INSIDE INTERVIEW

KEYS TO SUCCESS

Talking with Captain Lars Bergstrom and Hotel Director Hugo Vanosmael about Norwegian Jewel.

by

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Line ships currently based in New York. While several other cruise lines have attempted to base ships year-round in New York, only Norwegian and Royal Caribbean International have been able to make a go of it thus far. I asked Captain Lars Bergstrom and Hotel Director Vanosmael to share their views on why Jewel and Norwegian in general have been successful.

The story begins with a plan. "Homeland cruising, it came after 9/11," explained Captain Bergstrom. The idea was to base a ship in the major ports around the country so that the passengers would not have to travel far to embark on their cruise.

"People do not want to fly," Mr. Vanosmael elaborated.

With regard to the reasons for basing a ship in New York in particular, the Hotel Director continued, "It is a big market. We are not talking New York alone [but also] around New York. People come from Boston, Connecticut, Pennsylvania, even from Canada. In the winter, it is the only way they can go on a cruise relatively close by without having to fly."

"We have a lot of repeat guests in New York. They come twice a year, three times a year. We have that very often - - people sailing three or four times a year because they want to get away from the city. What's easier than to come to Manhattan and jump on the ship?"

While with hindsight, this strategy may appear obvious, in 2002, the prevailing wisdom was that a cruise ship would be hard put to handle the winter sailings out of a northern port such as New York. Captain Bergstrom, who commanded ocean-going ferries running between Finland and Sweden before turning to cruise ships, knows what winter at sea can be like and dismisses the East Coast winters: "that's nothing." Furthermore, a ship like Norwegian Jewel can handle adverse conditions.

Captain Bergstrom gives Jewel's azipod propulsion system much of the credit. "It is such a big difference to the normal conventional ship. [Those] ships have problems getting power for the stern. Here, it is no problem." The azipods allow the ship's propellers to be turned in any direction. As a result, essentially all of the ship's tremendous power can be channeled into maneuvering the ship. He noted that in a snowstorm with 35 knot winds in late 2010, Jewel was able to leave her berth in Manhattan and put out to sea with no tugboat assistance when no other ships were sailing. "It is very easy to maneuver."

Similarly, once out to sea in the winter, Jewel "behaves very nicely." The ship can travel very fast (25 plus knots). At the beginning of the cruise, her speed can be used to get passengers away from the northern weather quickly. At the end of the cruise, if the weather forecasts predict stormy weather for the northeast, "I can speed up going out of Nassau so I can go slower up here because when I go slower [in a storm] it is more comfortable for the passengers."

Both Captain Bergstrom and Mr. Vanosmael stressed the importance of Norwegian's Freestyle Cruising concept to the success of Norwegian's strategy. In its simplest terms, Freestyle Cruising is about giving the guests choices so that they can tailor their cruise experience to their own needs and preferences.

"If I were going on a cruise, I would go Freestyle cruising because that is the same as I do back home. I do not know in which restaurant I am going to have dinner. But I will go around and look a little bit. It is the same here." Captain Bergstrom said.

Mr. Vanosmael added: "It appeals to the New Yorkers because they do not want to be told what to do and when to do it. They want to go to dinner whenever they feel like it. They want to have options for the dining and they want options for the entertainment. They are used to having a lot of options in the City. When they come aboard, they want the same. We are not a city but we do have more options than the other lines do."

While the Freestyle concept is most often associated with giving passengers alternatives so that they can decide when and where to dine, Freestyle extends to other areas of the cruise experience such as entertainment. For example, passengers often have a choice of more than one entertainment event going on at the same time. "There are 2,500 people onboard. Maybe [we will have] a pool deck party and a show in the Spinnaker around the same time. Why would you focus on one event and then tell people 'sorry you can't come in because it is full?"

Nor is the Freestyle concept static. "The program is not set in stone," said Mr.Vanosmael. "It does-



Captain Lars Bergstrom

n't always stay the same. The main things, yes, but the other things we do, it is open for discussion. We always try to find ways of doing things a bit different and adding things. We change things every week."

One reason for this lies with Jewel's high number of repeat passengers. "They do not want all the time the same even if we have more options. They still like to be surprised. People like to be surprised all the time. Even when you have all the options [Jewel has], you have to go a little bit beyond to keep people interested."

Freestyle is also evolving by developing new concepts. "People like event entertainment. That is our objective with our new ship, the Epic, which has a lot of event entertainment with the Blue Man Groups, Le Cirque etc."

Currently, on Jewel, "we combine entertainment with lunch. We do the Big Band lunch, 'A Taste of India.', and the Murder Mystery lunch. It attracts people because it is something different. We are working on doing a Latin night and a country night in the atrium in the evening". The guests will be able to combine this entertainment with dinner in the restaurants

that surround the atrium.

Jewel was also one of the first ships in the Norwegian fleet to have the Nickelodeon characters onboard. This added a new dimension to the children's program. However, it did not mean that Jewel became a ship just for families. "It is not a Nickelodeon ship. We just have that as an option. If you do not want to have anything to do with it and you are traveling without kids, it is just there. You will see them once in a while but it is not overpowering. It is not the theme of the ship. This is Norwegian Freestyle Cruising with the option of Nickelodeon. It is part of the entertainment and part of the options."

nother key to success is a people-oriented management style. As Captain Bergstrom explained: "We are the top management - - the captain, hotel director, chief engineer and staff captain. If I can't stand Hugo and make life miserable for him, he will do the same for his food and beverage director, and his guest services manager and all the way down. People will not be very comfortable. If you do it the other way around like we are doing, setting a positive tone and having a good time, joking and joking with the crew, [the crew] see that. They relax because they know that if they make a slight mistake, we will not hit them with a baseball bat. They have more freedom here. We treat them

very nicely here."

"If you have a happy crew, you have happy passengers." Accordingly, much effort is spent to make the crew happy. "We have parties for them, we have shows for them. We have barbeques for lunch for the whole crew. All the different nationalities working here have their own parties on their national day. We do plenty of things to keep them happy. We make them feel like a family member when they are onboard. Once they are onboard, we take care of them. That's why you see a lot of happy people onboard."

To further motivate the crew there is recognition for customer-oriented performance. "We have one [program] where we bring them up on stage and they get an award. We have that once a month. And they get cash prizes. Normally on a ship, there are no days off but very good performers get recognition and a day off. That makes all the difference. The more we recognize the crew, they will perform, better and better." Mr. Vanosmael explained.

In 2012, Norwegian is changing the deployment of its ships. As part of this, Jewel and Norwegian Gem will be replaced in New York by Norwegian Pearl and Norwegian Star (to be replaced in 2013 by Norwegian Breakaway, which is now under construction). Consequently, in April 2012, Jewel will leave New York to take up residence on the West Coast during the summer and then in Miami, during the winter.



Hotel Director Hugo Vanosmael