

Cruise Industry Update

Margaret Murphy

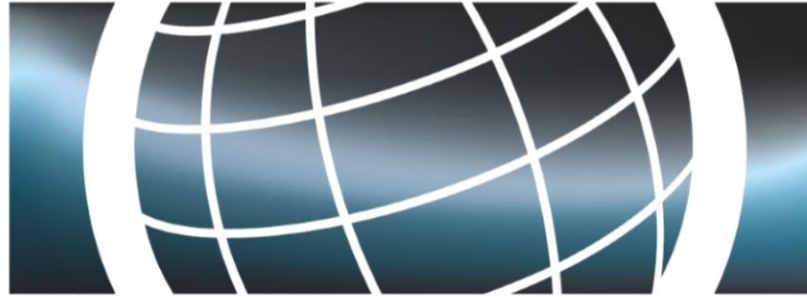
Cruise Line International Association

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MARKETING OUTLOOK FORUM: A GLOBAL PERSPECTIVE



Presented by the Travel and Tourism Research Association

Cruise Industry Update

Presented by: Margaret Murphy, Vice President, Cruise Line International Association

For more information, contact Margaret at MMurphy@cruising.org

October 28-30, 2013 ~ The Drake Hotel ~ Chicago, Illinois, USA

CRUISE INDUSTRY UPDATE

Margaret Murphy

Cruise Lines International Association



ONE INDUSTRY, ONE VOICE

United under one banner



December 17, 2012

Cruise Industry Forms Global Trade Association

*New Association Model to Promote
“One Industry, One Voice”*

BENEFITS OF A UNIFIED, GLOBAL STRUCTURE



Establish clear channels of communication within and across regional and national cruise associations

Cohesive and proactive global regulatory/technical focus

Consolidate and aggregate industry data and research activities, including economic impact and deployment and capacity studies

Unify compliance and governance practices

CLIA CRUISE LINE MEMBERS





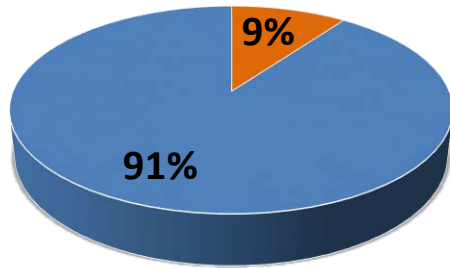
HEBRIDEAN ISLAND CRUISES



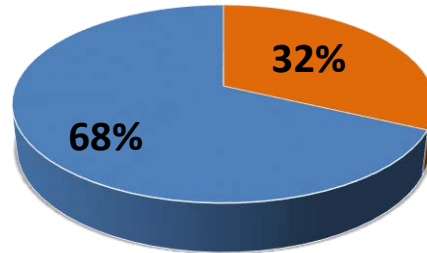
GLOBAL EXPANSION

Total Passengers

2000



2012



Since 2000, the number of CLIA passengers from outside North America has **tripled**

North America

Rest of World

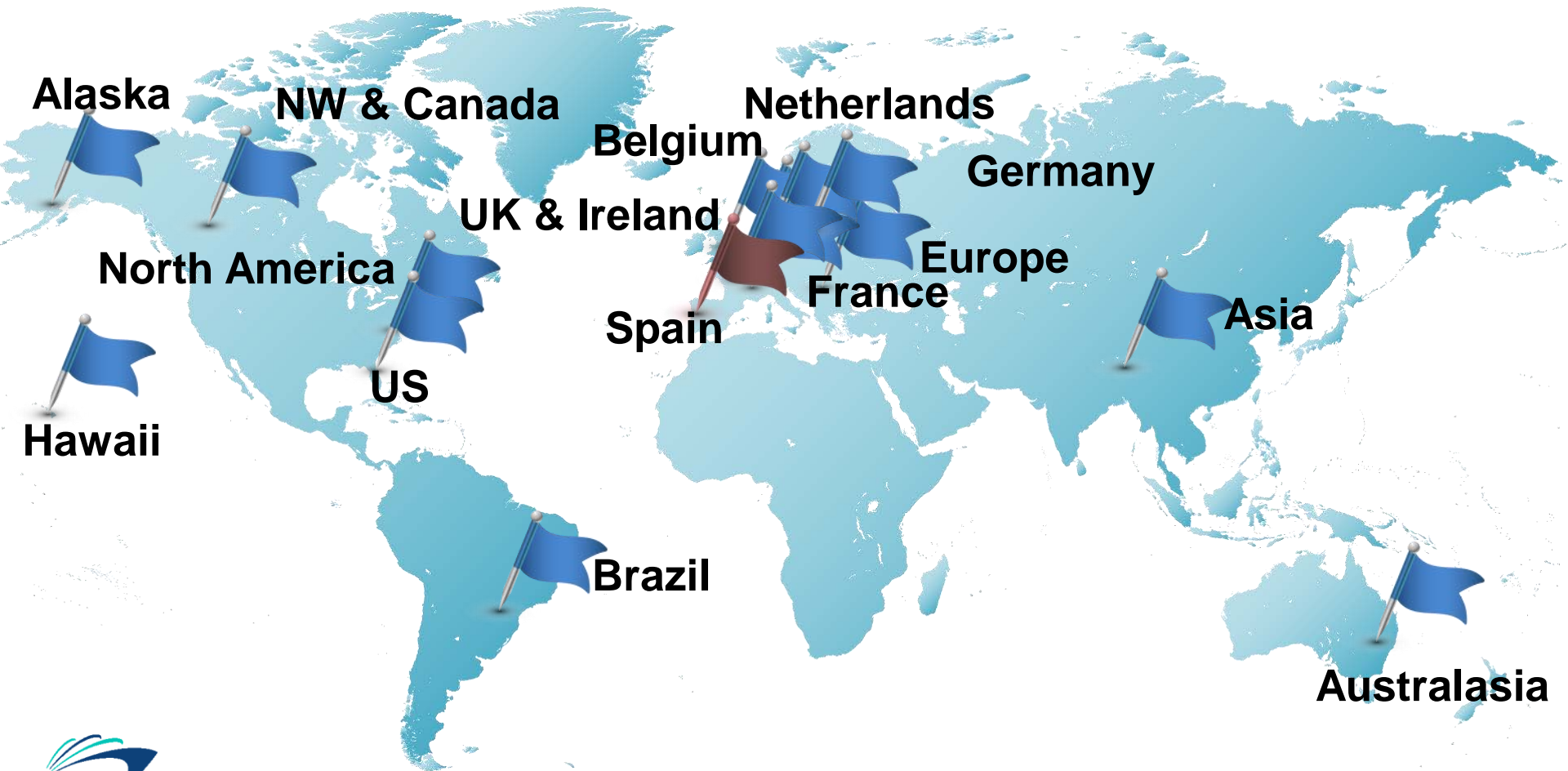


New homeports in China

130% growth in Brazil over 5 years

Record 34% annual growth in Australia to all time high

A GLOBAL INDUSTRY CALLS FOR A GLOBAL NETWORK

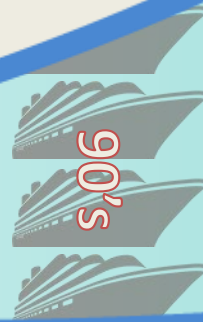


HISTORIC SHIP GROWTH

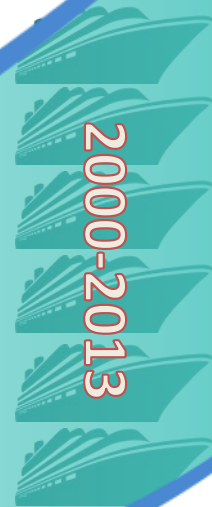
40
new ships



80
new ships



167
new ships



RIVER CRUISES

15 new ships in 2013 and 2014



A wide-angle photograph of a vast, deep blue ocean under a bright blue sky with scattered white clouds. The horizon line is visible in the distance, separating the water from the sky. The overall scene is serene and expansive.

OCEAN CRUISES

11 new ships in 2013 and 2014

Singapore's Marina Bay Cruise Centre



- Doubles capacity
- Home port for Royal Caribbean's *Voyager of the Seas*
- 1.3 million passengers in 2013

2013 GLOBAL ITINERARIES

Alaska
4.8%*

Europe (no Med)
10.9%

Caribbean
34.4%

Mediterranean
21.7%

Asia
3.4%

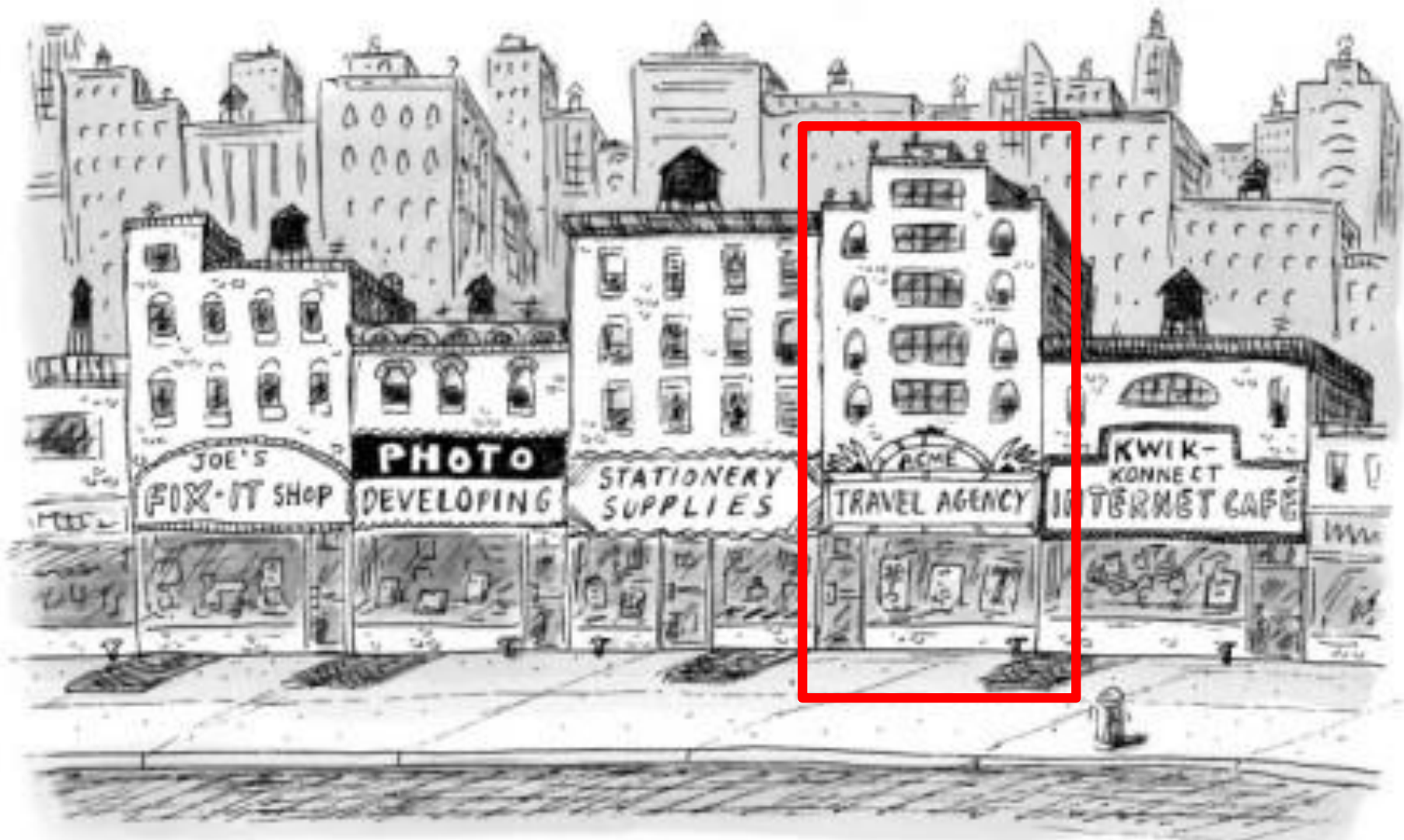
South America
3.9%

Australasia
5%

Other Markets
15.8%

don't me

IN THE NOSTALGIA DISTRICT



R. CW

2013: \$100 billion

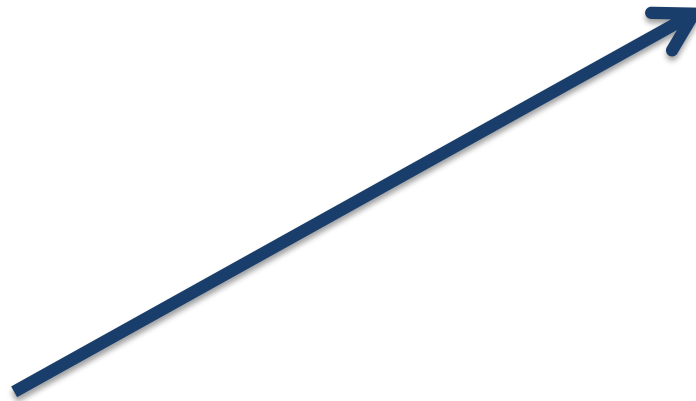
2010: \$90 billion



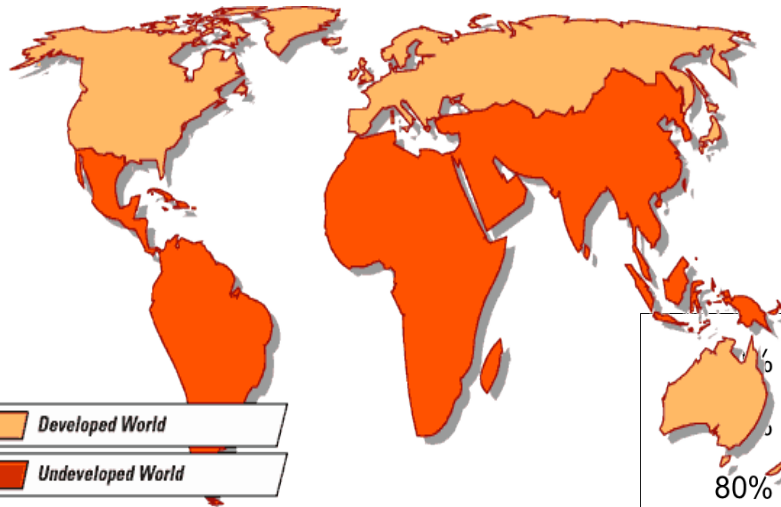
PASSENGERS

20.1 Million
2013 forecast

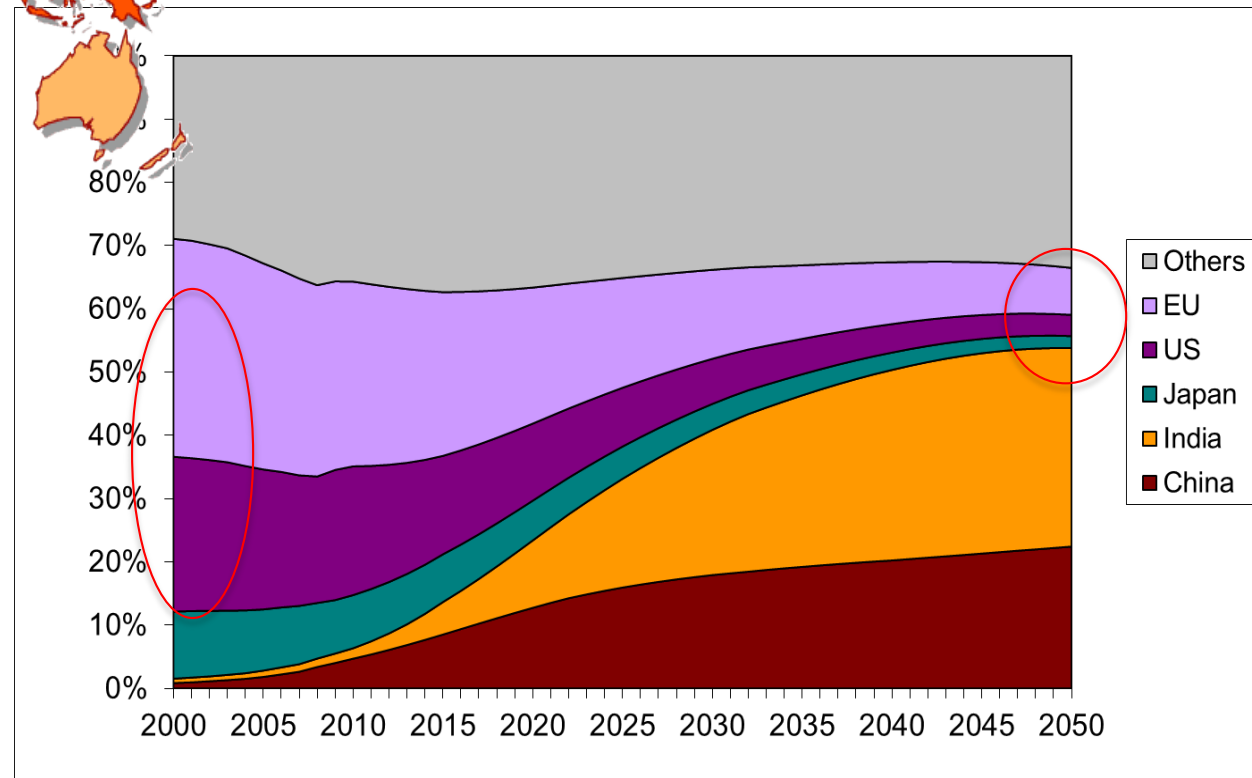
500,000
1970



EMERGING MIDDLE CLASSES IN DEVELOPING COUNTRIES



Projected shares of global middle-income class consumption



Passenger onshore spending

A hand is holding a smartphone in the foreground, with a US dollar bill visible in the background. The background is slightly blurred, showing a person's hand holding a credit card.

- **\$330,500** in passenger and crew onshore spending in the embarkation port
- **38%** of passengers stay one or more nights at a port city pre- or post-cruise. On average, each overnight cruise visitor spends **\$256** per stay.



THE CRUISE EXPERIENCE



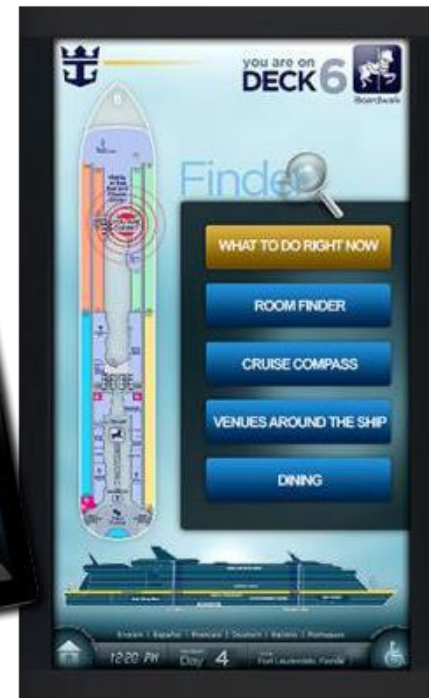
CRUISE LINE TRENDS

- Global destinations
- Exploring the unknown
- Big brand entertainment
- Specialty dining
- Romance reigns
- Importance of outdoor spaces
- The more the merrier (groups)



CRUISE LINE TRENDS

- Rapid innovation across all areas of the guest experience
- Leveraging technology wherever possible





Luxury





RIVER CRUISES

SHORTER CRUISES



A close-up photograph of a map of the Bahamas. A large green pushpin is stuck into the map, its point resting on the island of Nassau. The map shows various islands and towns, including Nassau, New Providence, Andros Town, Bannerman Town, Exuma Sound, and Exuma Cays. The word 'BAHAMAS' is printed in large, bold, black letters across the center of the map. A red pushpin is also visible on the map, near Nassau. The background is a light blue and green color, representing the sea and land respectively.

Nicholls Town
Nassau
Adelaide
Andros Town
Behring Point
New Providence
Bannerman Town
BAHAMAS
Exuma Sound
Exuma Cays
Arthur's
Cat



Suites

**Family-
friendly**





**Michelin
starred chefs**

**More
shopping**

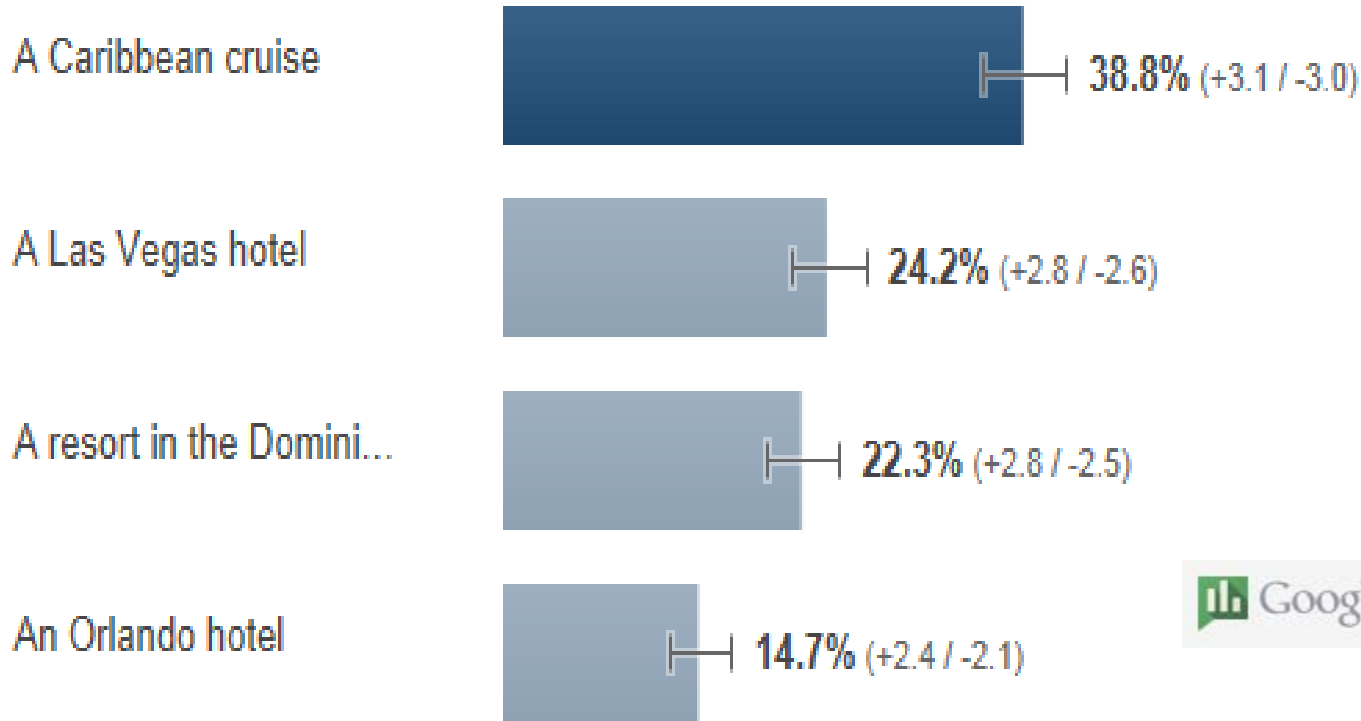


SINGLE ANSWER

If you and your co-workers could win a great 4 night trip by reaching a challenging goal, what travel experience would motivate you the most?

Results for US. Weighted by Age, Gender, Region. (1040 responses) ?

Winner statistically significant. ?





**MEETING AND
INCENTIVE**

**CUISINE AND CULTURE
DANCE
LITERARY**

**FITNESS
FAMILY REUNION
GIRLFRIEND GETAWAY**





CRUISE LINES INTERNATIONAL ASSOCIATION

CLIA'S ROLE AS A TRADE ASSOCIATION

Serve as collective voice of industry

Act as convener and consensus builder among cruise line members

Educate media and public about regulatory environment and industry practices to foster continued growth of safe, secure cruise ship environment

Provide broad industry perspective – underscore industry's excellent safety record and ongoing commitment to continuous improvement

Engage and equip stakeholder allies on behalf of the industry

CLIA' S ROLE AS A TRAVEL AGENT/ AGENCY ASSOCIATION

Train and educate travel agents

Provide recognized certification program so consumers are aware they are using an educated agent with expertise in cruises

Provide promotional programs that drive business to CLIA agents

Coordinate marketing activities to promote cruising to consumers

Provide recognized travel agent credentials through CLIA ID Card