

CRUISE TOURISM – SAILING ON WITH
EXCEPTIONAL SUCCESS

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It started as a destination for elite, exotic, even opulent adventurers.

It maintains an image of grandness of pleasure and place.

It has become a favourite destination for millions of travellers.

It has become one of the fastest growing destinations of global travel and tourism.

It is making it possible for travellers to have all of their wishes fulfilled.

It offers more choices for more travellers at once than most likely any other destination.

It is a destination that magnifies the good surprises, yet carefully manages elimination of the not-so-good ones.

It is a destination that, uniquely, is making special efforts to take the hassle out of international travel experiences.

For over 20 million travellers in 2013, it was the perfect travel destination.

Yet, it is not actually a destination at all. Not in the classical 'place on a map' sense. Instead it is a place that moves from place to place, taking with it travellers making it a second home, for a short while.

And it is set to be charting the way for tourists, and tourism, for the next decade.

All aboard – it's all about cruise tourism.

Since first departing the port of Southampton in 1822 and setting out onto English waterways, leisure cruise travel has grown to stretch across the globe. Initially growing out of necessity as a primary form of passage, the world's first cruise line company, P&O Cruises, began to advertise Mediterranean sea tours in 1844. Transatlantic crossings becoming more competitive, luxury was injected into the cruising experience, the *Titanic* becoming the pinnacle of its time for opulent ocean liner travel. Industry growth in routes and technology, maximizing the waterways and liners throughout the year, stretched cruise travel further out across the oceans, and into more southern waters. Waters were calm, growth was consistent.

Then came the advent of the jet aircraft and commercial air travel (celebrating 100 years in 2014), causing a reshaping of the cruise line sector, shifting the gears of the industry from passage to touring.

Over a century on, having weathered a stormy period of near-all withdrawal from the waters in the 1960s to 1980s due to weak demand, spurred on by development of offerings by the cruise liners, and a few powerful and memory-embedding big and small screen productions (is it possible to reference "*The Love Boat*" without the theme song starting to play in one's head?), cruise travel has returned to the waters to become a growing source of traveller adventure, affection and anticipation.

The romance and wonder of the seas has endured...

TAKING ADVANTAGE OF STRONG TAILWINDS

Today, global cruise travel represents one of the fastest growing sub-segments within the greater travel and tourism industry. CLIA – *Cruise Lines International Association* – which represents over sixty member lines, has 2014 projections reaching an estimated 21.7 million guests worldwide across its membership base. Continued growth of the segment has made it necessary to bring an additional 24 new ships onto the seas in the 2014-2015 period, which equates to capex of an estimated \$8 billion in ocean and river cruise categories.

Who is wanting to take their travel aspirations to the waters? CLIA's breakdown of 2013 global passenger source markets tells an interesting story regarding global appeal:

2013* Top Ten CLIA Cruise Passenger Source Market Overview				
*2013 Passenger estimates (000's)				
Country	2013 Passengers	Global Passenger Share	5 Year % Change	2013 Passenger Source Rank
United States	11,016	51.7%	15.1%	1
UK & Ireland	1,719	8.1%	16.4%	2
Germany	1,637	7.7%	80.5%	3
Italy	860	4.0%	26.1%	4
Australia	760	3.6%	130.3%	5
Canada	734	3.4%	1.3%	6
Brazil	732	3.4%	84.8%	7
Spain	600	2.8%	20.7%	8
France	520	2.4%	67.7%	9
Scandinavia & Finland	350	1.6%	184.6%	10

Source: CLIA

Where are cruise passengers going at present, and wanting to go next? Where are they not.

According to Scott Lageaux, Partner at urban design firm LandDesign that has specific expertise in cruise terminal development argues that:

“The “globalization” of the industry continues to be the main thrust of anticipated growth. Lines are developing products, itineraries and deployment patterns that are really taking the mainstay North American cruise passenger farther and to new locales as well as marketing to consumers around the world. Over the last couple of years, the new focus has been the development of the Asia Pacific region, with Royal Caribbean Cruise Lines and Carnival Corporation making important inroads into this marketplace with several of their brands.

The leading cruise destination in terms of ship deployments remains the Caribbean, accounting for 37.3% of all global itineraries followed by the Mediterranean (18.9%), Northern Europe (11.1%), Australia/New Zealand (5.9%), Alaska (4.5%), Asia (4.4%) and South America 3.3%). In 2014, markets experiencing increased ship deployments include the Caribbean (+12%), Northern Europe (+5.2%), Asia (+31.6%) and Australasia at +22%.”

Why the strong growth?

Several reasons, ranging from ease of travel (‘just unpack once’ regardless of number of countries /stops on the itinerary), all-inclusivity of offers (eliminating surprises, though this is a point of debate re. real economic impact to destinations visited), and overall product appeal (literally seeing the world from a new perspective).

Terry Dale, President of the United States Tour Operators Association (USTOA) and former President of CLIA also points out that, in terms of growing interest in cruising,:

“There are some interesting trends in the cruise industry, especially in particular segments that our members have taken note of, namely, the growth of river cruising and increased multi-generational family travel. In our annual member survey conducted in December, three quarters of respondents name river cruises as among the top emerging experiential

travel trends. It's no wonder as river cruising has seen almost explosive growth of 10 percent over the past five years, and noted as a top luxury travel trend by Forbes.

Another trend affecting the cruise and tour operator segments is the growth in family travel, especially multi-generational travel. Aging baby boomers are certainly a driver, bringing children and grandchildren along for vacations and milestone cruises to mark special birthdays or anniversaries. Cruises can be ideal venues, offering a range of programmes for children and adults, as well as dedicated areas for children and more and more “no kid zones” to ensure quiet space for grown-ups. Everybody is happy”

SMOOTH SAILING DESPITE STORMY WATERS

Still, all has not been smooth sailing. The cruise travel industry has faced significant storms over the past years as far as safety and sustainability of cruise travel is concerned. Issues including:

- on-board health scares as a result of on-board viruses,
- severe technical failures at sea leaving passengers stranded without essential services for days, risks of piracy on regional waters,
- challenges to the sector regarding real economic and social benefit to ports of call offering passengers limited opportunities to spend time and travel budgets for genuine local development,
- criticism of traffic saturation of waterways,

and of course

- fatal shoreline accidents costing passengers their lives, cruise line operators millions in losses and compensation, and overall industry credibility,

have all hit the sector hard.

Still, growing demand, corrective practices, product innovation and traveller quests for more ways to see the world their way, have kept the industry moving forward.

Looking to the horizon, the cruise industry is only expected to charter a clear, steady course. That said, the sector does not take its responsibility lightly.

As expressed by Dale:

“sustainability of both natural and man-made resources is a growing concern. It's imperative that the industry recognize the need to preserve and protect the very sites they sell by managing traffic patterns, controlling the volume of visitors, ensuring environment protections and any number of measures to preserve the health of these destinations and the well-being of the people who live and work there.”

As with all sectors and sub-sectors of the travel industry, equitable growth for people, place and also profit requires a balanced, conscious, actively championed approach to growth.

Cruise tourism acts as another valuable travel proposition bringing the people of the world closer together through connection of wishes and waterways.

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