

Project Title
Cruising for Excellence Online
Category
Corporate/Brand or Digital
Sub Category
Design and implementation costs
over £100,000; Viral and e-marketing

Client Company
Royal Caribbean Cruises Ltd.
Design Company
Front Page
Date
July 2012

Section 1.1.1
Title page
Page

Welcome aboard.



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Section 2— Executive summary.

You've probably never thought of e-training as catalytic for enhanced brand equity, or that training could dramatically reduce marketing costs while also increasing sales. You might even think of 'the trade' as a necessary evil in the pursuit of higher sales and customer engagement.

After reading this submission you should think again.

Through Front Page, Royal Caribbean Cruises Limited (RCL) invested in online training that galvanised its three brand owners and 12 stakeholders into digging deep and spending £500,000 to create a unique training alliance.

RCL activated its brands globally through its trade channels to deliver training in 14 territories and 12 languages at an hourly rate lower than the UK's miserly minimum wage. And, in so doing, significantly affected consumer sales.

Front Page conceived, designed and built a bespoke e-training platform, comprising short training modules that created 'real life', immersive, 3D training environments in actual ship locations. For the first time ever, agents were able to 'walk around' a ship as if they were on board. Unexpectedly, agents used the

platform to bring the cruise experience to life for consumers, promoting the added value features of RCL's ships that were particularly hard to sell.

The concept of e-training wasn't new to Front Page, this being the second iteration of a platform that had already proven effective. But the advances in technology allowed us to dramatically enhance the experience and, with that, the results.

RCL exceeded its UK target tenfold, and trebled its registered trainees in only eight months. 92,000 hours of training were delivered at an average hourly cost of £5.39. UK agent take-up of training exceeded target by a factor of ten. Return on investment in year one was more than 2:1, but this will dramatically increase as the initiative has a potential lifespan of five years.

Word count: 298

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Section 3— Project overview.

In its call for entries to these awards, the DBA states:

"The best design is accountable, delivering both creatively and commercially. That's the very essence of effective design."

We couldn't agree more. It's a practice we've been putting to good effect, quietly, for a host of international brands in a leafy corner of Glasgow for the best part of 25 years.

For RCL we've made a particularly dramatic impact on their business over the past decade, through the use of genuinely innovative e-marketing (specifically e-training) aimed at an international trade audience, called Cruising for Excellence Online (CFE1).

CFE1 had, at its conception in 2006, pioneered e-training in the cruise market. But time waits for no man, and by 2011 RCL's competitors had nearly caught up.

To re-establish its reputation as an innovator, RCL decided that the ante needed to be upped. They asked Front Page how it could set a new benchmark in e-training that would attract new trainees (and by implication brand advocates and sales people) and once again put clear water between its brands and the competition. The result was a fully relaunched Cruising for Excellence Online (CFE2).

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Outline of the brief

The overall strategic objective of CFE2 was to engage with the travel trade, but a range of objectives underpinned the project:

—A paramount requirement was to build product trial (albeit virtually) into the mix, with the objective of increasing trade brand loyalty and consequently sales.

—RCL is known as a game changer in the cruise industry, and wanted to stay ahead of the competition that had begun to catch up on CFE's innovation with their own e-training programmes. RCL's new training platform had to reflect its market leading reputation, and so winning travel industry awards for the initiative would be considered a good secondary outcome.

The programme had to:

—support RCL's rapid business growth in the UK market, with more ships, new features and new destinations being added to the messaging.

—reflect the growth in digital technology and higher expectations of potential users.

—support sales and marketing efforts, ensuring the e-training clearly differentiated RCL from its competitors.

—allow the training to be customisable for all three of RCL's brands (Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises) to achieve specific brand awareness.

—increase registration to CFE by 25% within the first year.

Market overview

Royal Caribbean International is the flagship brand of RCL Cruises Ltd, and is the largest cruise brand in the world with net revenues of \$5.2 billion, 3.4 million passengers and a global market share of 17% forecast in 2012.

RCL operates two further brands; Celebrity Cruises (4.7% market share) and Azamara Club Cruises (0.2%).

During recent decades, the cruise industry has grown dramatically, with 22.3m cruise passengers forecast to be carried, worldwide, by 2015 (*Source: Risposte Turismo*).

The selling of this massive industry is complex. It suffers from perceptions of high price and many unique barriers to purchase. Perhaps because of this, cruise selling remains the domain of the travel agent. In RCL's case, 90% of its business comes through over 10,000 international travel agencies.

With such a reliance on travel agents as a 'sales force', getting across what makes one cruise liner better than another relies heavily on [expensive to deliver] agent training.

Travel agents are motivated to sell cruise brands by how easy and engaging the tools are supporting them. All have the same fundamental need: to 'see' the ships to help them sell. The best way to persuade a travel agent to recommend a particular cruise line or specific ship is to get them on board on a ship visit day. But with an international fleet of 34 ships, and over 10,000 travel agents potentially selling its cruises, that's not even a remote possibility for RCL.

The cost of delivering a ship visit is steadily rising, and now comes to £30 per agent. At the time of embarking on CFE2, the cost was £20 per agent, and in the year before CFE2 launch—in the UK alone—RCL delivered 4,000 visits at a total cost of £80,000 pa.

There had to be another way.
There was.

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Timing and size of design budget

The decision to embark on the development of CFE2 came initially from the UK marketing team. But a one-off investment to create an experience that could be the closest travel agents could get to experiencing life on RCL's ships without actually being on board would be an expensive undertaking. It was certainly too expensive for the UK trading company alone to justify. So the project required international buy-in and financial contribution from various RCL trading companies, and all three of RCL's brand teams (Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises) to sufficiently amortise the outlay and share the initial capital burden of such an investment.

The estimated cost to build and launch CFE2 was £500,000, which included 12 language versions. If the UK team could persuade RCL's other territories to participate, the UK proportion of the costs would be

£130,000. The business case was compelling, because the projected UK payback via the £80,000 per annum of ship visits (and rising) was possible in only 19.5 months.

So, the UK team approached its international colleagues in early 2010 to suggest they adopt stage two of the UK strategy in their own regions. They highlighted the secondary benefits of improved sales impact and brand awareness, and the consequent potential increase in sales if they took on the programme.

CFE1 was, despite its limitations, a powerful case study to draw on, and some of the international offices had already used a US adaptation called University of WOW! What's more, the costs would, for the first time, allow the creation of a tri-branded e-training solution for Royal Caribbean, Celebrity Cruises and Amazara that could also be applied to an updated University of WOW! training platform for use in the USA.

It took a year to persuade everyone that there was merit in adopting the UK model, but by April 2010 the answer was 'yes', and CFE moved into dry dock for its refit.

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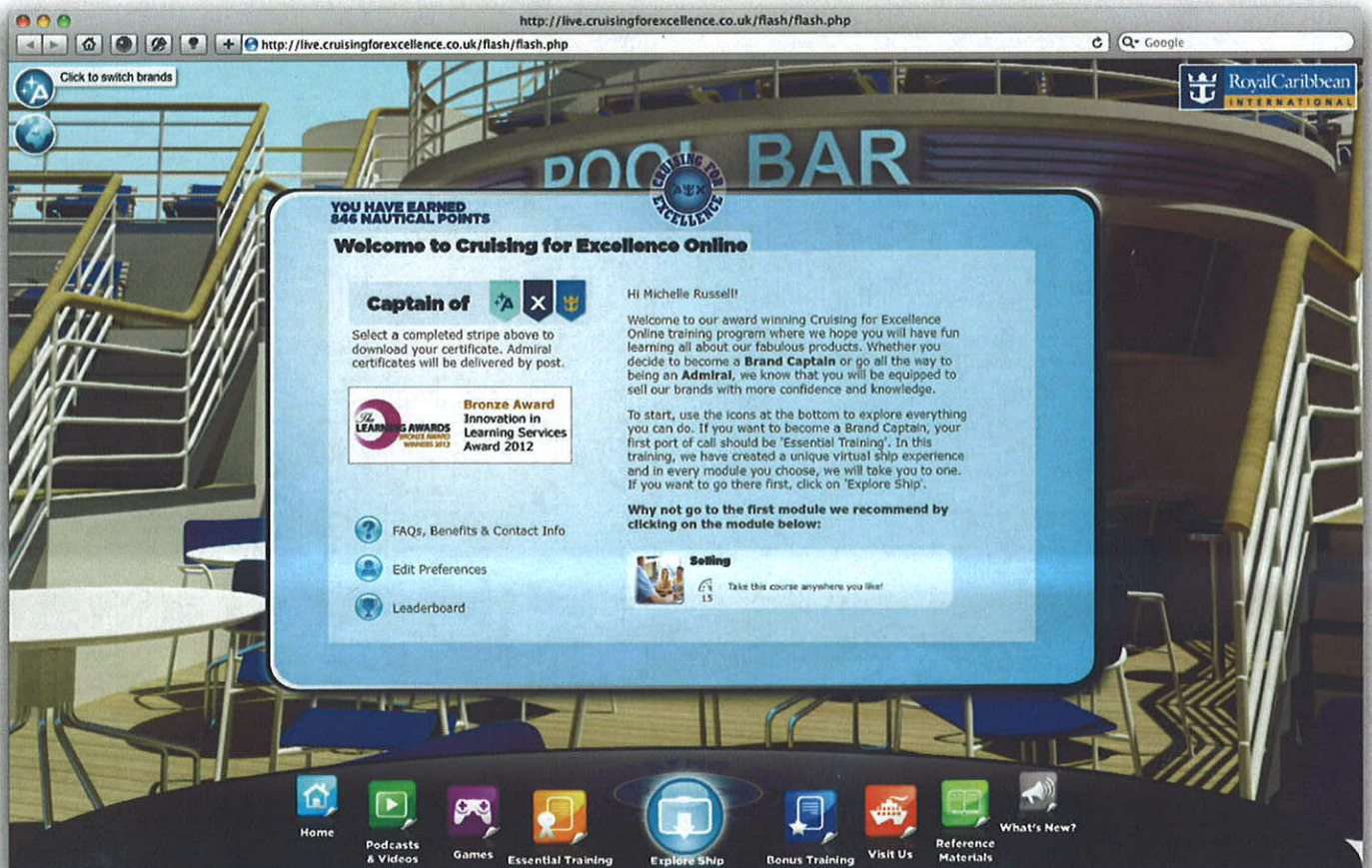
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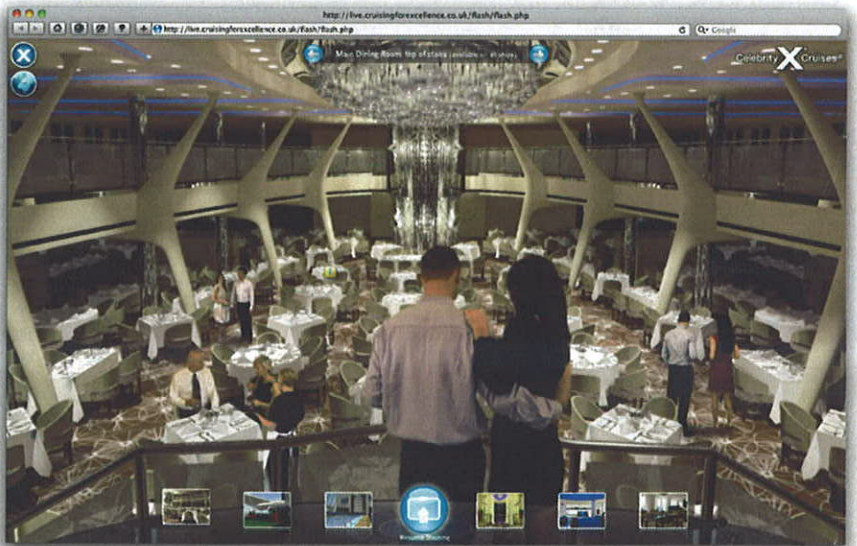
Outline of design solution.

We adopted a highly specified global trade marketing, brand-activation strategy. The technical description can be seen in the trade launch video.

www.cruisingforexcellence.co.uk/video/

CFE2 comprises short immersive training modules, set in 'real life' 3D environments in actual ship locations. The onboard experience is brought to life for travel agents through interactive learning games, supplemented by a variety of rich, 'fun' content. This enhances the learning experience and aids the sales process.





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The importance of research insight

Before starting anything, Front Page consulted a representative cross-section of RCL's CFE1 users. We held focus groups with travel agents and received 322 responses to an email questionnaire to establish training needs for travel agents on the RCL database. In particular, we were interested in how emerging technologies such as the iPad were impacting the way agents navigate and view online information, at work and at home.

We found that agents wanted to feel 'closer' to ships, enjoy a more interactive learning experience, and ensure that training sessions were succinct. So, training modules were capped at 20 minutes, allowing agents to participate during their breaks and dip in and out of the programme. That way they built their knowledge over a relatively short period of time, without ever feeling overwhelmed by the process.

The research was fundamental in defining the composition of the training, and led to us establish the following features:

—The platform was built in and around 18 interactive 3D ship environments that allow learners to take a look around key onboard sales features, populated by 'real' people recreating the onboard experience.

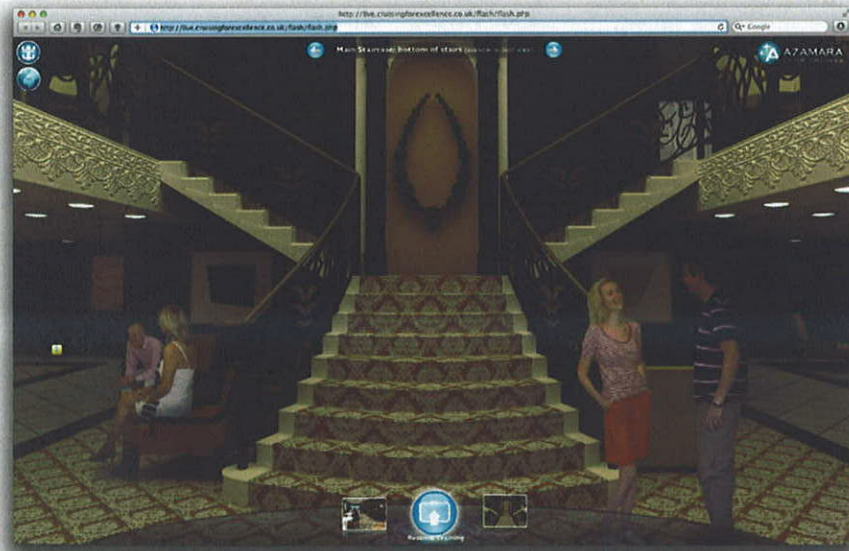
—Navigation is fun and simple, with visual training sessions including engaging quizzes and videos.

—Just like the levels in a computer game, modules require trainees to reach 'pass marks' to progress; scores aggregate on a leaderboard that creates competition between agents and within agencies.

—Agents who complete all essential training within a brand are designated 'Captain' status. On reaching this level, agents receive a video message from their sales contact at RCL with additional sales tips.

—Agents completing every module for all three brands are designated 'Admiral' status, and gain additional benefits in recognition.

—CFE2 is integrated with the agents' sales incentives. Agents completing the highest level of training receive bonus entries for prize draws that increase their chances of winning.



Launch

In the UK we launched CFE2 to agents at two 'film premiere' events in London and Manchester. Attendees tried out the new concept, and asked questions directly to the training team.

Trade PR enhanced awareness. Travel Trade Gazette held their first ever virtual cruise roadshow. It was important that the RCL sales team got behind the initiative wholeheartedly, so it was launched internally to the entire business, including senior management via training workshops.

The sales team was incentivised to increase registration and completion of courses, and was supplied with a suite of POS materials for agencies to track their success and enhance competition among their colleagues.

Webinars and Q&A sessions covered remote territories.

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Section 4— Summary of results.

CFE has been through two iterations and at the time of writing, has been adopted by 14 of RCL's markets and is now available in 12 languages.

The impact on brand activation and engagement has been truly remarkable.

For the first time, agents can 'walk around' a ship as if they were on board. This allows us to bring to life the added value ship features that are unique to RCL; that are often thought of as 'too good to be true' and very hard to sell. The platform, with its user-friendly interface, has proven to be so compelling that travel agents routinely use the 3D environments as a way to sell the ships' features to customers.

Highly accurate measurement tools

From the outset, RCL demanded accurate measurement and tracking of results. Consequently both CFE and University of WOW! have back-end databases that gather information (including contact details) of all trainees. Not only can we use these to accurately measure registration, course uptake and course completion, but we can use these databases to communicate with respondents on a regular basis to further encourage their participation. All the hard figures that follow have been taken from those databases. The amount of training time accrued has been calculated on an average training time of 20 minutes per module.

We have looked at results both from a UK perspective, where we have slightly more detail and a more mature programme, and from an international perspective (including the UK figures), which is not yet fully rolled out.

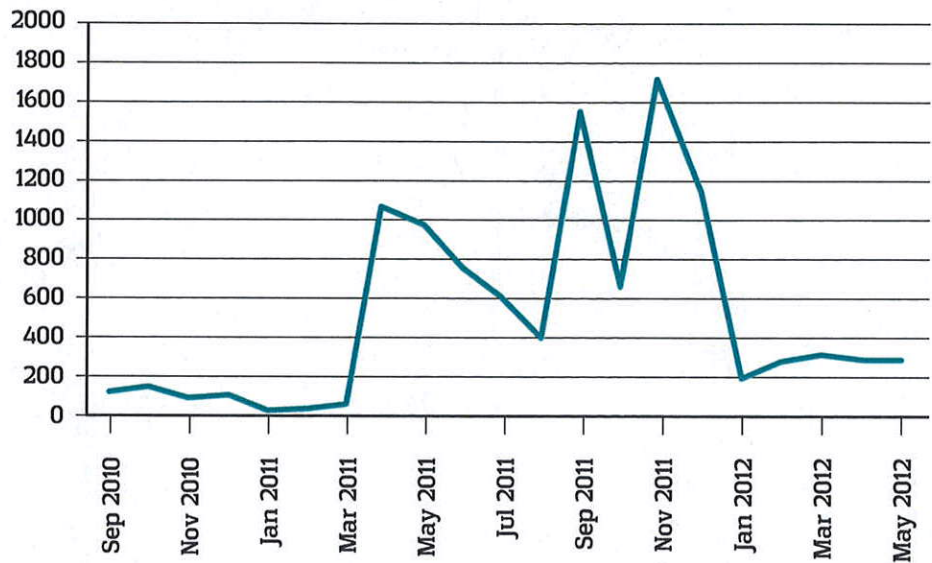
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UK results.

Prior to the launch of CFE2 in April 2011, RCL had registered 4,088 trainees in the UK over five years. But by the end of May this year, 13 months since launch, there had been 10,159 new registrations (a total of 14,247 registered agents); a 248% increase (almost ten times the stated target increase of 25%).



New UK registrations*

*Please note that December-February are heavy booking periods for the travel trade, hence new registrations tend to fall around this time. However, registrations were up on last year for this same timeframe.

Trainees have completed an average of 9.7 courses each, having trained a total of 46,058 hours.

To put that into context; on a budget of £130,000 this initiative has delivered UK training at only £2.82 per hour. That's less than half (46%) of the UK minimum hourly wage!

But low cost has not been achieved at the expense of quality. Look at what the recipients of the training are saying in the user research we conducted online.

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"I think all the courses are brilliant. I just love this training. I always sell Royal Caribbean, Celebrity or Azamara before any other cruise company. Thank you!"

"I am a successful cruise specialist, always online training, and this is one of the best, most interesting courses. I particularly like the way you can explore the ship."

"Fantastic way to learn, not pages and pages of information to read!"

"I recently began working for TUI Ltd and I have found these courses extremely helpful with getting me up to date and having a better understanding of cruises. Thank you very much!"

"Very well put together. Informative, and importantly the sensible length of each module encourages you to continue to achieve the appropriate status whilst at the same time enhancing brand knowledge."

Registration growth has been achieved with no drop off in conversion rate — 52% of registrants have completed sufficient courses to attain Captain status (7,408 trained agents), exactly maintaining the level of engagement and activity recorded before the re-launch.

At a cost today of £30 per ship visit, this gives the training a value to Royal Caribbean of £222,253 against an investment of only £130,000; a return on that investment of 1.7:1 in the first year alone. But that's only the beginning. That return will recur over a lifespan of up to five years.

What's more, 22% of registrants have achieved the ultimate and become Admirals. To reach that status trainees have to complete 34 training modules over 11 hours of online training, unpaid, and in their own time.

At a rate of £2.82 an hour, that's a cost of only £31 per person to complete the full training. For that, the trainee gains an intimate knowledge of all of the features and benefits of not one ship (£30 a visit) but three fleets: Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises.

That's a value to Royal Caribbean of:

Three brands x £30 per ship visit equivalent x 14,247 registered agents @ 22% completion = £282,090 per annum with up to five years life. That's an initial ROI of 2.16:1.

RCL were previously physically bringing 4,000 trainees a year to their ships (Royal Caribbean fleet only), at a cost of £80,000 a year. With this new and far better methodology, the number of trainees has increased to 14,247 with all RCL's ships represented across all three of their brands.

The net result?
Much better training
at a much lower cost.

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International results.

Globally, the numbers are arguably even better when one considers the complexity and cost involved in multiple translation.

Registered trainees have increased by 105% from 27,088 pre-launch to 55,594.

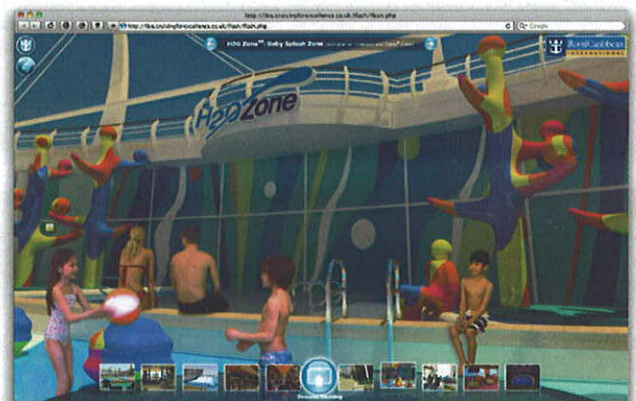
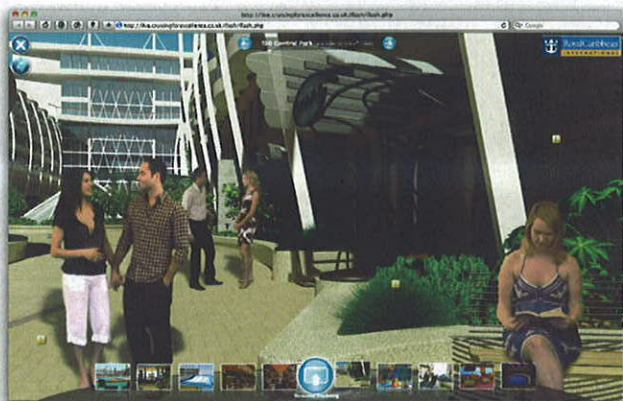
A whopping 278,000 courses have been completed (over five per trainee), despite many of these territories still being in their infancy at the time of writing.

92,666 hours of training have been delivered so far, at an average hourly cost of £5.39 – still only 89% of the UK minimum wage.

11,250 trainees have attained Admiral status – 20% of all trainees.

Using the UK ship visit costs as a benchmark, the value of this to Royal Caribbean is:
Three fleets x £30 per ship visit equivalent x 11,250 Admirals = £1,012,500 (on a recurring basis). Again, an initial ROI of over 2:1. And not all territories are fully rolled out yet.

Overall, agent take-up of CFE2 training has wildly exceeded expectations and targets.



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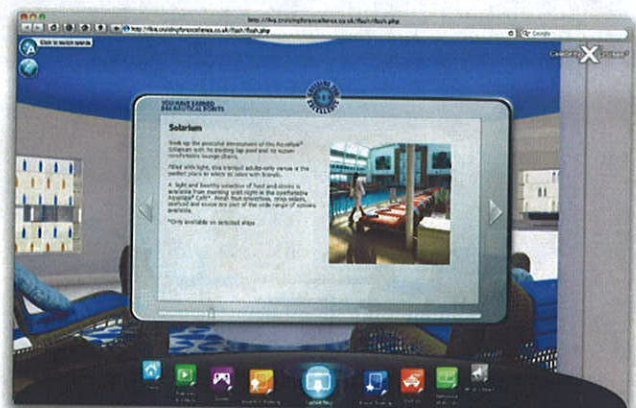
Sales effect

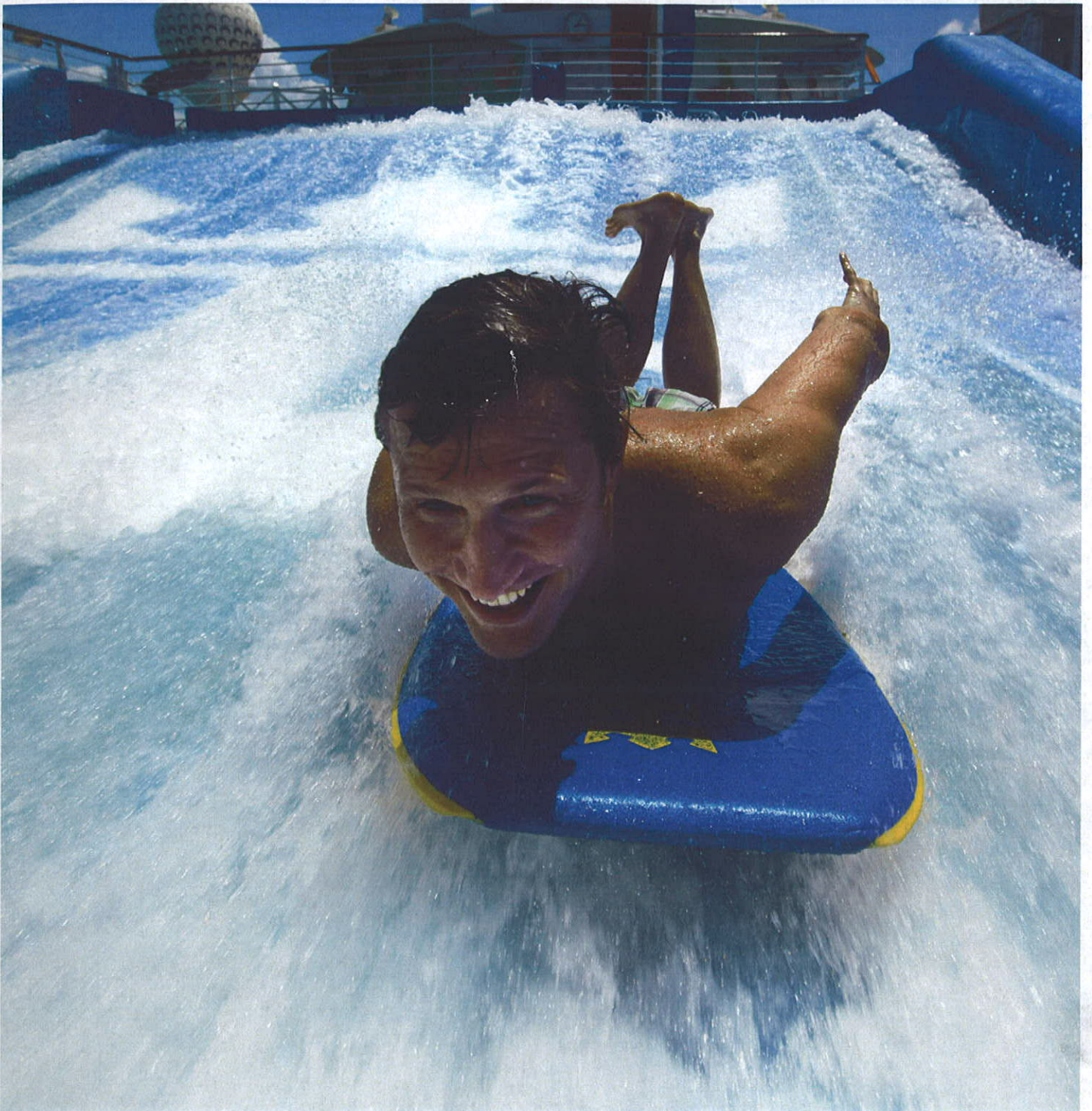
Although sales of Royal Caribbean International, Celebrity Cruises and Azamara Club Cruises grew significantly throughout the period, it would be disingenuous of us to make overt claims about the impact of CFE2 — much as we would like to, and much as we feel there is a case to be made.

For example, Celebrity Cruises sales were up 11% in the first six months of CFE2, compared to pan-European cruise market growth of around 4% (*Source: Cruise Market Watch*), but to disentangle the undoubted impact of CFE2 would be almost impossible. All three brands benefitted from substantial trade and consumer marketing support, and this would most likely account for RCL's market outstripping performance.

Improved reputation

There's no question that this programme has had a positive impact on RCL's reputation. CFE2 went on to win Training Programme of the Year in the UK's leading travel awards, organised by the Travel Trade Gazette; two awards at the Marketing Star Awards; and an award at The Learning Awards. All this satisfied RCL's desire to enhance its brand reputation as an innovator with the travel trade.





INDUSTRY-LEADING
TRAVEL TRAINING
FOR LESS THAN A **FAST FOOD**
WORKER'S HOURLY WAGE

Front Page

Design. Advertising. Digital.

14

TERRITORIES

12

LANGUAGES

12

STAKEHOLDERS

THREE
BRANDS

55^k

TRAINEES

ENHANCED
TRADE AND
CONSUMER
BRAND
PERCEPTIONS
AND SALES

PAYBACK

IN

19

MONTHS

EXCEEDED
UK TARGET BY

X10

OVER **278,000**

GLOBAL TRAINING SESSIONS

92,000 HOURS OF
TRAINING

**ADVANCED
TRAINING**

DELIVERED
AT

£2.82/h

Front Page

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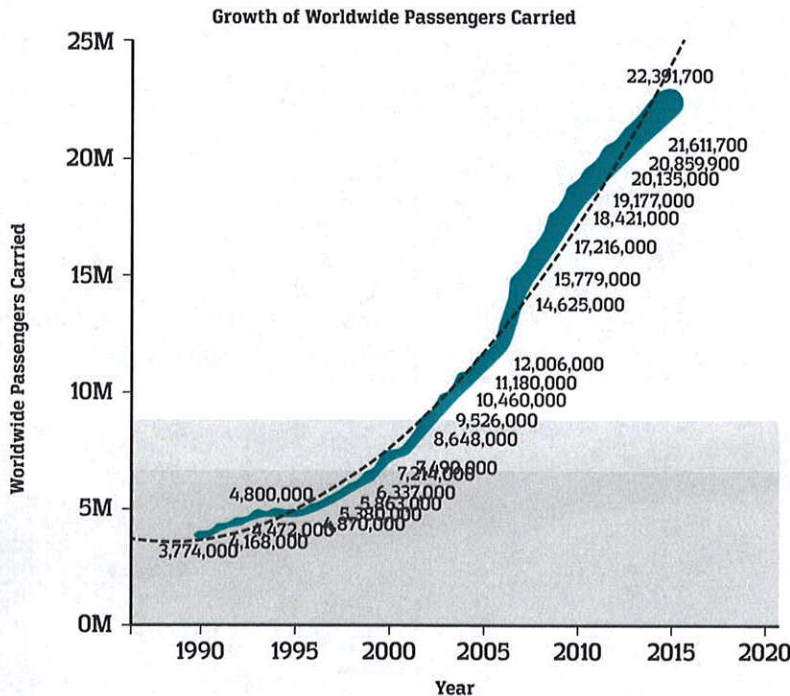
Section 5— Other influencing factors.

Were this a retail case study, or one in which sales effect was the direct objective, it would be important to consider the impact of macroeconomic issues, and of enhanced brand reputation caused by investment in external factors such as PR. But this is a story about the application of design and digital marketing in a very different way. This issue is about enhancing user experience and cost reduction, rather than sales.

Nevertheless, it's fair to say that the general economic trend favoured the cruise industry, and consequently it's not unreasonable to assume there could have been a knock-on increase in cruising interest among the travel trade, and a commensurate increase in training uptake. And it's true the cruise industry is indeed growing, as the chart below shows (*Source: Cruise Market Watch*).

But what this dramatic chart hides is the real scale of growth. In the year of the CFE2 launch, from which our data was drawn, the European Cruise industry grew from 4.683 million passengers to 5.053 million passengers—a growth of 8%. CFE2's registered users grew by 248% (outstripping market factors by a multiple of 31).

The only marketing around this activity was the small amount carried out by Front Page as part of the launch of the initiative. There was no wider industry move to promulgate e-training. The activity was by its very nature 'under the radar'—we didn't want the competition hearing about our initiative and there were no other identifiable marketing initiatives that could suddenly have grown RCL's trainee base by 248% other than the programme itself.



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And so...

It's fair to say that in a positive market (notwithstanding the concurrent economic climate), CFE2 had as good a chance of succeeding as at any other time. But by outstripping market growth by a factor of 31 in terms of trade adoption, the new initiative surpassed RCL's wildest dreams. It's our contention that Cruising for Excellence Online really can be described as design excellence in every sense of the phrase.

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