

Security tightened,
fear rejected

Boom or \$53
billion gloom

Is product choice
too complex?

Sherry aims
for 10%

CRUISE insight

THE GLOBAL CRUISE MARKET
Spring 2017

MAGAZINE

**Global approach hikes
FCCA revenue**



Cruise companies up security but reject fear

As Celebrity Cruises exhorts potential travellers to ‘Reject Fear’ and Carnival Corporation brings in Interpol to enhance onboard security, Maria Harding and *Tony Peisley* consider how fears over safety could affect cruise bookings – and what the industry can do to safeguard both its passengers and its ‘safe at sea’ image.

When Swan Hellenic and Voyages of Discovery parent All Leisure Holidays went bust two months ago, Chairman Roger Allard attributed the failure partly to a fall-off in passenger numbers prompted by anxieties over terrorism.

The more cynical among us may see some parallel there with British chef Jamie Oliver, who famously – and controversially – blamed the Brexit vote for the closure of part of his restaurant empire. Yet Allard – who had warned as far back as February 2016 that trading conditions would remain challenging, “especially in light of the



escalating conflict in the Middle East and recent acts of terrorism” – was certainly not alone in his concerns.

Terrorist attacks in Tunisia in March and June 2015, followed by further atrocities in Paris that November and attacks in Brussels and Nice last year, did indeed affect cruise travel patterns and demand in 2016.

In August, Lindblad Expeditions reported some cancellations of Southern European sailings and a switch in demand to Northern itineraries. Then, Celestyal Cruises CEO Kerry Anastassiadis told an international cruise summit in Madrid that the ‘fear factor’ among consumers “is the biggest challenge facing the growth of European cruising”.

And at year-end research company China Luxury Advisors warned that terrorism fears were already affecting the world’s largest and also biggest-spending tourist source market. It predicted that 2017 would see Northern and Eastern Europe and the UK benefiting from a “dramatic shift from Western Europe”, caused by anxieties surrounding the refugee crisis and concerns over security in France, Belgium and other regions.

“Chinese tourists will continue to keep a keen eye on security,” CLA warned, “and are likely to avoid areas hit most by the refugee crisis, despite the weak Euro.”

These predictions have been borne out by tourism data company ForwardKeys’ analysis of 16 million Chinese flight bookings for January and February 2017 (a peak travel period, as it spans Chinese New Year). This

showed that, while flight bookings to Europe are up an impressive 68.5% over the same period of 2016, tourist spread had altered considerably.

The UK and Spain – which were, respectively, the fourth and fifth choices of Chinese travellers this time last year – have zoomed up to occupy the number one and two slots this winter. But France – last year’s number one choice – has tumbled to fifth position, its slump attributed to the floods, strikes and widely publicised terror attacks which have plagued the country over the past two years.

So the writing is on the wall: security is a major concern. And the global cruise industry has not been slow to react to it.

Last September, while Clinton and Trump were battling for the US presidency, Celebrity Cruises moved to reassure the ever-jittery American public that international travel should still be an option with a bold ‘Sail Beyond Borders’ campaign.

Broadcast – for maximum impact – during the first presidential debate, it exhorted viewers to ‘reject the rhetoric of fear’ and explore ‘a world of differences... that expand and enrich us’.

By January 2017, Holland America Line was sailing in Celebrity’s wake with a multimedia campaign of its own, promoting “the power (of travel) to change the world”.

Headlined by three national cable TV commercials, supported by print and social media communications and promoted via the microsite www.Whywesail.com, the HAL campaign will run until next month. It will link with talks by HAL President Orlando Ashford highlighting “the transformational power of travel and how it opens minds, builds connections and inspires shared humanity”.

Celebrity and HAL are battling to win the hearts and calm the minds of America’s travelling public, but HAL’s parent Carnival Corporation has taken a more practical approach to security concerns. It has become the first maritime company to link with Interpol and screen passenger travel documents against its ICheckit global security system.

To be rolled out across all nine Carnival brands (which carry 11 million passengers), the new system will allow each ship to screen travel document information instantly against Interpol’s Stolen and Lost Travel Documents (SLTD) database, which contains more than 69 million records from 175 countries.

Having completed a three-month pilot programme on four of its Princess Cruises ships, Carnival now has clearance to integrate its global passenger check-in



“The ‘fear factor’ is the biggest challenge facing the growth of European cruising.”

Kerry Anastassiadis

process with the secure I-Checkit system.

“Having a highly effective and efficient security screening process is crucial, and the Interpol partnership enables us to enhance security seamlessly,” says Carnival Corp Chief Maritime Officer Bill Burke. “This is an important step for our company and industry.”

Outgoing Head of Global and Maritime Security Chris Malo says that the I-Checkit system – which has been available to airlines since November 2015 – checks documents seven days before travel, again 24 hours before departure and for a third time at check-in. But, since it only takes an average 30 milliseconds to complete each check, it will be virtually undetectable to passengers and won’t delay the check-in process.

Over the past couple of years Carnival has opened corporate security offices in the UK and Singapore to complement its existing security operation based at its Miami HQ, and also launched its – and the cruise industry’s – first Maritime Security Training Academy in the Philippines. All new security guards must now undergo specific training before working on Carnival brand ships.

Malo says that Carnival’s security professionals travel the world to assess potential threats and vulnerabilities, working closely with port management, law enforcement, coastguards, naval authorities, private security companies and government agencies including the FBI, the UK Foreign Office and the US Department of Defence, as well as Interpol.

“These relationships result in information-sharing and collaborative efforts essential to our proactive security programme. We monitor numerous intelligence platforms to detect issues before they impact our passengers, crew, or vessels.

“And many ports are assessed by our security professionals on a scheduled basis beyond the requirements set forth by laws, rules or code. Given our global footprint and reach, we are constantly focused on maintaining the highest level of security possible.”

That security process, it seems, will become increasingly visible to passengers. “Our aim is to minimise risk while allowing the smooth flow of guests, crew and supplies, but passengers and crew will notice a visible security presence while embarking the ship and throughout each cruise,” Malo says.

“Security personnel strictly control access to our ships, and we employ a variety of technologies including closed-circuit television, metal detectors, x-ray machines and explosives detection equipment.”

The aim is to guard not only against terrorism but also against onboard criminal activity. “Each ship in our fleet must report alleged criminal activity,” he notes.

“Depending on jurisdictional considerations and the severity of alleged offenses, we coordinate investigative efforts with appropriate law enforcement authorities.”

The industry-wide implementation of best practice on security through co-operation between cruise lines will

“Carnival now has clearance to integrate its global passenger check-in process with the secure I-Checkit system.”

be the way ahead in an increasingly challenging global climate, says CLIA UK & Ireland (CHECK) Andy Harmer.

“The whole industry is working to develop best practice in dealing not only with external threats but also with passenger safety onboard and the prevention of crime and accidents.”

He believes the industry is now also doing more to promote the comparative safety of cruising compared with other types of transport and holiday.

“There are incidents of passengers falling overboard or becoming victims of crime onboard or ashore, but such incidents are rare in relation to overall numbers carried by ships,” he says. “And, of course, cruise ships have the capacity to move away from the world’s trouble spots.”

Cruise industry observers are in two minds regarding the efficacy of ‘anti-fear’ consumer campaigns. Some believe they could work against the industry, bringing safety to the forefront of peoples’ minds when they might otherwise not think about it.

But Harmer believes such activity is more useful than not. “It’s a good thing, I think, to get out a message about how safe cruising is, both online and through the global travel trade – whose members can make very effective ambassadors and educators for the industry.”

Senior port managers are equally keen to ensure security issues are not only addressed, but are seen to



The Interpol partnership enables Carnival to enhance security seamlessly

be addressed. Global Ports Holding CEO Emre Sayin says: "I feel very passionate about security; if you ignore this issue, you will pay the price."

"Sometimes things can be a curse and a blessing at the same time. Some of our ports are in places like Turkey, where security has become a major issue, and that has given us a lot of know-how in this area."

"We have used that experience to develop the GPH Security Code, which makes our ports compliant not only with ISPS codes but also with two other ISO security codes now in place. So we aim not just to tick all the boxes, but to surpass them."

Part of this drive has been the development of the Portall programme, a proprietary piece of Cloudspace software which enables GPH to adopt best practices across a range of ports around the world. This is now being tested, with a view to making it available for other ports and consortia to buy.

Security and risk assessment specialist Risk Intelligence – whose MaRisk model of assessing security risks and best practice requirements at sea is now used by 12% of the world's merchant fleet – is also hoping for a positive response to its PortRisk product, which was launched in 2015 and expands the concept to cover the world's ports.

"PortRisk currently spans 170 ports," says Risk Intelligence CEO Hans Tino Hansen. "We plan to increase to 200 by mid-2017, and a total of 300–400 over the next 18–21 months."

"It's a big project, because at some ports we conduct physical surveys at least every 12 months. These are identified according to their importance, their risk profile and the demand of the client shipping lines."

Hansen says clients are increasingly requesting assessments of ports previously regarded as low-risk. His company has also surveyed the Suez and Panama canals, and is in the process of working on the Bosphorus.

A duty ops team is on the alert for incidents 24/7, relaying information and evaluating risk to clients with vessels in the region; and client feedback on port situations is shared with other clients for mutual benefit.

"We have special assessments of port cities as well," Hansen adds. "We monitor factors like street crime and incidence of kidnap, as well as train and airport access points. It's relevant for things like crew changes and other movements in which our clients are involved."

"The idea now is to develop the city part of our product specifically for cruise clients with passengers on excursions and crew ashore. We consider land-based threats and the logistics of putting security in place."

"It only takes an average 30 milliseconds to complete each check, it will be virtually undetectable to passengers."



Hans Tino Hansen

"We monitor factors like street crime and incidence of kidnap as well as train and airport access points."

Dan Richards, CEO of Global Rescue, a company which co-ordinates rescue efforts in the event of natural and man-made disasters, sees two counteracting trends – one positive and one negative – affecting cruise travel.

"On the one hand we have a degree of economic prosperity and people with high disposable income keen to spend it on experiences like travel. But on the other we see incidents of terrorism, disease (like SARS, Ebola and Zika) and natural disasters both increasing and appearing to increase, because they are being better tracked, publicised and brought to global awareness," he says.

This has increased anxiety about bad things happening, even though the statistical likelihood remains very low, he points out. And the effects can be devastating.

"Since 9/11 the perception that a terrorist attack is likely has increased, and this has largely destroyed tourism in once-popular destinations like Egypt – although the reality is that a traveller in Egypt is far more likely to be hurt slipping in the shower than in a terrorist attack."

So perception is all-important. "The object of terrorism is to inspire fear, and peoples' imaginations play a big part in this," Richards says. "In reality, the risk of terrorism in a maritime environment is statistically very low – there is more likelihood of a cruise passenger getting norovirus or being inconvenienced by a ship breaking down."

How can the cruise industry counteract unnecessary panic? With cruise agents and other cruise trade partners reporting increased concerns about world safety among consumers, any initiative which reassures the travelling public will be seen as a good thing for the cruise industry as a whole.

Just one side-effect of growing consumer unease is the relocation of ships away from regions perceived as risky – and a consequent overcrowding of cruise regions (like, at the moment, Northern Europe) which are still seen as 'safe'.

"As far ahead as 2019 we are seeing a lot of deployment away from the Eastern Mediterranean because the cruise lines are so twitchy – and the problem with highlighting enhanced security measures is that it can make people wonder if they ought to be afraid," says Edwina Lonsdale, Managing Director of long-established UK specialist cruise travel agency Mundy Cruising.

Another downside, she adds, is that travellers – who already complain about what a hassle flying is – may be concerned at the possibility of long security queues on

ships as well. "People have been talking about possible attacks on cruise ships ever since the old QE2 was launched – but what can be more risky than using the underground in a big city, which millions of people do every day?"

For Regent Seven Seas Cruises UK Managing Director Graham Sadler, upfront security can provide valuable reassurance. "Security is part of modern life, and when I see it I feel safer," he says, highlighting the importance of industry-wide co-operation to build faith in the safety of cruising.

"Cruising is at the forefront of travel safety and, statistically, one of the safest forms of travel. People are many, many times more likely to have a car accident than to be hit by terrorists or come to grief on a cruise ship, but it's important that they know that," he says.

Dr Julian Ayeh, Assistant Professor of Tourism at the University of the United Arab Emirates, would second that remark, having conducted research* into the number of Google searches made by English speakers querying the safety of different modes of travel and types of holiday

Though 'safe cruise' is only 15th in the list of most-Google queries – way behind 'safe flight' at number one – queries about cruise safety do increase dramatically in response to events, Ayeh says.

"Looking at the period from 2005 to 2013 (when 79 cruise ship collisions and 101 cruise ship fires took place) we see clear peaks in queries about cruise safety following dramatic and well-publicised incidents like the Costa Concordia capsizing in 2011 and, more recently, the terrorist attack which affected cruise tourists in Bardo, Tunisia.

"Tourists seek information from various sources to overcome uncertainties and mitigate perceived risks, and there is an increasing reliance on Internet search engines and social media forums.

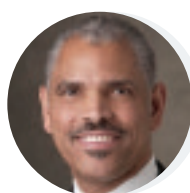
"It's very important, therefore, for the cruise industry to have a strong presence online and on social media. This must specifically address the safety concerns of people Googling about cruise safety by highlighting the industry's safety record and providing information about what is being done to address concerns.

"If the industry does not address such concerns proactively on official websites, people will turn to social media and take notice of peer reviews." And that, as we all know, is where misinformation, gossip and speculation can get way out of hand.



Graham Sadler

"Cruise is at the forefront of travel safety and, statistically, one of the safest forms of travel."



Arnold Donald

"Travel is the most powerful thing we can do, as it helps people discover how alike we all are despite the differences."

Carolyn Childs, co-founder of Australia-based MyTravelResearch.com, highlights the importance of joined-up thinking and a healthy corporate culture in addressing safety issues and security concerns.

"There needs to be a culture within companies which encourages openness and honesty so that people feel comfortable discussing any concerns and, in the event of a crisis occurring, can focus on doing things the right way rather than covering their backs," she says.

She cites the aftermath of the Germanwings disaster, when a suicidal pilot crashed a passenger plane, as an example of how things can go wrong.

"After that happened pilots were afraid to report any hint of depression during routine medical checks as it would result in them being stood down. In reality, being able to speak openly and get help and support is the most effective way of guarding against such a situation arising again."

Childs says that implementing effective crisis management and maintaining a good flow of accurate information are the best ways of reassuring the travelling public that cruising is a safe option.

"Cruising has successfully promoted itself as a holiday choice which gives people the freedom to do things – eat when and where they like, visit a wide range of places on one vacation, try things like cookery and water sports, and so on. But it's equally important, particularly for first-timers, to stress that a cruise can offer them freedom from other things, like anxiety about safety and the hassle of travelling."

For Carnival President and CEO Arnold Donald, anything which encourages people to explore the world and discover what they have in common with other nationalities is a step in the right direction.

"Our experiences with Fathom in Cuba – where hundreds of Cubans turn out to greet our passengers – have been an inspiration," he has said. "Travel brings us together and has done so from way back. It's the most powerful thing we can do, as it helps people discover how alike we all are despite the differences."

But he is also aware of what can go wrong when those differences erupt into violent acts. "Whether the world acts out of fear – whether the world overreacts – that's what keeps me awake at night," he admits. 9

**An analysis of travel-related queries on safety. Julian K Ayeh, 2016*