

The Costa Concordia Disaster

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Introduction:

The Costa Concordia disaster was one of the most modern examples of a maritime disaster. With social media at its prime and advanced technology able to capture almost every detail, the Costa Concordia disaster is an excellent example of how public relations practitioners need to be efficient, critical thinkers and prepared when the unimaginable happens. This catastrophe is suitable for all aspects of a case study.

All aspects of a case study focusing on crisis management can be found in this example: falling stock prices, Carnival's response to the disaster and a resolution to the tragedy. In the case study, we will decipher Carnival's communication and provide improvements that could have been made. We will examine a timeline of events from the beginning of the disaster to the end where Captain Francesco Schettino was convicted of manslaughter.

We will discuss the causes of the wreck and what Carnival could have done to prevent the wreck from happening. We will also look at how Carnival communicated these events to their stakeholders and customers, by way of the company, leaders and representatives of the brand. With Carnival's customers, we will see what they offered the customers after the disaster. We will also look at how Carnival's values are intertwined with the public relation efforts following the disaster. We will also view Carnival's policies that must be followed in a day-to-day routine to prepare a ship for sailing.

When crisis strikes a company, public relations need to be at the forefront of the strategy plan. The Costa Concordia disaster was one of the most prominent examples of a modern maritime disaster, and Carnival missed the mark which makes it a valuable case to study. The

analysis of this case will be done through demonstrating the research, strategies, tactics and evaluation of the case.

Issue:

On January 13, 2012, the Costa Concordia cruise set out for a week long cruise in the Mediterranean, when it sank after it hit a reef, damaging the hull, causing the ship to sink, resulting in thirty-three deaths and sixty-four injuries. The ship set out from the Italian port of Civitavecchia at 7:18 p.m. local time and traveled north-west along the Italian coastline (“Costa Concordia: What Happened,” 2015). Captain Francesco Schettino instructed the crew to steer close to the island of Giglio (“Costa Concordia: What Happened,” 2015). After sailing too close to the island, the ship struck a rock, puncturing a hole in the hull of the ship at 9:45 p.m. local time. Because of the frantic leadership of Schettino, the crew relayed incomplete and inaccurate information to the authorities in Italy of the severity of the situation (“Costa Concordia: What Happened,” 2015). At 11:19 p.m. local time Schettino abandoned ship and left the second master in charge of the bridge and at 11:32 p.m. local time the second master also abandoned ship (“Costa Concordia: What Happened,” 2015). The rescue continued until that Sunday with Schettino later arrested on a charge of abandoning ship and multiple counts of manslaughter (“Costa Concordia: What Happened,” 2015).

The Organization:

The Costa Concordia was owned by Carnival Corporation. Following the sinking of the ship the CEO of Carnival, Micky Arison, was not to be found. Over the past thirty years, Arison has “quietly built Carnival into the world's largest cruise-ship company,” (Esterl, 2012). According to Fox Business Carnival’s stock prices dropped 20% the Monday following the sinking of the ship. Arison was in Carnival offices in Miami as the tragedy was unfolding in Italy

(Esterl, 2012). “Pier Luigi Foschi, CEO of Carnival's Italian unit, Costa Crociere SpA, which operated the doomed ship, has been the public company's face,” (Esterl, 2012). Throughout the rescue, Foschi blamed Schettino for the tragedy in all news and press conferences (Esterl, 2012). According to the Wall Street Journal, Schettino states that he “told magistrates that he informed the ship's owners of the accident immediately, denying he delayed raising the alarm. He also said Costa backed the plan to steer close to shore as a way to generate publicity for the cruise line, Italian media reported on Sunday,” (Esterl, 2012). Throughout the rescue there was not one clear voice from Carnival, neither Carnival nor Costa Crociere, took charge of the situation.

Publics:

There were multiple different publics who were involved and affected by the sinking of the Costa Concordia. The first public to be affected is the 3,206 passengers and 1,023 crew members onboard the Costa Concordia. These people are the most important public in this disaster because their lives were at risk. They all had to be evacuated after the ship hit a reef, dangerously damaging the ship (Egan, 2012). They are also an important public because they are entitled to financial compensation from the insurance companies that insure Carnival.

Another important public involved in this maritime disaster is the stock holders. The Monday after the Costa Concordia sank the Carnival stock prices fell 20 percent (Egan, 2012). The stockholders are an important public involved because they have a financial stake in the company. Another important public involved in this case are the family members of the passengers and crew members who on the Costa Concordia as the evacuation took place. These people are an important public because they were waiting for information concerning the rescue.

Organization Objectives:

Carnival Corporation states that their mission is “to take the world on vacation and deliver exceptional experiences through many of the world's best-known cruise brands that cater to a variety of different geographic regions and lifestyles, all at an outstanding value unrivaled on land or at sea,” (Mission and History). During the Costa Concordia disaster, Carnival failed to maintain its mission statement.

Organization Response Strategy:

Following the tragedy Carnival Corp and Costa Crociere SpA failed to properly respond to the events. As the events unfolded and rescue crews were working to rescue the passengers and crew members Carnival CEO, Micky Arison, was absent from the scene along with many other Carnival executives who were seen “gallivanting around town at black-tie gala parties and even Miami Heat professional basketball games,” (Bhasi, 2012). Following the sinking of the Costa Concordia, Carnival offered the passengers a 30 percent discount off on their next Carnival cruise (Bhasi, 2012). Carnival also played the blame game and Arison worked hard to distance the parent company Carnival from the disaster (Esterl, 2012). Carnival also responded by suspending all of its social media activity. Instead of responding to the concerns of customers on social media, Arison simply said that he would be suspending his social media activity (Engler, 2012).

Organization Communication Strategy:

Carnival did not have a communication strategy in the wake of the Costa Concordia sinking. Arison did not give a statement regarding the sinking or the rescue efforts being taken place until late January 14, 2012, a full day later after the cruise line hit a reef puncturing a hole in the hull and a press conference was not scheduled until January 16 (Bakaric, 2012). Instead of

flying to Italy to be on site as the rescue was underway, Arison “expressed his condolences with a nicely-crafted PR statement from Miami. He waited a week to send one of his big execs, Vice Chairman and COO Howard Frank, across the Atlantic,” (Bhasi, 2012).

Discussion on the Organization Strategy:

Carnival failed to effectively respond to the sinking of the Costa Concordia. The Costa Concordia disaster has been cited as the largest sinking in maritime history since the Titanic. In the wake of a tragedy a company’s CEO needs to be present. Arison stayed in Miami and waited until the following afternoon to release a statement and waited two days to schedule a press conference. Arison should have flown to Italy as soon as he received news of the crash. He should have assumed responsibility for the crash as the parent company to Costa Crociere SpA. Carnival should not have offered the passengers a 30 percent discount on their next cruise. By offering this to their customers, Carnival failed to show any real concern for their affected customers. During a crisis a company needs to show concern and by offering them a discount that must be used within 18 months shows a lack of empathy and sincere concern for their customers (Bakaric, 2012).

What were the tactics employed by the organization?:

According to the Carnival Corporation website, Carnival’s mission is to “take the world on *vacation* and deliver *exceptional experiences* through many of the world’s best-known cruise brands that cater to a variety of different geographic regions and lifestyles, all at an *outstanding value* unrivaled on land or at sea.” Each day the company strives to live by this mission. This mission is a guideline of how the company does day-to-day operations. Since the “vacation” was not the “exceptional experience” that the customers expected, the Carnival crisis management team had to issue tactics to keep Carnival in a positive light. Tactics are displayed through

communication, and we can see that through the social media outlets, press releases and direct sources of leadership.

Micky Arison, CEO of Carnival, is normally outspoken, but not in the result of this accident. Carnival's tactic was to not bring the entire brand into the light by having Arison speak (Esterl and Lublin, 2012). Carnival feared that the other cruise lines that they owned would be affected if Arison spoke. By not having Arison speak, the only brand that was affected was the Costa brand. When the leader of your company is faced with an issue such as this one, you must ask yourself, "Is our CEO the right person to communicate with us?" Arison is described as an introverted person who would rather stay out of the limelight, but is experienced in the industry. You would have to weigh the outcomes of having an experienced leader that may not be comfortable answering the questions, or have the CEO come straight to the forefront to represent the company. Carnival was in a situation where having the CEO speak was still a questionable move. This crisis was similar to that of the BP oil spill, which happened less than two years prior, in which the CEO did not best represent the company.

Protecting your brand is important in any situation, but protecting your publics is an even more important task. Carnival spoke out to their publics via social media; however it was in a different light than most. The posts, however, were not posted until six days later (Engler, 2012). Carnival told their followers on social media that they were "going to take a bit of a break from posting on [their] social channels," (Engler, 2012). The public was not fond that no clear message was given by Carnival at the beginning. By taking a "break", it informed the public that Carnival wasn't prepared to speak. The public wanted to hear from leadership, but saying that they were not going to talk was not what the public wanted to hear. The break did not last long as

the next day Carnival started to respond to messages of praise, and retweeting promotional tweets - even before a formal press release was sent out (Sustainly, 2012).

Carnival did not do the best job at communicating the events to its publics. Arison should have been the face of the movement. He should have represented the Carnival brand and actively displayed that he was fixing the problem. Arison could have shown this by immediately making a statement, and making the public aware of what was going on. He should have flown to Italy to speak with the families, employees and cruise goers. He should have known the victims by name and sought out their family personally. He should have been in the public eye multiple times a day. When people can see him, people feel more like the issue is taken care of.

Carnival's social media accounts did not shed a most positive light. Carnival should have given new developments to their followers. No public likes to be told that they will not be told any information, which is exactly what Carnival did. Each day Carnival should have communicated on its social media about what happened that day. Even if there is no news, publics like to know something rather than nothing.

Evaluation/Continuation Phase:

Once the situation was over, it was clear that Costa did not have any type of crisis management plan in order. The actions of Captain Francesco Schettino had a great influence in the aftermath of the accident. Schettino abandoned ship before securing the safety of any of the passengers. "After a barrage of evidence was made public about the captain's tepid response during the accident, Costa Cruises began disassociating itself from its own employee, essentially blaming Schettino fully for the accident," (Camp, 2012). Costa failed to take responsibility as a company and in doing so heightened the severity of this crisis. The lack of leadership after the situation was astonishing for such a large company. "Costa Cruises Chairman and CEO Pier

Luigi Foschi, held a news conference on Monday, Jan. 16, the eyes of the world were on him,”(Camp, 2012). This conference was very displeasing to the audience, because it seemed short and impersonal. Also Micky Arison the CEO of Carnival was nowhere to be found after the wreck with Costa Concordia. Arison wanted to distance Carnival from the disaster, which in return didn't help their reputation with the public during this time.

The overall neglect from the company after the situation was highly criticized. Besides the initial press release and the few posts on social media, Carnival remained silent for most of the situation. If the company had established one voice, they could have communicated more efficient to the public. After the accident, the company offered passengers 30 percent off their next Costa cruise, and the passengers were also given full refunds for their trip. As well as arranged transportation and lodging for the passengers. This seemed insincere to the families that were directly affected by the accident and those who were not. Although the crisis was largely due to human error, and management, there were numerous things the company could have done differently. A corporation as large as Carnival should have already had a crisis contingency plan in order in case for situations like this.

Case Analysis/Conclusion:

The proof of Carnival's poor performance can be seen in the decrease of stock and the amount of negative media coverage surrounding the incident. It wasn't just one factor that contributed to this devastating event. Carnival's poor management and one-way communication had contributed to their failure. There are many ways that Carnival can work to improve their communication within the company and gain back the trust of their customers. Even though they can't prevent another crisis situation from occurring, there are several ways that Carnival can approve upon their reputation and be better prepared in the future. It is always wise to expect the

unexpected. “The lessons of the Costa Concordia disaster demonstrate the human error and arrogance can trump even the most advanced technology,” (Zingman, 2012). This quote sums together this case very well and puts it into perspective.

In order to better their efforts, they need to establish safety communication within the company and be transparent with the public. They also need to have a quick response and be honest with the public about what is going on. The amount of time it took before they released a statement is too long to keep the public guessing. If Costa Cruises and Carnival Cruise Line had worked together instead of placing the blame solely on Captain Schettino, it might have gone smoother. The amount of effort it took for them to hide out only damaged the company’s reputation more. The Costa Concordia disaster was one of the most prominent examples of a modern maritime disaster, and Carnival clearly missed the mark making it a valuable case to study and learn from.

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