

# Cruise Line Study Identifies Top Segments...Reduces Cost-Per-Sale

## **The Challenge:**

The Cruise Line is positioned in the industry as a cruise line that provides upscale cruises and highly personalized service. The company receives a large quantity of inquiries, about 175,000 a year through advertising and relationships with travel agencies. In response to these inquiries, the company sends out fulfillment packages that cost in total \$1 million a year. Of these inquiries, only a small percentage converts to paying passengers.

The Cruise Line's main marketing objective was to better understand its paying passengers and prospects, and determine who is most likely to respond to an offer. To do this, the Cruise Line contacted Ruf to profile its databases.

## **The Solution:**

Ruf Strategic Solutions analyzed 37,415 customers (those who were paying passengers) and 149,525 prospects (those who requested information). Seven models were produced on various factors such as destination, and from these models, penetration reports were generated. The Cruise's penetration reports revealed strong segmentation opportunities in its top performing clusters. Strong similarities were present in the segments when demographic and psychographic characteristics of the top ranked clusters were analyzed. The lifestyle analysis highlighted the strong and weak lifestyle traits most likely displayed by The Cruise Line customers. Among other characteristics, the paying passengers were most likely to be financially secure and in the 55+ age group. The media analysis showed clusters with similar media traits and media types most likely and least likely

to be used by The Cruise Line's best customers.



## **The Results:**

1. The Cruise line can effectively find new prospects that are like the top performing clusters of its paying customers.
2. The Cruise Line can more efficiently plan their media advertising, reaching prospects most like its customers and eliminating waste. Also, they can score external lists to determine if there are sets within lists that are most like top-performing clusters. The Cruise Line can also send out a variety of fulfillment packages, ranging from a very low cost to a premium cost package, thus reducing the overall \$1 million annual cost.
3. The Cruise Line can focus on those prospects in their current database that are most likely to convert to paying passengers. A follow up outbound telemarketing call to those prospects could further increase the likelihood of conversion.