

RETAIL

Starboard ventures to take duty-free retail beyond the transaction

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Celebrity Silhouette's on-board shopping. Image credit: Gilt

By SARAH JONES

NEW YORK As cruise ships become more jam-packed with activities, on-board retail operator Starboard Cruise Services is undergoing a transformation to make visits to its stores more of an experience.

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Whereas in the past travelers would turn to shopping as something to do after days out at sea, today retailers need to do more to become part of a guest's time aboard a ship, according to an executive from the company speaking at Luxury Marketing Forum on Sept. 26. Starboard, which partners with cruise lines such as Celebrity Cruises and Royal Caribbean, is seeking to add more discovery, entertainment and social components to its retail environments to add value and relevance to the broader on-board experience.

"Ten years ago, you would go on a ship, have a few days to experience a few things, and then after that you would go to the stores," said David Goubert, senior vice president for Luxury Cruise Lines and Asia Office at **Starboard Cruise Services**. "It was probably the least boring thing that you had on-board to do.

"Today is a very different world. The last ship that Royal Caribbean launched, Symphony of the Seas, has 18 restaurants, ice skating, sky diving, surfing, zip-lining, Broadway shows," he said. "It's not about, I have time. What can I do?' It's becoming a matter of What do I choose to do?' Therefore retail doesn't become necessarily top-of-mind for what to do on-board a ship.

"So where all the brands had to rethink about retail transformation, we have that on steroids. Not only do we have to think about retail in the sense of buying the products may not be the most important thing today, but we need to be relevant to the experience on-board cruise ships."

Luxury Marketing Forum was organized by Luxury Daily, with venue sponsor UBS

All aboard

Mr. Goubert noted that the cruise industry is booming, with high single-digit growth projected through the next decade, to the point where the growth is held up by the ability to build enough ships to keep up with demand.

A small fraction of individuals have been on a cruise, with 28 million passengers per year. However, once someone

travels on a ship, about half will return on another voyage within the year.

LVMH-owned Starboard operates more than 700 stores on more than 90 ships.

Starboard's contracts with cruise lines give it ownership of all of the retail space on-board. While it partners with a number of luxury brands including Tiffany & Co. and Cartier, the company's stores retail a range of merchandise that includes accessible souvenirs.



Boutiques aboard World Dream ship. Image credit: Dream Cruises

Around three years ago, Starboard set out to make its on-board retail reflect what was happening in the cruise industry, as well as what travelers were expecting in terms of experiences as they sailed.

The retailer established four pillars that guide its strategy, looking to bring entertainment, discovery, hospitality and a social connection to shoppers. Those who choose to embark on a journey with potentially thousands of other guests are apt to be interested in meeting and spending time with others.

As part of this strategy, Starboard trains its staff to uphold the credo "I am the reason guests come back again and again."

Putting this into motion, the company empowers its frontline associates to build a relationship over the course of a journey.

In the first days after setting sail, the focus is less on transactions and more on establishing a connection, becoming an "in-the-know friend" on the ship. Sales professionals may share tips for where to eat or what to do while in a port to overwhelmed travelers.

After making a first point of contact, Starboard encourages associates to write notes, and guests often come back. As the journey progresses, the staff gets to know the traveler better, and the stores hold increasingly intimate, personalized events.

For instance, on experience that Starboard runs on a Royal Caribbean ship takes advantage of a moving bar that rises from deck five to deck eight. The retailer invites guests to explore different timepieces at various elevations, starting from the submariner watches and rising to Omega's moon landing-themed pieces.



Royal Caribbean Rising Tide bar. Image credit: Royal Caribbean

The challenge for Starboard is that unlike a regular boutique that may offer a one-off event to cherished clients, it often needs to figure out how to replicate the same event week after week.

This has also changed how Starboard hires, making the company look for people who are naturally curious and enjoy interacting with other people. The company has added a shopping host role, creating a position that is focused on public speaking and engaging during events.

Hiring and managing is also different for on-board retail, as associates are out at sea for six months at a time.

Making memories

Genting's Dream Cruises is building a luxury travel retail concept aboard its new World Dream ship that focuses on experience and entertainment, courtesy of Starboard.

The cruise line's latest ship features luxury shopping, including the first Tiffany & Co. store on the water in Asia and Dior's first watches and jewelry boutique at sea worldwide. Both duty-free retail and luxury cruising have taken off in recent years, aided by Asian consumers' affinity for travel and shopping tourism ([see story](#)).



Tiffany Tea. Image courtesy of Starboard

One of the key shifts in how Starboard is looking at duty-free retail is seeking to make the purchase a memory that can leave the ship with the guest when their journey is over.

Millennials are known to be experience driven, always looking for the most exciting activity to share on social media. But the value of having ownership over a luxury product can be an experience itself.

During Cond Nast's International Luxury Conference on April 18, the CEO of Rimowa said he believes that while millennials are interested in experiences, it is not the only value that drives them. The pull of a luxury product, which has a story and experience itself, could be enough to attract the aging millennial group ([see story](#)).

"[Our mission is to] inspire guests to purchase merchandise that will forever remind them of the joy of their vacation," Mr. Goubert said. "It's not about product. It needs to be more meaningful. It's about creating a memory.

"Our role on-board ships is how do we create a memory that the guests can bring back home and will remind them two, three, 10 years later about that moment?" he said. "It's about creating that emotion."