

# THE WALL STREET JOURNAL

## Crisis of the Week: Royal Caribbean's Stormy Cruise

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Guests relax on the deck of the Royal Caribbean Cruises ship Anthem of the Sea at the Cape Liberty Cruise Port in Bayonne, N.J. on Oct. 6, 2015.

Bloomberg News

*This week's crisis involves the response from [Royal Caribbean Cruise Lines RCL +3.75%](#) to criticism it received after [sailing one of its ships during hurricane conditions](#)—a situation that left some passengers fearing for their safety. The Anthem of the Seas had to return to port.*

*The company was questioned on [why it let the ship set sail](#) when there was a storm with winds of more than 100 miles per hour and after the National Oceanic and Atmospheric Administration sent out alerts four days in advance. CNN quoted a company spokesman as saying it was the decision of the ship's captain as to whether to sail.*

*In the wake of the incident, the company [took to Twitter](#) and [issued a statement](#) apologizing to customers, offering them refunds and admitting “we need to do better.” Despite that, [a U.S. senator is asking](#) for the government to investigate.*

*Looking solely at the statements issued by the company and the comments of its spokespeople, the crisis experts break down what the company did right and what it did wrong.*

**Jennifer Vickery, chief executive, National Strategies Public Relations:** “Royal Caribbean sailed their communications in the wrong direction. They left their passengers—who are also their money-generating customers—in a precarious position by claiming their captain had sole discretion to put thousands of passengers at risk. Its response on Twitter was lackluster and in a way assumed only 50% of responsibility by offering a future voucher for 50% off, thereby requiring those passengers to continue to spend money with them. Its statement that its offer was for ‘what they went through’ was unjust, uncaring and flat-out tired. The company really needed to communicate the depth of the situation, which seemed to have been incredibly scary. It put the responsibility on the captain, deflecting its own liability.

“How can future passengers truly feel secure about their purchase power knowing their safety [depends on the] discretion of a single-person, the captain, and not the corporation with which they are doing business? The experience sounds nightmarish and its communications matched.”

**Ira Kalb, assistant professor of clinical marketing at the USC Marshall School of Business:** “Royal Caribbean’s initial statements related to its sailing into a hurricane are difficult for some to believe. The company appeared to scapegoat the captain by saying it was his decision to sail. Even if true, the public will wonder why there’s no company oversight of one man’s decision.

“In a tweet, Royal Caribbean took credit for turning back to port by saying it ‘was made for guests’ comfort due to weather forecasts.’ After learning guests were terrified and the Ocean Prediction Center warned about the weather days before it set sail, a skeptical public might think the company is putting a self-serving spin on the truth while compromising its credibility.

“After the incident, Royal Caribbean followed proper crisis management protocols by apologizing, offering refunds and credits and limiting the scope by saying ‘only four people had minor injuries.’ It did not go far enough with the last protocol—proposing a solution so it won’t happen again. In fact, its statement ‘We simply didn’t anticipate that it could be 125-mile-per-hour winds’ may cause prospective customers to wonder ‘Why not?’ and choose other carriers for future trips.

“If Royal Caribbean wants to restore the public’s trust, it should clearly communicate the changes it will make to avoid a recurrence of this incident. Customers want reassurance that there is some oversight of a captain’s decisions. They’d like to feel secure the cruise company they selected will take whatever measures necessary to ensure a safe, enjoyable journey.”

**Vincent Schiavone, chief executive, AKUDA Labs & UDA:** “Royal Caribbean made bad risk decisions and bad communications decisions in deciding to sail and in its early crisis communications, but recovered well after the fact with excellent crisis communications and risk-process changes.

“RCL made three bad risk and crisis communication decisions. First, it chose to sail with clear knowledge of very bad conditions that were easily discovered and were not transparent to customers. The NOAA warnings were clearly much worse than what was shared by RCL, and were quickly discovered by the press and its customers. The lesson here is customers and the press have access to much more information today.

Second, RCL underestimated the impact of real-time text, image and video communications between customers and the press. Twitter, Vine, Pinterest and Facebook are not just social sharing with friends but real-time tip lines to the press. Third, RCL’s initial response was it was the captain’s decision. The captain of the Anthem [may have had] tremendous financial pressures to sail on time. The cost of lost revenue, crew and supply overhead for a ship the size of the Anthem is tremendous.

The company then made three excellent communications decisions. First, the CEO took personal responsibility and communicated the company made a mistake in a public apology. Second, RCL refunded 100% of the cruise cost and offered a 50% credit for a future cruise passengers. Third, RCL communicated it was addressing the factors that lead to the incident by implementing new procedures to involve additional risk review beyond the captain. It's hard to imagine the damage that would be done to RCL and the cruise ship industry if a mega-ship the size of the Anthem ever sank in a storm it should not have been in in the first place."

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