



# Future Trends in Cruise

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# Changing Perspectives

Old is 'in'...

...and '*old*' is getting older every minute

# Implications on Cruise

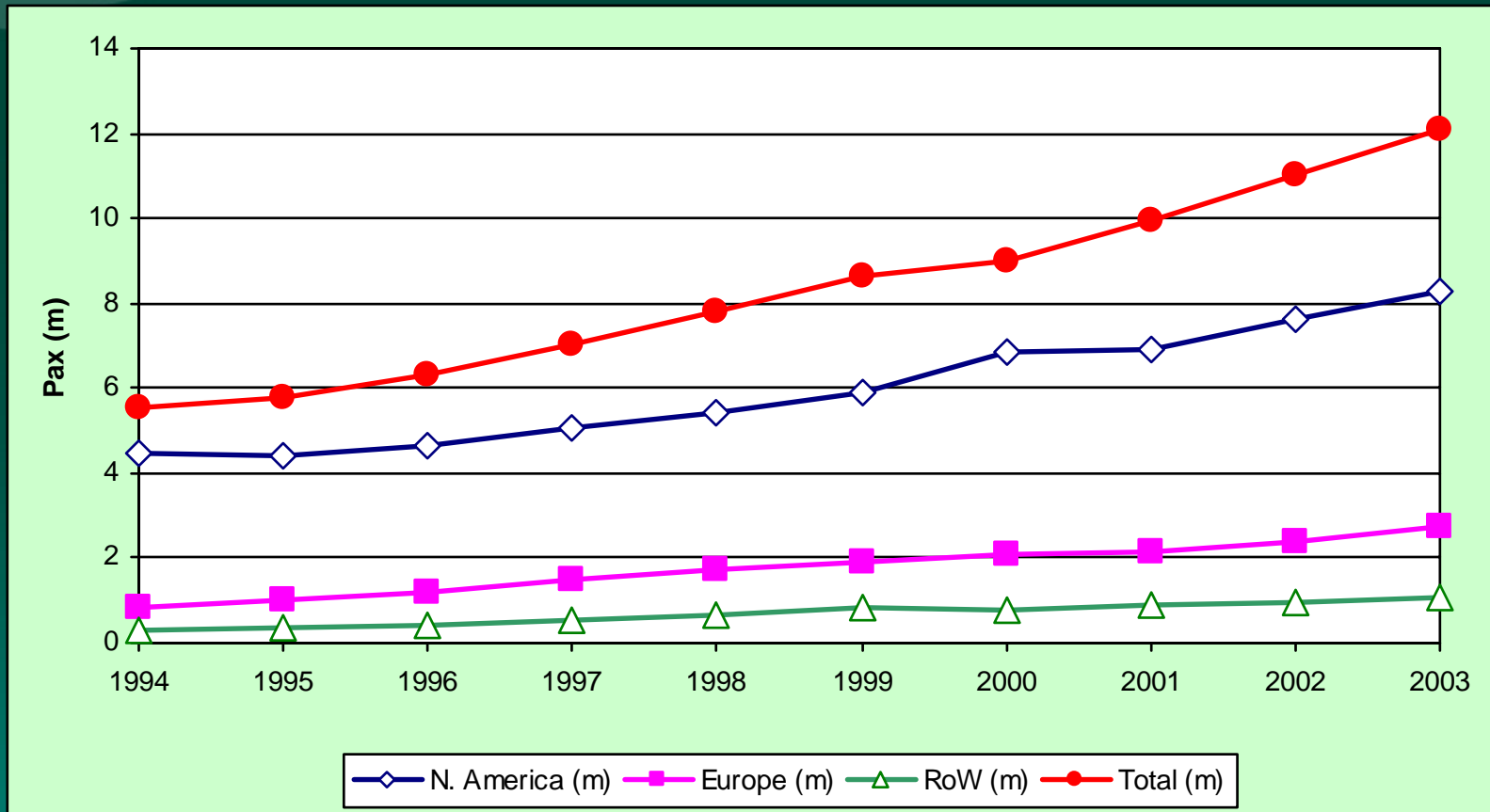


# Growth in population over 55

Country	Population million > 55			% change 2002-10
	2002	2005	2010	
US	62.1	67.1	76.4	+23.0
Germany	24.5	25.2	26.8	+9.4
Italy	17.5	18.2	19.1	+9.1
UK	15.9	16.8	17.4	+9.4
France	15.6	16.7	18.2	+16.7
Spain	11.1	11.5	12.1	+9.0

Source: G. P. Wild (International) Limited Cruise Industry Forecasting Model.

# Demand from Key Markets



Source: G. P. Wild (International) Limited Cruise Industry Forecasting Model.

# International Passenger Demand

Pax (m)	2003	2004	2005	2006	2007	2008	2009
N America	8.35	8.16	8.54	8.92	9.30	9.67	10.05
Europe	2.66	2.81	3.00	3.20	3.39	3.58	3.78
Sub-total	11.01	10.97	11.54	12.12	12.69	13.25	13.83
RoW	1.05	1.13	1.21	1.29	1.37	1.45	1.53
Total	12.06	12.10	12.75	13.41	14.06	14.70	15.36

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# Implications on Cruise

- New Consumers 
- New Cruising Products
- New Ports and Destinations



# New Consumers

- “Growing old disgracefully”
- 80% will be active travellers when they retire
- Over 50’s will outnumber younger generation
- Children have a huge influence



# New Consumers

- Vacation starvation
- Customized travel experiences
- Less stress please
- Mistrust of news, corporations and government
- Doing the “right” thing



# New Consumers

- Multi-generation travel
- Importance of single households
- Blurring of work and leisure
- Increasing life expectancy
- 2nd/3rd careers, homes and lives



# New Consumers

- Importance of authenticity
- Tuned in – high tech/high touch
- Real and virtual communities
- Sophisticated and affluent
- Life-long learning
- Importance of health and wellness



# Implications on Cruise

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# New Cruising Products

- Informal and more flexible cruising
- Low cost cruising
- Mid-priced sail powered cruising
- Smaller mid-priced ships
- Floating residential communities
- Cruise yachts



# New Cruising Products

- Mega-ships
- Frequency and/or length of cruises
- New packages – *Cruise Plus*
- New facilities
- New means of access
- Repackaging the cruise
- New ways to pay – *Cruise Share*



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# New Ports and Destinations

- Northern Europe, Scotland, UK
- Mediterranean
- US – Homeland Cruising
- Mexico

# New Ports and Destinations

- Australia and New Zealand
- Africa and the Indian Ocean
- Middle East – Dubai
- Canada's Pacific Coast

# Marketing to Cruise Customers



# Marketing to Cruise Customers

- Segmentation
- Customer relationship management (CRM)
- Direct sell
- New media
- Pricing

# Marketing to Cruise Customers

- Managing the booking time frame
- The importance of supplementary services
- Loyalty programs
- Need for a customer driven model



# Some Caveats

- Lack of confidence and propensity to travel
- Struggling economies in key source markets
- A reluctance to fly/cross the border
- Further increase in the price of oil



# Some Caveats

- Downward pressure on price and yield
- Strength of the Euro against the US Dollar may inhibit the placement of new orders at European shipyards



# Reasons for Optimism

- Excellent growth prospects in North America
- Low overall market penetration in comparison to the mainstream vacation market
- Very satisfied customers, with a high repeat factor



# Reasons for Optimism

- Lower unit costs and good cost control
- Improving products and productivity
- Mobile assets can be moved to more favourable markets and away from difficulty and perceived or real threats

# Thank You



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