

Transatlantic

On a route that evokes the golden era of ocean lining, the Queen Mary 2 continues to carry thousands of passengers between Southampton and New York every year. **Christian Sylt** steps aboard and assesses the enduring appeal and robust business model behind this unique experience.

Managing a 1,310 room hotel with ten restaurants is no mean feat. Now imagine running such an operation while ploughing through the waves of the Atlantic Ocean. This pretty much sums up the job description of David Stephenson, Hotel Manager for the Queen Mary 2 cruise ship. If you never thought of cruise ships as hotels then think again.

When it launched in 2004 at a cost of £540m the QM2 was the most expensive passenger ship in history and it was also the biggest at the time. The scale of the ship is staggering. Its length is equivalent to four football fields and the corridors onboard seem to go on forever. It is equal in height to a 23-storey building and is packed with luxury fixtures and fittings.

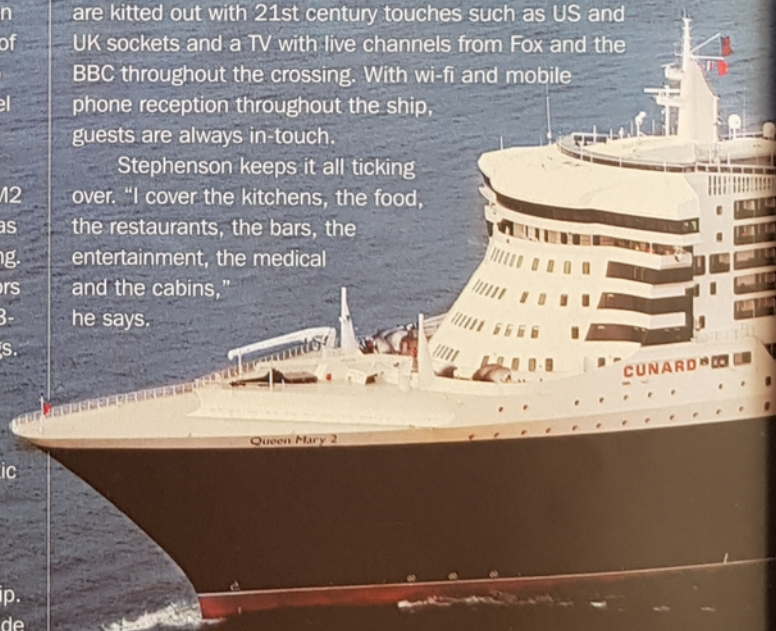
In addition to its ten restaurants, the QM2 has seven bars, five swimming pools, a ballroom, a nightclub, a full-size theatre, a two-floor spa, a casino complete with table games and even a planetarium featuring dramatic shows narrated by Harrison Ford.

There is an aura of Vegas glitz throughout, with huge statues of Greek gods straddling the planetarium entrance and two outdoor glass elevators rising up the side of the ship. Anyone who feels queasy about using glass lifts on the outside of buildings should avoid those up the side of the QM2 as all there is between guests and the grey Atlantic is a thin pane of glass.

The top penthouses come complete with private elevator access and personal butlers. Guests of the suites get access to private decks, private whirlpools and exclusive lounges. However, even the mid-range cabins will impress.

They don't look any different to rooms in a deluxe hotel and are kitted out with 21st century touches such as US and UK sockets and a TV with live channels from Fox and the BBC throughout the crossing. With wi-fi and mobile phone reception throughout the ship, guests are always in-touch.

Stephenson keeps it all ticking over. "I cover the kitchens, the food, the restaurants, the bars, the entertainment, the medical and the cabins," he says.



“ Whilst the rest of the world is speeding up, Cunard is slowing down. Extending its crossings to the UK to seven nights will increase food and staff costs but reduce the fuel expense. ”



*The Queen Mary 2
with the New York skyline
in the background.*

Maintaining its sumptuous services alone is a huge expense for Cunard, which runs the QM2, and the company's Managing Director Peter Shanks says: "Fuel is a big part of the cost. The next element which is quite considerable is what we call our food cost. This comes in two elements; the first is hotel store elements such as napkins which are fairly fixed. What goes up and down is the cost of fresh meat, vegetables and fresh produce as you go around the world."

Given the amount of food that the QM2 goes through annually it is easy to imagine the impact that price fluctuations could have. QM2 guests eat 38,000 pounds of smoked salmon and drink 346,000 gallons of fruit juice every year. The ship's annual beef consumption is so great that it would supply a city the size of Southampton each year. Stephenson says that one of the biggest challenges of being at sea is procurement. ■

Queen Mary 2: Quick Facts

- The original Queen Mary ocean liner operated between **1936** and **1967**. She is now permanently moored in the port of Long Beach, California as a tourist attraction.
- The Queen Mary 2 was built in Saint-Nazaire, France, at a cost of **£540m**, and launched by Queen Elizabeth II in 2004.
- QM2 has a maximum speed of **29.5** knots (55 km/h; 34 mph) and a cruising speed of 26 knots (48 km/h; 30 mph), making it much faster than larger cruise vessels such as *Oasis of the Seas* (22.5 knots; 42 km/h; 26 mph) or a blue whale.
- During the **2004** Athens Olympics QM2 docked at Piraeus for use as a floating hotel, serving former UK Prime Minister Tony Blair, the French President Jacques Chirac, US President George W Bush, and the US Olympic men's basketball team.
- The ship's kennels can accommodate up to **12** dogs and cats on transatlantic crossings.

Cunard is the only cruise operator which offers a scheduled transatlantic service and the QM2 will make 20 crossings between Southampton and New York this year in addition to a 96-night world cruise stopping at 32 destinations. It means that procurement has to be planned strategically because once the ship is at sea it can only pick up additional supplies on arrival at the next port.

"A hotel is static and if you want to order provisions you pick up the phone to your supplier but for us there is a tremendous lead time," says Stephenson. "We provision primarily in the UK because of static prices," he adds. However this is not possible on the world cruise because the ship is away for so long.

"We start to think about the world cruise three months before it starts because we have to put the orders together. We provision for it in New York, Montevideo, Cape Town, Sydney, Bahrain and Dubai." And it isn't just a matter of ordering enough stock; the timing has to be just right too. "If we are ordering for Sydney we have to get the stuff provisioned, collected, put into containers and shipped so it is in Australia when we arrive," says Stephenson. Procurement is far from the only area of his job which is affected by being at sea.

"Unlike a hotel, the dynamics of your operation can change once a fortnight. When you have a major crew change, for example, you take 80 to 100 people out of your department and you replace them. You could change 30 waiters in the restaurant so at breakfast there maybe 30 waiters who will not be there at dinner," says Stephenson. He has a workforce of 1,250 and although this may seem like a lot, there is huge pressure on resources.

"A lot of hotels would think you were mad if you said I am going to turn up with 1,200 people at 6pm and I want to eat my way through a menu which has considerable choices on it. I then want them all out by 8.15pm and I'm going to do it again at 8.30pm. We do it every night," says Stephenson adding: "On some ships they have the same weekly menu cycle and that's all they do, whereas we have a more varied menu cycle so we can change any dishes we want."

He says that the secret to pulling this off is: "Moving people from production into service so we have plenty of people on the lines and waiters to serve quickly. It's about how you want the restaurant and the kitchen to link together in a harmonious way."



In 2009 the Queen Mary 2 took a voyage around the British Isles, stopping in Liverpool.

The result is that service is super-smooth and no matter which restaurant guests dine in, used plates and cutlery are only left on tables for a few minutes at most before being whisked away by the staff. The quality of the food is up there with top restaurants in capital cities and if guests of the suites give 24 hours' notice, remarkably, the kitchens will cook anything they choose. This high standard is one of the reasons why the QM2 has such an enviable occupancy level.

"We're full all the time. If not 100% then very close to it," says Shanks. The QM2's has a capacity of 3,056 guests and they have included some well-known names such as Star Wars creator George Lucas, Rod Stewart, Donald Trump, John Cleese and Michael Bloomberg. Guests aren't just attracted by the on-board luxury, however.

Every day when travelling to the US, all clocks are set back one hour to compensate for New York being five hours behind the UK. It means you get an extra hour in bed every day, which is easy to get used to, plus there is no jet lag to contend with once you arrive. Another bonus is no luggage limits onboard.

Former Formula One world champion Sir Jackie Stewart is a regular guest on the QM2 and two years ago celebrated

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his 70th birthday by taking his family to New York on the ship. He says: "The accommodation on-board is probably the finest of any ship in the world. The opportunities for entertainment and relaxation are many and my ideal would be to make the journey at least once a year." He describes it as: "One of the most enjoyable and, I would suggest, sensible ways to cross the Atlantic." However, you don't have to be a big spender to travel on the QM2.

Shanks says that guests pay an average of between £1,500 and £1,700 for a transatlantic crossing, which



Leisure facilities onboard the Queen Mary 2 include a planetarium (shown here) and a library (below left). Below centre: It can get a little chilly out on deck so dogs are issued with special Queen Mary 2 jackets.



includes the return airfare as well as unlimited food and soft drinks onboard. "You cannot get that in a hotel," he adds.

With 3,056 guests each paying an average of £1,600 the QM2 has revenues of around £4.9m per transatlantic crossing and £97.8m over its 20 crossings annually. "It's a very strong brand and people like to go towards a brand when times are tough," says Shanks.

More than half (55%) of guests are repeat travellers says Shanks. This has helped to maintain revenues: "The Queen Mary 2 does quite short six or seven night transatlantic crossings which have proved more resilient than some of the longer voyages that other cruise lines operate. The third element is the international sourcing."

The diversity of guest origin helps to mitigate risk as 40% are from the UK, 40% from North America and 20% from other markets. "Within the other markets, the two biggest are Germany and Australia," says

Shanks. "You can dial up activity in different markets depending on how that market is performing. A lot of cruise lines have some international business but we are very well spread across the world."

Cunard doesn't disclose its profits but they are kept buoyant by economies of scale across the 96 ships in the fleet of its ultimate parent, Carnival Corporation – the world's largest luxury cruise ship operator. "In the UK, where not only do we have Cunard line but we also have P&O Cruises, we looked at synergies in what we are buying, for example, paper towels or non brand specific items," explains Shanks. But Cunard isn't resting on its laurels and has its eye on other ways to keep the profits up.

The slower the ship travels, the less fuel it uses and Stephenson says: "Cunard wanted to arrive later because if you could knock half a knot off the Transatlantic crossing you are saving a lot of money." However, he adds: "We have pushed it as far as we can with American immigration because they will not let you embark and disembark at the same time in the US." Instead, Cunard has come up with an alternative solution.

At its top speed of 29.5 knots (55 km/h; 34 mph) the QM2 could cross the Atlantic in four and a half days but driven by the results of a guest survey this year Cunard is extending its crossings to the UK to seven nights. This will increase food and staff costs but reduce the fuel expense and since this is such a big overhead, Cunard's profit should rise. So, whilst the rest of the world is speeding up, Cunard is slowing down. It should pay off. Most QM2 guests agree that getting there is not just half the fun, but all the fun. ■

Christian Sylt is a freelance journalist and contributor to *The Independent*, *Financial Times* and *Daily Telegraph*.

