

***Cruise Lines International Association:
Master Cruise Counsellor Certification Program***

CASE STUDY 7

STARTING FROM SCRATCH

Going Nowhere Travel Agency is a small operation owned and run by the wife and husband team of Eleanor and Walter Klein. Eleanor opened the agency two years ago in Suburbia, PA after serving 12 years as a corporate travel counselor for Everything Travel – one of the communities biggest travel providers. Walter, a C.P.A., joined Going Nowhere upon his retirement.

After a somewhat promising first year where Going Nowhere Travel (GNT) was supported largely by Eleanor's corporate clients, business quickly leveled off. Because neither Eleanor nor Walter have experience in the leisure travel business, they decided to hire a specialist to focus on the industry's fastest-growing segment: the cruise client. You are to be this cruise counselor for GNT.

Creating a brand new agency cruise program will be a challenge, but the Kleins have said you'll have free reign to develop and implement promotions and sales efforts. As you begin to attack the task, some immediate problems are obvious. Last year, GNT grossed a little more than \$800,000, and just 35% of his business was leisure travel. Most of the leisure clients were unsolicited – friends, referrals and walk-ins. Because of the recent entry to the marketplace and the agency's primary client base, GNT isn't known as a vacation outlet – there's a severe identity problem. Although the agency has a strong location in a small shopping center anchored by a grocery store, competition is tough – there are eight agencies within a 10-mile radius, including Everything Travel.

The Kleins recently purchased three personal computers – one for you and one for each partner. The only other employee is a young woman who works part-time answering the phones and performing clerical duties. With start-up costs and the recent office additions, funds for marketing and advertising will be tight.

You ask the Kleins what their average monthly marketing outlay was for the past year. Walter explains that their promotional costs varied and usually depended upon how much excess cash was in the checking account. "For example, we did advertise regularly in the local weekly newspaper, because it was inexpensive," Walter states. "But we only occasionally advertise in the daily paper – like prior to our cruise night program." You discover that the cruise night – an in-office affair – was a flop and was only attended by a handful of dedicated friends.

You inquire about the agency marketing plan for the upcoming year. Eleanor responds, "We don't really have a marketing plan...because we're such a small agency and because Walter and I are busy with day-to-day operations, we never got around to actually writing a formal plan." Walter notes that marketing seems somewhat superfluous, because most of their vacation travel business consists of cross-overs from

the corporate side. “Plus,” he notes, “it’s hard to compete with the advertising dollars of some of the bigger area agencies.”

“What kind of cruise clients are you looking for?” you ask. “Any and all,” is the response. GNT sold only a handful of cruises during the past two years, and most of these were to clients who were cruise veterans and were already set on a specific cruise and itinerary.

The Kleins themselves have taken several cruises over the years, including a 2-week voyage to the Orient for their 25th wedding anniversary. “We love cruising as a vacation,” Eleanor says. Suburbia is a fairly affluent area, and we think there’s a market of people like us out there – we just don’t know how to get them through the door – that’s why we hired you.”

In your essay, answer the following questions based on the scenario described above@

- What is the first step you should take towards developing your cruise sales program? Why is this step so important?
- Considering the competition and limited financial resources, what marketing tools would you use to build GNT’s cruise business? Explain the benefit of each choice.
- What would you do to solve the agency’s identity problem?
- Where should the Kleins first look for leisure travel clients? What tactics would you use to approach this group?
- What would you define as GNT’s target market? How would you reach out to this market?
- Come up with three promotional ideas that match GNT’s goals, market and budget.
- What support would you seek from the cruise lines as you build your sales program?