

£5.95 €8.00 \$8.95

2007 Volume 2

World Cruise

Industry Review

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Call of the sea

Cruise passengers have come to appreciate and expect easy access to a full range of telecommunications, and they are prepared to pay for the privilege. Rob Marjerison of Wireless Maritime Services explains to *World Cruise Industry Review* how this came about.

Rob Marjerison is a 20-year veteran of the cruise industry and a recognised authority on shipboard telecommunications and onboard revenue. *World Cruise Industry Review* spoke to him about the importance of shipboard telecommunications and the revenue it generates.

WCIR The use of mobile phones on ships has had considerable exposure in the media recently. What has been the lead-up to offering this service?

RM It's been 106 years since Guglielmo Marconi first sent a wireless signal across the English Channel. I suppose that was where it began but a more relevant point in time would be the 1970s, when cruising as we know it today was an emerging industry. At that time shipboard telecommunications was limited to Telex (similar to a telegram) and Inmarsat, which required a radio officer to establish a satellite connection (much like dial-up on land) and the use of a push-to-talk handset.

In the early 1990s cruise ships were equipped with always-on broadband satellite connections (similar to DSL on land). This allowed passengers and crew to initiate calls without assistance and the experience was similar to using a phone on land. Importantly, the cost of calls went down, the quality and convenience improved, use increased and shipboard telecommunications changed from an expense to a revenue stream for ship operators.

By the late 1990s, during the internet boom, shipboard internet cafes came into being and with remarkable speed went from being an innovation to becoming a standard service. By 2003 mobile phone services started becoming viable on ships and have quickly become an industry standard.

WCIR How have advances in shipboard telecommunications affected the passenger experience?

RM There have been a series of incremental improvements around four distinct phases. The first wireless telecommunication was the telegraph, then came written messages, later voice and most recently mobile telephone services.

When you think about it conceptually, email is faster and easier to use than tele-fax, but it's still one-way written communication and requires the recipient to facilitate delivery by going to an internet cafe, logging on and checking their email.

Hearing someone's voice on a telephone is two-way, it's real time and it's personal. However, until mobile phone services arrived, calls could be placed from someone on a ship, but not easily to someone on a ship. Instead calls were placed to 'the ship', and a message was (hopefully) delivered to the individual.

With the widespread availability of mobile phone services on ships, this has changed completely. Passengers can now make and receive calls, and use email at their convenience from nearly anywhere on the ship.

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WCIR There were concerns that mobile phone use would be disruptive to passengers who wanted to get away from it all. How has that played out?

RM Initially there was some debate about whether the use of mobile phones on ships would have a negative impact on the passenger experience. In fact, the opposite seems to be the case: people can be more relaxed knowing that they can be reached if needed. Of course, the use of mobile phones has to be managed on ships, just as it does elsewhere. At a theatre, a place of worship or an exclusive restaurant, it is usually requested that mobile phones be switched to silent or off. The same holds true for show rooms and fine dining rooms on ships. Shipboard management are skilled at this sort of thing. It's not dissimilar to non-smoking policies or the banning of video cameras and flash photography during shows.

WCIR How has the mobile phone service affected the cruise industry overall?

RM There are two significant impacts. Firstly, the conference, convention, incentive and group business travel industry is a multi-billion dollar business. For a huge portion of this market, cruising has not been an option because they must stay in close communication with business associates or family. Mobile phone and Blackberry-type services on ships, combined with the attractive value proposition and high level of service that cruises offer will make a compelling case for taking this business to sea.

Another large population sector consists of the many families that, with children busy at school and activities year-round, teenagers resistant to relinquishing their mobile phones and often both spouses employed, find it difficult to schedule time for a vacation together. Then there is the fast-growing trend of remote and home-office workers, who can often work from any location, even a cruise ship. If they have the flexibility of staying connected via mobile phone or Blackberry, they are more likely to consider a cruise vacation.

These demographic groups are very attractive to the cruise industry because they tend to have disposable income, are often reimbursed by their employers for telecom expenses and are potential repeat cruisers for years to come.

Combined with these groups are others that feel they must be easily reached for some reason, whether it's by an elderly parent or children at home, clients, stockbrokers or close friends. The overall impact of mobile phone services is good for passengers and for the cruise industry.

WCIR How much does it typically cost to use mobile phones on ships?

RM Rates are set by each carrier and vary. Maritime calls are considered international roaming and most carriers charge about \$2.50 per minute. Considering that calls from cabin phones are still around \$7-9 per minute, this is good value for the user. Text messages cost less. Both offer the convenience of being connected and even initiating communication while not in the cabin.

WCIR How has the mobile phone service been received by the cruising public?

RM That is the question that really matters. If use is an indicator, it seems to have been very well received. People are using their mobile phones

on ships more than anticipated, and volume is growing steadily. Cruise lines have a long history of soliciting passengers' input and acting accordingly. The consensus now is that mobile phone services enhance the cruise experience.

WCIR What is coming next for shipboard telecommunications?

RM The answer to that comes in two parts. There are incremental steps or trends, and then there are events that will truly change the experience. In broad terms, we in the cruise and the mobile phone industries can't drive the market, the market drives us. There are many examples of cool new technology solutions looking for problems to solve, but consumers vote with their feet and their credit cards, we can only try to anticipate their desires and be proactive in filling demand. With that in mind, I think we will see some of the same trends as on shore:

- Users will want onboard mobile phone use to be seamless and similar to roaming anywhere else.
- Use will grow steadily. Every year more people start using mobile phones, and once they start, no one ever stops using a mobile.
- The value proposition for users will improve, not necessarily through lower rates, but through more and better services and offerings. For example, I am thrilled to have Google Maps and GPS service on my mobile phone, even if it costs an additional \$9 a month.

When someone on a cruise can have a two-way audio/video call on their mobile phone, it will have real impact on the cruise industry.

- We will see a convergence of voice and data as more people use their PDAs, for internet and email as well as for telephone services. As this occurs, users will become less dependent on PCs or their laptops, so internet cafes and wi-fi connectivity will change.
- Crewmembers will migrate their use from ship phones to mobile phones and SMS use will be prolific. This will be transparent to passengers, but is significant to cruise lines. Over one-third of people on ships are crew, their telecom needs are considerable, and they have mobile phones. Cruise lines are increasingly competing for experienced and qualified crew. Easy access to telecommunications is important in attracting and keeping crew.

The next thing that I would consider a major step would be two-way live audio/video communication on mobile phones. Today we have live radio, but it is an extension of recorded content. We have video clips and some live television content, but it's not two-way communication. We can push content to users, allow web surfing and email, but when someone on a cruise can have a true, two-way audio/video call on their mobile phone and share the excitement of the cruise experience with someone back home in real time, it will have real impact on the cruise industry. [wc](http://www.cellularatsea.com)

Wireless Maritime Services is the world leader in providing mobile voice and data services on ships at sea. The company's solutions are engineered specifically for the maritime market. For further information, visit www.cellularatsea.com.

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