

TRAVEL AND HOSPITALITY

Cruise line retail is about relationship building: Starboard exec

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Starboard manages the onboard retail for Dream Cruises. Image credit: Dream Cruises

By SARAH JONES

NEW YORK As the cruising industry continues to grow, with 32 million people expected to take a cruise this year, there are significant opportunities for luxury retail across both high-end and mass-market ships.

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In a conversation at Luxury FirstLook 2020, an executive from LVMH's Starboard Cruise Services explained how retail at sea differs from land-based strategies. One of the key differences is the ability for store staff to build deeper relationships over the course of a journey through interactions that happen outside the store.

"If you think about a customer who goes into a land-based retail store, it's 20 to 30 minutes, maybe a few hours, maybe you do develop a relationship with your favorite sales person and you go back again and again," said Stacy Shaw, vice president of the luxury division and retail experience at [Starboard Cruise Services](#).

"But in our case, it is completely relationship based. We have people onboard with us from seven days to seven months. They're very loyal customers," she said. "They come back several times a year. They often come back to certain ships because of the relationship that they have built with our crew, and that includes the people selling inside of the boutiques. It includes the relationships we make inside of the boutiques as well as outside the boutiques.

"Because we are duty free, we can't be open when the ship is in port, so we do have limited selling hours onboard. So what is our staff to do in the rest of the time? They go on tour with guests, they host them for dinner, so they're building relationships over the week or whatever length of time that the guest is with them, which leads to great rapport, complete trust, a lot of loyalty, and all of that translates into sales."

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Shopping at sea

Part of LVMH's selective retailing division, Starboard manages the retail spaces onboard cruise lines. Partners range from massive ships with up to 5,000 people to smaller luxury vessels that might have only 100 guests.

While cruise lines in the premium category such as Celebrity or Royal Caribbean are geared towards a broader

audience, there are still luxury customers aboard these ships. Recently, Starboard sold 13 watches to one traveler for a total of \$243,000, while another traveler purchased his fourth Fabergé egg for \$250,000.

However, luxury consumers make up a larger percentage of the audience aboard more upscale lines.

Aside from a difference in guest profile, the luxury ships tend to have smaller spaces devoted to retail, since many are more compact vessels. These operators also focus on building a retail experience that does not feel pushy.

The luxury client typically already has everything they could need, so the curation of products in the cruise line stores is more about delivering something unique. Products may also reflect the destination, allowing purchases to serve as a memento of the journey.



Boutique onboard a Silversea ship. Image credit: Silversea

Product curation is based partly on the general profile of a particular brand, however Starboard also looks at whether there are any clients who have been previous big spenders onboard to gear the selection appropriately.

Luxury cruise lines have different logistical concerns in terms of retail.

While a bigger liner will stay in ocean waters and will make consecutive trips leaving out of the same port, luxury ships tend to be smaller and they are taking travelers to more far-flung destinations. This means that it is more difficult to change the merchandise selection as frequently.

One of the ways that Starboard is offering newness, particularly during longer journeys, is through trunk shows.

In an effort to better tailor retail experiences to a particular cruise operator brand, Starboard has reorganized its operations so that teams are now working on specific lines.

Next generation

One of the changes within the upscale cruise industry has been the increase in shorter itineraries. Whereas luxury journeys used to be geared toward an affluent retiree who could afford to be at sea for weeks or months at a time, trips that are as short as seven days open up this type of travel to a younger audience in their 40s or 50s.

Cruising is catching on with an even younger audience. Millennials' thirst for adventure and experiences coupled with a lack of funds has cultivated a surprising interest in cruising.

While many experts would assume that millennials' enthusiasm for unique experiences in travel would call for an aversion to cruising, JD Power has found that this is not the case. They may desire to see the world, but their money values and previous experience with family on cruises has resulted in 94 percent of consumers saying they are likely to take a cruise soon ([see story](#)).

Starboard's focus on experience extends to retail programming.

For instance, Italian jeweler Bulgari worked Starboard Cruise Services and Costa Cruises to stage an experience that blends elements of entertainment, product showcase and brand education.

The Bulgari Jewelry Fashion Show is being held once per itinerary on the newly launched Costa Venezia vessel, which set sail for the first time last year. This reflects Starboard's approach to on-board retail, which aims to take shopping beyond a transactional experience ([see story](#)).

"Price point is not typically an issue for [the luxury cruise guest]," Ms. Shaw said. "When it comes to retail, they have almost everything they could want already, so you have to think about the retail experience that you're providing for these people in a very different way and they're really looking for unique, often destination-focused, exclusive products that they can't get anywhere else or that will trigger a wonderful memory from the trip that they took to that exotic location that they went to.

"These people who have everything are looking for almost money-can't-buy, behind-the-curtain type of experiences, so that's what we're focused on," she said.

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