-day cruise in a standard suite. With that price tag come extremely high expectations. Market studies show that the average household income of Seabourn clientele is \$200,000. According to Brynestad, "Our clientele doesn't need to save up their money to go on one of our cruises. They are not determined to have a good time, no matter what happens or how they are treated. To satisfy them we need to *win their hearts*."

Indeed "heart" is a very important part of Seabourn's corporate culture. The word was used several times not just by Brynestad but

by other Seabourn executives and employees as well. After every voyage all Seabourn clients receive a tangible expression of Seabourn's heart — a dozen roses in one of Brynestad's Norwegian crystal vases delivered to their home!

Upon arrival in Istanbul, Seabourn passengers were transferred to the Ciragan Palace Kempinski, certainly one of the world's most beautiful and unique hotels. Located directly on the Bosphorus, the Ciragan was a 19th Century Sultan's Palace that has been modernized and converted to a 322-room luxury hotel. Seabourn provided a hospitality desk in the lobby for two days prior to sailing, staffed all day by two local agents whose sole duty it was to help organize private tours of Istanbul, shopping excursions, and even recommend and negotiate rug sales in the bazaar if necessary!

When it was time to board the ship, Seabourn representatives picked up luggage directly from the hotel rooms and placed it in the cabins of embarking passengers. All embarkation procedures were completed in the hotel before departure to the ship so that when passengers finally arrived at the ship, after a complimentary sightseeing tour of Istanbul, they were handed a complimentary glass of champagne at the foot of the gangplank. They then walked directly aboard where they were greeted by name by the white gloved hotel manager and his staff and escorted to their suite. There was no hassle, no waiting, no lines, and no other formalities. A bottle of complimentary iced champagne was waiting along with the luggage, and within a few minutes a cabin stewardess with still another glass of champagne appeared to orient guests to their suite.

### **Accommodations Are Elegant**

Unlike a hotel room or even an ordinary cruise line cabin, Seabourn accommodations do require some orientation. The standard 277-square-foot suite seems more like a small studio apartment. The decor is muted pastels set against a five-foot picture window with electric window shades. There is a convertible dining/coffee table with a sofa and two chairs next to the window, a queen-size bed, a desk with personalized monogrammed stationery, a large walk-in closet with a combination safe, TV, VCR, a bar and refrigerator that have been stocked with favorite alcoholic beverages and soft drinks (which Seabourn asked for earlier in a special questionnaire), Hadeland crystal glassware, a marble bathroom with two sinks, a shower, separate colored his and her towels, terrycloth robes, and more. Next to the VCR is a tape titled "Welcome to your suite," which points out all of the special features and how to use them.

Room service is provided 24 hours a day, including all the caviar one can consume at no charge. During meal hours complete dinners from the dining room menu are served one course at a time by regular waiters for those who wish a private romantic candlelight dinner or simply don't want to dress up and go out. Unlike other cruise ships where important announcements are automatically piped into cabins



periodically, on Seabourn ships announcements are only broadcast on one of the four channels which is silent most of the time, so unless passengers tune into that channel, they will not be disturbed unless there is an emergency.

The ship is spacious, but small by usual cruise ship standards, so it does not take long to tour the public areas. The main dining room is very spacious and open from 8 to 10 a.m. for breakfast, 12:30 to 2 p.m. for lunch, and 7 to 10 p.m. for dinner. Seating is open. Passengers can come in any time they want without reservations and sit wherever they want and with whomever they wish. There are plenty of tables for two for couples who wish to dine alone, as well as larger tables for groups who wish to sit together. No one ever sits alone; single passengers are invited to join other guests or dine at tables with officers and senior hotel staff members.

### **Passengers Have Wide Range of Choices**

Menus feature many classic dishes but finish in a more contemporary, lower-calorie manner. Everything is prepared to order, a la minute. All dishes are plated on specially designed china to achieve a stunning presentation of virtually every dish. Favorite dishes according to the company include Sautéed Thai Prawns, Ahi Tuna with Aioli and Olive Tapanade, Marinated Breast of Capon with Polenta and Cranberries, Caribbean Fresh Conch Chowder, Rack of Lamb Pre Sale with Mint and Garlic, and Ginger Marinated Cornish Game Hen, to name a few.

In addition to the main dining room the ship offers a Verandah Cafe with indoor and outdoor seating open for breakfast and lunch and some special casual dinners. While it is buffet style, waiters stand by to carry plates to the table or serve passengers, as well as to handle special orders.

The ship has three public lounges where entertainment consists solely of a small musical group with a soloist, and one or two other cabaret-type entertainers. On this particular cruise, Paul Balfour, a pianist and soloist who was assigned to perform at White House teas and other official functions while he was in the U.S. Army Band, offered nightly entertainment.

There is also an enrichment lecturer who is usually a college professor or an expert on the area in which the ship is cruising. For a D-Day memorial cruise earlier in the year to Normandy, Walter Cronkite was the enrichment lecturer. This voyage was accompanied by Dr. James Bill, director of the Center for International Studies at the College of William and Mary and an expert on Middle Eastern affairs.

Other shipboard amenities include a spacious gymnasium complete with treadmills, stair climbing machines, bikes, rowing machines, a separate aerobics room, sauna and steam baths, beauty salon, three whirlpools and a swimming pool, a jogging track that circles the vessel (15 times around equals one mile), gift shop, and a library stocked with over 200 videotapes and a selection of recently

published fiction and non-fiction. There is even a self-service laundromat for guests who don't wish to use the regular ship's service.

More than most companies, Seabourn recognizes that in the hospitality business the passengers are part of the physical product; guests expect each other to behave and dress in a certain way. Both vessels, therefore, have very strict dress codes. There are three kinds of dress: casual, informal, and formal. The ship's daily program lists the dress acceptable in public areas each evening after 6 p.m. Passengers understand that this is not a matter of personal choice since those who do not wish to dress are able to dine in their cabin and watch a movie or read. On formal nights not a single male passenger was without a tuxedo. Indeed, one passenger complained to the hotel manager when a guest at another table removed his dinner jacket during the course of the meal! The headwaiter politely asked him to put it back on!

### **Seabourn Stresses Service Delivery Systems**

Seabourn's philosophy of how to achieve superior service is based on two main tenets. The first is that you have to take care of your internal guests (your employees) before you can expect them to take care of your external guests (the passengers). The second is that the guests are Seabourn's most important asset, and that it is the staff's job to find out very quickly what each individual expects and to make sure that they get it in spades so that they will clearly differentiate Seabourn cruises from the ordinary and be able to articulate this difference to others when they go home.

The company does not just pay lip service to these concepts; they constantly reinforce them with a passion. Larry Rapp, vice president of hotel operations, believes that this level of service starts with human resource management. "In order to provide superior service," he says, "each employee must feel absolutely secure in his or her position. He or she has to feel from a psychological standpoint free to take whatever decision needs to be taken to satisfy our guests without constraint from a company system, a budget plan, or an organization plan. The crew member who is speaking to a guest has to have the power to provide satisfaction and no hierarchy should get in the way of that."<sup>11</sup> The "Twelve Points of Seabourn Hospitality," a document that every employee has and that is posted in the hotel manager's office, contains several aimed directly at encouraging this kind of behavior:

- Any crew member who receives a guest complaint "owns" that complaint. He/she is responsible for ensuring guest satisfaction.
- Always remember the importance of teamwork and service to co-workers.
- Communicate guest problems to fellow employees and management.
- Take responsibility for your own behavior.
- Do not be afraid to make a mistake as long as your efforts are sincerely intended to do your job in a better way.

### **Operations Manual Is Specific**

To further insure that there is no misunderstanding of what is expected, the Seabourn Hotel Operations Manual specifically states that Seabourn supervisors are to receive, before signing on the ship, with their employment contract a document called "Supervision of Hotel Employees." The document is very specific and states that performance evaluations will be based on the ability of supervisors to accomplish these tasks. Here are some relevant excerpts:

- It is the duty of each supervisor to find a way to motivate his or her team to find out what each guest wants and give it to them.
- Supervisors have the responsibility to encourage open communication by creating in their employees self confidence, empathy, and respect.

The "management style" Seabourn Cruise Line expects of its supervisors is quite specific:

- I will support front line employees, not try to control them.
- I believe that every employee wants to do the best job he or she can.
- I fully realize that my employees' attitudes and feelings affect their performance; and that my supervision can affect those attitudes and feelings.
  - I will give positive feedback to my colleagues as often as sensible.
  - When I need to give negative feedback I will only refer to facts – not to people. I will say, "The ashtray needs cleaning." I will not say, "You don't take proper care of the ashtrays," or worse yet, "You are a sloppy person."
  - I will listen to the ideas of my employees and give them full credit when they contribute to a success.
  - I will give each of my colleagues all the respect which is their right as a human being. This means treating them as they want to be treated.

### **Food Comments Are Taken Seriously**

During this particular cruise there was a waiters' meeting after the dining room closed at 11 p.m. during which guest comment cards from the previous week's cruise were reviewed. In attendance were Johannes Moser, hotel manager; Harald Lange, maitre d', who chaired the meeting; Chef Jurg Inniger, and all 17 waiters from 10 different countries. The meeting began with Chef Inniger reading aloud the negative comments from the previous week concerning the food. He commented first that negative comments were not negative but constructive. "We want to maintain our reputation for the best food," he told the group.

The first comment he had was that the "pasta was not done correctly." A waiter pointed out that this comment was from an Italian family. Italians were very particular about their pasta. But the same

comment card went on to say that “the food improved the second week.” The waiter added, “By the second week we knew this family. They liked spicy food and we gave it to them.” Lange complimented the waiter for being on his toes.

Another comment stated that “the pastry needs improvement.” A member of the group commented that he had tasted the croissants that morning and they were horrible. The chef agreed and noted that the baker had become ill in Istanbul and left the ship. A new one was due the next day. The only other negative food comment was that “the menu was too Americanized.” Chef Inniger told the waiters he needed more feedback from them as to what their European clientele liked.

Then some of the positive comments were reviewed. They included “great selection,” “superb meals,” “good cuisine and variety—better than before,” “my kind of food,” “I blame you for the weight I gained,” and “all our special requests were handled with no problem.” Overall, the score on cuisine was 9.81 out of a possible 10. Inniger noted that 87.3 percent of the responses gave the cuisine a perfect 10 and no one gave it below an 8.

### **Wait Service Is Evaluated**

Maitre d' Lange then reviewed the comments on the waiters' service. There were only three negatives. The first dealt with slow dinner service on the Verandah. Lange recommended that waiters concentrate more on their stations. Another guest mentioned that his wine glass had been removed before the end of the meal and said this was not a good idea for there was always the possibility that someone would want more. Everyone thought this was a good comment. “From now on we won't do it,” said one of the waiters. Finally a guest wanted to know why he couldn't order full room service by the pool but had to return to his suite to get it. Lange noted that in truth they didn't have enough manpower on board to offer this. “But,” he added, “people paying \$35,000 ought to be able to get it.”

A discussion was held in which several waiters contributed ideas. It was decided that the full room service menu would be offered from one of the bars on deck and that trays of sandwiches would be passed around at lunch time so that guests would not feel the need to order room service. Lange too read the positive comments they had received. “You have given a new meaning to class and superb service. We are used to traveling on a private yacht, but we like this cruise so much we're spending an extra \$25,000 to stay another week. All your waiters are as adorable as my two sons.” Several waiters were mentioned by name and the others applauded or cheered whenever one of these comments were read.

The meeting ended with a review of the known likes and dislikes of the guests boarding in Athens in a couple of days. One liked certain cheeses and a note was made to check with the provision master to be sure they would be on board. Another liked bran cereal and skim milk for breakfast every day. One was known to like fresh fruit

juice brought to him while exercising on the treadmill. Everyone made notes so they would remember. The meeting was highly participative. After every negative comment there were several suggestions as to how to improve things. No one was criticized directly and there were no recriminations.

There was a similar meeting in the housekeeping department. Every negative comment was reviewed and the tone of the meeting was always, "How can we solve this problem?" never, "People don't understand that we can't do this." The amazing thing is that these meetings are held weekly and so Seabourn is constantly refining and improving its service.

### **Everyone Is Involved**

"The whole secret is getting everyone involved in producing the product," says Hotel Manager Moser, who was part of the original group who developed the Seabourn concept and started as their first food and beverage manager. "Then it becomes theirs and they own it and are proud of it. I not only solicit their ideas; I try them out when I can. If they work I adapt them." When asked how he could do this with such a demanding clientele where mistakes can be fatal, his answer was, "We hire good people we can trust and then we train them. God is in the details, said Frank Lloyd Wright."

Training goes on continually at all levels. Hotel managers have been supplied with a whole series of management tapes used in business schools and training seminars; they are shown and discussed on a voluntary basis regularly. The company also offers all supervisors the opportunity to attend courses at any hotel school of their choice when they are off the ship on vacation. The wine steward gives tastings and lectures on wines and the regions they come from monthly, and the chef briefs the wait staff every night before dinner by not only presenting the dishes that are on the menu but giving a short lecture on the recipes and how they are prepared. Waiters regularly are quizzed in writing to improve their knowledge of food and wine. In keeping with Seabourn's non-threatening, nurturing atmosphere, the quiz, along with the answers, is posted a week in advance so everyone has a chance to study and learn the answers before the test.

### **Employees Share in Revenue**

Moser doesn't see the *Seabourn Spirit* as a cruise ship at all, but a small hotel that floats. The exact same sentiment was echoed later in the voyage by another crew member. "I would never work on a cruise ship," he said scornfully. Compensation aboard Seabourn ships for service personnel is unique. There is no tipping permitted. The hotel staff is compensated by a salary plus a revenue sharing plan which is based on the number of guests on board for each crew. The theory, says Moser, is, "If we do a good job, people will take more cruises and tell their friends. If they do that, the company makes more money and so the people responsible for creating that experience should share in it."

Seabourn's method of getting everyone involved in producing the product, combined with eclectic itineraries where different ports are visited every week, offers some unique opportunities as well as problems. The most important opportunity is the one to forge a lasting personal relationship between the customers and the company. The morning after the *Seabourn Spirit* departed from Istanbul with 90 new passengers on board, the dining room waiters met to examine pictures of all the new people who had joined the ship and memorize their names. In the lounges and dining room whenever crew members recognized someone, they repeated their names out loud so that other crew members could hear. They too then greeted the guest by name. The payoff becomes most obvious in the dining room where, even if a passenger sits at a different table every night with a different waiter, he or she is greeted by name.

Rapp points out another opportunity to provide a unique experience. That is Seabourn's cuisine where the policy is to buy fresh regional products at ports where they are available. In recent weeks Chef Inniger had purchased fresh strawberries in Odessa, fish in Istanbul, and goose liver in France. During a stop in the Greek Islands the chef and provision master headed off to the local fish market to buy some of that day's catch; that appeared on the menu the next evening. Freshness is an obsession on board. The orange juice is squeezed fresh daily; yesterday's fresh juice is consumed by the crew. Even the wine steward and head bartender buy many of the wines used on the ship in their countries of origin. "Because I am involved in the wine selection," I can explain them and sell them enthusiastically, Head Bartender Norbert Fuchs said.

### **Shore Excursions May Cause Problems**

The problems are most likely to occur in the area of shore excursions. Unlike a seven-day Caribbean cruise where the ship visits the same port every week, a Seabourn ship may visit some ports only a few times a year. That means that they have to work harder to get the best equipment and tour guides for shore excursions since the infrastructure is dominated by the larger vessels that call more regularly. Moreover, things change often; some museums and other sites close for renovations, new ones open, and the recommended shopping and dining venues are different. Guests expect and want superior and unique excursions, and they are hard to come by, especially if the tour manager hasn't been there for six months.

But the real problem is that ships cannot run their own shore excursions; that is reserved for the local community virtually everywhere. The implication of this is that the guests are off the vessel and interacting with persons who are not company employees, although the tours, like the airline flights, are perceived as part of the Seabourn vacation experience.

Seabourn's way of dealing with this is to differentiate their versions of what is offered as much as possible. Buses which hold 49 passengers

are only half filled and every bus gets not only a local guide but a member of Seabourn's own travel staff. Bottles of water and soft drinks are carried on board and a complimentary refreshment stop is included. The company tries very hard to audition the specific guides who will be used and specifically requests them whenever possible. Very specific written contracts are given to all tour operators that specify, among other things, that all admissions are to be included, that there will be no tipping solicited or permitted, that the buses will arrive and depart at set hours at each stop, and that special requirements may be set, such as, "After lunch the guide will be stationed by the bell tower on the square to answer questions."

At some destinations it is possible to offer unique tours not available at all on other ships. These tours are usually quite expensive and only available when enough passengers sign up, but they often do. One example might be a balloon trip over vineyards in France. In Venice, guests willing to pay \$390 were offered "An unforgettable evening in 18th Century Venice." The evening consisted of a five-course dinner in a restored Venetian Palazzo. Period Venetian dishes were served after a "Degustation of Wine," and entertainment was provided by a trio of musicians in period costumes playing ancient instruments, and a group of actors from La Commedia Dell 'Arte. There was also a private tour of the Guggenheim Museum for \$85 hosted by one of its curators after closing hours with wine being served. These tours are often the creation of the ship's travel office, which gives them a feeling of ownership and thus an internal mandate to see that they succeed.

### **Passengers Expect Customized Service**

Seabourn's success can be attributed to a complex and carefully orchestrated corporate culture based on values shared among the management, employees, and guests. President Larry Pimentel, a former travel agent himself, likes to tell agents in sales seminars that they should "sell what counts, not discounts." That is precisely the point. On a Seabourn cruise everyone seems to understand what counts. The passengers who are paying more than \$800 per diem know they are buying a unique and personal experience, and that's what counts for them. They expect uniqueness and customized service; indeed they demand it. The company shares the same value. "It is those very qualities that make the difference," says Pimentel.

"It doesn't matter what you want; the company will get it for you." People frequently bring their own recipes, which the chef is glad to prepare. In some cases, special ingredients have been flown to the ship to fulfill these requests. Pimentel points out that Seabourn is not simply an expensive cruise, but an entirely different experience. "Buying Seabourn is a lifestyle decision," he says.<sup>12</sup> To provide that experience, the company relies on highly trained and motivated people, people who are motivated not by money, although

they are well paid, but rather by a genuine pride in what they do. This pride is reinforced regularly. When Seabourn won the Conde Nast Award the first time, owner Brynestad sent every crew member a piece of his crystal as a present. After a spectacular party on this particular cruise, the following memo was sent to every manager on the ship and posted in the crew quarters:

To Everyone Involved In the 4th of July BBQ  
Yesterday. Thank you all for the effort you have put in  
to make this special day a success. Many guests com-  
mented how much they appreciate your hard and pro-  
fessional work. Some people dream of worthy accom-  
plishments, while you stay awake and do them.  
Congratulations, Johannes Moser, Hotel Manager.

### **Empathy Is An Important Factor**

Another key is Atle Brynestad's "heart." The company shows genuine respect and empathy in dealing with its employees on every level. The only way to lose one's job at Seabourn is to lack that empathy for fellow employees and for guests. If there was a company song, it would be that old vaudeville number, "You gotta' have heart." Heart translates into a recognition that everyone on the ship is literally in the same boat, and that it is a special boat where dreams come true for the guests and the employees.

Finally there is empowerment. Seabourn is not purely a creation of Brynestad, Titus, and Pimentel. Indeed, 25 percent of the company is now owned by Carnival Cruise Lines, the world's largest cruise line, which has an option to buy another 25 percent. This year Seabourn will post its first profit and the first profit any line has made in the high end of the luxury cruise market. "It shows you that these (small luxury ships) could not make money on their own," points out Carnival's Chairman and CEO Micky Arison.<sup>13</sup> However, by being linked to the Carnival family, they have the opportunity to use purchasing power and sales force, which has been instrumental in turning them around." Arison is also quick to point out that "the very good management team put together by Larry Pimentel is equally responsible for Seabourn's success."

Clearly Carnival's management team, like Seabourn's, understands that what drives the company is that it is a creation of the people on the front line who interact with the guests and together shape the experiences for the benefit all of the parties. Larry Rapp adds:

Everybody in this industry talks about moments of truth. There is no place on earth where a company has more moments of truth than on a cruise ship. They wake up in the morning; they meet their stewardesses. They go to breakfast and see our waiters. From there they go to a lecture on the next port of call



or to an aerobics class. Every time they turn around, they encounter a member of our staff. There are hundreds of moments of truth every day. And obviously every one of those has to be positive or we lose.

Hotels and restaurants are not cruise ships, but the techniques that have won Seabourn and British Airways their top rankings as a service experience can nevertheless serve them well. They are simple to enumerate but difficult to accomplish:

- Affluent guests don't buy rooms or food or seats. They buy experiences. The more personal the experience provided, and the more unique it is, the more customers are willing to pay for it. Value is not merely a function of dollars. Satisfaction is an equally important dimension.
- Employees should be treated with the same kind of respect one expects to receive. It goes without saying that managers need to understand what respect means.
- Employees should be involved in shaping the product and empowered to deliver it, so that they share in the pride and rewards that come with accomplishment. Give them constant feedback so they can see how they are doing.

People want to work in an organization because they want to accomplish more than they can alone. Companies that can mesh the personal goals of employees with an organization's overall goals will succeed and prosper.

## References

<sup>1</sup>James Godsmann, president, Cruise Line Industry Association, Personal interview, August 11, 1994.

<sup>2</sup>*Condé Nast Traveler* (October 1993). 30,000 readers completed survey. The specific question asked was, "Based on your personal experience and keeping the price/value relationship in mind, please rate each of the following (hotels, resorts, cruise lines, spas, airlines, destinations) on the following criteria." Seabourn's overall score was 92.3, ranking it fifth in the entire survey. The Peninsula Hotel in Hong Kong ranked first. However, its score of 98.5 was higher than that achieved by any hotel, resort, or other category, and according to Condé Nast Special Projects Editor Aaron Sugarman, "and the highest I've ever seen." Sugarman says that this is a "classic list" and that "we haven't seen the numbers shift around a lot in the seven years we've been doing the survey." Personal interview, August 11, 1994.

<sup>3</sup>Ethel Blum, *The Total Traveler By Ship*, 12th ed. (Portland, Ore: Graphic Arts Publishing Center, 1993).

<sup>4</sup>Douglas Ward, 1994 *Berlitz Complete Guide To Cruising* (New York, N.Y.: Berlitz Publishing Company, 1994).

<sup>5</sup>A good example is Charles C. Parlow's article, *How Ritz-Carlton Applies "TQM,"* *Cornell H.R.A. Quarterly* (August 1993).

<sup>6</sup>Ernest Beyl, Seabourn Fact Sheet, December 17, 1992.

<sup>7</sup>Interview with John Lampl, British Airways Director of Public Affairs, August 8, 1994.

<sup>8</sup> Personal interview, July 16, 1994.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Personal interview, March 7, 1994.

<sup>12</sup> Personal interview, August 2, 1994.

<sup>13</sup> Personal interview, September 26, 1994.

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