



Beth Neumann

EDITORS' NOTE Beth Neumann is the President & Chief Executive Officer of Starboard Cruise Services, an LVMH company. Prior to joining Starboard, Neumann has had a consistent record of growing and transforming businesses. She led the \$3 Billion Avon Fashion & Home business, where she built a talented merchant organization and drove growth through a transformational vision of accessible beauty and luxury. Before Avon, she was the Chief Marketing Officer at both Atkins Nutritionals and The Worth Collection, a luxury fashion direct sales organization. She began her marketing career at Kraft Foods. Early in her career, Neumann was a supply chain specialist at Andersen (Accenture) Consulting. Neumann holds an MBA from Harvard Business School and a BS in Engineering from Cornell University.

COMPANY BRIEF Starboard Cruise Services (starboardcruise.com) has revolutionized shopping onboard cruise ships, creating a unique retail environment where discovery and entertainment are part of the shopping experience. Starboard is a global retailer and the leading cruise ship retailer with more than 700 onboard retail shops and 2,500+ employees operating on 90+ cruise ships. It sells everything onboard including jewelry, Swiss timepieces, handbags, liquor, beauty and apparel, and was the first onboard retailer to offer stand-alone luxury boutiques. In its next phase of transforming cruise retail, Starboard is focused on delivering entertainment, discovery and memories (not just merchandise). Starboard treats guests to an unforgettable shopping experience designed to delight and entertain, offering high-quality products, including many exclusives. Attentive Starboard Cruise Services employees cater to cruise guests who, free from time constraints, enjoy spending time discovering both new and classic brands. The quality of the products, the relationships with the sales advisors and the guest experience combine to create a uniquely entertaining and memorable shopping experience at sea.

Selling Memories

**An Interview with Beth Neumann,
President and Chief Executive Officer, Starboard Cruise Services**

Will you discuss the vision around Starboard Cruise Services and how the business has evolved?

Starboard began as the first duty-free retailer in the U.S. In 1958, the founder started out in the Miami airport selling duty-free tobacco.

The cruise industry started to grow around the same time, but it wasn't until the 1970s that retail went onboard cruise ships, and that became our business.

We have grown with the industry. Retail was initially about souvenirs, and liquor and tobacco. We have continued to evolve and reinvent ourselves as the industry and the guests onboard have changed.

Today, we are focused on entertaining retail experiences where guests can interact, discover and experience exceptional and customized hospitality from our talented staff. At Starboard, we sell memories, not just merchandise.

How important is brand awareness for Starboard?

We represent the cruise lines, so if one is on one of our cruise lines – Royal Caribbean,

Celebrity, Norwegian, Genting's World Dream, Carnival – the retail is designed to be theirs.

We promote the brands we partner with onboard, like Tiffany, Cartier and Bulgari, for instance. In partnership with the cruise lines, we design the shops and choose the merchandise. It is our talented Starboard staff that tell the stories and deliver exceptional experiences that is key to our success.

We're a B-to-B business, so the industry knows us, but we are looking forward to a day when our Starboard retail and our talented retail associates drive more people to cruises on which we operate.

Where will growth for Starboard come from?

The industry itself is growing at 7 percent per year due to new ships, so the growth is natural. As Starboard is, by far, the leader in launching retail on the industry's most important new ships, there is tremendous growth potential. In addition, there is a large growth opportunity in our customized retail approach to inspire guests to bring home a memory that captures the joy of their cruise vacation.



A Starboard Cruise Services onboard Tiffany experience (above) and BVLGARI and Salvatore Ferragamo stores (opposite page)



Most cruise retail has been historically operated in a very transactional way, but now, we're very focused on being an integral and highly enjoyable part of the overall cruise journey. We see huge growth from approaching retail in this way, ensuring people are having fun in retail, discovering new things, connecting with other guests, and then giving them hospitality that they're never going to have on land because we get to know them over the course of many days.

Are there consistent offerings from ship to ship or is each experience customized?

In the beginning, it was similar across ships, but now it's customized because the industry has completely globalized. In the last 10 to 15 years, we have changed from a company that was focused on cruise itineraries in the Caribbean to one where more than 30 percent of our business is in Asia and 20 percent is in Europe. Globalization has meant we have had to design for many different people from around the world.

Also, with the advent of megaships, we have been able to create stunning and spacious retail onboard, along with engaging events and activities. We also have more opportunities for customization and firsts at sea with iconic brands.

The third important change is the cruise lines have really differentiated themselves. We design retail to match what the cruise line and their guests are looking for, and entertain them with unique experiences.

Is your primary focus on the high-end customer?

We have many different guests onboard with many different interests and we are as excited to sell a \$10 memory as we are to sell a \$10,000 memory.

We offer everything from fine jewelry, which is our largest category, to Swiss timepieces to beauty, spirits, handbags and fashion jewelry.

How critical is Starboard's investment in training?

This is important to us. We are the premier retailer responsible for bringing the most iconic brands in the world to the cruise industry because those brands trust us to deliver their brand experience as they would in their own stores.

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It's helpful that we're owned by LVMH because that brings credibility with it, but we know how to train our people to create compelling stories and forge unforgettable relationships.

Is it critical is it to create an experience for the customer?

Telling a story and building a relationship with people really matters. We all care about who is selling to us. If the shopping experience isn't enjoyable, the customer might as well go online. However, if the customer is able to connect with our staff, it makes a difference.

I went onboard a ship a few years ago and learned from the GSM that, while cruise lines can create incredible experiences for their guests, people sometimes choose a cruise ship based on a jeweler onboard with whom they have built an incredible relationship.

People want a one-on-one connected experience with those working in our shops.

Will you discuss the value that LVMH brings as an owner?

The philosophy of LVMH is very entrepreneurial and, as a result, I'm entrepreneurial. At the same time, I can connect with my fellow LVMH companies and this is powerful, not only for relationships, but when I need to know more deeply what is happening elsewhere, the information is there at my fingertips.

This is a powerful network of people who understand luxury and how to create great consumer experiences and are very focused on insight.

When you look back to when you assumed this role, has the experience been what you expected?

Absolutely. They brought me in to create more value. We always envisioned the cruise industry would be important, but it was about what we needed to do. When I visited a ship, I was amazed at the power of relationships and what kind of retail could be created.

LVMH and I were very aligned from the beginning and I quickly built the vision and they have been very supportive in getting behind it. ●

