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A Sinking Ship: An Extensive Crisis Communications Case Study of Carnival Cruise Lines

A Capstone Project Submitted in Partial Fulfillment of the
Requirements of the Renée Crown University Honors Program at
Syracuse University

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May 2014

Honors Capstone Project in Public Relations

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Abstract

This paper examines the problem that Carnival Cruise Lines (Carnival), a famous cruise ship line for vacationing, continues to endure crisis situations yet fails to take the appropriate actions for rectification.

It is common knowledge within the public relations field that a crisis can make or break the sustainability of a successful organization. It is for this reason that it is necessary for professionals to analyze past events within a company's history in order to improve its relationships with its stakeholders to keep the business afloat.

This study focuses on three major incidents. The first one involves a fire in the Splendor's engine, which stranded the ship out at sea in November 2010. The second incident involves the Costa Concordia that crashed off of the coast of Italy in January 2012. Lastly, the study discusses an engine fire on the Triumph, which also resulted in a stranded ship out at sea.

The methodology used to explore Carnival includes heavy research into media publications around the time of each crisis being studied as well as in-depth interviews with three key professionals in the industry. The first expert is Colonel F. William Smullen, a crisis management professor at Syracuse University and former Chief of Staff for Colin Powell. The second professional is Donna Stein, who owns an investor relations firm. Lastly, the strategic communications expert Michael Meath sheds light on Carnival's crises from a management perspective.

The combination of research and interviews that is used to expose the issues with Carnival's company brings a higher level of credibility to the study. Smullen, Stein, and Meath especially provide valuable information because they possess experience in both practicing in the public relations field *and* teaching the material as professors. Thus, they have the advantage of knowing real-world experience from a first-hand perspective while also understanding how to best communicate their knowledge to a novice audience.

The case study argues that the organization struggles to effectively communicate with stakeholders both during and after each crisis. It examines the company's methods for communication, from in-person press conferences to social media usage. The evidence to support this argument lies in the many negative articles published regarding each crisis.

Ultimately, one can conclude that the company is not as prepared as it should be to handle the various crises that have happened over the years. Some of the key reasons for this include a lack of strategic messaging, inconsistent decision-making processes, and an unclear management structure. The study, however, also provides concrete ideas and recommendations to the company to prevent these reoccurring issues from arising again.

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Executive Summary

This study explores one of the most challenging aspects of the public relations industry: crisis communications. Public relations is “a strategic communication process that builds mutually beneficial relationships between organizations and their publics” (PRSA). Behind every solid business is a public relations team helping to build brand awareness, tailor specific messages to the public, and offer wise counsel to top management.

Crisis communications, also known as “damage control”, is “trying to mitigate damage to [a] company’s reputation by third party sources” (Penn, 2013). A crisis can occur within any industry, from healthcare to finance. In the case of this project, the crises transpire within the travel industry.

Crisis communications does not only include mitigating a crisis when one occurs. It also involves anticipating potential crises and creating detailed plans in advance should one ever arise. Additionally, the evaluation of how a company handled its crisis after it has settled is another component of crisis management.

For years public relations practitioners have dedicated time to conducting case studies about some of the most famous business crises. For example, countless studies have been conducted about Johnson & Johnson’s approach to the Tylenol poisoning incident of 1982. Likewise, various studies have been written about the infamous BP Oil spill in 2010. The purpose of completing these case studies is to use them as precedents should similar situations arise and to reflect on what the most useful methods are for quickly mitigating a disaster.

This study aims to explore the crisis communications methods of Carnival Cruise Lines (Carnival), a company that, over the years, has become notorious for its business problems. On a larger scale, it will uncover some of the trends in disaster that take place within the cruise industry as a whole. Specifically, the study examines three major events: the Splendor fire, the Costa Concordia collision, and the Carnival Triumph “#cruisefromhell”.

The Splendor Fire incident occurred in 2010 when the ship’s engine caught fire and left passengers stranded without power for four days. The Costa Concordia was a ship that collided with a rock off the coast of Italy in 2012 and began to sink. Lastly, The Carnival Triumph also experienced an engine fire in 2013, stranding the ship for five days with terrible sewage conditions.

These crises are all extremely important to examine for a variety of reasons. First, they involve public safety, which is one of the media’s top priorities to cover. Additionally, the travel industry is especially scrutinized because people have high expectations for their vacationing experiences. It is the one time they want things to run completely smoothly and to have a stress-free experience. Lastly, a company that has ongoing crises tends to stay in the spotlight. One would expect an organization’s team to learn from previous mistakes, so when a company like Carnival has over three incidents in the span of three years, there are clearly public relations practices worth investigating.

In a time of crisis, there are usually a few main figureheads that the public looks to for information and comfort. Studying how these people address the public is crucial to understanding how effective a crisis communications strategy

is. As a result, specific attention will also be paid to key figures in each crisis, such as the CEO of the company, the captain of the ship, and any other people deemed especially important to the incidents. Within each crisis, the study will also explore various aspects of what went wrong or right. From social media practices to management decisions, each component of a crisis adds up to create the overall success or failure of damage control.

After delving into the details of each case, this study will offer an analysis of each crisis and draw overall conclusions about the Carnival as well as the cruise industry.

The exploration of Carnival requires two main methods: research and in-depth interviews. To best understand what occurred during each of the three events, I sifted through, and analyzed, countless newspaper articles, blogs and even YouTube videos. This is because the media is one of the most important publics to address during a crisis. In fact, the media really holds up a mirror to businesses, exposing each and every detail of what is happening. Furthermore, what the media publishes is what forms public opinion. Thus, it makes sense that the media would be a good starting point for researching public perception during the time of each crisis.

In addition to media coverage, I also researched pre-existing case studies about Carnival Cruise Line crises. The purpose of this research is to gain knowledge about what actually transpired during each crisis and how other people analyzed it.

However, in order to draw my own conclusions about each incident, I aim to integrate three in-depth interviews with professionals from Syracuse University into my study. My interview subjects include Colonel F. William Smullen who has experience with crises from serving as Colin Powell's Chief of Staff, Donna Stein, an investor relations professional, and Michael Meath, a strategic management expert.

In doing so, I demonstrate how much a crisis really affects a business and an industry as a whole. Furthermore, consulting with professionals adds credibility to my study.

This project is significant because it is rare to compile a case study of a *series* of crises within one organization. Usually, public relations practitioners will focus on one incident and analyze how the company handled it. However, in the Carnival's case, it is clear that there are many problems within the organization that must be exposed. Thus, I decided to approach the company by examining various crises to learn exactly how much or how little it developed after each incident.

From both a public relations and business perspective it is alarming that a company can experience so many crises in such a short period of time. It begs the question: does the company really grow and learn from its previous mistakes?

It is important for people to know the truth behind these crises and to be made aware about the pressing dangers that seem to surround the cruise line industry. My study is important because it will shed light on a serious problem

that needs to be addressed: crises continue to occur in open water, threatening peoples' lives and wasting customers' money.

Overall, the study will prove to be significant for public relations practitioners, travelers, and business owners, making it a versatile work that transcends multiple groups of people. It will also set the standard for how cruise lines should conduct their management teams and convey messages to the public during crisis situations.

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I would like to acknowledge my Honors Capstone Advisor William Jasso and my Honors Capstone Reader Robert Kucharavy. These two professors provided me with the necessary skills and guidance both inside and outside of the classroom to gain a solid understanding of how to compile a crisis communications case study. I also want to thank Bill Smullen, Donna Stein, and Michael Meath for agreeing to participate as my interview subjects in my Capstone. Their unique experiences gave me great insight into the crisis situations that I chose to study and really helped my analysis to be of the highest level of professionalism possible. Lastly, I would like to thank Syracuse University's Renée Crown Honors Program for an enriching and rewarding academic experience that pushed me to use all of my abilities as a young public relations practitioner to create such an extensive case study.

Advice to Future Honors Students

The greatest piece of advice that I can give to Honors students is to know how to leverage resources. There are so many people on campus, especially professors, who are willing to take the time to help students become experts in their Capstone topic.

My professors sometimes came across sources for me that I didn't even know existed, such as an old case study that was written by a public relations organization. They also gave me very useful advice on what aspects of each crisis, as well as what specific facts, I should try to find in order to make my study as professional as possible. Professors enjoy helping students who are passionate about a subject in their area of expertise, so I encourage each student to take advantage of this and meet with as many professors as possible about their project.

It is also important to create a solid timeline of milestones for oneself in order to manage the size of the project. A Capstone Project can seem really overwhelming at first, but if each week is broken down into smaller objectives, the project becomes manageable. I also recommend starting as early as possible to have time to make many revisions.

Chapter 1: Laying the Groundwork

Introduction

Crisis situations are not new to the cruise and shipping industries.

Consider the tragedy of the Titanic sinking in 1912, an incident so catastrophic that it lives on in one of the most famous blockbuster movies of all time. The Titanic crisis occurred a century ago, and yet one shipping problem continues to occur after another.

For example, “In 1915, just three years after the Titanic sank, the S.S. Eastland passenger tour ship rolled over while in port in downtown Chicago. More than 840 of its 2,500 passengers died in the accident” (Cline, 2013). There have been other more unique incidents in addition to ships sinking. In April 2014 the Crown Princess ship carried passengers with a contagious virus known as the Norovirus which circulated the whole cruise, keeping the medical center on the ship very crowded (Allen, 2014). Another crisis of note occurred on the Seabourn Spirits. “In 2005, while 100 miles off the coast of Somalia, pirates in speedboats attacked the small ship” (Cline, 2013).

The fact of the matter is that crises happen on cruise ships all the time. The more common they become for one company, the more the media has an opportunity to sensationalize the events and criticize those who are responsible for the incidents.

It would be unrealistic for senior members of management to assert that these crises will never happen again. However, there does seem to be a pattern of events within the cruise industry that should show companies they need to better prepare and communicate with their stakeholders when these incidents arise. Management members and public relations practitioners have had countless opportunities to learn lessons in order to establish best practices in this unique industry, and yet publications continue to address the same mistakes being made by cruise companies.

More recently, Carnival Cruise Lines (Carnival) has been the major cruise company under scrutiny as it has had several crises occur in a short period of time. It is evident that the organization has difficulty adjusting from previous crisis situations. This raises a series of questions: What is the real issue that Carnival Cruise Line faces when these crises occur? Does the company have a flawed management system? Is the standard protocol during emergency situations unclear? Or, is there just a big communications issue between the company and its publics.

This study aims to answer such questions and ultimately reveal ways in which the company can improve its overall public perception during crisis situations, which inevitably, are bound to continue to occur.

Background on Carnival Cruise Lines

Carnival Cruise Lines was established in 1972 by entrepreneur Ted Arison and is one of the most well-known cruise ship companies in the industry. In 1987

Carnival had its initial public offering making over \$400 million, and over the years it merged with other cruise companies (Carnival Cruise Lines).

Ted's son, Micky Arison, served as the CEO of Carnival Corporation, the parent company of Carnival Cruise Lines, for 34 years until he stepped down in June 2013. His successor was Arnold Donald. Currently, Gerry Cahill serves as the CEO of Carnival Cruise Lines.

The *Los Angeles Times* reported in February 2013 that Costa, Princess Cruises, and Holland American Line all fall under the 10 cruise lines Carnival Corp. owns, which control about 50% of the market (Martin, 2013). Additionally, "In total, Carnival Corp.'s subsidiaries operate about 100 ships and employ nearly 91,000 people. This year, the corporation expects to carry 10 million passengers on its various lines, up from 9.8 million passengers in 2012" (Martin, 2013).

Carnival's main competitor is Royal Caribbean. Main stakeholders in the company include customers, employees, suppliers, Carnival Corporation's subsidiaries, any sponsors or partners, travel agents, and investors.

Part of Carnival's vision, as stated on its website is, "We work in an environment where safety, hospitality, teamwork and respect for the environment and each other are essential. Memorable vacations begin with our extraordinary shipboard team and we seek like-minded enthusiastic candidates who share our commitment to these values" (Carnival Cruise Lines).

This extensive case study of Carnival Cruise Lines will put the company's vision to the test as it examines Carnival's most trying times through a public relations perspective.

Chapter 2: The Three Crises

Crisis #1: The Splendor Fire

On November 8, 2010, the Splendor, one of the largest Carnival vessels, had a fire in the engine. Passengers were stranded on the ship for four days with no power until they were towed to San Diego. Rumors throughout the media began to circulate when the U.S. Navy delivered spam to the stranded vessel, creating the term “Spamcation.”

There were several issues with the Splendor ship that contributed to the fire outbreak. David Beers (2010) writes,

“The Coast Guard safety alerts reveal many problems existed on the Carnival Splendor, ranging from incorrect system operation manuals to the operational failure of a major fire suppression system – namely the CO2 deluge system which Captain Cupisti ordered to be activated on that fateful morning. This would have flooded the affected spaces with CO2 and smothered the fire. We now know that the CO2 system didn’t work. Efforts to manually initiate it were not successful.”

One major aspect of a crisis situation like this to examine is how the crew on the ship behaved during the incident. Various reports say that Cruise Director, John Heald gave passengers multiple updates on the situation. The crew was also completely up front with the passengers and did not try to lie about the situation in any way. Heald also posted on his personal blog site throughout the entire experience about his account of the fire and the events that followed. For example, *NBC Travel News* reported on Heald’s blog content:

“I don’t smell of roses at the best of times but as the laundry is not working and I only have two pairs of

underpants I smell like Paris on a hot summer's day,' he wrote. 'Obviously it has been a challenge but let me tell you the most important facts and those are that the ship is safe, the guests are safe and that nobody was injured in what was a very difficult situation,' he continued. 'I also want to tell you that the guests have been magnificent and have risen to the obvious challenges and difficult conditions onboard'" (MSNBC.com Staff, 2010).

The media seemed to respond fairly well to Heald's behavior. An article in *Cruise Critic* stated, "Somehow Carnival's star cruise director was on the right ship at the right time and was able to skillfully prevent panic on a dead ship and mount a PR campaign at the same time. Then, upon his return, his candor was both reassuring ... and almost unnatural" (Askin & Deiner, 2011). The article also noted that passengers received compensation. Askin and Deiner (2011) wrote,

"Carnival announced Monday night (the day of the fire) what the compensation would be for stranded pax -- a full refund, reimbursement for transportation costs and a complimentary future cruise equal to the amount paid for the shortened voyage. Even some of those onboard initially remarked that it was overly generous. That said, there were very few complaints in the days following the event."

Three days after the fire Carnival Cruise Line's CEO Gerry Cahill spoke at a press conference in San Diego, where the ship was scheduled to come into, and said, "The conditions on the ship have been challenging and we are very, very sorry for the discomfort and the inconvenience that our guests have had to deal with in the past several days" (MSNBC.com Staff, 2010).

The company used social media to address the rumors that passengers ate spam to survive. Gene Sloan (2010) writes,

"Despite media reports to the contrary, Carnival Splendor guests were never served Spam!' the line said in a terse tweet sent out today from its official Twitter account

at 2:44 pm ET. Reminded that the U.S. Navy had sent news outlets photos of its personnel delivering Spam to the ship on Tuesday, a spokesman for Carnival contacted by USA TODAY acknowledged that Spam was taken aboard the ship but says it never was passed on to passengers.”

Later that day Sloan updated the *USA Today* article with the following:

“Carnival spokesman Vance Gulliksen tells USA TODAY that while Carnival ordered the food items sent to the ship, it didn't intend to get Spam. ‘We gave our food order to a supplier, not the Navy. The Navy kindly delivered the goods, (and) Spam was not on the list,’ he says. ‘However, we told the supplier to substitute as necessary if they had difficulty getting everything we were requesting on very short notice and so that's how the Spam ended up within the supplies that were delivered’” (Sloan, 2010).

Despite these efforts to put the rumor to rest, various reports shared that passengers capitalized on the opportunity, creating T-shirts about surviving the “Spamcation” cruise.

Crisis # 2: The Costa Concordia Collision

On January 13, 2012, the Costa Concordia, an Italian cruise ship purchased by Carnival Corporation, crashed off the coast of Italy. “The collision resulted in a 160 foot gash in the Concordia’s port side below the water line...Within minutes, according to testimony by the head of the engine room, the generators and engines of the ship were underwater” (Arthur W. Page Society, p. 6).

The ship began to sink, and ultimately “passengers evacuated from the ship by lifeboat, helicopter, or by jumping and swimming to safety” (Arthur W. Page Society, p. 7). The ship carried 3,200 guests and 1,000 staff members. Of those people, 32 were killed, and “another 150 people were injured in the

evacuation of the ship -- 65 of them seriously. The injuries include partial paralysis, amputations and, in one case, blindness.” (Nadeau & Smith-Park, 2013).

The shipwreck naturally became the center of attention in the media, with various news sources reporting different information as they received it. Reporters were especially interested in examining the behavior of the crew and ship Captain Francesco Schettino. Allegedly, the staff assured passengers that everything was under control as they ate in the dining hall during the initial crash (Arthur Page Society, p.6). Captain Schettino shared one conflicting message after another, creating suspicion around his level of accountability for the capsizing of the ship.

The Captain asserted that,

“... the ship did not sink in deeper waters due to his actions and orders in the aftermath of the collision. Contradicting this statement, the chief of the Italian Coast Guard stated that it was only due to a fortunate winds and tides that the ship did not sink in deeper water.” (Arthur W. Page Society, p. 6).

Additionally, the time at which the Captain decided to leave the ship was heavily criticized. There is important protocol and responsibility that comes with being the captain of a ship. According to *Slate*'s Chief Explainer Brian Palmer (2012),

“The International Convention for the Safety of Life at Sea requires the captain to exercise his professional judgment to protect passenger safety, and most maritime experts would agree that presence on the ship is a prerequisite for fulfilling that obligation. Some nations, such as Italy, Greece, and Spain have laws requiring the captain to remain on the ship to evacuate passengers, although these are rarely enforced and don't specify exactly

when the captain is permitted to leave.”

As a result, the public criticized Schettino for abandoning the ship when so many people were still trapped on board. The Arthur Page Society case study on the Costa Concordia confirms that it is “a maritime crime under Italian law,” and, “in a recorded radio conversation with the Italian coast guard, Captain Schettino was ordered by an Italian Coast Guard Captain to return to his ship to report on the safety and condition of his passengers and crew” (Arthur W. Page Society, p. 7). Multiple reporters noted that the Captain claimed he “tripped” into a lifeboat.

Furthermore, since the time the collision occurred Schettino changed his reasoning behind the crash. On January 18, 2012, *The Gaurdian* published an article quoting Schettino taking fault for the shipwreck. He said,

“I made a mistake on the approach...I was navigating by sight because I knew the depths well and I had done this manoeuvre three or four times. But this time I ordered the turn too late and I ended up in water that was too shallow. I don't know why it happened. I was a victim of my instincts” (Kington, 2012).

However, while facing charges for manslaughter, Captain Schettino blamed other crew members for the error. He stated in his testimony, “If it weren't for the helmsman's error, to not position the tiller to the left ... the swerve (toward the reef) and the collision wouldn't have happened,” (D'Emilio, 2013).

In addition to the cruise ship workers, another integral component of the situation to examine is the role of Carnival's top management.

Carnival's team kept a very low profile at first. There was no word from

the CEO and Chairman of Carnival Corporation, Micky Arison. An entire 10 days after the shipwreck *The Wall Street Journal* reported,

“Carnival declined a request to speak with Mr. Arison for this article. Mr. Arison hasn't granted interviews since the accident. Nor has he been seen over the past week and a half at any games of the Miami Heat, the professional basketball team he owns” (Esterl & Lublin, 2012).

Reporters created nasty headlines about Arison criticizing him for his absence in the situation, and one even referred to the CEO as a disgrace. (Arthur W. Page Society, p. 21)

In fact, none of Carnival's management seemed to be taking action. According to the Arthur Page Society the team intended to distance itself from the situation and “From the beginning, Carnival Corporation primarily left the crisis management and communication to its subsidiary, Costa Crociere.” (Arthur W. Page Society, p. 22).

Newsmax.com reiterates the company's distance from the situation. Lanny Davis (2013) writes,

“The blame was placed on the captain, who allowed the ship to get too close to the island because — I am not making this up — he said he was distracted because he was on his cell phone. It appeared that their legal position — which appeared to have validity — was that the parent company was not liable because it was not the legal owner or operator of the ship.”

The only way the organization communicated with stakeholders was through social media. Then, the company announced it would take a break from social media to focus on those affected by the tragedy, further confusing the

public (Arthur W. Page Society, p. 23). During the time Carnival was active on social media, it sent its condolences to family and friends of the victims.

Arison occasionally tweeted from his personal account in between tweeting about his Miami Heat team and celebrities (Walker, 2013). He attended a Miami Heat game two weeks after the shipwreck, leading people to accuse him of being insensitive.

Overall, there was minimal in-person communication throughout the entire crisis, and social media was used in moderation.

Crisis #3: The Triumph #cruisefromhell

As if the Splendor and Costa Concordia debacles weren't enough, on February 10, 2013, reports broke that the Carnival Triumph cruise ship's engine caught fire, stranding about 4,200 passengers in the Gulf of Mexico for a span of five days. Conditions were brutal: "bathrooms overflowed, air conditioning broke down, and there were media reports of raw sewage seeping through walls and carpets" (Novellino, 2013). As passengers uploaded photos of the surroundings on the boat, social media exploded with news about the situation, specifically trending the hashtag #cruisefromhell.

The more crises a company has, the harsher the media becomes when covering the issues. This incident in particular received excessive attention. The media showed countless photos of passengers sleeping on the deck of the ship. An article in *The Huffington Post* says,

“What was horribly painful for us viewers was the shameful media coverage by certain networks. They pulled out the hurricane handbook and went wall-to-wall with their coverage. Their intent was simply over-dramatization for ratings. The coverage was excruciating, redundant and at times, unnewsworthy. Some networks preyed on the suffering of these cruise passengers providing the same story, different person, repeatedly, for the entire day. Media overused the vocal minority and weren't interested in the silent majority.” (Chiron, 2013).

Four days after the incident *Advertising Age* reported Carnival “...created a dedicated page on the Carnival website for news updates and has been consistently updating its Facebook page, which has more than 2 million likes. It is also using two Twitter feeds (@CarnivalCruise and @CarnivalPR) to issue updates...” (Thomaselli, 2013). Various articles also explained that Carnival sent ships nearby to the stranded vessel to provide extra provisions and that crewmembers were waiting at the end destination to assist passengers off of the ship. One day after the incident the social media page began discussing refunds and reimbursements.

Cahill “apologized at a news conference two days later, which, ABC News noted, was the first time a company representative had spoken publicly,” meaning that no one addressed the situation for over 48 hours (Hicks, 2013). Meanwhile, Arison once again received criticism for being a passive CEO. He attended a Miami Heat game as the crisis was developing, showing no sense of compassion or urgency for those affected by the situation. However, Cahill did make an in-person appearance when the ship finally arrived to its destination.

CNN Travel reported,

“Family members cheered as the ship pulled in and in the crowd also was Carnival CEO Gerry Cahill. The CEO had his own message for the weary passengers: Sorry. ‘We pride ourselves in providing our guests with a great vacation experience, and clearly we failed in this particular case,’ he said. The beleaguered CEO went on the ship as passengers departed and delivered another apology.” (Mungin & Almasy, 2013).

It is arguable that one of the most difficult aspects of the crisis that the company had to face was a lawsuit that accused Carnival of not taking the appropriate measures to ensure the ship’s safety prior to departure. *Cruise Critic* reported,

“According to the lawsuit and Anderson Cooper segment, Carnival was aware Triumph was at risk for fire based on the line's internal investigation following a March 2012 fire onboard Costa Allegra, which revealed an issue with fuel leaks involving flexible hoses. The segment cites internal documents that emerged as part of the ongoing lawsuit. When Carnival investigated further, it identified similar issues on other ships in the company's fleets. Carnival doesn't dispute the findings regarding the flexible hoses, but according to company spokesman Roger Frizzell and a May 1, 2012 internal Carnival procedures document, it immediately took measures to survey the fleet and make corrections via Safety-of-Life-at-Sea-approved spray guards designed to prevent leaked fuel from causing a fire. Shields were installed across the fleet in January and February 2013. By the time Carnival Triumph set sail February 7, shields had been installed. Yet the lawsuit makes issue of the fact the fuel line that caused the fire was not shielded. That line, which had been replaced six months before the fire, was located beneath the deck's plates. Carnival spokesman Vance Gulliksen explains: "The compliance standards require shielding to be included above the deck plate, but not below the deck plate because it already includes a natural shielding imbedded" (Saltzman, 2013).

Overall, the issue of a fire in the Triumph's engine draws a parallel to the Splendor's fire, showing that even three years later, the company struggled to handle a reoccurring situation.

Aftermath: Micky Arison

In June 2013, Arison stepped down as the CEO of Carnival Corporation. He still serves as the chairman. Various reports claim that Arison said it was a decision he had wanted to make for a while.

Chapter 3: Analysis & Expert Opinions

Expert Opinions

To enhance the credibility of the study, three experts offered to contribute their thoughts regarding Carnival's handling of its crisis situations. The specialists include Colonel F. William Smullen, who is a crisis management professor and was the former Chief of Staff for Colin Powell. Donna Stein owns an investor relations firm and teaches management as well as investor relations college courses. Michael Meath is the founder of Strategic Communications, LLC and is a crisis management as well as strategic management expert. He teaches management, ethics, and crisis communications courses at the college level. Refer to the appendix to read the biographies of each professional that they wrote and provided.

Crisis Communications and Standard Procedure

Although each crisis is unique in some way, there are a few standard measures a company can take to make the process of communication run smoothly.

According to Smullen, “The best response to any crisis is to have a crisis plan in place that has anticipated all of the likely crises that could occur” (W. Smullen, personal communication, April 21, 2014). He also says that looking back over time, the plan can recount the crises that have already occurred in the life of an organization and it can have a design to respond to any crisis.

It would be impossible to tailor a crisis plan to every possible scenario. However, a contingency plan should be able to be applicable to a series of possible events. Having these plans makes the organization somewhat prepared.

“Unfortunately, time is not on your side,” Smullen says, “and if you don't have that plan you probably have to make some on the spot calls that may not be as thought through, and so you will probably make some mistakes on the way” (W. Smullen, personal communication, April 21, 2014).

Plans can include holding statements, which are basic phrases with which the spokesperson can address the media, drafts of social media responses, media training bullet points, and more.

Smullen says that it is important to convey to stakeholders the basic questions: who, what, where, when, and why. A company must address what its response is to what happened and what the company is doing to correct it so that it wouldn't happen again. He says, “Tell the public what they need to know so that they feel confident that you are responding properly to the incident and that

you're not going to ideally allow this to happen again—that there will be corrective action taken” (W. Smullen, personal communication, April 21, 2014).

It is unclear how extensive Carnival's contingency plans were. The company more than likely has them, however they were clearly not executed as well as they should have been given the repetition of backlash after each of the three crises.

However, it is important to understand that the first step in crisis management happens *before* the crisis even occurs: it is having the foresight to plan for these potential incidents so as not to be completely thrown off should they occur.

Social Media

With the growing popularity of the usage of social media among the public, it is important for companies to also implement social media into their business plans. News travels so quickly now that it is essential for companies to monitor it and make sure their reputations are not being compromised on the Internet.

Consider the role of a public relations practitioner: to advocate for a company and help it build relationships with its publics. One of the best ways to do that is to have a social media page that can serve as the most reliable source of information for a company. In other words, should there be rumors spreading on the internet about a businesses, the company can defend itself on its own personal page, and people will turn to the company's page as the most up-to-date and credible place to receive company-related news.

Therefore, the role of social media is especially large during a crisis situation, giving companies a way to quickly update their stakeholders every step of the way. In each of the three crises, Carnival took a different approach to social media.

During the Splendor engine fire crisis, Carnival did use its social media pages to communicate to its publics, and in a fairly quick manner, however some dispute how effectively and strategically the company used its online presence.

Dennis Schaal writes,

“Many of the Facebook comments are supportive of Carnival and sympathetic ...But, with 113 comments and counting, you’d think Carnival would have the social media resources and personnel available...to engage in some dialogue with its fans and customers. Why not give the cruise line a voice...Missed opportunity for Carnival”

Many people echoed similar opinions, arguing that Carnival lacks an understanding of the importance of an open dialogue.

CommCore Consulting Group posted, “...Carnival failed to further engage its customers online by not expanding the conversation into ongoing 2-way dialogue. Instead they by-and-large stuck to one-way corporate updates and cruise director blog postings...” (Peters, 2010). Other opinions focused more on the frequency and tone of the posts. Baron (2011) wrote,

“Can’t really do a tweet or two every hour or so and really be part of the conversation...their tweets and Facebook wall comments are in the old-fashioned press statement mode that just looks jarring in the social media world. It’s cold, impersonal, even slightly legalese...the social media world has almost no patience or sympathy for it.”

Essentially, Carnival approached social media as though it was traditional media, which is not effective.

Experts also feel conflicted about the usage of Heald's personal blog during the time of the crisis. Smullen argues, "If you have multiple sources of information you will have multiple stories...messages will likely get confused. In the plan I would've written who the specific messenger is for communicating the information. So quite frankly this is not very helpful" (W. Smullen, personal communication, April 21, 2014). Although it may have been nice of Heald to post information on his own blog, it was not necessarily the most strategic action for the brand image as whole.

In contrast to the Splendor crisis, during the Costa Concordia incident Carnival hardly used social media at all. Its abrupt break in social media was confusing and suspicious. In fact, Stein believes that the company's explanation for taking a hiatus from social media was just an excuse to avoid the issue. Stein says,

"If they are really mourning the loss of passengers and crew people I think that it would be right to cease promotional posts, like discounts and trying to get people back, that would be respectful. But shutting everything down was I think a move to just have no response" (D. Stein, personal Interview, April 22, 2014).

It is not the time to be silent when people are yearning for answers as they worry about the safety of their friends and family.

For the company's personal benefit, it is much better to continue to post to social media because it has control over its content and can clarify information

that reporters may be embellishing. When posting to social media during a crisis, it is essential to relay the most important and necessary information.

Similarly to Heald's blog, Arison's personal twitter account does not help to contribute to the overall brand image. Furthermore, the fact that Arison continued to tweet such frivolous content about his basketball team and the celebrities he was with was strategically, and morally, wrong. It would have been tasteful for him to refrain from posting such glamorous news while 32 families mourned their family members who died on a Carnival ship.

Unlike the Costa Concordia crisis, the Triumph fire involved a great deal of social media usage to Carnival's credit. While there were frequent posts, critics say that the actual content was not as valuable for the company's reputation as it could have been. Many were uncomfortable with how quick the company posted promotions and compensation, especially while the ship was still stranded at sea.

Rich Klein, president of Rick Klein Crisis Management and founder of *The Crisis Show* evaluates this public relations error perfectly. In a crisis management YouTube video Klein (2013) said,

“While the company tried to explain what happened, near the end of the statement they make a big mistake, at least in my view. What they do is they start talking about refunds. Now, remember there are...3,143 guests and 1,086 crew members still stranded off the coast of Mexico in the Yucatán Peninsula. Now, if you have people whose lives may still be in danger, and they have not been returned to shore safely, you don't start talking about refunds. And what's almost comical about this is, let me just read you this, ‘all guests on Carnival Triumph Voyage will receive a full refund of the cruise along with transportation expenses. In addition, they will receive a future cruise credit equal to the amount paid for this voyage as well as reimbursement of all shipboard purchases during

the voyage with the exception of gift shop and casino charges.’ Ah, conditions. So these people are stranded out at sea, they’re talking about refunds, but then they’re putting conditions on the refunds. Okay, it’s almost comical to read that.”

Additionally, as passengers were finally disembarking from the severe conditions on the ship, Carnival tweeted “Of course the bathrobes for the Carnival Triumph are complimentary” (Rogers, 2013). As a result, some argue that Carnival failed to show sympathy by making this comment that appears to be showing off how generous the ship is.

Smullen, however, supports the idea of sharing compensation quickly. He says that people were extremely disgruntled and probably demanded to know what the company would do about the situation to redeem themselves (W. Smullen, personal communication, April 21, 2014).

Although Carnival did post content on its social media pages, *Skift* reported, “it failed to use social media to update family members, press, and onlookers to the conditions and status of the *Triumph* during...choosing instead to use it as a mouthpiece from CEO Gerry Cahill’s press conference and apology session” (Shankman, 2013). While Cahill’s speech was extremely important, information regarding the actual passengers in real-time would have been more valuable to concerned family members. The company also tended to only comment on positive public posts, and there were very few negative comments on its pages given the severity of the crisis, which raises suspicion about whether or not Carnival deleted negative posts (Shankman, 2013).

Figure 1.1 in the appendix represents how frequently Carnival updated its Facebook status throughout the course of the crisis. It is evident that the height of the company's activity was two days after the fire. It would have been wise for Carnival to keep up its social media momentum for a little longer than it did. Instead of dropping off of social media after the crisis was over, Carnival could have strategically taken advantage of the fact that many people were still watching its social media pages and the company could have started to shift the conversation away from the crisis. In doing so, it could have maintained and engaged with loyal customers about other, more positive information regarding the company.

Management

Another key aspect of the crises to evaluate is how Carnival functions from a management perspective. According to Meath,

“From a management perspective, if you keep doing the same thing and getting the same results that's the definition of insanity. Somewhere along the line the company needed to change what they were doing. These three incidents could've still happened and they could've handled the second two incidents differently and that would've helped their reputation” (M. Meath, personal communication, April 24, 2014).

One of the major issues with Carnival seems to be a lack of role direction. Meath refers to this as “line responsibility for operations”. Consider how many spokespeople there were in just these three incidents alone. Arison and

Cahill, being the two figureheads of Carnival Corporation and Carnival Cruise Lines, were the media's main interest.

However, Heald became a spokesperson in his own right by blogging on his personal website. Additionally, in the *USA Today* article there was a different spokesperson, Vance Gulliksen, who addressed the rumor about the crew serving spam to passengers. Likewise, *Cruise Critic's* article regarding the lawsuit accusing Carnival of knowing the Triumph was not fit to sail quoted yet another spokesman, Roger Frizzell. This begs the question: how many Carnival spokespeople are there? Are they all being trained to deliver consistent messaging? The more people that are involved, the more tangled the web of confusion becomes.

According to Smullen, this is a frequent error in crisis planning for the management team. He says,

“...it's a common failure [when determining and following] a hierarchy of decision making. Who is responsible for determining how to erect the handling? Who is the spokesperson and messenger, and who determines what the message is that is disseminated to the public?” (W. Smullen, personal communication, April 21, 2014).

It's clear that Carnival's hierarchy is poorly constructed as there is no one consistent line of contact to an appropriate source of information.

Another key factor in management is the behavior and attitude of senior management members. “Attitude is everything,” says Meath (M. Meath, personal communication, April 24, 2014). Consider Arison's attitude throughout the three crises. His overall absence throughout the Costa Concordia and Triumph fire

situations made him a public enemy. Not only was he physically absent in terms of responding to the media, but he was insensitive to the many victims by being so active with his basketball team during the crises. “Having someone go to a basketball game just weeks after the incident just doesn't send the right message,” Meath says ((M. Meath, personal communication, April 24, 2014).

There seems to be an underlying pattern of lack of accountability within management. For example, Smullen argues that there should have been Carnival staff members on site in Italy actively observing the investigation of the Costa Concordia incident. He believes Arison should have been more visible. Smullen says,

“If it had been me I would've gone to the scene immediately, I would've been attentive to attempting to tell the story of failure and admitting failure. There was human error involved here and ...you have to be quick to admit it. The admitting of failure can lead to a quicker resolution. You have to be transparent and you can't take forever to investigate the incident” (W. Smullen, personal communication, April 21, 2014).

It is true that the Carnival Corporation is not legally responsible for the Costa Concordia, but what about moral responsibility? The management team members fail to communicate the most important message possible: that they are *sorry*, that they truly feel bad for what passengers have had to suffer through, and that they will do whatever is necessary to earn their trust again. There is just no genuine sympathy.

Senior management members do not only have a responsibility to the public, but they should also be held accountable to one another. According to Meath, management includes four main functions: planning, organizing leading

and controlling. It is very difficult to achieve all of this if a person only has to answer to himself. That is why Meath disagrees with the idea of having a CEO also serving as a chairman, which is exactly what Arison was doing. As a result, it was wise for Arison to step down as CEO. He now has to report to someone other than himself, which maintains better control and balance within the company. Arison's resignation shows, at least symbolically, that Carnival is actually taking action to fix some of its management issues (M. Meath, personal communication, April 24 2014).

In addition to behavior, decision-making is also an integral part of management to study, specifically as it pertains to disclosing information. A company does not always have to share every little detail about the inner workings of the organization with the public. There are boundaries and limits to sharing such information. Meath draws the line and public health and safety. Meath argues, "It's extremely difficult to recognize when you're walking into a crisis that you need to fully disclose. However, when we're talking about life threatening situations, all bets are off, you need to go to the very extreme position" (M. Meath, personal communication, April 24 2014).

Based on Meath's philosophy, Carnival was at fault during the Costa Concordia crisis when the crewmembers initially told passengers in the dining hall that everything was okay. Having crashed, they clearly knew that there was a much more threatening situation at hand. Perhaps they covered up what happened at first in order to avoid chaos, but by failing to be transparent, they actually created more of a problem for themselves when they received backlash for it later.

Overall, Carnival has some serious flaws in its management structure, including a lack of specific roles during a crisis, attitude, behavior, and decision-making.

Investor Relations

Investor relations is a unique practice area within public relations that is especially important during a crisis situation. Stein's definition of investor relations is "a blend of communications, public relations, finance, and marketing all with the aim to develop relationships with the key constituencies of publicly traded companies" (D. Stein, personal communication, April 22, 2014). Stein explains, "A good and effective relations program can create value for all of the company's stakeholders and will hopefully create a fair market value for the price of the company's stock" (D. Stein, personal communication, April 22, 2014).

Crises greatly impact a company's investor relations position because they create doubt among investors. It is difficult to encourage and convince people to invest in a company that is in turmoil and being criticized repeatedly in the public eye.

People who are unfamiliar with crisis communications may believe that Carnival's investor relations division was hurt during the crises because of all of the lawsuits that arose with each incident. However, this is not the case. According to Stein a lot of compensation during a crisis comes out of the company's insurance rather than its personal funds.

There are two real ways in which a company loses money due to a crisis. The first is that investors no longer want to affiliate themselves with the company

so they stop investing. The second is that people no longer want to buy tickets for a cruise vacation because they are afraid to have a bad or unsafe experience.

One means to see how each crisis affected Carnival from an investor relations standpoint is to examine how much the stock fell during the incident.

According to *Personal Money Store Blog*,

“The company is expected to drop at least 7 cents per share on its price after the fire aboard the Carnival Splendor. Overall, Carnival, according to ABC, is anticipating a loss on its fourth quarter earnings of at least one-fifth, or 20 percent, of its stock earnings because of the incident. All told, it should add up to \$56 million” (Hooper, 2013).

Likewise, Carnival took a monetary hit when the Costa Concordia crashed. After the crisis, Carnival Cruise Lines stock decreased by 14%, \$29.60 per share. “The decrease in CCL stock price had a profound impact on Mr. Arison’s net worth. Mr. Arison, who owned 29% of Carnival Corporation’s stock, lost approximately \$500 million as a result of the plunge in Carnival’s stock price” (Arthur W. Page Society, p. 8). Figure 1.2 in the appendix demonstrates how stock price changed over the time surrounding the crisis. There were also negative effects after the Triumph fire. *Upstart Business Journal* reports,

“Although the company recorded a \$41 million second-quarter profit thanks to lower fuel costs and the timing of some administrative expenses, the cruise company’s public problems suggest trouble ahead: advance bookings for the rest of 2013 are running behind last year’s levels, even though the cruise brand is offering discounts, the company said” (Novellino, 2013).

According to Stein Carnival struggled financially for about six months.

However, following the low point the company did fairly well in 2013. Stein

attributes this to the excessive promotions and discounts the cruise company had to run in order to entice customers. “I think compensation is necessary to win back consumers trust to have them come back and buy another cruise,” Stein says (D. Stein, personal communication, April 22, 2014).

Stein also explains that the crises surrounding Carnival, as well as any other incidents that may have occurred with other cruise lines, impacted the cruise industry as a whole. For example, the Cruise Lines International Association created a bill of rights “that guarantees, for example, that cruise lines will fully reimburse passengers if their cruise is interrupted by mechanical problems and that cruise lines will provide transportation back to port for stranded passengers” (Novellino, 2013).

This shift in the industry changed the relationship that competitive cruise lines had. Although they were competing for business, cruise lines all had a common goal: to dispel any fear people may have about taking a cruise. In Stein’s professional opinion it would be advantageous for cruise lines to work together to do so. She argues, “I think it has to be a concerted effort... the equipment is basically the same... You have to band together to ensure that the industry is safe... every company will benefit from that. It’s in everyone’s interest to work together” (D. Stein, personal communication, April 22, 2014).

In addition to taking advantage of external relationships, Carnival needed to mend internally to move forward in the repair of its investor relations. Stein, like Meath, felt it was wise for Arison to step down as CEO. She says that one of the first components of a business an investor looks at when he or she is thinking

about investing in a company is the organization's CEO. If an investor doesn't like the way a CEO behaves or is portrayed in the media, he or she is not likely to invest in the company (D. Stein, personal communication, April 22, 2014). Thus, the CEO's actions during a crisis situation is crucial to how current and potential stockholders will feel towards a business, which further demonstrates how large of an impact crises have on companies—down to the very last penny.

Chapter 4: Post-crisis

Post-Arison

Arnold Donald replaced Arison as CEO. Just under nine weeks after Donald began his job, in September 2013, Donald went on CBS News to share with the world what actions he was taking to ensure the safety of all passengers in the future.

The news clip explains that Carnival spent nearly \$600 million to revamp its ships. For example, technicians worked on creating a back-up system should a ship ever lose power again as well as a new system to prevent loss of power in the first place. Additionally, the report explains that, “The first order of business [is] rerouting 63 miles of cable, so that a fire would be less likely to take out both engine rooms, as it did on the Triumph” (CBS News, 2013).

Donald's actions as the new CEO were very positive. Within just a few weeks he already proved himself to be more invested in the safety of the customers than his predecessor. This media clip demonstrates strategic post-crisis management. It clearly explains what actions the staff is taking to improve safety conditions on the ship with visual footage to help the public understand the

changes. Had Arison taken such actions after the first crisis, it is likely that that subsequent issues would have not been as bad—they may not have even happened at all.

Should Donald continue with this positive behavior, there is hope for the Carnival brand to fully regain its reputation—and even exceed it.

Chapter 5: Recommendations & Conclusion

Recommendations

There are several ways that Carnival can improve in order to redeem itself should it face another crisis situation, which it inevitably will. Based on the in-depth interviews with Smullen, Stein, and Meath, Carnival needs to develop more specific contingency plans, have more open, two-way communication with its publics, be clear about the steps the company is taking to improve bad situations, and continue to evaluate past experiences in order to face future ones.

In addition to these main points, the best public relations practitioners encourage companies to use the Arthur W. Page Society's Page Principles as their ultimate guide to success. There are seven Page Principles.

The first guideline is to tell the truth. The Arthur W. Page Society asserts, "Let the public know what's happening and provide an accurate picture of the company's character, ideals and practices" (Arthur W. Page Society, p. 59). Telling the truth will always create the highest amount of credibility in the public, and public perception is all that a company is worth. Without a positive public image, a company cannot survive. Although disclosing upsetting information, such as the fact that a ship is sinking due to a collision, may hurt the company at

first, the public will be appreciative of a company's honesty and stay loyal to it in the long run.

Secondly, the Page Principles demand companies to “prove it with action,” meaning that a company should follow through with whatever the spokesperson promises to the public. Should another engine fire occur, or a ship crash, the company should show how management members are investigating the incidents to prevent them from happening again and how they are changing their protocol in case the same issue should arise, much like Donald has done as the new CEO.

The next principle that every company should abide by is to “listen to the customer,” which means “serve the company well, understand what the public wants and needs. Keep top decision makers and other employees informed about public reaction to company products, policies and practices” (Arhutr W. Page Society, p.59). This guideline is especially relevant to how Carnival used its social media. It is important that, in the future, Carnival uses social media more strategically by engaging with customers rather than just posting on-way information. It is also important to make sure that the messages the company disseminates are clear, consistent, and empathetic.

Additionally, it is important for the company's management team to “manage for tomorrow” (Arthur W. Page Society, p. 59). This guideline directly relates to creating a contingency plan for potential crisis situations, which is what Smullen believes to be the best standard practice of crisis management.

Aside from having foresight, a company should “conduct public relations as if the whole company depends on it” (Arthur W. Page Society, p. 59). This case study demonstrates how crucial public relations is to a company’s overall success, especially during a crisis. The biggest issue in a crisis situation is that the media gets involved and influences public perception. That is why it is essential to make public relations a priority for the organization, as it is the public relations practitioner who understands how to best influence stakeholders and rebut the media’s negative comments.

The next Page Principle is “realize a company’s true character is expressed by its people,” which means that “the strongest opinions—good or bad—about a company are shaped by the words and deeds of its employees. As a result, every employee—active or retired—is involved with public relations,” (Arthur W. Page Society, p. 59). Arison’s selfish behavior, which ultimately resulted in more negative headlines than the company would have had, is the perfect example of how one employee’s actions can affect an entire company’s image.

As a result, it is important for senior management to guide its employees with seminars to educate them on the significance of their behavior, and more importantly, top management should lead by example. Employees who have an honest, respectable boss to look up to will strive to emulate those same positive characteristics.

The last Page Principle is to “remain calm, patient and good-humored” (Arthur W. Page Society, p. 59). This piece of advice is especially important

during a crisis because when people panic they tend to make more mistakes. Furthermore, it is be far more challenging to calm down the public if management itself is not composed. By staying levelheaded during a crisis, it is much easier to make good judgment calls.

Conclusion

In conclusion, it is evident that Carnival has made many mistakes over the years when dealing with crisis situations. The proof of Carnival's poor performance lies in the decrease of stock and overall negative media coverage the company faced throughout the three incidents.

It would not be fair to pinpoint Carnival's failures on one given reason. Many factors contributed, including poor management, bad attitudes, unclear messaging, and one-way communication.

On a positive note, the public is extremely forgiving. Companies can save face over time if their staff members work together to address their major issues. By being more transparent, creating solid contingency plans, evaluating successes and failures in the past, and following the Page Principles, Carnival definitely has the opportunity to recreate a great image for itself. More importantly, it has the potential to handle future crises in a much better manner.

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Appendix

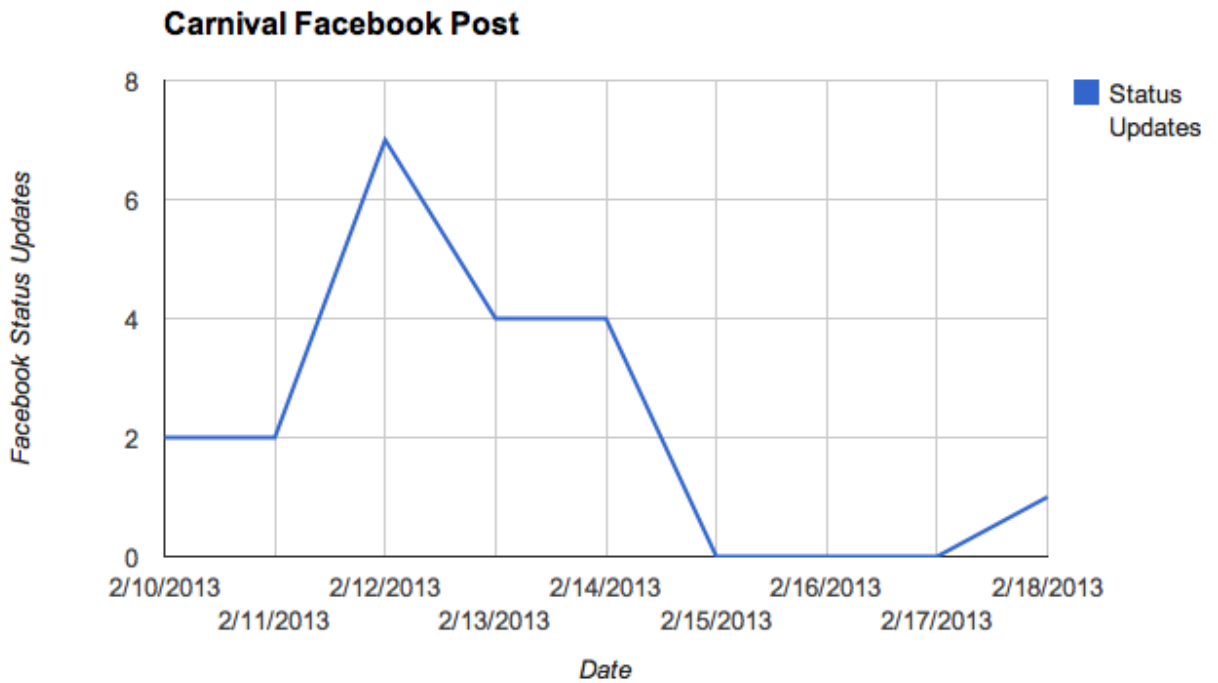


Figure 1.1 This chart represents how frequently Carnival updated its Facebook status throughout the course of the crisis. Source: *Skift.com*

Exhibit 7: NYSE-listed CCL Stock Performance

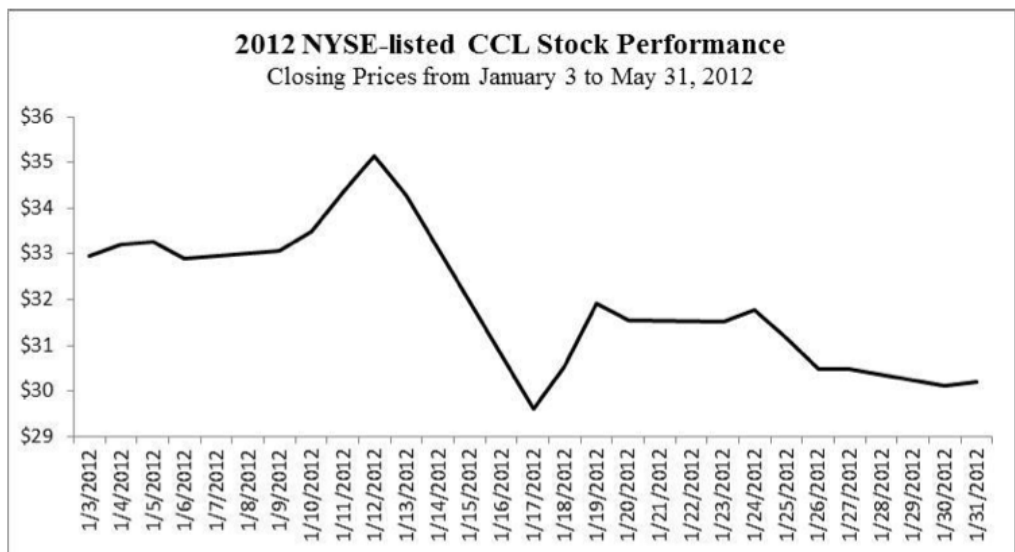


Figure 1.2 This graph demonstrates Carnival's stock prices during the Costa Concordia crisis. Source: www.awpagesociety.com

COLONEL F. WILLIAM SMULLEN, III

Director, National Security Studies, Maxwell School of Citizenship and Public Affairs

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Col. Bill Smullen was appointed as the Director of National Security Studies at the Maxwell School of Citizenship and Public Affairs in June of 2003. He is also Maxwell's Senior Fellow in National Security and a member of the faculty of Syracuse University's S.I. Newhouse School of Public Communications as a Professor of Public Relations.

Prior to his appointment at Syracuse University, he was the Chief of Staff to Secretary of State Colin L. Powell beginning in January 2001. As principal advisor to the Secretary, he was responsible for monitoring and evaluating the formulation and implementation of departmental policies. He was also involved in the planning and development of concept strategy associated with foreign policy matters.



A professional soldier for 30 years, he retired from the U.S. Army in 1993. His military career included a series of infantry and command and staff assignments at the platoon, company, battalion, brigade and division level.

His last assignment on active duty was Special Assistant to the eleventh and twelfth Chairmen of the Joint Chiefs of Staff, Admiral William J. Crowe, Jr., and General Colin L. Powell. Upon leaving active duty, he became the Executive Assistant to General Powell, assisting with the writing and promotion of his best-selling autobiography, "My American Journey," published in 1995. From 1993 to 2001 he had daily responsibility for managing the General's private office and professional activities. Beginning in 1997 he doubled his responsibilities by becoming the Chief of Staff for America's Promise which General Powell chaired from May 1997 to January 2001.

He earned a B.A. in Business and Economics from the University of Maine in 1962 and an M.A. in Public Relations from the S.I. Newhouse School of Public Communications at Syracuse University in 1974.

An accomplished speaker, he appears before audiences nationwide on subjects of contemporary and topical interest. Featured topics include those from his book, "Ways and Means for Managing Up."

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Donna N. Stein, APR, Fellow PRSA, is Managing Partner of Donna Stein & Partners, a public relations, corporate communications and investor relations consultancy she founded in January 2004. Ms. Stein has over 35 years of public relations management experience encompassing both corporate and agency environments, working with private and publicly-traded, domestic and multinational organizations across a wide range of industries.

Donna Stein & Partners offers companies and organizations a wide range of public relations, corporate communications and investor relations expertise, providing senior management teams with problem-solving, strategic counsel employing “best practices”, as well as hands-on, tactical communications services.

Ms. Stein is a 1978 graduate of the S.I. Newhouse School of Public Communications at Syracuse University, with a major in public relations. She has served for many years as a Newhouse mentor, was an active member of the University’s Public Relations Council and since the fall of 2004 has been an Adjunct Professor in the public relations department teaching undergraduate and graduate courses in public relations writing, public relations management and financial communications/investor relations courses. Through her professional contacts, Ms. Stein has helped place Newhouse students and graduates in numerous internships and employment opportunities.

An active member of the Public Relations Society of America, (PRSA) and a Public Relations Student Society of America (PRSSA) member while attending Newhouse, Ms. Stein received her Accreditation in Public Relations (APR) in 1983 and her Fellow in 2003. In her application for

Fellow PRSA, Ms. Stein was acknowledged for “Best U.S. Investor Relations Practices” she brought to Israeli-based, primarily Nasdaq-traded, companies during the 1990s when she was Co-Chairman of Morgan-Walke Israel, the Israeli office of what was once the leading independent investor relations firm in the United States.

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Ms. Stein has served for a number of years on the executive committee of the Financial Communications Section of PRSA, including Past Chair, and is frequently quoted in industry publications on numerous public relations and investor relations topics. Ms. Stein is a recognized speaker on financial communications issues and trends and has also authored a chapter on investor relations case studies for “Cases in Public Relations Management” by Patricia Swann, published by McGraw-Hill, copyright 2008. She just completed an updated investor relations chapter for Ms. Swann’s new book “Cases in Public Relations Management & the Rise of Social Media” to be published by Routledge in 2014.

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Michael Meath



Michael Meath is founder and president of Strategic Communications, LLC (SCLLC). Over the last thirty years, he has helped hundreds of leading organizations throughout the United States navigate sensitive and confidential situations. CEOs, boards of directors and legal counsel from the energy, education, healthcare, financial services, high-tech and defense industries look to Michael for his strategic insight.

Prior to starting Strategic Communications, LLC, Michael served as vice president of business development and public affairs for Agway Energy Products, where he managed all public relations, legislative, regulatory, legal, and communications issues for the company's 2,300 employees and 500,000 customers. He also served as Agway's corporate director of health and safety and director of government, regulatory, and legal affairs. Before joining Agway, he spent more than a dozen years in the private healthcare sector, focused on risk management practices with hospitals, nursing homes, and private physician's practices.

Michael is an active adjunct professor in public relations at Syracuse University's S.I. Newhouse School of Public Communications, as well as in the collaborative professional master's degree program in communications management at McMaster University. He serves as a guest lecturer at Syracuse University's Maxwell School in the Hubert Humphrey Fellowship Program sponsored by the U.S. State Department. Michael has been a registered lobbyist in several states, and is a published author of articles, testimony, and position papers. He and his firm represent a variety of organizations in over 100 media interviews, talk shows, and public appearances each year.

He has a master's degree in communications management from Syracuse University's S.I. Newhouse School of Public Communications, and a bachelor's degree in business management & economics from the State University of New York. He serves on the Newhouse School advisory committee for the executive master's degree in communications management.

Michael is an Investor Member of CenterState CEO, and has served on the board of trustees for the Public Broadcasting Council of Central New York (CNY) and the board of directors for Leadership Greater Syracuse. He is a former president of the board of directors for the Food Bank of CNY as well as the board of trustees for the Safety Council of CNY, and a former director of Countryside Federal Credit Union. In addition, he previously worked in a leadership role with the American Red Cross in providing disaster relief services during emergencies and crises.

He is an FAA certified private pilot and an avid kayaker.

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