Brand heritage and the renaissance of Cunard

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Abstract

Purpose – Brand heritage is an emerging concept within the marketing discipline, which suggests that the historical status of older companies is often explicitly linked to their brand identity and consumer appeal. The aim of this paper is to illustrate and validate this concept.

Design/methodology/approach – This paper provides a profile of the Cunard Line, which offers limited evidence to support prior conceptual work by other scholars. The paper uses historical research methods to illustrate the principles of brand heritage within a specific circumstance.

Findings – Heritage is central to the brand identity of Cunard and was a significant factor in the recent turnaround of the company. This paper demonstrates the nature and power of the brand heritage concept, even within a future-oriented repositioning effort.

Research limitations/implications – Although the example of Cunard validates the brand heritage concept in a specific instance, it does not offer evidence that brand heritage is a universal phenomenon.

Practical implications – Brand heritage should be included within the repertoires of marketing strategists and brand managers. Executives of older companies should be aware of this approach and should consider the potential to exploit heritage for competitive advantage.

Originality/value – This paper offers original research to support prior conceptual scholarship on the emerging topic of brand heritage.

Keywords Marketing strategy, Market position, Brands, Brand identity, Design, Business history

Paper type Research paper

A surprising number of modern companies demonstrate significant longevity. An independent analysis (Hudson, 2007a) of a ranking of 100 leading global brands (Interbrand, 2007) reveals that more than one-quarter of the brands existed during the nineteenth-century and the oldest (Moët et Chandon) was launched in the year 1743. It is evident that many important brands survive beyond one human generation and that some are very old indeed.

Brand heritage is an emerging concept within the marketing discipline, which suggests that the historical status of older companies is often explicitly linked to their brand identity and consumer appeal. A persuasive discussion of this phenomenon is found in a recent article by Mats Urde, Stephen Greyser, and John Balmer (2007). They suggest that historic brands constitute a distinct conceptual category and require specific approaches to brand management that differ from those required for younger brands.

Urde *et al.* (2007) assert that, although longevity is a necessary component in brand heritage, antiquity alone is insufficient to qualify a brand for heritage status. An emphasis on historical content in the overall identity of the brand is required, such that "a heritage brand is one with a positioning and value proposition based on its heritage". They also observe that heritage brands must have a "track record of delivering value to customers" over time, which is enabled by a commitment to "core

values" and reflected in the "symbols" chosen to identify the brand. The greater the proportion and combination of these various elements, the greater the overall "heritage quotient" or degree of brand heritage exemplified by a particular company. Heritage marketing requires the proactive involvement of brand managers in "uncovering" aspects of heritage through archival and consumer research, "activating" that heritage through product design and marketing communications, and "protecting" that heritage through stewardship and attention to continuity.

The article by Urde *et al.* (2007) signifies the emergence of brand heritage as an intellectual category, describes the nature of the concept, explains its importance for practitioners, and explores relevant precedents in marketing literature. Although their article is based on research and includes examples, it is essentially conceptual. It would be useful for other scholars to conduct further research to validate the concept independently and illustrate the phenomenon in more detail. One contribution to this effort is the following profile of the historic Cunard Line, before and after its acquisition by the Carnival Corporation, which exemplifies the role of brand heritage in contemporary marketing strategy.

Methodology and purpose

Although brand heritage is activated in the present as a contemporary marketing strategy, it refers inherently to the past. The history of a company and the history of its engagement with consumers are important elements in understanding the appeal of older brands. As such, history is not only embedded in brand heritage as a value proposition, but also constitutes an important research methodology for identifying and analyzing brand heritage.

This paper follows methodological principles that are well established for historical research on any topic (Fulbrook, 2002; Gottschalk, 1969; Tuchman, 1981). The author has also been influenced by scholarship regarding the more specific application of historical methods to the business sector (Kantrow, 1986; Maielli, 2006; Rowlinson, 2004; Smith and Steadman, 1981) and the discipline of marketing (Golder, 2000; Nevett, 1991; Savitt, 1980).

The historical process typically begins with the identification of a topic area and then proceeds to the collection of evidence in the form of documentation related to events, sequences, conditions, artifacts, and opinions. Unlike some other research methods, the identification of a hypothesis or research question is usually not preliminary, but rather is shaped in response to the accumulating evidence through an iterative process (Golder, 2000; Tuchman, 1981). The historian interprets the data subjectively and intuitively, organizing the separate pieces of evidence (and often separate types of evidence) that will eventually be woven together into a coherent proposition of reality.

The goals of an historical research project are to create a plausible narrative that explains the nature or cause of observed phenomenon, and to offer clarification about interrelated patterns of seemingly disparate elements. History is a form of qualitative scholarship that is particularly sensitive to complexity, nuance, and context.

Despite the stereotypical notion that historical inquiry is limited to the distant past, the methods of history can also be applied to evidence from the recent past and even contemporary accounts. Historical research represents more than mere fascination with antiquity, by offering an approach to understand the present through the analysis of change over time.

The historical approach is similar to research methods employed in the development of business case studies (Bonoma, 1985; Eisenhardt, 1989; Gummesson, 2005; Hartley, 2004; Yin, 2003). Alfred Chandler observed that business history constitutes the core methodology for case research (Chandler in Kantrow, 1986). Both techniques involve the investigation of examples using library or field research that may include interviews, archival documents, ethnography, participant observation, contextual references, and secondary sources. Both involve the organization of evidence into descriptive narratives that offer an opportunity for readers to immerse themselves in the details of practical business activities. In manner similar to historical narrative, case studies may illustrate conceptual phenomena in the context of "nascent theory" (Edmondson and McManus, 2005) rather than describe problem scenarios (Bonoma, 1985; Hartley, 2004). It has also been suggested that case research is an appropriate methodology for examining issues related to corporate identity (Balmer, 2001).

For this article, the research process relied on an evolving series of questions as the evidence accumulated. Is there a company that provides an exemplary case of the brand heritage concept in practice? Is brand heritage a tactical or strategic influence on the identity of the Cunard brand? How specifically does brand heritage manifest itself at Cunard? How did the positioning of the Cunard brand change before and after its acquisition? Does the case of Cunard provide evidence to confirm the validity of the brand heritage concept? The resulting narrative incorporates answers to all of these questions.

The evidence about Cunard derives from a variety of historical and contemporary sources. Primary sources included site visits to the Cunard company headquarters (1992), site visits aboard the Cunard vessels *Queen Elizabeth 2* (1992) and *Queen Mary 2* (2008), interviews with Cunard executives (2008), and perspective gained by the author during his engagement as a consultant to Cunard (1992). Also included among the primary sources were a limited number of marketing materials prepared by Cunard during the past century, which have been collected as memorabilia and now reside in the possession of the author. Secondary sources included books, academic articles, and reports from professional and popular media. Foremost among these secondary sources is the comprehensive text by Francis Hyde (1975), which relies heavily on materials within the Cunard Archives at the University of Liverpool.

The resulting profile of Cunard amplifies and validates prior conceptual work by Urde *et al.* (2007), by offering an illustration of brand heritage in practice. It demonstrates that the brand heritage concept has been implemented in a strategic and systematic manner at a major company. This paper is intended to engender a deeper intuitive understanding of the brand heritage concept, and provide additional evidence to support the proposition that brand heritage is a valid phenomenon.

Related literature
Although the Cunard profile relies predominantly on the work of Urde *et al.* (2007) for its conceptual basis, it is also informed by scholarship in a variety of related areas. This larger body of literature constitutes the general theoretical foundation on which the more particular research has been conducted. The integrity of historical writing does not depend on the periodic specification of linkages between theoretical components and related narrative elements, and indeed such citation often interferes with the narrative format. However, numerous scholarly precedents have influenced the author in his identification and interpretation of the evidence, and therefore this

scholarship has contributed to a paradigmatic bias that should be identified (Fulbrook, 2002). As such, the following brief synopsis of relevant literature is provided.

Brand heritage may be considered a variation of the larger concept of brand equity. Researchers have argued persuasively that the value of brands can be identified, and that distinct strategies should be employed to preserve and expand that value (Aaker, 1996; Aaker, 2004; Berry, 2000; Holt, 2004; Keller, 1993; Keller and Lehmann, 2006). The related sub-discipline of brand management concerns the array of marketing techniques and management activities that are required to cultivate branded business units within organizations (Kapferer, 1992; Keller, 2003). Also of interest is scholarship that explores strategic issues for the Carnival brand in particular (Dev, 2006; Kwortnik, 2006).

As an historical phenomenon, heritage inherently relates to time and progression. In the case of Cunard specifically, the value of the brand declined over time and was subsequently renewed. There is literature regarding the management of brands over time, including the evolutionary nature of brands and their lifecycles (Evans and Lombardo, 1993; Keller, 1999). Of related interest is the optimum balance of continuity and change in the revitalization and repositioning of brands. The issues of trendiness and product obsolescence may be informed by scholarship related to the fashion industry (Miller *et al.*, 1993; Moore and Birtwistle, 2004; Pesendorfer, 1995).

The idea that brands may have a heritage dimension emerged at least a quarter century ago, when it was suggested that an historical approach could provide "brand images" and "themes for advertising" (Smith and Steadman, 1981). More recently, the "importance of historical associations" has been studied in specific industries, notably analyses of the Bentley and Mini automobile brands (Simms and Trott, 2006; Wilson, 2005). Historical marketing has been studied extensively in tourism, especially for "heritage sites" in Europe and elsewhere (Ooi, 2001; Poria *et al.*, 2003; Richards, 1996; Yeoman *et al.*, 2005). The connection between heritage tourism and geographic or ethnic identity has also been investigated (Barthel, 1996; Gonzalez, 2008; Palmer, 1999).

The recent positioning of the Cunard brand involves both retrospection and nostalgia. Scholars have explored the retrospective – or "retro" – branding phenomenon, in which the heritage of older brands is exploited for new marketing advantage, or new products are positioned on the basis of some nostalgic association (Brown, 2001; Brown *et al.*, 2003). There is significant literature discussing the idea of nostalgia as a yearning or preference for the past (Davis, 1979; Goulding, 2001; Havlena and Holak, 1991; Holbrook, 1993). The use of historical and nostalgic references in advertising has also received attention (Muehling and Sprott, 2004; Pascal *et al.*, 2002; Stern, 1992).

This relates to the idea of authenticity, which considers the dichotomy between the true and false nature of objects or people, and implies that originality is preferred (Beverland, 2005a; Goulding, 2000; Leigh *et al.*, 2006; Peterson, 2005). It has been suggested that "indexical authenticity" refers to the distinction between genuine and counterfeit status, while "iconic authenticity" refers to the degree of "verisimilitude" with an ideal type (Grayson and Martinec, 2004). The latter may explain the consumer acceptability of historical reproductions and the appropriation of selected heritage elements in new products, such as the recently constructed Cunard vessels.

It should be noted that brand heritage is not the same as business history. The latter involves a formal and systematic investigation by scholars, using historical research methodology to deliver conclusions that are (or aspire to be) accurate and objective. In contrast, brand heritage involves the informal employment of historical themes,

narratives and images by practitioners to achieve marketing advantage. The goal is not to understand and validate, but rather to communicate and persuade. This is consistent with the idea that heritage is a purposeful and subjective interpretation of the past (Hobsbawm, 1983; Lowenthal, 1998a, b). As such, the brand heritage concept may also be considered to encompass *faux* heritage applications, which involve the use of historical references in marketing regardless of their authenticity.

Urde *et al.* (2007) suggest that brand heritage is "an often unrecognized and frequently undertapped corporate asset". This implies that brand heritage may be an important factor in the acquisition of older companies such as Cunard. Several scholars have examined the subject of brand equity and brand valuation in mergers and acquisitions (Mahajan *et al.*, 1994; Kumar and Blomqvist, 2004; Motameni and Shahrokhi, 1998). Acquisitions exploit prior brand awareness and usage habits, preclude the need for expensive advertising and other brand building efforts, and reduce the risk of failure in the introduction of new products. This relates to research regarding the post-acquisition deployment of brands within corporate portfolios (Balmer and Dinnie, 1999; Capron and Hulland, 1999; Homburg and Bucerius, 2005).

Brand heritage also relates (Urde *et al.*, 2007) to literature in corporate and organisational marketing (Balmer, 1998, 2001; Balmer and Gray, 2003; Balmer and Greyser, 2006; Balmer and Wilson, 1998; Melewar, 2003; Urde, 2003). The history of older brands may be an integral component of corporate identity for a variety of stakeholders, especially consumers who are aware of that heritage. This is true for Cunard and its ships, which have been icons for more than a century and have generated significant loyalty from brand enthusiasts.

The attributes of Cunard require attention to one additional theoretical dimension, specifically the connection between brands and design. There is literature on this topic in the areas of services marketing, new product development, and design management (Beverland, 2005b; Bitner, 1992; Schmitt and Simonson, 1997; Stompff, 2003). Within service firms, elements of decor provide important cues or signals that trigger associations and establish expectations. In the hospitality and retail sectors especially, interior design offers opportunities to "tangiblize" the intangible elements of brand identity, and the value proposition for consumers often includes experiential immersion into branded environments (Cowan, 2002; Kotler, 1973; Kotler *et al.*, 2003, pp. 51-6). This relates to research in corporate visual identity and the idea that physical surroundings should be considered part of an extended identity mix (Baker and Balmer, 1997; Melewar and Saunders, 2000; van den Bosch *et al.*, 2006). As will be demonstrated, the interior design of new vessels represents an important element of the Cunard brand heritage strategy.

The early history of Cunard

The British & North American Royal Mail Steam Packet Company – which would subsequently become The Cunard Steam Ship Company Ltd. – was founded by Samuel Cunard in 1839. The original name reflected the contract that Cunard obtained to carry transatlantic mail aboard passenger steamships from Liverpool to Halifax and then onward to Boston. In 1840, the ship *Britannia* completed the inaugural transatlantic voyage for the new company. By the early 1900s, the Cunard Line was one of the most prestigious operators of ocean liners from Europe to North America. Cunard eventually merged with the Oceanic Steam Navigation Company – or White Star Line – to become the Cunard White Star Line in 1934 and then simply the Cunard Line in 1950 (Cunard, 2005a; Hyde, 1975; Ingram, 1998).

Cunard is not merely one of the oldest cruise lines, but also arguably the most famous. Within the early Cunard fleet were the elegant and popular ships *Mauretania* and *Lusitania*. The former is renowned for holding the prestigious transoceanic speed record for more than 20 years (Cunard, 2005a). The latter is remembered for its supporting role in the First World War, due to the outrage following its destruction by a German submarine in 1915. Similarly, among the ships of the White Star Line was the ill-fated *Titanic*, which entered popular mythology when it struck an iceberg and sank in 1912.

After the merger, the first vessels introduced by the combined Cunard White Star Line were the famous liners *Queen Mary* and *Queen Elizabeth*, which were launched in 1934 and 1938 respectively. *Queen Mary* was widely admired for its classic exterior design and art deco interiors, and over the years it hosted countless passengers from European royalty and the Hollywood celebrity set. *Queen Elizabeth* was retired in 1968 and replaced by *Queen Elizabeth 2* (or *QE2*), which entered service in 1969.

The transoceanic passenger shipping industry, for which transportation was the primary value proposition, collapsed after the introduction of jet-powered passenger aircraft in the late 1950s. Cunard survived based on residual demand from its prior market leading position, and by shifting its emphasis from point-to-point travel to round-trip leisure cruising (Ingram, 1998).

Cunard Line remained independent, until it was acquired in 1971, by Trafalgar House Investments Ltd, a British diversified holding company. By 1992, Cunard operated seven vessels in the luxury, upscale, and midscale segments. Cunard had about 5 percent of global capacity in all cruise segments, but captured a significant share of the luxury segment (Peisley, 1992; Young and Greyser, 1994).

The financial performance of Cunard during the early 1990s was poor. The decade opened with a dismal year in 1991, during which turnover (revenue) declined 51 percent and operating profit declined 39 percent compared to the prior year. The company attributed the problems to an unexpected decline in demand, caused by the Gulf War and the economic recession in the USA. However, the financial status of the company did not improve significantly thereafter, and Cunard reported an operating loss of more than £16 million in 1995 (Trafalgar House, 1991, 1995).

Some observers believed that the ongoing problems at Cunard were attributable to a series of management changes (Jones, 1999). Others suggested that poor strategic choices were the cause, notably the decision to discount prices and cut costs, which resulted in quality erosion. They suggested that service standards and physical conditions aboard the aging vessels were inconsistent, that guest complaints were increasing, and that customer loyalty was declining (Hudson, 1992; McDowell, 1996). This was aggravated by several rounds of bad publicity, following the grounding of *Queen Elizabeth 2* near Massachusetts in 1992 and problems on the first voyage of *QE2* following a major overhaul in 1994 (Barron, 1994; McFadden, 1992).

One industry analyst suggested that Cunard "was at best an aging beauty, long past its glory days in the transatlantic trade. Its once legendary vessels were old and its service lackluster, thanks in part to a series of distracted owners" (Garin, 2006, p. 242). Carnival chairman Micky Arison was less complimentary, suggesting that Cunard "was literally a dying brand" (Arison in Stieghorst, 2004).

In 1996, the Cunard Line was acquired by Kvaerner Group, a Norwegian construction and shipbuilding conglomerate (Guyon and Rose, 1996; Ingram, 1998). Thereafter, Cunard was downsized to five ships and focused exclusively on the upscale

and luxury segments. Despite recurrent setbacks, the company retained much of its reputation for luxury and continued to win awards from travel publications.

Positioning prior to the acquisition

The Cunard brand was widely recognized by consumers, and – despite the facts that the venture was founded by a Canadian entrepreneur, and the headquarters were located in the USA – the company was popularly associated with the English aristocracy, and the glory days of the British Empire. One Cunard executive remarked that "everything we do is very British and very, very proper" (Young and Greyser, 1994).

Many of the individual Cunard ship names were also widely known in the marketplace. These names served as subsidiary brands and, due to differences in the character and amenity level of each ship, had somewhat distinct associations. The most luxurious products in the fleet were *Sea Goddess I* and *II*, which were small vessels that competed directly with similar ships operated by the Seabourn Line. With a capacity of only 116 passengers each, they were so small that they could be figuratively positioned as substitutes for private yachts.

In the upscale segment, the company owned the medium-sized ships *Vistafjord* and *Royal Viking Sun*. These names created confusion in the minds of some consumers, as both had associations with Scandinavia rather than Britain. *Vistafjord* was acquired from the Norwegian American Line in 1983 and *Royal Viking Sun* was acquired from the Royal Viking Line in 1994 (Cunard, 2005a; Ingram, 1998).

The fleet flagship and brand icon remained *Queen Elizabeth 2*, which the *New York Times* had called the "world's most famous cruise liner" (McDowell, 1996). *QE2* was emblematic of the classic era, and was the only remaining ship of any line to offer regularly scheduled transatlantic service. It was positioned as a luxury product, but was actually a large ship that was subtly divided into several classes of service, with the lowest offering small inside cabins and banquet-style dinner seating.

The exterior design of *QE2* was in the best traditions of its predecessors. It had classic lines and a paint scheme that included a black hull, white superstructure, and red funnel. At the time of its construction circa 1968, the interior decor of *QE2* was characterized as "modern with classical elegance" and incorporating "international trends" in design that lacked the "heavy-handed luxury" of prior eras (Agnew, 1969; Cantacuzino, 1969a; Lennon in Lee, 1968). However, these bland descriptions did not convey the radical aesthetic shift that was adopted.

The interiors of *QE2* reflected the "Modern Movement" in design, which reached its extreme in London during the late 1960s (Cantacuzino, 1969a). The materials used included aluminium, fibreglass, plastic, and Formica. The furniture included single-pedestal moulded plastic chairs. Structural elements included sunken seating areas, perforated ceilings, egg-crate wall patterns, and moulded window frames. The palette focused on bright colours and included a fruitful theme with names such as "apple green" and "apricot." As one example of this style, the curtains in the Queen's Room ballroom featured "large uneven stripes of beige, orange, white and lemon" (Cantacuzino, 1969b).

This decorating strategy was considered daring and refreshing among design critics when the ship was launched (Maxtone-Graham, 1989, p. 111). However, even within the glowing evaluation from the editor of the *Architectural Review* was the hesitant observation that "time alone will show whether the ship is capable of being loved" (Cantacuzino, 1969a).

As it turned out, *QE2* was indeed loved by many enthusiasts, but arguably due more to its unique status than its interior design. By the early 1990s, the décor was a relic of a design era that was unrelated to the classic mystique of the Cunard brand. Indeed many novice passengers, expecting traditional design reminiscent of *Queen Mary*, were surprised and disappointed to discover the modern interior décor (Hudson, 1992). This was somewhat corrected through superficial retrospective changes to carpets, furniture, and paint colours during an overhaul in 1994.

The acquisition of Cunard

In 1998, the Carnival Corporation acquired the Cunard Line from the Kvaerner Group. The company paid $500 million for the Cunard brand and its five ships (Batchelor, 1998; Garin, 2006, p. 243; Gross *et al.*, 2006; Hagerty, 1998; *Wall Street Journal*, 1998). At the time of the acquisition, Carnival was the world's largest cruise line with annual revenues of nearly $2.5 billion. It owned or operated 37 ships within every significant cruise segment and region, and its portfolio included the upscale brand Holland America and the luxury brand Seabourn (Peisley, 1992; Carnival Corporation, 1998-2006; Carnival, 2007a, b, c).

Micky Arison, the chief executive of Carnival, stated that the acquisition would give his company control of the "strongest brand name in the luxury segment of the cruise market" (Arison in Hagerty, 1998). He added that "this is part of Carnival's strategy to strengthen its position at the luxury end of the cruise business. The *QE2* is the best-known cruise ship in the world and commands a vast customer following" (Arison in Batchelor, 1998).

An important aspect of strategic synergy was the management discipline and sophisticated systems that Carnival could bring to the ailing Cunard organization. As noted in the subsequent annual report: "Our management team now expects to apply the same business philosophy that has made Carnival Corporation the world's most profitable cruise company to create new efficiencies and stabilize management at Cunard" (Carnival, 1998, p. 3). The new Cunard president promised that "the lion is going to roar again," referring to an element in the classic company logo (Pimentel in Jones, 1999).

Carnival subsequently reorganized its luxury brand structure several times, changing the operating assignments and names of the former Cunard ships (BBC News, 2003; Cunard, 2007b; Golden, 2000; Seabourn, 2001; Stieghorst, 2004; Wall Street Journal, 2001). The *Vistafjord* was renamed *Caronia* and operated under the Cunard brand until it was sold in 2003. The small *Sea Goddess* ships were transferred to the Seabourn brand and then sold in 2001. The *Royal Viking Sun* was transferred to the Seabourn brand and renamed *Seabourn Sun*, and later transferred again to the Holland America brand and renamed *Prinsendam*. Within five years of the acquisition, *Queen Elizabeth 2* was the only original ship remaining under the Cunard flag. Even this proved ephemeral, as *QE2* was sold in 2007 and transferred to the new owners in late 2008 (Cunard, 2007b, c).

The original Cunard fleet has been replaced by two completely new vessels built by Carnival, *Queen Mary 2* (known as *QM2*) and *Queen Victoria*. *QM2* sailed on its maiden voyage in 2004, while *Queen Victoria* entered service in late 2007. In addition, a new *Queen Elizabeth* was planned for delivery in 2010 (Cunard, 2007f).

Positioning after the acquisition

Almost from the moment of acquisition, it was evident that Carnival would not only maintain the luxury standards of Cunard, but also emphasize the historical character of the brand. Arison remembered his own voyage aboard a Cunard liner as a child, and believed that "if we could bring back that feeling of the great transatlantic voyages of the past, [then] we would have something special" (Arison in Darlow Smithson, 2007).

The new Cunard president similarly observed: "Watching younger people smoke cigars and drink martinis [. . .] [we] came to the conclusion that there was something to be said for nostalgia [. . .] [and that] the golden age of sea travel would be attractive to not only older guests, but [also to] younger guests. So what we began to do is look at Cunard's history" (Pimentel in Goetzl, 2000). Shortly thereafter, the creative director of their advertising firm visited the Cunard archives at the University of Liverpool to seek inspiration.

The renaming and refurbishment of *Vistafjord* in 1999 was an early signal of the emerging historical strategy. The name *Caronia* was revived from a prior era when Cunard named its ships after Roman provinces, and it had appeared on two prior vessels. The exterior was repainted in the classic scheme including a black hull, white superstructure, and red funnel. The dining room was renamed the Franconia Room (after another classic Cunard liner), the lounge was renamed the White Star Bar, and the Viking Club was renamed the Piccadilly Club. The two most expensive guest suites were renamed Carmania and Saxonia, after two other classic Cunard liners (Cunard, 2000). The national registration of the ship was changed from the Bahamas to the UK, and the ship would subsequently fly the ensign of the British merchant navy (Woodman, 1999).

Although *Caronia* was later sold, the same integrated design and branding strategy was implemented in the new *Queen Mary 2*, plans for which were started one month after the acquisition by Carnival (Cunard, 2005a). The new generation of Cunard executives did not make the same mistake as their predecessors three decades earlier, when *QE2* was fitted out with its discordant "mod" interior décor. Instead, *QM2* was consciously styled after the original *Queen Mary*, to deliver a retrospective experience that would meet the expectations of Cunard enthusiasts.

A company briefing document compared *Queen Mary 2* to several famous Cunard liners of the past and suggested that "with this incomparable pedigree, it is no wonder that *QM2* is graced with grand spaces, including the largest ballroom at sea, domed salons, sweeping staircases and majestic promenades" (Cunard, 2005b). One American journalist observed that "in a world-at-sea dominated by increasingly glitzy cruise ships, the designers of this liner have mostly gone for a traditional, art deco look" and added that "this ship is designed to appeal to Anglophiles" (Golden, 2004). Another journalist suggested that *QM2* was "a marriage of corporate branding, modern technology, and good old-fashioned nostalgia" (Haines, 2004).

Queen Mary 2 not only has a similar style as its namesake, but it also includes several naming elements that are intended to create associations with Britain and the history of the Cunard Line (Cunard, 2005b). The public rooms include the Queens Room ballroom, the Royal Court Theatre, the Empire Casino, the Golden Lion Pub, Churchill's Cigar Bar, and the Mayfair Shops. The restaurants include the Queen's Grill, the Princess Grill, and the Britannia Restaurant (the latter named after the first Cunard vessel). The ship is registered in the UK. As one Cunard executive observed when the project was announced, "it will very much be a British ship" (Pimentel in Jones, 1999).

The intentional application of brand heritage aboard *Queen Mary 2* is further demonstrated by the "Maritime Quest" exhibit. It comprises numerous display panels mounted on walls throughout the ship, which describe the biography of Samuel Cunard and the history of the Cunard Line. These include historical narratives and reproductions of images from vintage photographs, advertisements, and brochures in a manner reminiscent of a museum. This exhibit is complemented by a display case featuring the original silver trophy presented to Samuel Cunard by the people of Boston, to commemorate the arrival of *Britannia* in 1840 (Hudson, 2008).

The recently introduced *Queen Victoria* has been similarly positioned to continue "the tradition of luxury cruising that began in 1840" (Cunard, 2008a). Aside from its retrospective name, the interior design draws on the "rich history of previous Cunard ocean liners to set the tone." The décor includes "classical motifs, along with art deco and [art] nouveau touches", with building materials including mahogany and marble, and artwork chosen to "reinforce the line's British heritage" (Cunard, 2007b).

The traditional names of most public rooms aboard *Queen Victoria* are identical to those aboard *QM2*. Portraits and models of celebrated vessels from Cunard history are displayed throughout the ship, and the Queen's Room includes portraits of Queen Victoria and Prince Albert (Cunard, 2007e, g, 2008a). Perhaps most significantly, *Queen Victoria* includes "the first Cunardia museum exhibit at sea, housing Cunard artifacts and memorabilia" (Cunard, 2007h).

The historical positioning for the new Cunard Line also extends to marketing communications and corporate identity. Recent brochures employed the slogans "The Most Famous Ocean Liners in the World" and the "Golden Age of Ocean Travel". A recent version of the web site suggested that Cunard evokes "a more civilized era" of "sophistication and privilege" when "glorious ocean liners were floating palaces of art deco splendour and Edwardian excess" (Cunard, 2007a, c, d). The classic logo incorporating a lion and crown, which has not changed significantly since 1890, has been retained.

A recent advertising campaign continued these historical themes. The two-page advertisements featured handwritten letters on the stationery of famous Cunard ships, reproductions of newspaper clippings, and period images. Readers were promised that "each Cunard voyage will take you back to the Golden Age of Ocean Travel, when timeless elegance and refined British traditions ruled the day" (Cunard, 2008b, c).

While the Cunard brand has traditionally been targeted at a wealthy and mature audience, there are indications that the company is now aiming at a larger market. Among the clues is the immense size of its new vessels, with *QM2* briefly holding the record as the largest passenger ship ever built. The design of *QM2* has continued the tradition of internal class segmentation, with quality levels ranging from five-star to three-star. This allows Cunard to adopt a range of pricing options, both enabling and requiring a broad customer base. Indeed even before the acquisition, Cunard had experienced a declining trend in the average age of its guests (deMerlier, 2008; Jones, 1999). A recent brochure suggests that Cunard ships "offer the opportunity for a new generation to experience the classic romance and refined British heritage" of a bygone era (Cunard, 2007c).

Although the company is obviously hesitant to invoke the name *Titanic*, the cultural phenomenon of the 1997 movie has nonetheless been mentioned in connection with the Cunard acquisition (Arison in Darlow Smithson, 2007). As one author suggested, "the runaway success of *Titanic* on movie screens across the world the previous year had only made the idea of [acquiring] Cunard more attractive: who knew

there was so much interest in old ocean liners?" (Garin, 2006, p. 243) It is perhaps not incidental that the service aboard Cunard ships has now been branded as "White Star Service". This is a clear reference to the White Star Line, which operated *Titanic* prior to its merger with Cunard.

It should be noted that Carnival now has two luxury brands, which each "serve different emotional needs" (deMerlier, 2008). Seabourn is positioned at the top of the luxury segment, with small yacht-like vessels that offer an indulgent but contemporary experience. In contrast, Cunard is positioned in the middle of the luxury segment, with vessels that are enormous reinterpretations of classic ocean liners, representing the grandeur and elegance of yesteryear. Thus the distinctive value proposition for Cunard is not luxury *per se*, but rather its history.

Indeed recent brochures challenge readers to "sail into history" and suggest that "you will become part of history". The company promises "the classic adventure you've always imagined" and invites passengers to "write a Cunard story of your own" (Cunard, 2007c, d). As one Cunard executive observed, "the drivers for the [Cunard] market are different [from] luxury cruising. People want the aspirational experience" (Conover, in Jones, 1999).

Past and present

Throughout the repositioning effort, Cunard has been careful to emphasize that its brand is historic, not obsolete. Indeed maintaining the appropriate balance between past and present has been challenging. David deMerlier, Vice President of Marketing at Cunard, recently observed that "we are not operating a museum of cruising and we are not just talking about the past. We try very carefully to moderate against that [notion] and ensure that [each new vessel] is not a caricature". The goal is to "recapture" and preserve "the classic ocean going traditions" of the past, while remaining "contemporary and relevant" (deMerlier, 2008).

Perhaps the most important element of this balancing effort has been the significant investment in new vessels, with *QM2* reportedly costing more than $800 million (Stieghorst, 2004). This represents modern "hardware" to complement the historic brand software (deMerlier, 2008).

A related balancing element may be found in Cunard marketing communications. Historical references, are often followed by qualifying statements, which emphasize state-of-the-art technology, or performance. *QM2* is described as combining "over 160 years of tradition with modern innovations hardly dreamed of only a few years ago" while *Queen Victoria* offers a "glorious taste of grand ocean liner travel from days gone by, along with every modern convenience" (Cunard, 2005b; Cunard, 2007b).

More subtle balancing is embedded within the onboard programming approach, which is based on the idea that "a Cunard voyage represents a very special social experience". Activities include formal dress nights and "elaborate afternoon tea" services, as well as intellectual enrichment events such as scholarly lectures and book club meetings. The goal is to deliver "stylistically traditional" experiences consistent with the way Cunard "entertained passengers in the early 1900s", but which are adapted for modern audiences (deMerlier, 2008).

Cunard passengers find themselves simultaneously in past, present, and future. While they may be admiring history, they are not observing it passively or exclusively, but rather participating in an historical experience with modern relevance. They are also creating new traditions that will be honoured in the future. This asynchronicity, which is indicative of an approach that reinterprets the past for contemporary needs, is

one of the principles that distinguish heritage brands from the mere longevity of older companies (Urde *et al.*, 2007).

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Limitations and opportunities

The case of Cunard offers an excellent example of the brand heritage concept described by Urde *et al.* (2007). However, some limitations must be noted. Although the Cunard example validates the brand heritage concept in a specific instance, it does not offer evidence that brand heritage is a universal phenomenon. Additional research is required to determine the applicability of brand heritage in multiple price segments, different sectors and industries, varying cultural and geographic situations, and other strategic contexts.

The example of Cunard also bypasses several conceptual or theoretical issues that remain unresolved in Urde *et al.* (2007). One such issue is the exact standard of longevity required to qualify a brand to claim heritage status. Cunard (founded in 1839) offers a valid example because the company is unquestionably historic and considerably older than the median age among leading brands cited earlier (Hudson, 2007a). However, further research will undoubtedly require clarification of this conceptual ambiguity.

A second unresolved issue is the prevalence of brand heritage. Academic literature (cited earlier) and popular media (*The Economist*, 2007; Foulkes, 2008; *Marketing Week*, 2007) often mention examples of older companies and products that can be classified under the brand heritage rubric. However, no rigorous, and comprehensive survey, of such brands, has been conducted by scholars. This is an opportunity for future research.

A third unresolved issue is the operative function of heritage in brand differentiation and the consumer buying decision. It is reasonable to conclude from the Cunard case that brand heritage is an important phenomenon, especially to consumers for who heritage is personally meaningful. However, the precise function of heritage in consumer psychology and its varying influence on individuals is unclear. An opportunity exists, both conceptually and experimentally, to explore the correlation between consumer behaviour and the brand heritage phenomenon.

Another problematic issue is the inherent tension between stewardship and adaptability in the management of heritage brands. The proper balance of change and continuity is addressed, but not fully resolved in the article by Urde *et al.* (2007). The Cunard example demonstrates that these conflicting imperatives can coincide, and suggests that heritage strategies may be viable even in situations requiring progressive changes in positioning. This issue deserves further conceptual development.

Finally, a formulaic model for decision-making in brand heritage scenarios remains elusive. The choice by Cunard to adopt a brand heritage strategy can be attributed to the intuitive vision of its executives. In a very similar situation, involving the acquisition of the historic Ritz-Carlton hotel brand by the Marriott Corporation, a brand heritage strategy has apparently not been adopted (Hudson, 2007b). Thus while a heritage approach may be implied in any scenario involving older brands, it is not always the obvious or necessary choice. The Cunard example is intended to illustrate the conditions that supported a brand heritage strategy and the positive results attained after adopting such a strategy, but it does not address the decision point itself. This is the subject of ongoing research by scholars concerned with brand heritage.

Perspective

Prior to its acquisition, Cunard was an historic and celebrated company, with narratives and images that had become embedded in our cultural memory. However, it had been underperforming financially and its assets were limited to a few aging vessels. Cunard arguably offered an acquirer little more than a tarnished brand.

The purpose of the acquisition was to support the overall corporate growth strategy of Carnival. The Cunard brand facilitated authoritative entry into the luxury segment of the cruise industry, and allowed Carnival to make authentic claims to luxury status despite the moderate origins of its own brand. However, the executives of Carnival also perceived an opportunity to capitalize on the history of the Cunard brand, and a heritage strategy subsequently evolved (deMerlier, 2008).

The remarkable degree of continuity between Cunard today and Cunard a century ago obscures the convoluted path of the company during the interim. If this divergence is forgotten, then the current historical positioning of the Cunard brand will seem natural and inconsequential. However, it should be remembered that the previous owners of Cunard deviated from its historic brand identity, both intentionally through radical design choices for *QE2* and unintentionally by allowing the erosion of its reputation.

In contrast, the executives of Carnival not only improved operational quality and material condition through superior management and significant reinvestment, but they also made an explicit choice to emphasize historical themes. The new Cunard is more than merely a recognized and trustworthy provider of luxury cruise services. It offers consumers an opportunity to connect with a common legacy and re-live their imagined past. The historical experience aboard Cunard ships *is* the value proposition.

It should be apparent that the retrospective positioning of the new Cunard brand is more than cosmetic. The comprehensive and integrated use of historical themes – in the subsidiary brand architecture of vessel names, in the durable nature of nostalgic design, and in the conscious use of historical references in marketing communications – indicates that the company has adopted a brand heritage approach in the most profound sense.

In terms of competitive strategy, the brand heritage concept provides a compelling and defensible point of differentiation. One Cunard executive recently observed that "our history has a unique appeal. None of our competitors can claim it and [our passengers] believe that it belongs to us" (deMerlier, 2008).

Although the recent financial performance of Cunard is obscured within the larger Carnival portfolio, it would be reasonable to conclude that the revived brand has been quite successful (deMerlier, 2008). *QM2* has generated significant media coverage and received numerous awards, and industry observers believe the ship is delivering high occupancy rates and premium prices. One travel agent suggested that the unique character of *QM2* is "like having a designer label on the ship" (Stieghorst, 2004).

Early indications suggest that the newest Cunard vessel, *Queen Victoria*, is enjoying similar success. The maiden voyage was sold out 18 months in advance (Cunard, 2006). As Cunard president Carol Marlow observed at its christening ceremony in late 2007, we are witnessing "a renaissance of the great Cunard name" (Marlow, in Eisen, 2008).

Conclusion

The recent turnaround of the Cunard brand under the management of the Carnival organization has been impressive. By focusing on the history of the company, which represented the essence of the Cunard identity, the new owners have harnessed

powerful associations from our common cultural past and thereby generated renewed consumer enthusiasm.

The case of Cunard demonstrates the nature and power of the brand heritage concept, even within a future-oriented repositioning effort. As such, it provides limited evidence to validate and illustrate the prior conceptual work by Urde *et al.* (2007). It also supports the suggestion that brand heritage is a significant concept related to the field of corporate identity and a distinct sub-category within the larger discipline of marketing.

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