**Case Study: Royal Caribbean International**

In 1970, the *Song of Norway* set sail as the first ever ship in the Royal Caribbean International fleet. The *Song of Norway* was a converted transatlantic liner that could hold 724 passengers and began Royal Caribbean’s voyage with an initial operation on 7 and 14-day cruises out of Miami – but later served throughout the world. Since then, Royal Caribbean has added a number of ships in their fleet and currently has a total of 24 operating ships. As of July 2020, Royal Caribbean International fully owns four cruise lines: Royal Caribbean International, Celebrity Cruises, Azamara Cruises, and Silversea Cruises.

Since that initial trip of the *Song of Norway*, Royal Caribbean International has seen wide success and become the face of the cruise line industry. The company grew steadily throughout the 1970s and 1980s – despite heavy competition from competitors within the industry – making an initial public offering (IPO) on the New York Stock Exchange (NYSE) in April of 1993. Since then, the success and its competitive advantage in the industry only became stronger. In 2020, Royal Caribbean International enjoyed an annual revenue of $10.95 billion, a net income of $1.91 billion, and assets that were valued at over $30.32 billion. Seemingly, Royal Caribbean International understood its competitive advantage in the marketplace and capitalized on it.

However, in March of 2020, COVID-19 hit the cruise line industry and changed the course of the industry forever. Royal Caribbean reported an earnings loss of over close to 80% compared to the quarter prior to the COVID-19 pandemic. Further, Royal Caribbean International stock (tic: RCL) dropped from roughly $130 per share to $22 per share almost overnight. As Royal Caribbean International’s CEO Michael Bayley announced to its investors on an Earnings Call on May 20, 2020, the pandemic has forced the company to review its strategies for the future to ensure profitability following the COVID-19 pandemic.

**The Case:**

Royal Caribbean International’s CEO Michael Bayley has asked you and your executive team (i.e., classmates) to consult Royal Caribbean International throughout this process. Specifically, he asks for 4 deliverables:

1. An External Analysis
2. An Internal Analysis
3. Strategy Formulation & Implementation
4. A Presentation

Ultimately, your goal is to help Royal Caribbean International understand the industry and company better and to recommend an updated (post COVID-19) strategy that will help Royal Caribbean International following the pandemic. Please follow the templates below to conduct these analyses.