



Modern Luxury

**An Interview with Lisa Lutoff-Perlo,
President and Chief Executive Officer,
Celebrity Cruises**

EDITORS' NOTE Lisa Lutoff-Perlo was appointed to her current position in December 2014. Prior to this, Lutoff-Perlo was Executive Vice President, Operations for Royal Caribbean International. Earlier, she was Celebrity Cruises' Senior Vice President, Hotel Operations. In other previous positions with the company, Lutoff-Perlo served as Royal Caribbean International's Associate Vice President, Product Marketing, Strategic Alliances and Multicultural Marketing. Lutoff-Perlo spent 17 years in the sales organization for both Celebrity Cruises and Royal Caribbean International, holding progressively senior roles ranging from District Sales Manager to Associate Vice President of National and Corporate Sales. She studied accounting at Bentley College in Waltham, Massachusetts.



Lisa Lutoff-Perlo

COMPANY BRIEF Celebrity Cruises' (celebritycruises.com) iconic "X" is the mark of modern luxury, with its cool, contemporary design and warm spaces; dining experiences where the design of the venues is as important as the cuisine; and the amazing service that Celebrity provides, all created to provide an unmatched experience for vacationers' precious time. Celebrity Cruises' 12 ships offer modern luxury vacations visiting all seven continents. Celebrity also presents cruise tour experiences in Alaska and Canada. Celebrity is one of five cruise brands operated by global cruise vacation company Royal Caribbean Cruises Ltd.

How do you define the Celebrity Cruise difference, and what has been the secret to its success?

I've been a part of our industry for 32 years so I have a good understanding of things, especially with the majority of my career spent in sales and marketing. Having had to sell against many of the competitors and also having the opportunity to see what they do and who they are, has been a plus as Celebrity has evolved over time.

Celebrity has taken the time to think through how to carve out a unique niche in our business. We focus on five key things, which are the only things that matter to us: Destination, because we care about where we go, as we believe the people we are attracting, who are the affluent vacationers, care about where they go. We create a unique

experience for the Celebrity guest at each destination that they can't find anywhere else.

Service is another one of our pillars. The industry in general is pretty good at service and has a very high satisfaction rate and performance history with people who vacation on cruise ships. For us, it's about how we nuance service and make it our own, and much of this is under our modern luxury umbrella.

There are many competitors in the market. We see where they're all playing and we've decided to play in our

own space. We have created an experience that isn't mass or luxury – it's modern luxury. We have done a lot of research that addresses how people define luxury today. When we think about luxury and about things that are driving luxury purchases, it's lack of pretension, lack of opulence, and it's more casual and approachable; it's elegant and sophisticated but in a relaxed way.

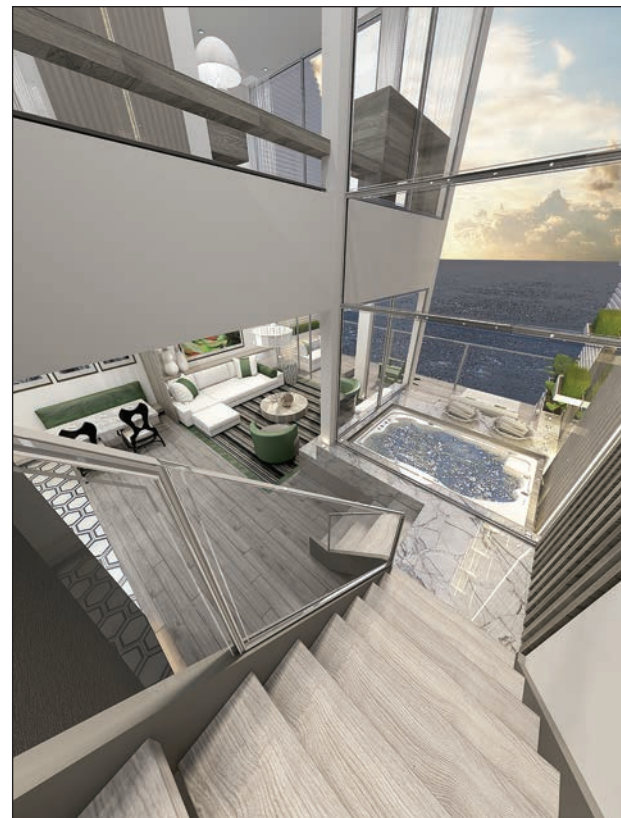
Another pillar for us is Design – we have carved out a special place for that as well as for Culinary. Then there is Accommodation, which is how we make people feel about where they live based on the types of categories we have, be it suite or concierge class. We have looked at things that people care about and created an accommodation experience that is modern luxury. It's nicer than the rest, but also appeals to different things that people care about when they vacation and how they want to be treated or the experiences they have.

I have a rule here: I don't want anybody coming into a meeting and talking about what a competitor does in our industry, because as long as we're watching them, we're not thinking about ourselves and how we move forward. We just happen to do it on a modern luxury, boutique hotel cruise ship that sails around the world and offers experiences that are different.

How much of a niche is the affluent travel market?

We look at it in a few ways – where people go, how much they spend on travel, and their net worth.

Then we look at segments within that group to determine who would be happy on a Celebrity cruise. When we look at the universe of those people, we find that there are plenty of them, many who are cruising but many others who are not. The opportunity for us is to become relevant to their vacation plans.



Two renderings of the two-level Edge Villas with plunge pools on the new Celebrity Edge scheduled to launch in late 2018

To do that, we have four focuses: how our brand visually looks, the language we use, and how we talk to people is really important and has evolved over the past 12 months.

Another focus is what we care about. People now care as much about what a company stands for as what we do for a living. We don't want to be thought of as just a cruise line – we want to have a point of view and have people know about the things we care about, be it partnering with United Way, the Malala Fund, helping young women succeed or opening the world to different cultures and helping people have experiences that will enrich them and make their lives better. We believe it's our obligation to be sustainable.

In addition, the vast majority of our money is spent in the digital space, be it through advertising or social media. Engagement with people is really important to build some sort of relationship with the brand that is ongoing. Social media also enables a great opportunity for advocacy.

When I look at the awards and accolades that our brand gets, I'm quite honored and encouraged that we're on the right track.

How critical has it been to build a diverse and inclusive workforce?

It's critically important. Our workforce is more diverse than our client base. We source mostly from Canada, the U.S., the U.K., and Australia, with around 10 to 12 percent of our guests from Europe. Our crew is from 60 different countries around the world, and they are made up of all nationalities, genders, sexual orientations, and religious beliefs, and I always use them as a pinnacle of the example they set for the world.

For many who come to work on these ships, it's the first time they have ever left their countries. They come to the ship as a stranger and, within a short period of time, they become part of a bigger family that takes care of each other and our guests. Very quickly, they truly live in harmony. ●