



Norwegian Cruise Line Case Study

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Course for Online Engagement

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It was late in 2012. Norwegian Cruise Line's Vice President of e-Commerce Rob Casas sat in his office at the company's headquarters west of Miami. While the rest of the nation braced for another oncoming winter, tropical sunlight streamed in from the west through the glass exterior and the ring of full palm trees. The sun had just hit the horizon out beyond the Palmetto Expressway and the buildings and landscape of Miami, bathing everything in its golden light.

For Rob, the scene seemed almost symbolic. For almost the entirety of 2012, he had been mulling an intriguing opportunity with Needle Inc., a company that promised to change the way customers engaged with brands online. Undoubtedly, the company had an intriguing technology and services platform for Norwegian Cruise Line: offering real-time website engagements to visitors researching cruises manned by knowledgeable experts who were not company employees, but passionate Norwegian Cruise Line cruising customers themselves. The concept could potentially improve the customer experience on Norwegian Cruise Line's website, ncl.com by leaps and bounds.

But Rob still had questions.

Would Needle, which had excelled with retail companies, be able to adapt their solution to the markedly different needs of a high-touch, higher AOV product like cruising? Most importantly, would it enhance the customer experience on ncl.com in a way that would improve customers' actual cruising experience and keep them coming back for more?

With these questions on his mind, Rob also knew that the time had come for he and his team to make a decision. The result of the decision could be a failed experiment or an exciting, crucial evolution in the way they marketed to their online customers. Would he try Needle or pass on the opportunity?

Getting Off on the Right Foot

In 2012, Norwegian Cruise Line was sailing on smooth waters. It was adding two new vessels to its already impressive fleet, each complete with world-class restaurants and entertainment, and prided itself on delivering exceptional customer experiences aboard its cruises. As Norwegian Cruise Line had adapted to marketing online, they had found that, before setting foot on any cruise ship, ncl.com, was usually the first touch point with customers. In fact, hundreds of thousands of customers, and prospective customers, visited the site every day.



This fact was not lost on Rob and his e-commerce team. Because it was their responsibility for maintaining content and driving conversion on ncl.com, the need to improve the customer experience on the site was a top priority for the team. They knew that a negative online customer experience could ruin a sale or taint a booked customer's cruising experience. Ideally, however, the quality of the customer experience on ncl.com could match, and even enhance, the level of customer service and hospitality experienced on board one of their ships.

"With dozens of dining and entertainment options on each of our ships, the Norwegian experience obviously comes alive when you first step aboard," Rob recalled. "Getting that experience off on the right foot on the website, therefore, was critical."

In pursuit of this goal, years earlier, the Norwegian e-commerce team had tapped into customer-generated content as a way to improve their site's customer experience. They were, in fact, one of the first cruise lines to harness the strength of customer comments, forums, and tips to educate site visitors on their products and the in's and out's of cruising.

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"We always felt that the authenticity of the customer voice, and being able to share that with other customers," Rob explained, "was crucial in reinforcing the value of our products and in driving people to what they were looking for."

With this focus, Rob and the team had invested significant resources providing up-to-date customer-generated content that would emphasize those features that customers were typically most interested in and drive higher conversion on the site.

As they considered better ways to extend the influence of customer-generated content on the site, they had also become interested in introducing chat throughout the site's booking process. By giving visitors someone to ask questions to, chat could increase the quality of the customer experience and reduce the number of failed bookings. Despite this interest, however, the e-commerce team had postponed implementing chat in favor of other opportunities.

Fortunately, this delay turned to their advantage.

A Better Approach



In early 2012, Rob received some information from a respected colleague regarding Needle and encouraged him to give the company a look. Given the strong loyalty factor in the cruising industry, his colleague said, Needle could be a good fit for Norwegian Cruise Line. Over the following weeks, Rob connected with Needle and immediately recognized an interesting fusion between the customer-generated content he knew to be effective and the real-time engagement features he had been considering. Having a dialogue with an actual customer who had been on multiple cruises—and could act as an independent consultant—seemed like the perfect extension of the work the e-commerce team had already done with customer-generated content.

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Rob recalled, “Before we were able to roll out all our internal chat, Needle came along and that’s when we said, ‘While we’re thinking of chat, this is an interesting, and likely better, approach, if we can make it work.’”

This was a big question for Norwegian. At the time, Needle had been very successful in retail channels for tangible products, but it was untested with high-touch experience products like the cruises offered by Norwegian Cruise Line. After numerous phone calls and meetings between Needle and the Norwegian e-Commerce team over months, both companies came to the same conclusion.

“We finally got to the point where we had refined the model and better defined the opportunity to move forward and try Needle as a pilot,” said Rob.

In late 2012, Norwegian decided to pursue this opportunity with Needle, starting with a pilot that would allow them to explore how the model would work with Norwegian Cruise Line’s offering.

Crafting the Right Fit

As Norwegian Cruise Line’s Needle pilot commenced, Needle implemented targeted banners and other calls to action that would serve invitations to customers in the deeper stages of the visitor “funnel” and the shopping cart experience. For example, as site visitors received their first cruise quote, an invitation to interact would appear. It was plain to Norwegian and Needle, that, with some scaling and optimization of the platform, it would be quite successful, but the advocates should engage visitors earlier in the discovery phase to get the best results.

“The story, the way that the product worked, felt like it had to have results for us,” Rob said.

Needle quickly optimized the engagement approach by refining creative call to action pieces and placement of targeted banners. Invitations were moved to the discovery and research areas of the site where advocates could guide visitors to the right cruise and amenities based on their wants and needs, instead of discussing pricing or booking details. “We moved them to areas of our site where we talked about the core brand, Freestyle Cruising, things that might not resonate with first-time cruisers by reading the content but would if they actually interacted with someone,” Rob explained. “We also kept these interactions on the mid-funnel area, where visitors might get confused, for example, about where they wanted to book their stateroom on the ship.”

With this change, Norwegian Cruise Line could better leverage the strength of the Needle interactions and ensure there was no overlap with service-oriented questions handled by Norwegian’s corporate customer service agents.

“We wanted the Advocates to be talking about the product, telling the customers that if they were considering a cruise to Alaska, this would be a great itinerary when they went to Glacier Bay, or if the customer had kids, this ship would be fantastic. That’s what we wanted.”

“We wanted the advocates to be talking about experiences, telling the customers, for example, that if they were considering a cruise to Alaska and wanted a fjord experience, the Sawyer Glacier itinerary would be the best,” said Rob. “Or if the customer had kids, these particular activities on a ship would be fantastic. That’s what we wanted.”

They also went out of their way to make sure visitors knew that the Needle engagements were from fellow customers and not Norwegian Cruise Line employees.

With these changes in place, Norwegian and Needle were ready to perform A/B testing to see the improvements this would bring. Sure enough, Rob saw the improvement he had been anticipating.

“Instantly, our conversion saw a 25- to 40-percent lift,” said Rob. “It was the uptick we knew was there.”

Satisfied with the results of the pilot, Norwegian moved ahead with setting up a long-term agreement with Needle.

Striking Results

Over the next year, Rob, his team, and Needle continued to optimize the engagement approach to fit the needs of the Norwegian Cruise Line visitors. This has brought additional results such as:

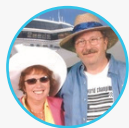
- Average CSAT scores of 9.3
- An ROI of 5x
- An average NPS of 65

For Rob, however, these numbers were just a reflection of something larger and far more important happening on Norwegian’s website.

“Having a product that gets people connected with others who are like them and can share the experiences that they had did wonders for the overall customer experience,” said Rob. “When they got on the ship, they not only knew what to expect, but they’d already had a great experience connecting with us on the website and interacting with the advocates.”

Customer feedback after these Needle engagements confirmed Norwegian’s success, as customer after customer praised specific advocates for being the experienced customer they needed to help them make their purchasing decisions.

Finally, these positive customer interactions began to culminate in a marked increase in Norwegian Cruise Line’s net promoter score. What started at a respectable 57 soon rose to a consistent 65, and even climbed to 73 during Norwegian’s peak season.



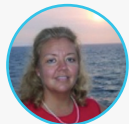
Ron

NCL Advocate



- 20+ cruises with NCL
- CSAT: 9.6

“Ron was quite possibly the best I have ever dealt with in any industry. Well done.”



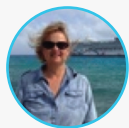
Margaret

NCL Advocate



- 25+ cruises with NCL
- CSAT: 9.3

“Margaret did a great job answering my questions! She is a consummate professional!”



Barrie

NCL Advocate



- Reviewer for online cruise forums
- CSAT: 9.3

"Barrie was very patient and polite. She answered all my questions in a very prompt time frame. She was not pushy or trying to force things on me. She's a keeper!"

To Norwegian Cruise Line, these customer responses and the numbers they reported in using Needle with their site were indicative of a strong move toward the ideal customer experience Rob had envisioned on the site. Now, with this win as a foundation, Rob and the e-commerce team still has other challenges in mind that Needle might be ideally suited to tackle.

A Smarter Customer Experience

When asked what is next for ncl.com, Rob will rattle off a grocery list of items. Potentially, he sees advocates aimed specifically at helping first-time cruisers while others might be positioned to help visitors who have stalled on the payment page.

"We think there's an opportunity there for an advocate to either reinforce that person's purchase decision or to help resolve any concerns they still have," says Rob. "Maybe they're not sure they picked the right stateroom or whether they should be on a lower deck or a higher deck, or if they should consider adding travel protection to their purchase. In any of those cases, our experienced loyalists would be perfect to answer those questions and move them toward order completion."

Overall, Rob sees their initial success with Needle as a point of departure, an exciting beginning to many successes to come. As he pushes the boundaries of how Norwegian Cruise Line can make its online customer experience smarter, Needle is expected to continue to be a big part of that push.

"Having a customer connect with a like-minded customer that is actually experienced with what the customer is looking to experience, is probably the single most influential thing we can do to help a customer interact with us and book a cruise," Rob concludes. "The authentic narrative of the customer is more influential than anything else I can think of."

Needle



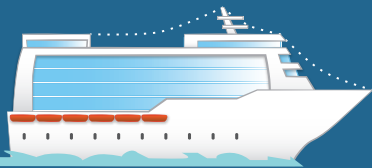
801.901.3913



www.needle.com

Charting a Course to **ONLINE ENGAGEMENT**

The e-commerce team at **Norwegian Cruise Line** was looking to increase conversion on their website while improving the online experience for customers. With Needle, they exceeded these goals and set their sights on a customer experience to match their brand.



CSAT SCORE

9.3
AVERAGE

5X

RETURN ON
INVESTMENT

65

AVERAGE
NPS

Needle

NCL NORWEGIAN
CRUISE LINE®