

A Crisis Communications Management Case Study
**Managing the Costa Concordia Cruise Ship Crisis: Who's in Charge
and Where is Micky Arison, Chairman & CEO of Carnival Cruise Lines?**

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Well, for one thing, we know he has not been on a cruise. Although no one really knows where Micky Arison has been, the subtext of the question is really, WHY hasn't he been in Italy, or at a minimum why has he NOT been more visible given the grounding of one of his luxury cruise liners, the Costa Concordia?

For the time being, Arison may have gone below deck, but he has not abandoned ship.

While it may not seem so standing on the coast of Coglio, Italy staring at a half-submerged luxury liner, as the steel carcass of the near empty vessel nudges ever so slightly like a comatose patient on life support, barely breathing with the ebb and flow of the sea sweeping the empty decks and the frigid salty ocean water whooshing through now empty cabins, Carnival CEO, Arison remains very much involved.

Make no mistake about it, Arison, while not visible as the voice, the face, the spokesperson for Carnival Cruise Lines since Friday the 13th, 11 days ago, when the Costa Concordia met some unexpected reef and now finds itself out of commission, crippled and half-capsized just offshore, Arison, while out of sight is still very much at the helm in the wheelhouse of Carnival Cruise, the world's largest cruise ship empire.

The First Negative PR Salvo has Been Fired Over the Bow of the Concordia right at Carnival CEO, Arison

The First negative PR salvo was fired over the bow of the sunken Costa Concordia right at Micky Arison. NO surprise. It was just a matter of time. It's also no surprise also that it came from the Wall Street Journal. The "attack" came in the form of a very subtle headline, on Monday, January 23, 11 days after the Costa crisis occurred.

The headline: "Carnival CEO Lies Low After Wreck"

This is exactly how the media manipulates the public, and public opinion. Sometimes the messages are subtle, other times more blatant, accusatory or even indignant about a situation or circumstance. Nevertheless, this is the first negative media relations depth charge tossed toward Carnival and its Chairman, Arison.

This headline smacks of efforts to stir up trouble for Arison for remaining out of the public spotlight on the issue. The headline was followed by a stand-alone opening sentence; brief, but cheeky:

"Where is Micky?"

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This is exactly how it goes, and this is exactly what reporters do. Arison got an 11-day reprieve from the attack for not being more public on the matter. So, if the headline seems to suggest, intimate, or fully call into questions Arison's whereabouts during the crisis and "why he has not been (more) out front on this" THEN the article should have gone on to criticize or even excoriate Arison for "not being that person, that CEO." **Instead, remarkably, the article does not do that.**

In fact, what the article actually does is to go on and make a much stronger case, supported by assorted "quotes" from sources close to Arison and others in the cruise industry, essentially explaining away and defending the reasons, with great logic, why Arison has maintained a low profile thus far in this still evolving crisis situation.

On the page below, the *Wall Street Journal* Article from which the above headline was reported, is reprinted with various excerpts of the article highlighted in yellow.

Here is a link to the original article that ran 1,471 words in length.

<http://online.wsj.com/article/SB10001424052970204624204577177131752006116.html>

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Wall Street Journal Article / Monday, January 23rd, as of 12:00 AM / Original article Length: 1,471 words

By MIKE ESTERL And JOANN S. LUBLIN

Carnival CEO Lies Low After Wreck: headline

Where is Micky Arison? – First, Opening Sentence as a Stand alone to bring further attention to the story.

The chief executive, chairman and part owner of Carnival Corp. has largely kept himself and Carnival out of the spotlight since one of the company's ships struck rocks off the Italian coast Jan. 13.

Mr. Arison is managing the crisis from Carnival's offices a few miles from Miami's port while events unfold in Italy. Pier Luigi Foschi, CEO of Carnival's Italian unit, Costa Crociere SpA, which operated the doomed ship, has been the public company's face

Carnival says Mr. Arison has been "in continuous contact" with Costa's Italian executives but that the CEO decided the unit's management is best suited to handle the on-the-ground response. That appears to be in keeping with Mr. Arison's management style, which is less hands-on than many chief executives. He gives great independence to executive teams running each of Carnival Corp.'s 10 cruise lines, which include Holland America, Princess Cruises, Cunard and Carnival Cruise Lines. Most have their headquarters outside of Miami and maintain separate sales, marketing and reservations programs.

"He is a big delegator in that all of his brands operate autonomously," said Joe Hovorka, a cruise-industry analyst at brokerage Raymond James.

By maintaining a low public profile during the Costa Concordia crisis, Mr. Arison and Carnival also might limit the focus on the parent company and its other cruise lines. "He wants to distance Carnival from this disaster," said one longtime acquaintance of Mr. Arison. "If he talks, Carnival is speaking."

Carnival declined a request to speak with Mr. Arison for this article. Mr. Arison hasn't granted interviews since the accident. Nor has he been seen over the past week and a half at any games of the Miami Heat, the professional basketball team he owns.

Bob Dickinson, a board member and former Carnival executive, said in an interview that management has responded to the catastrophe in "textbook fashion" and praised Mr. Arison for his steadying influence behind the scenes.

"There is a calming reassurance about him," Mr. Dickinson said. "It kind of cuts through the fog of war."

Mr. Arison, who often sleeps aboard a 200-foot yacht in Miami, has a reputation for avoiding the spotlight. Though he has remained out of public view now, he has expressed condolences to Costa Concordia's victims on Twitter and in company-issued news releases.

"Tonight our thoughts and prayers are with the passengers and crew," he tweeted Jan. 13, after Costa Concordia ran aground. Carnival issued a news release the following day, saying it was "deeply saddened" by reports of deaths and committing all its resources to help.

Fully 1/3 of the 1,471 word article, 446 words specifically highlighted above in yellow, essentially explaining and to a great degree defending Arison's lack of visibility. There are even quotes from a Carnival Board member to corroborates that this pattern of behavior is consistent with Micky Arison's management style. Moreover the article goes on, mostly to report, favorably the general safety conditions of the cruise industry. On the whole, this headline is misleading, and classic "Sensationalism" intended to catch the consumer's attention and by extension, possibly even amp up the heat and attention on Micky Arison.

Below, in red, is the ONLY criticism aimed at Arison for remaining "Low after the Wreck."

Some have questioned the wisdom of Mr. Arison not taking a more public role in the wake of the worst cruise-line accident in years.

"You can't be invisible when the spotlight is shining on you, particularly if you are the CEO," said Richard Torrenzano, head of Torrenzano Group, a crisis-communications consultancy in New York.

30 words, one sentence, one quote from one person is used as a reportorial device to support the outrageous headline. Nothing else in this article truly criticizes Arison for maintaining a low profile.

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Micky Arison: Changing the Crisis Communications PR Playbook

“A disaster that involves people, property, lost lives and potentially seriously devastating financial consequences to an industry responsible for millions of jobs globally, that generates billions of dollars affecting a host of industry sectors, is pretty much the absolute worst situation a person can find themselves in if they are the person whose company is involved in just such a disaster,” says veteran public relations professional, Jeff Mustard, President of The Bamboo Agency, a full-service advertising and marketing firm that specializes in Public Relations and Crisis Communications.

“It has come to be expected that a company Chairman step forward in just such crises situations,” says Mustard, “and this expectation comes not just out of the playbook of public relations and crisis communications management professionals, but also to a great degree, subconsciously by the public.”

Mustard continues: “Combined, these two ‘constituencies’ have placed this unspoken collective pressure, an obligation that someone, presumably, and metaphorically, the Captain of the Ship, takes on

a) This public role, this visible duty, and

b) a multitude of other public proclamations are proffered – in somber tones, the face, the voice, the spokesperson will profess that “we will get to the bottom of this, we will find out what happened, we will make sure that it will never happen again, and that anyone, everyone who has been killed, hurt, affected by this terrible situation will be taken care of (that’s code for – not only do we know we are getting sued, but we will go above and beyond our duty to make sure that everyone will be satisfied financially.”)

Not Everyone is Up to the Task of Being a Public Spokesperson

This is the role; these are the duties and responsibilities of this very high-profile public spokesperson. And not everyone is up to that task. Not only is it not an easy role, and not only is it a highly unenviable position in which to find one’s self, it is, bar none, the worst possible place that a Chairman and CEO of global corporation can find themselves, and such is the case at this moment with Arison. Yes, the Costa Concordia Sank, and people were killed, and others hurt. And yes, Carnival is ultimately responsible.

But Arison’s move, by avoiding the spotlight, is intended to avoid, or prevent as much as possible, the sinking of Carnival Cruise Lines as a corporation. Mr. Arison, being out front, if not prepared and not handled “properly” – which means he does not say the right thing, at the right time, in the right way, to the hundreds, if not thousands of questions he will be asked, can only further damage Carnival.

Media questions are genuine, but they are also depth charges, and it is, and would be, very easy for Arison to blow up. One misstatement and that’s it, the media have their carcass to drag out and hoist up in the town square – that’s a metaphor for blasting his misstatements all over the global media.

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Breaking the PR Rules: If Someone is better at Something, then Let them Handle It

But for the sake of argument, WHAT IF all of these responsibilities can be assumed by someone else – someone with stature, someone with standing, someone with credibility, someone who is close to the company, someone who just might be better at handling the situation?

And what if, just for the sake of the argument, given that all “crises are in fact different” – yes a disaster is a disaster, there is no doubt about that – we know what one is when we are looking at it – and watching it on television and reading about it in the newspapers, hearing it on the radio and it blowing up the blogosphere.

But what if the “public” gets their official, their spokesperson, and what if they get “the company face and voice,” the person who is caring, compassionate, empathetic, well spoken, articulate, a company representative who deeply understands the (gravity) of the situation, who publicly shares the collective grief of all involved and respects the magnitude of the stakes on all sides for all constituencies?

Then in just such a circumstance, under just such conditions, if THAT PERSON is NOT the Chairman or CEO of the company at the heart of the disaster , THEN PERHAPS, in just such a case, for all concerned it is THIS OTHER PERSON who has the composure, the character, the credibility, the comport AND the media savvy to be out front, to deliver the messages to the public, to the media and to become the face, the voice, the spokesperson for the company. **And THAT PERSON in this instance is NOT Micky Arison, but it is Pier Luigi Foschi, CEO of Costa Cruise lines.**

In the Spotlight: Pier Luigi Foschi, CEO of Costa Cruise Lines, Publicly Handling the Concordia Crisis

In this particular crisis, in this particular case, from a crisis management point of view, a variety of circumstances have come into play that have unfolded in real time that have placed Carnival Cruise CEO, Micky Arison in the back seat and positioned Pier Luigi Foschi, CEO of the Costa Concordia, whether by default, design or happenstance, as the front person on this. While it might seem that Arison is avoiding the public spotlight, at least for now, the fact of the matter is, the Costa Concordia crisis has its face, its voice, its spokesperson. It's not Arison, is Foschi.

Public Relations / Crisis Management: What Happens Behind Closed Doors?

The decision making process for this involved not just Carnival Cruise line officials, their legal counsel but equally as important and probably in equally good measure, Burson Marsteller, the Public Relations Company that Carnival brought in to “manage” the “crisis communications.”

It was decided, and despite the decision being counter to any text-book crisis 101 management paradigm, for Arison, to remain on the sidelines “closely monitor the situation, remain ready to leave at a moment's notice, remain in constant communications with Foschi and his team in Italy, and provide

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them the support and resources they need,” as these were essentially the key messaging points specifically articulated and reflected in various of the company's press release statements.

Foschi, Whether by Agreement or Acquiescence Accepted the Role as Spokesperson for the Crisis

Do not think for one minute that this was simply laid at Foschi's feet for him to “face the media and manage this process” all by himself. This would, this could, never happen.

If Foschi felt that he was not up to it, that he could not handle it, that he was not the man for the job, he could have refused to accept this responsibility. In fact, with access to the global media at his instant reach, Foschi, if he wanted, could publicly (have) made (negative) comments about Arison (in this regard), that would provide incalculable blowback to both Arison personally and to Carnival Corporation. The result would not be good on many levels – in fact, it would be bad and likely almost instantly would reflect a drop in Carnival Stock on the stock market.

This situation, this scenario, was evaluated, calculated and measured at every single angle at absolutely the highest levels, but most particularly, with an eye on Public Relations and perception by the consumer and any and/or all potential consequences to the myriad constituencies associated with the ship-sinking disaster.

Foschi, early on, handled the situation well, and seemingly, he continues to do so. Regardless, there are still some “media inquisitions, observations and criticisms” about the lack of Arison's presence in this crisis as evidenced by the Wall Street Journal story published on Monday, January 23rd. This was, nevertheless, to be expected, because Arison's lack of visibility goes against the PR textbook playbook. That doesn't make Arison wrong. It just means that Arison, and ALL his advisors, have their eyes on the big picture as the Chairman of the Board of the world's largest cruise ship empire and the extraordinary consequences to millions of people involving billions of dollars on a global stage.

Five Reasons Why Arison is out of the Media Spotlight and Foschi is Spokesperson

Below is a list of very specific thought processes, calculations and political considerations involved when debating (internally) whether or not Arison stays quiet and on the sidelines as opposed to letting, or allowing, Pier Luigi Foschi be out front.

These issues, as outlined below – specifically regarding explanation and defense for the above concerning Arison's lack of presence, are reprinted below from my report, A Crisis Communications Case Study, Part II, “Cost Concordia / Carnival Cruise Lines Crisis Communications: Containment or Calamity?” The full case study can be viewed at:

Read the Full Case Study: [CostaCruise CrisisCommunications CaseStudy#2](#)

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Published on the internet, this extensively detailed 29 page review examines the Carnival Cruise Ship Crisis, how the media has covered it and how Carnival Executive's (presumably acting in counsel and in concert with Burson- Marsteller) have "managed" the situation.

Reasons Why Micky Arison, Chairman & CEO of Carnival Cruise Lines has not been visible in the crisis communications and (public) management of the Costa Concordia ship disaster.

- In reviewing this, once again, timing seems to be working, or have worked, in Carnival's favor. As the incident took place half way around the world, the immediate response to the ship crisis came from Pier Luigi Foschi, chief executive of Costa Crociere. It would seem, or may have seemed at the time, that since Foschi was already engaged with the media, and he presumably was (already) doing a good job, then let him continue to do so.
- Next considerations: Carnival was given a quick and early out by the Italian authorities who initially accused Captain Francesco Schettino of being responsible. Less than 1 day went by when the accusations were officially changed to charges of "manslaughter, abandonment and shipwreck." This all worked in favor of Carnival.
- Next, the cruise was populated with a preponderance of passengers from countries other than the United States, in fact, of the 3500 passengers, only 112 were Americans. With the kind of American resentment that resides around the world anyway, why have a successful American multi-billionaire businessman, who does not speak the native language, become the front man on this?
- And finally, who knows how well prepared Mr. Arison was, or would be, to actually serve as the spokesperson? Aside from the general "preparation issues" involved, maybe in the estimation of the Crisis Communications team Mr. Arison does not perform well under these sorts of circumstances and conditions? The spokesperson for a crisis situation and as the president of a private company, the spotlight is very very hot. Mr. Arison could only become a target. There was no percentage in this, there was no upside, and Carnival was able to "keep its distance" from the situation as Foschi, the Chief Executive of Cosa Crociere was handling the situation.
- The distance, literally as well as metaphorically, of the location of the incident, the players – corporate executives -- Italian vs American, a predominately international passenger roster, Costa Crociere being a division of Carnival, all worked in favor of Carnival and Arison, remaining on the sideline, (and distanced) while Luigi Foschi, chief executive of Costa Crociere, served as the spokesperson.

While the "public jury at large" is still out on any consequences or ramifications regarding Arison's lack of presence in the ship sinking crisis, as of this writing, purely from a financial perspective, company stakeholders and shareholders continue to stand by the chairman. Stockholders have not abandoned ship, nor would it seem do they wish to scuttle Carnival Corporation.

As of 12:55 PM, Tuesday, January 24th, Carnival Cruise stock continues to ride the wave of improving consumer confidence in the corporation. Carnival stock, as of this moment of this writing is trading at \$31.75, up .76% for the day.

While it is still too early to arrive at a final public relations assessment about whether or not Carnival Cruise CEO, Micky Arison should have been out front as spokesperson on the ship sinking crisis, at this time, it seems, this was the right decision.

MORE ANALYSIS AND COVERAGE ON THE COSTA CONCORDIA / CARNIVAL CRUISE LINES SHIP SINKING DISASTER:

Two Case Studies – Part 1, Produced and Published 72 hours after the Costa Concordia was grounded.

Will Sinking Ship, Costa Concordia Cripple Carnival Cruise Lines, or will Successful Public Relations Crisis Communications Buoy Cruise-Consumer & Capital Markets Confidence?

Read the Full Case Study, Part I Now: [CostaCruise CrisisCommunicationsCaseStudy](#)

Just Three days after the 951' luxury cruise-liner ran aground and flipped on its side throwing passengers into the icy cold waters and casting a glaring spotlight on the Concordia ship disaster, Carnival Cruise Lines and the cruise industry, Jeff Mustard produced one of the public relations industry's earliest and most thorough analyses of the then rapidly unfolding crisis. In his first crisis communications case study, a 13-page report, Mustard offers interesting, informative and intuitive insights that public relations professionals, the media and even consumers will likewise also find this initial study revealing and illuminating.

Read the full report, Part I: A Crisis Communications Case Study

Read the Full Case Study, Part I Now: [CostaCruise CrisisCommunicationsCaseStudy](#)

Crisis Communications Case Study, Part II, Examines during a 7 Day Period Carnival's Actions, the Media Coverage and Reactions to the Ship Sinking Disaster in the below titled report:

Part II Crisis Communications Case Study: "Costa Concordia & Carnival Cruise Lines Crisis Communications: Containment or Calamity?"

In his Crisis Communications Case Study, Part II, "Costa Concordia & Carnival Cruise Lines Crisis Communications: Containment or Calamity?" veteran public relations professional, Jeff Mustard produced a 29-page report that reviews what Costa and Carnival Cruise Lines officials and their communications team did right, wrong, and what it could have done better. The analysis reads like a taught thriller, is interesting, informative and enlightening and should prove illuminating not just to public relations professionals, but the media and consumers alike curious about how just such crisis situations are managed and even manipulated from a marketing and messaging point of view.

Read the full report, Part II Crisis Communications Case Study: "Costa Concordia & Carnival Cruise Lines Crisis Communications: Containment or Calamity?"

Read the Full Case Study: [CostaCruise CrisisCommunications CaseStudy#2](#)

About Jeff Mustard

Jeff Mustard is the President of the Bamboo Agency, a multiple award-winning advertising, marketing and public relations firm. Jeff Mustard is the co-author and ghost writer for a Wall Street Journal Best Selling book, an award-winning documentary writer/producer/director and the recipient of numerous award for creative achievements in advertising and communications. His work has been published locally, regionally and nationally in print, radio and television. He has earned tens of millions of dollars in media exposure for his clients in print, radio and television, nationally and internationally.

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