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Managing the reputation of cruise lines in times of crisis: A review of current practices

Bingjie Liu-Lastres and Amy M Johnson

Introduction

Serving as both a luxury hotel and a traveling city, the cruise line industry acts as one of the fastest growing sectors within the tourism and hospitality industry. With a 62% growth in demand from 2005 to 2015, the cruise line industry expects to welcome 28 million global passengers on board (Cruise Line International Association [CLIA], 2018). According to CLIA (2018), the top five source markets of the global cruise industry are the United States (11.5 million passengers in 2016), China (2.1 million passengers in 2016), Germany (2 million passengers in 2016), United Kingdom (1.9 million passengers in 2016), and Australia (1.3 million passengers in 2016). Although the United States ranks as one of the most important markets for the cruise industry, the number of domestic cruise line companies remains relatively small, which is due to the necessity of obtaining substantial capital investment, and the intense competition (Ryschka et al., 2016).

Within such a competitive market, reputation has become one of the key assets that cruise line companies cannot simply overlook (Weaver, 2005). Reputation refers to “the prestige or status of a product of service, as perceived by the purchaser, based on the image of the supplier” (Petrick, 2002:125). Reputation helps distinguish a particular brand

from others as well as affecting peoples' attitude, perceptions, and purchasing intentions (Petrick 2002, 2011; Weaver, 2005). The strong relationship between reputation and consumer decisions and behaviors has been well reported by numerous empirical studies, including both the general marketing literature (e.g. Olshavsky & Granbois, 1979) and the cruise tourism literature (e.g. Perick, 2002, 2011).

Notably, the onset of a crisis can pose a direct threat to an organization's reputation (Coombs, 2007). This is especially true for the cruise industry. Cruise travel is considered one of the safest travel modes and is regulated by multiple international authorities (e.g., U.S. Coast Guard, the Centers for Disease Control and Prevention, and the Environmental Protection Agency, and European Maritime Safety Agency). However, there have been several high-profile crisis events on cruise ships in the past few years. Examples include the 2012 sinking of the *Costa Concordia*, where the cruise ship ran aground and overturned after striking an underwater rock, resulting in 32 deaths; and the norovirus outbreaks with Princess Cruises and Celebrity Cruises between 2010 to 2015, where a total of 30 gastroenteritis outbreaks took places on board and affected over 5300 passengers. These events not only threaten the safety of passengers and crew members, but also can be costly to affected cruise lines in terms of economic loss and reputational damage (Marti, 1995). Although reputational damage is normally intangible, it is the main cause of people's distrust in major cruise lines as well as of hesitations about taking cruises in the future (Harris Poll, 2013, 2014).

The development of an organization's reputation relies on time and the information stakeholders receive about the organization (Fombrun & van Riel, 2004). In particular, media reports serve as one of the most prominent information sources for stakeholders as well as for the general public, and thus, media coverage has become an important element in reputation management (Carroll & McCombs, 2003). History has demonstrated that crises have the ability to significantly harm an organization's reputation built over years or even decades. This is largely due to the fact that reputations are evaluative in essence and the public has a tendency to build their own reality based on the information they receive via media and personal networks (Champoux et al., 2012). Thus, without proper responses to negative incidents on cruise ships, the audience may misjudge the situation and lose confidence in the cruise line company, which can lead to long-term reputational damages (Liu-Lastres et al., 2018). Ineffective crisis responses can also

cause ripple effects, whereby the incident not only affects one ship, but also generates company-wide and even industry-wide ramifications (Ryschka et al., 2016).

Although the importance of crisis responses has been stressed by cruise line professionals and scholars (Liu-Lastres et al., 2018), it is necessary to stay informed regarding the current measures adopted by cruise lines in response to major incidents. Very few articles, however, can provide a comprehensive understanding of this topic. Thus, the purpose of this chapter is to review and analyze cruise lines' responses to major incidents between 2013 and 2017. In doing so, it is expected that the findings of this chapter can provide important implications for both researchers and practitioners. Guided by the Situational Crisis Communication Theory (SCCT), this chapter addresses the following research questions:

- How did cruise lines respond to major incidents onboard?
- How effective are these responses?
- What lessons can be learnt to better handle future crises experienced by the cruising industry?

Situational Crisis Communication Theory

This study is guided by the Situational Crisis Communication Theory (SCCT). The SCCT is one of the most widely used theories within crisis communication research (Avery et al., 2010). Based on an attribution approach and a situational approach, the SCCT aims to provide instructions for organizations to establish effective crisis responses (Coombs, 1995, 2007). More specifically, the attribution approach deals with how the information is perceived and gathered by individuals to form a casual judgement (Fiske & Taylor, 1991); while the situational approach suggests that contextual factors should be taken into account and a crisis response should always align with the actual crisis situation (Coombs, 1995). It is expected that these messages can help organizations protect their reputational assets as well as achieve other desirable outcomes from the communication process following the outbreak of a crisis (Coombs, 1995, 2007).

Furthermore, based on the attribution level (i.e., to what extent an organization is responsible for the crisis), the SCCT groups various crises into three types, also known as crisis clusters. They are: the victim