

Institut für  
Maritimen  
Tourismus

# F&B vs. Culinary Experience Management

## The Example of the Cruise Sector and Implications for Destination Product Development

Papathanassis

Prof. Dr. Alexis



Cruise Management &

E-Tourism

*Prof. Dr. Alexis Papathanassis*

**CruiseT Workshop**

Odessa, 18<sup>th</sup> – 22<sup>nd</sup> of July 2015



Cruise Research Society

# 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)

### The gift of the Goddess Athena

(Athena vs Poseidon Contest for naming the Greek Capital)

### Hospitality & Generosity

(Always be friendly and respectful to strangers. You might be visited by a God)

### Zeus wrath & Philemon

(Zeus' last chance to human kind and the reward to the kind couple)

### Life optimism & courage

(There is always a way to slay the 'monsters' of fate – Constellation of Leo)

### Hercules & the Nemean Lion

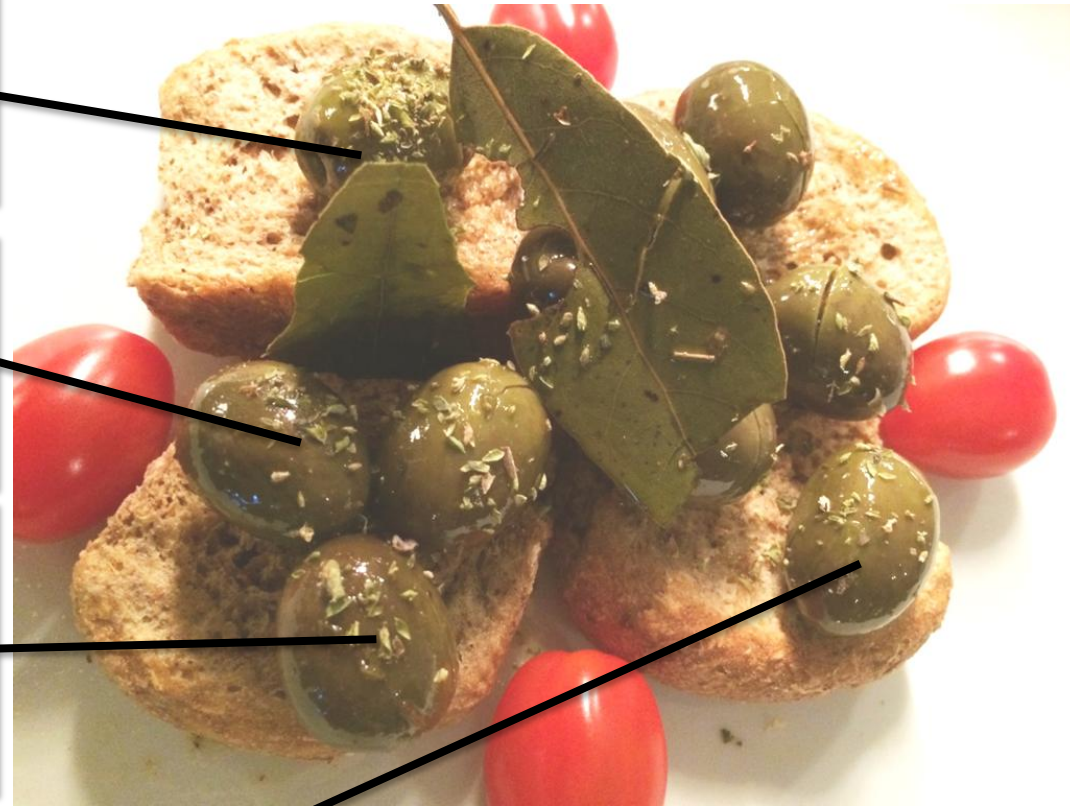
(Fur of the monster rendered arrows and swords ineffective. Hercules slayed it using an olive wood club wood)

### The importance of values over riches

(Glory and honour cannot be bought with gold – Thermopylae Anecdote)

### 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.

# Cruise Drink Facts...

## SHIPFACED

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



total drinks



per  
cruise ship

1,200  
per week  
171  
per day



glasses of champagne

10,100  
per week  
1,443  
per day



beers



per  
passenger

2.1  
per week  
0.3  
per day

5.2  
per week  
0.7  
per day



per  
cruise ship

17,000  
per week  
2,429  
per day



glasses of wine

32,700  
per week  
4,649  
per day



mixed drinks



per  
passenger

8.7  
per week  
1.2  
per day

16.8  
per week  
2.4  
per day

61,000  
per week



8,174  
per day

32.7  
per week



4.7  
per day

- ShipMateBlog.com -



# 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.
- Book emergency spa weight-loss treatment.
- 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 onboard -- 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.

## Stock-out on board cruise ships are not an option

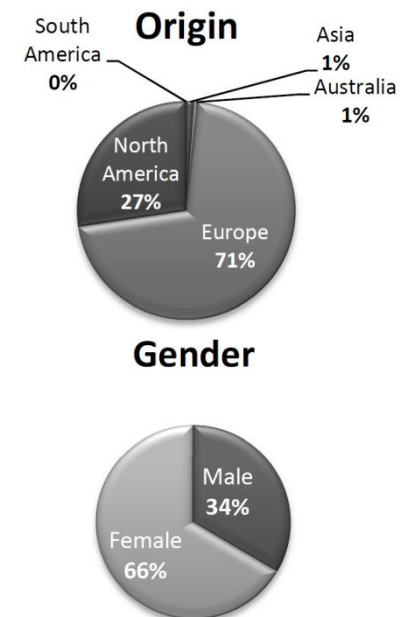
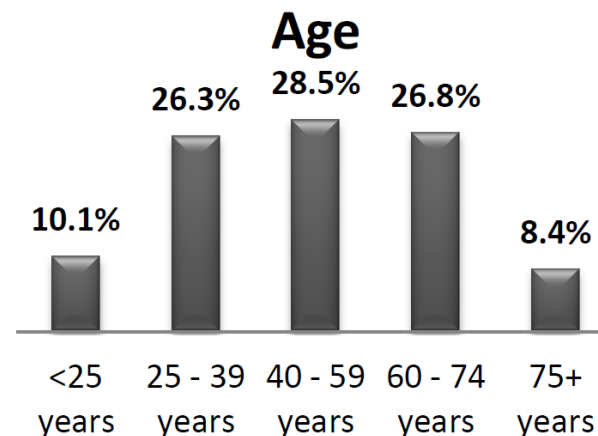
An analysis of the necessity of “no-stock-out” approaches for the replenishment of F&B

by  
Lisa Langreen

Supervisor:  
Prof. Dr. Alexis Papathanassis

### ► Methodological Note:

- Time Frame: August 2012
- Sampling Method: Snow-ball methc
- Data Collection: Online survey (bot 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?**

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

# Impact of F&B on Guest Satisfaction

## *Catering matters....*

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

Criterion	Correlation Coefficient (r) (Bravais-Pearson)	Significance Level (p)	Correlation Strength
F&B Variety	0.523**	0.000	Moderate
Destination-specific F&B	0.592**	0.000	Moderate
National-specific F&B	0.690**	0.000	Moderate
Good F&B Service	0.605**	0.000	Moderate
Familiar cuisines	0.515**	0.000	Moderate
Special F&B Requests	0.647**	0.000	Moderate
**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?**

Availability	Reaction								
	No	Accepting	Defensive		Expressed			Confrontational	
	<i>I do nothing as I am not dissatisfied</i>	<i>I simply accept it</i>	<i>I do not book with that cruise line again</i>	<i>I do not recommend the cruise to others</i>	<i>I talk negatively to others about it</i>	<i>I write negative appraisals online</i>	<i>I remark it negatively in the customer survey</i>	<i>I complain about it after the cruise</i>	<i>I complain about it right on board</i>
SPSS Code:	1	2	3	4	5	6	7	8	9
<b>F&amp;B Variety</b>	10.1%	28.5%	10.1%	9.5%	10.1%	3.4%	18.4%	1.1%	8.9%
<b>Destination-specific F&amp;B</b>	24.0%	39.7%	3.4%	4.5%	5.6%	2.8%	13.4%	0.6%	6.1%
<b>National-specific F&amp;B</b>	41.9%	36.9%	2.8%	1.1%	4.5%	1.1%	6.1%	0.0%	5.6%
<b>Good F&amp;B Service</b>	1.1%	9.5%	9.5%	8.4%	5.6%	5.0%	21.8%	2.8%	36.3%
<b>Familiar Cuisines</b>	27.9%	43.0%	5.6%	4.5%	5.0%	1.7%	8.9%	0.0%	3.4%
<b>Special F&amp;B Requests</b>	35.8%	14.5%	7.8%	4.5%	1.7%	0.6%	5.6%	0.6%	29.1%



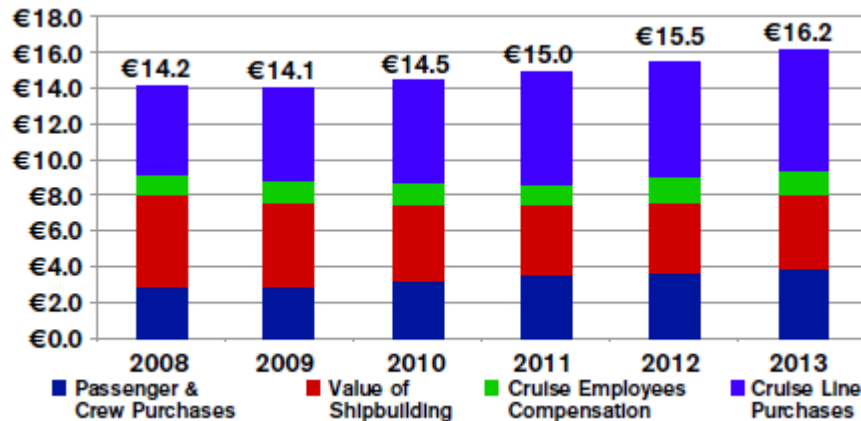
# **F&B AND CRUISE OPERATOR PROFITABILITY**

*F&B Cost and Economic Impact*

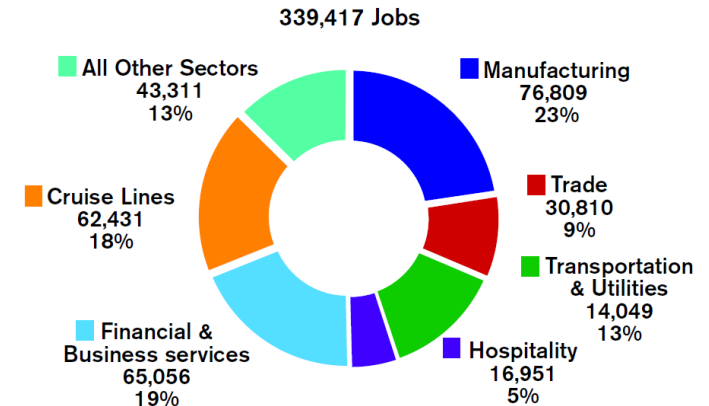
# Economic Impact of Cruise F&B in European Economies

## CLIA Europe Study 2014

Direct Cruise Industry Expenditures in Europe



Total Employment by Sector, 2013



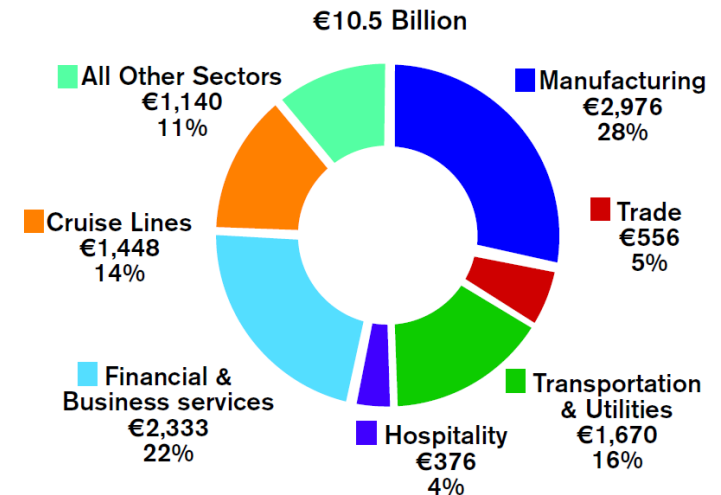
### Cruise F&B Employment Impact:

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

### Cruise F&B Purchases from EU Manufacturers:

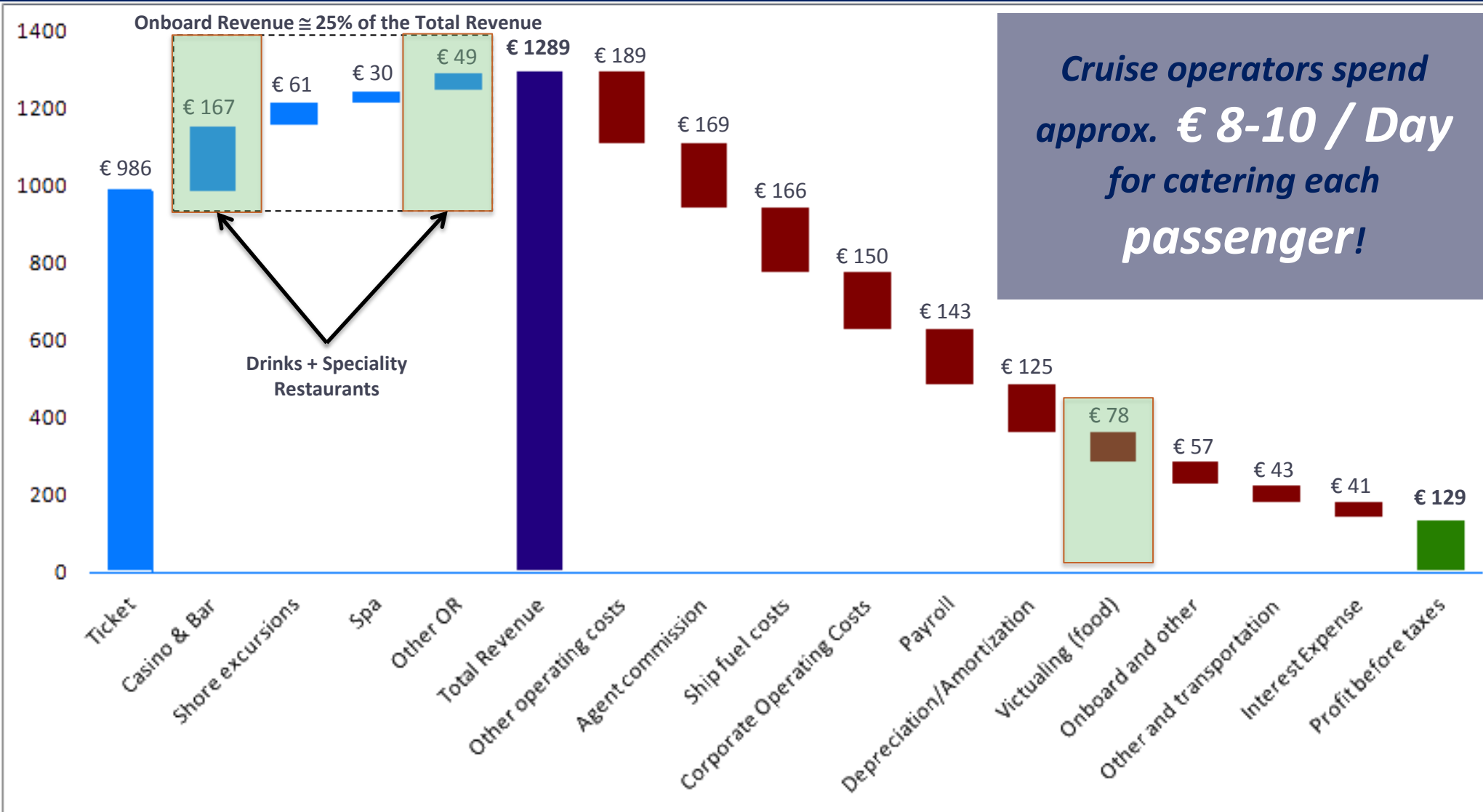
- € 666 Mil in provisions consumed onboard cruise ships

Total Compensation by Sector, 2013



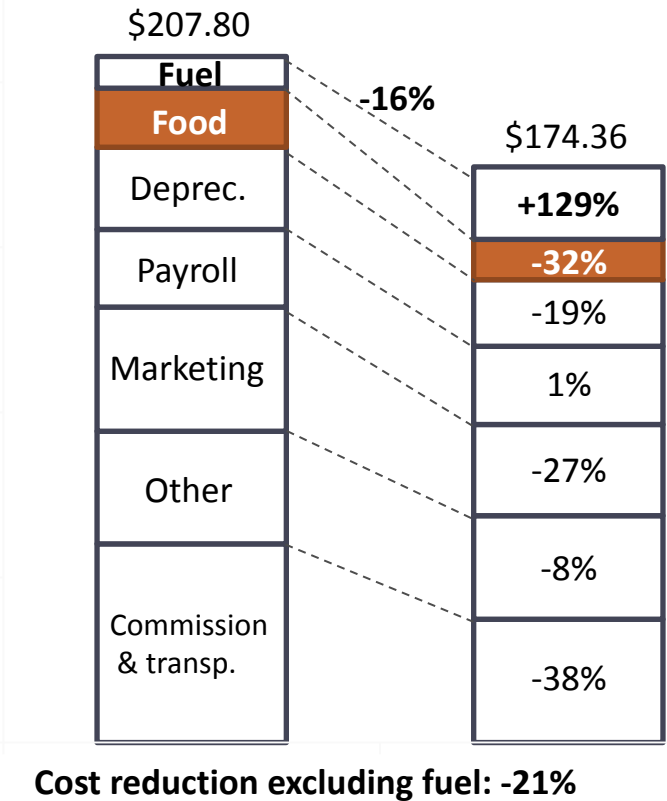
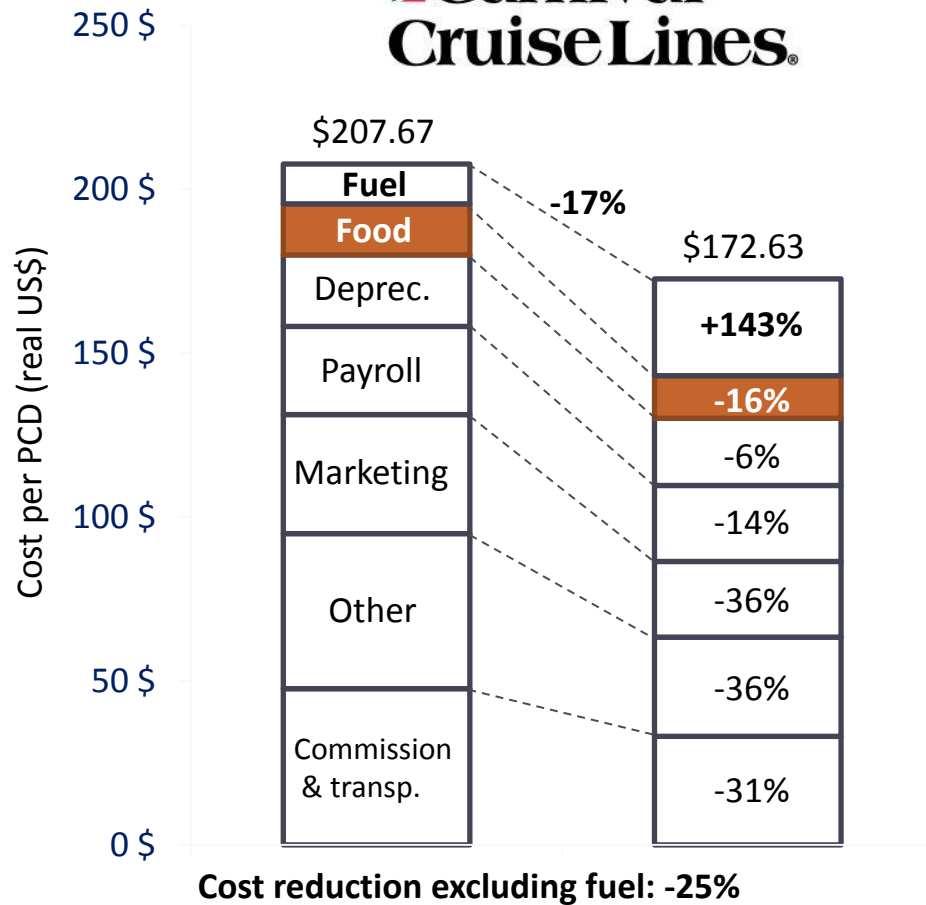
# Average Cruiser 2013

## Financial Breakdown\*



# Balance Sheet Analyses (RCL & Carnival) 2011\*

## Cost-Saving Pressures?!



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

# FROM F&B TO CULINARY EXPERIENCES

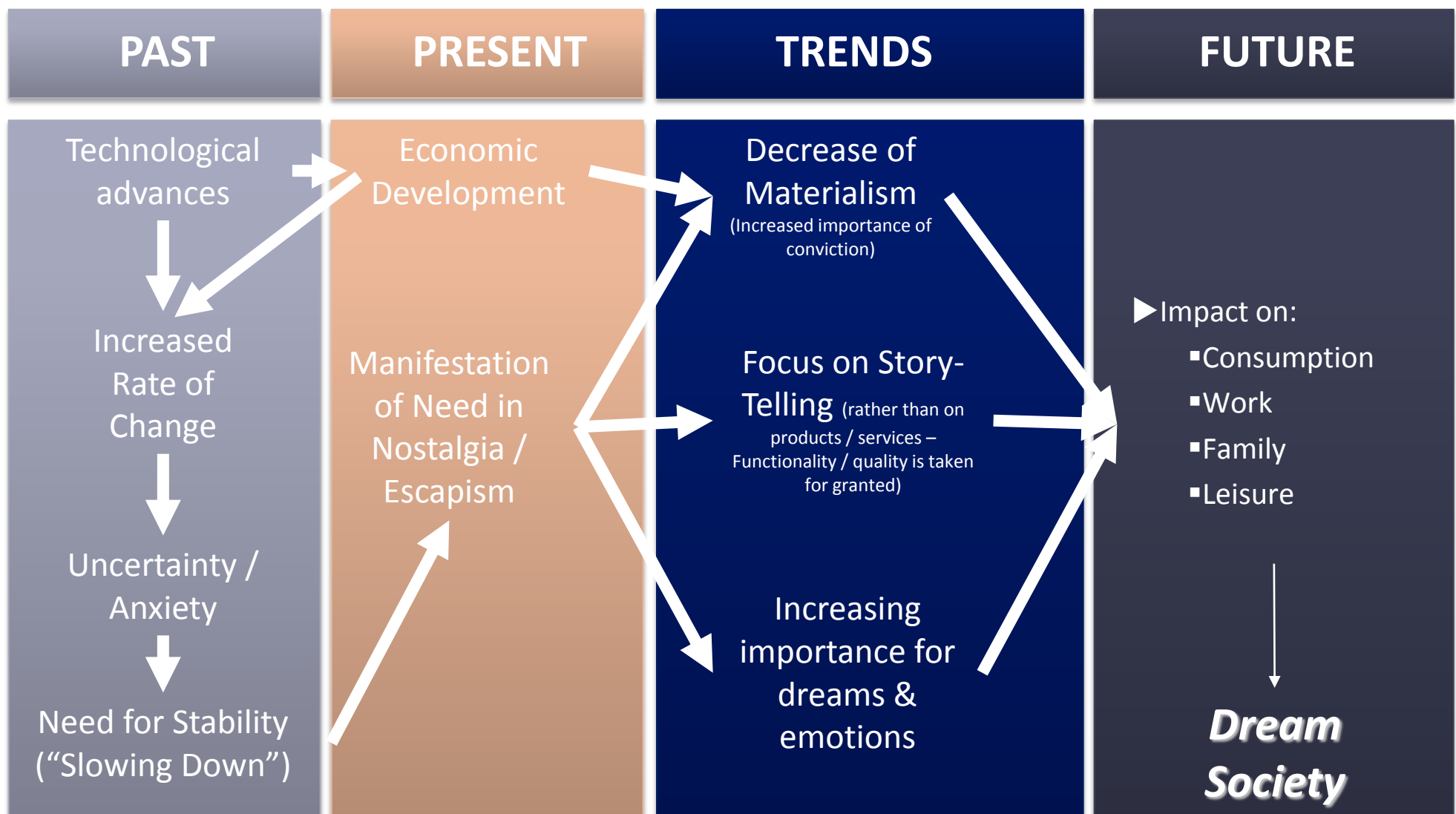
*The 'Dream Society' and Impact on Consumption*

- **References:**

- Jensen, R. (1999), *The Dream Society*, London: McGraw Hill

# Towards The Dream Society

## Main Argumentation Of The Theory



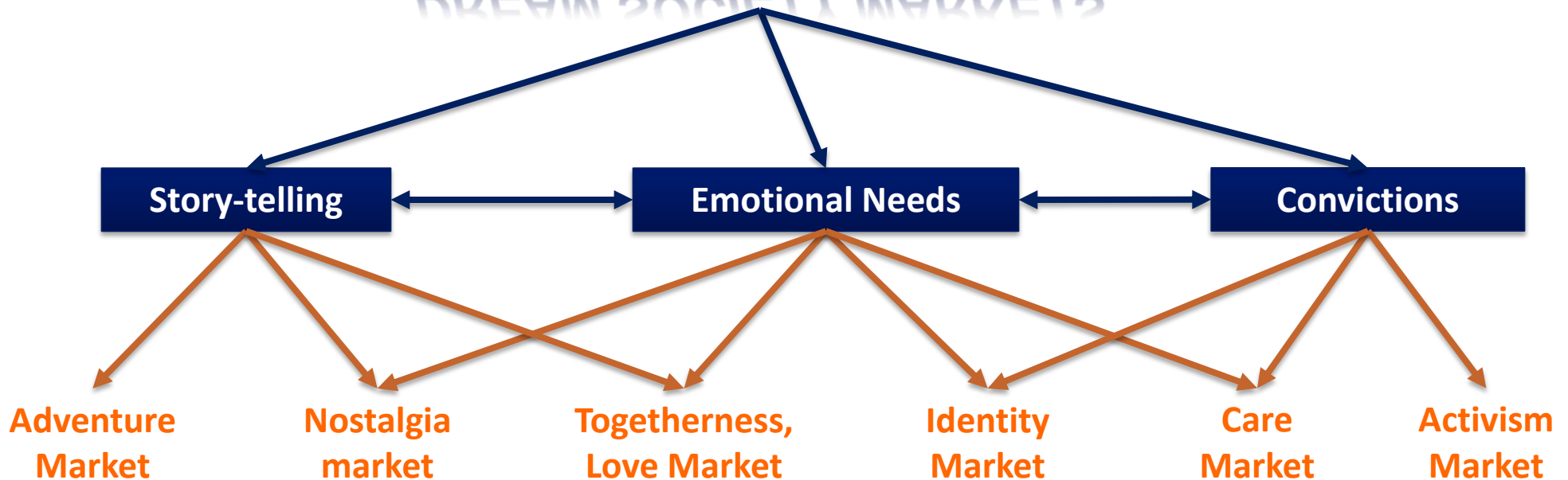
# Dream Society & Emerging Markets

## *Impact On Consumption*

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)

### ***DREAM SOCIETY MARKETS***



# 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



# Are you living it or just 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)**

# THE BUSINESS AND MANAGEMENT OF OCEAN CRUISES

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Cruise Tourism and Society

## Cruise Tourism and Society

A Socio-economic Perspective

## IN Cruise Tourism & novaTION

Improving Passengers'  
Experiences and Safety

Edited by:  
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