F&B vs. Culinary Experience Management
The Example of the Cruise Sector and Implications for Destination Product Development

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CruiseT Workshop
Odessa, 18th – 22nd of July 2015
Do you like Olives?
Can you Imagine a Meal Just with Olives?

➤ Your regular olives...
  - Preserved and packaged
  - Mass-Produced
  - Stuffed with almonds, pepper, etc.

➤ ... Available in every supermarket

➤ ... Used to decorate salads and pizzas

➤ Do you even care where your olives come from?

➤ How much would you pay for 100 gr?
Home-grown Greek Olives
A Unique Meal

- Collected by the **wild olive tree at the Zeus Temple ruins** near my parents’ house in Rhodes
  - My mother send them to me
  - I prepared them myself with fresh herbs and cold-extracted olive oil

- This type of olive is a descendant of the wild olives grown in Greece since the ancient times

- They are not sold in retail:
  - Small size
  - Colour variations
  - Difficult to extract the pit
  - Strong taste

- ‘Can only be given, not bought’
What’s Special About Those Olives?
Is it not just any Olives you are eating...

- Wisdom & Education
  (Wise choices vs. Uneducated Decisions)
- Hospitality & Generosity
  (Always be friendly and respectful to strangers. You might be visited by a God)
- Life optimism & courage
  (There is always a way to slay the ‘monsters’ of fate – Constellation of Leo)
- The importance of values over riches
  (Glory and honour cannot be bought with gold – Thermopylae Anecdote)
- The gift of the Goddess Athena
  (Athena vs Poseidon Contest for naming the Greek Capital)
- Zeus wrath & Philemon
  (Zeus’ last chance to human kind and the reward to the kind couple)
- Hercules & the Nemean Lion
  (Fur of the monster rendered arrows and swords ineffective. Hercules splayed it using an olive wood club wood)
- Olympic Games
  (Winners would receive an olive wreath as a prize.Introduced by Hercules to honour his father, Zeus)

... It is Greek Culture! A perspective on life
CRUISE F&B FUN FACTS

A Logistics Challenge...
Some fun Cruise F&B Facts*

- **Every day 2,550 fresh eggs** are consumed by Holland America’s *Eurodam*, 2,100 guests and 900 crew.
- **A whole county in Iowa raises all its cattle for sale** to Carnival Cruise Lines.
- On board *Carnival Dream*, passengers eat of **28,730 shrimp every week**.
- **6,200 cocktails and 15,000 coffees** are drunk on Costa Ships every week.
- On board *MSC Fantasia* class ships, **2,000 different recipes** are used on a seven-day cruise.
- **280 bottles of free champagne, 10lbs of caviar and 120lbs of lobster** are devoured on Seabourn Ships over seven nights.
- On an average P&O Ventura 14-day cruise, 3,096 passengers and 1,200 crew will eat some **171,840 main meals**.
- During an eight-night cruise on board Fred. Olsens Budicca, **630 litres of ice cream** will be eaten.
- On a typical 10-day cruise, the shopping list for *Crystal Symphony* includes over **60 tons of food-stuffs** to be purchased and delivered to dock in the few hours on turnaround day.

* Source: http://cruise-international.com/cruise-food-facts/
Cruise Drink Facts...

SHIPFACED
What is the average alcohol consumption during a 7 day cruise?

- Wine glasses of wine: 2.1 per week, 0.3 per day
- Beers: 10,100 per week, 1,443 per day
- Mixed drinks: 32,700 per week, 4,649 per day

Total drinks:
- 61,000 per week
- 8,174 per day

- ShipMateBlog.com

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F&B AND CUSTOMER SATISFACTION

A Cruise ‘Satisfier’?
Cruise Dining Experience

CRUISE CRITIC’S 6 STAGES OF ONBOARD EATING

1. RESOLUTION (DAY 1)
   - Avoid bacon, sausage, donuts and breakfast sandwiches combining all three.
   - Scoff at passengers eating anything but salad.
   - Boast that the gym is your other cabin.

2. DENIAL (DAY 2, 3)
   - Skip your workout, blaming fatigue, hangover or sunburn.
   - Swim five laps in mini-pool instead.
   - Reward yourself after your pool “workout” with a large pina colada and a cheeseburger.

3. CRISIS (DAY 3, 4)
   - Realize formal clothes now cut off circulation.
   - While looking in the mirror, resolve to avoid donut breakfast sandwiches from here on out.

4. BARGAINING (DAY 5)
   - Convince yourself you’re not the fattest at the pool.
   - Reward yourself for not being the fattest with a large pina colada and a cheeseburger.
   - Dig out loose-fitting, elastic-wasted clothes from suitcase.

5. ACCEPTANCE (DAY 6)
   - Vow to try every type of food on board -- when else do you get all-you-can-eat chocolate lava cake, steak and soft-serve?
   - Accept that you won’t explode if you carry on like this for one more day.

6. EXPLOSION (DAY 7)
   - Oops.
Methodological Note:

- Time Frame: August 2012
- Sampling Method: Snow-ball method
- Data Collection: Online survey (both English & German)
- Sampling Frame: Cruise-specific forums (Kreuzfahrt-treff and Cruise Critics)
- Sample Size: 225 Survey respondents
### F&B Importance for Cruise Guests

**Service & Variety are Key Factors**

Q.6: How important is the availability of the following F&B or services on board for you?

<table>
<thead>
<tr>
<th>Availability</th>
<th>Not at all important (1)</th>
<th>Not really important (2)</th>
<th>Undecided (3)</th>
<th>Somewhat important (4)</th>
<th>Very important (5)</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;B Variety</td>
<td>0.6%</td>
<td>2.8%</td>
<td>3.9%</td>
<td>59.2%</td>
<td>33.5%</td>
<td>4.22</td>
<td>0.70</td>
</tr>
<tr>
<td>Destination-specific F&amp;B</td>
<td>2.2%</td>
<td>17.3%</td>
<td>10.1%</td>
<td>46.4%</td>
<td>24.0%</td>
<td>3.73</td>
<td>1.08</td>
</tr>
<tr>
<td>National-specific F&amp;B</td>
<td>12.8%</td>
<td>35.8%</td>
<td>17.9%</td>
<td>26.3%</td>
<td>7.3%</td>
<td>2.79</td>
<td>1.18</td>
</tr>
<tr>
<td>Good F&amp;B Service</td>
<td>1.1%</td>
<td>0.0%</td>
<td>1.1%</td>
<td>33.0%</td>
<td>64.8%</td>
<td>4.60</td>
<td>0.63</td>
</tr>
<tr>
<td>Familiar Cuisines</td>
<td>1.1%</td>
<td>13.4%</td>
<td>19.0%</td>
<td>53.1%</td>
<td>13.4%</td>
<td>3.64</td>
<td>0.91</td>
</tr>
<tr>
<td>Special F&amp;B Requests</td>
<td>12.3%</td>
<td>22.3%</td>
<td>19.0%</td>
<td>27.9%</td>
<td>18.4%</td>
<td>3.18</td>
<td>1.31</td>
</tr>
</tbody>
</table>

## Impact of F&B on Guest Satisfaction

*Catering matters....*

### Q.7 & Q.8 (Reaction to Absence & Impact on Satisfaction)

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Correlation Coefficient (r) (Bravais-Pearson)</th>
<th>Significance Level (p)</th>
<th>Correlation Strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;B Variety</td>
<td>0.523**</td>
<td>0.000</td>
<td>Moderate</td>
</tr>
<tr>
<td>Destination-specific F&amp;B</td>
<td>0.592**</td>
<td>0.000</td>
<td>Moderate</td>
</tr>
<tr>
<td>National-specific F&amp;B</td>
<td>0.690**</td>
<td>0.000</td>
<td>Moderate</td>
</tr>
<tr>
<td>Good F&amp;B Service</td>
<td>0.605**</td>
<td>0.000</td>
<td>Moderate</td>
</tr>
<tr>
<td>Familiar cuisines</td>
<td>0.515**</td>
<td>0.000</td>
<td>Moderate</td>
</tr>
<tr>
<td>Special F&amp;B Requests</td>
<td>0.647**</td>
<td>0.000</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed)**

Guest are forgiving with the catering...  
... But not so with the Service

Q.7: How would you react if the following F&B or services are not available on board?

<table>
<thead>
<tr>
<th>Availability</th>
<th>No</th>
<th>Accepting</th>
<th>Defensive</th>
<th>Reaction</th>
<th>Expressed</th>
<th>Confrontational</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I do nothing as I am not dissatisfied</td>
<td>I simply accept it</td>
<td>I do not book with that</td>
<td>I talk negatively to others</td>
<td>I write negative appraisals</td>
<td>I complain about it after the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>cruise line again</td>
<td>about it</td>
<td>online</td>
<td>cruise</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>F&amp;B Variety</td>
<td>10.1%</td>
<td>28.5%</td>
<td>10.1%</td>
<td>9.5%</td>
<td>10.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Destination-specific F&amp;B</td>
<td>24.0%</td>
<td>39.7%</td>
<td>3.4%</td>
<td>4.5%</td>
<td>5.6%</td>
<td>2.8%</td>
</tr>
<tr>
<td>National-specific F&amp;B</td>
<td>41.9%</td>
<td>36.9%</td>
<td>2.8%</td>
<td>1.1%</td>
<td>4.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Good F&amp;B Service</td>
<td>1.1%</td>
<td>9.5%</td>
<td>9.5%</td>
<td>8.4%</td>
<td>5.6%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Familiar Cuisines</td>
<td>27.9%</td>
<td>43.0%</td>
<td>5.6%</td>
<td>4.5%</td>
<td>5.0%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Special F&amp;B Requests</td>
<td>35.8%</td>
<td>14.5%</td>
<td>7.8%</td>
<td>4.5%</td>
<td>1.7%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>


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F&B AND CRUISE OPERATOR PROFITABILITY

F&B Cost and Economic Impact

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Cruise F&B Employment Impact:

- 5,955 Jobs (1.8% of total cruise employment)
- € 194 Mil in compensation (1.7% of total)

Cruise F&B Purchases from EU Manufacturers:

- € 666 Mil in provisions consumed onboard cruise ships

**Average Cruiser 2013**

**Financial Breakdown**


<table>
<thead>
<tr>
<th>Onboard Revenue ≈ 25% of the Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 1289, € 189, € 169, € 166, € 150, € 143, € 125, € 78, € 57, € 43, € 41, € 129</td>
</tr>
</tbody>
</table>

Cruise operators spend approx. € 8-10 / Day for catering each passenger!
Balance Sheet Analyses (RCL & Carnival) 2011*
Cost-Saving Pressures?!

Costs per PCD 2001 vs. 2011 excluding cost of onboard sales

Cost reduction excluding fuel: -25%

Cost reduction excluding fuel: -21%

Source: Vogel (2012)
FROM F&B TO CULINARY EXPERIENCES

The ‘Dream Society’ and Impact on Consumption

References:
Towards The Dream Society
Main Argumentation Of The Theory

**PAST**
- Technological advances
- Increased Rate of Change
- Manifestation of Need in Nostalgia / Escapism
- Uncertainty / Anxiety
- Need for Stability ("Slowing Down")

**PRESENT**
- Economic Development
- Focus on Story-Telling (rather than on products / services – Functionality / quality is taken for granted)
- Decrease of Materialism (Increased importance of conviction)
- Manifestation of Need in Nostalgia / Escapism

**TRENDS**
- Increasing importance for dreams & emotions
- Impact on:
  - Consumption
  - Work
  - Family
  - Leisure

**FUTURE**

Dream Society
A dream...

- Is symbolic in terms of expression
- It is often a response to emotional needs (revealing them)
- And it usually follows some kind of story-line (story-telling)
- While representing our beliefs and worldviews (convictions)
Cocoa... Indian meal at Village
(Activism – Care) ‘Eat Local’
Crocodile Nuggets... (Adventure)
Eating Cobra in Vietnam...
(Adventure – Identity)
Dining atmosphere...
(Nostalgia)
What makes eating an experience?

‘Story-telling’

Consuming a story, we consume a dream... We make it ours by eating it
F&B challenges & differentiation opportunities for Destination Suppliers (beyond the logistics):

- Themed Holiday Package / Excursion Development
- Mass-production and mass-customisation of culinary-experiences (Waiters as story-tellers)
- Managing impact of F&B stories in brand reputation (e.g. What do the current advertised food facts say about the Destination?)
- Health & Safety
- Sourcing & Uniqueness
- F&B Profitability vs. CSR (Economic Impacts... Where)
Editorial / Reviewer Functions:
- Special Issue Editor for the *Journal of Tourism in Marine Environments (TIME)* –
- Editorial Board Member of the *Journal of the European Journal of Tourism, Hospitality and Recreation (EJTHR)* –
- Reviewer for the *Tourism Management Journal* –
  [http://journals.elsevier.com/02615177/tourism-management/](http://journals.elsevier.com/02615177/tourism-management/)
- Reviewer for the *International Journal of Tourism Research* –
- Reviewer for the *Current Issues in Tourism Journal* –
  [http://www.tandfonline.com/loi/rcit20#.VZ1UbUaS8wc](http://www.tandfonline.com/loi/rcit20#.VZ1UbUaS8wc)

Administrative Functions:
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- Member of the Bremerhaven Univ. Research Committee

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- Co-Director of the *Institute for Maritime Tourism (IMT)* –
- Reviewer for the *International Journal of Hospitality Management* –
- Reviewer for the *Journal of Hospitality & Tourism Research* –
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