



TEXAS A&M UNIVERSITY
GALVESTON CAMPUS.

INTRODUCTION TO THE MARITIME INDUSTRY

6. The Cruise Industry



MARA 205

Professor: Dr. Jean-Paul Rodrigue

The Cruise Industry

- Cruise
 - An itinerary followed by a specialized ship for leisure purposes.
- Cruise market
 - Demand characteristics for cruises.
 - Nature, location, duration, and amenities.
- Cruise lines
 - The choice of itineraries.
 - The allocation of ships.
 - Ship design and amenities.
- Cruise ports
 - Home ports.
 - Ports of call.

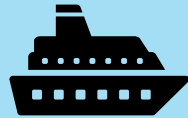
The Three Pillars of Cruise Shipping

ITINERARIES



- Attractiveness of cruise region.
- Seasonality.
- Customer availability and preferences.

CAPACITY DEPLOYMENT



- Type of ship.
- Duration.
- On-board amenities.

PORTS OF CALL



- Sequence and schedule.
- Choice of turn port.

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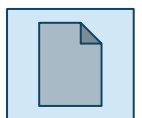
INTRODUCTION TO THE MARITIME INDUSTRY



A. The Cruise Market

One of the Last Liners, SS France (1969)

2,000 passengers

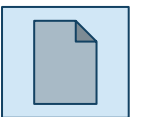


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The Largest Cruise Vessel in the World (2020): Symphony of the Seas



About 6,000 passengers



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Royal Caribbean Icon of the Seas (2024)



Cost: About 2 billion dollars; About 7,000 passengers

Growth Drivers

- Expansion and capture of revenue streams
 - Regular fleet renewal.
 - Expanded onboard amenities.
 - Shore-based excursions (shorex).
 - Cruise ship is the destination.
- Scaling up of cruise ship size
 - Deployment of larger cruise ships.
 - In the 1990s, cruise ships rarely exceeded 2,000 passengers, by the 2010s, ships of 6,000 passengers were being deployed.
 - Larger ships support a wider range of amenities and additional onboard revenue generation.

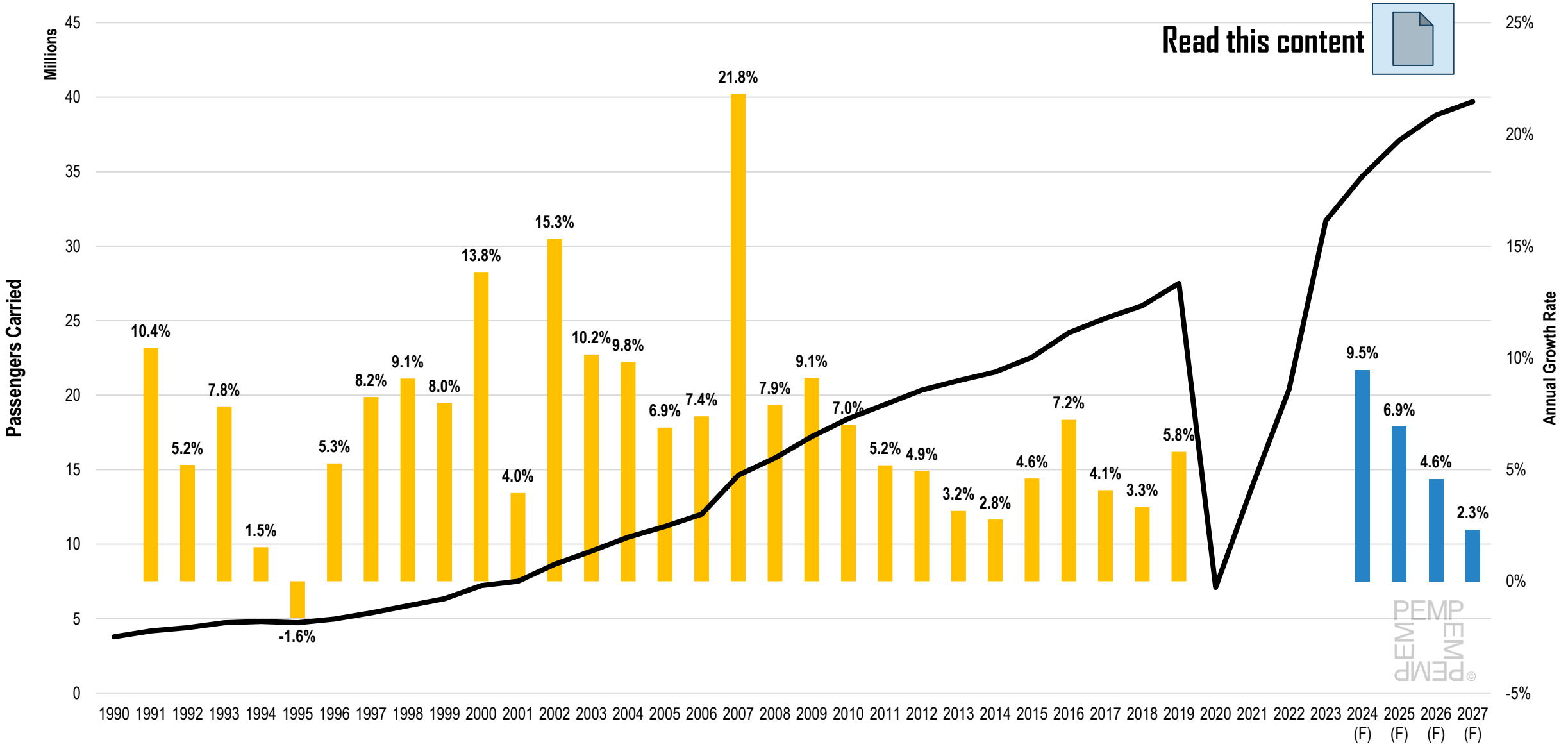
Growth Drivers

- Market segmentation
 - Different types of vessels associated with amenities offered onboard and ashore.
 - Cruises targeting different (social and age) groups of potential cruisers.
- Globalization of deployment patterns
 - Sophisticated itinerary planning.
 - Deployment of cruise vessels in multiple world markets.
 - Specific regional and cultural experiences.
 - Seasonal and fundamental changes in demand by repositioning ships (seasonal) and changing the configuration of their port calls (fundamental).
 - No fixed itineraries but regularly move cruise vessels from one region to another for certain periods of a calendar year.

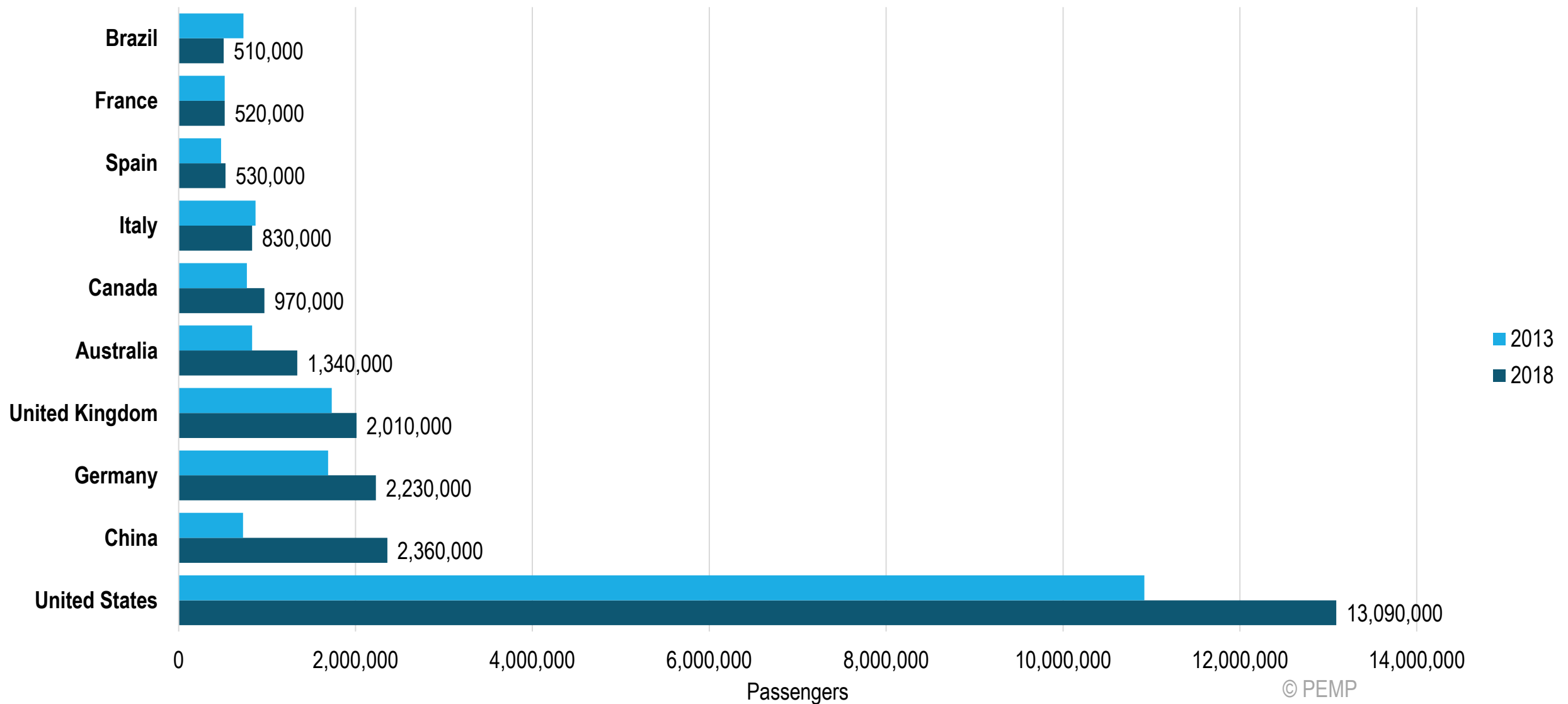
Growth Drivers

- Internationalization of passenger source markets
 - Expansion of the sources of cruise guests.
 - Expansion of the population groups attracted by modern cruises.
- Concentration and multi-brand strategies
 - High level of ownership and market concentration.
 - Each conglomerate operates a number of different brands in order to expand the targeted passenger groups.
 - Carnival and Royal Caribbean account for 73% of the market.

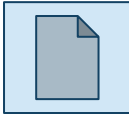
Global Cruise Passengers Carried & Growth Rates, 1990-2023, 2024-2027(F)



Cruise Passengers Source Markets, 2013-2018

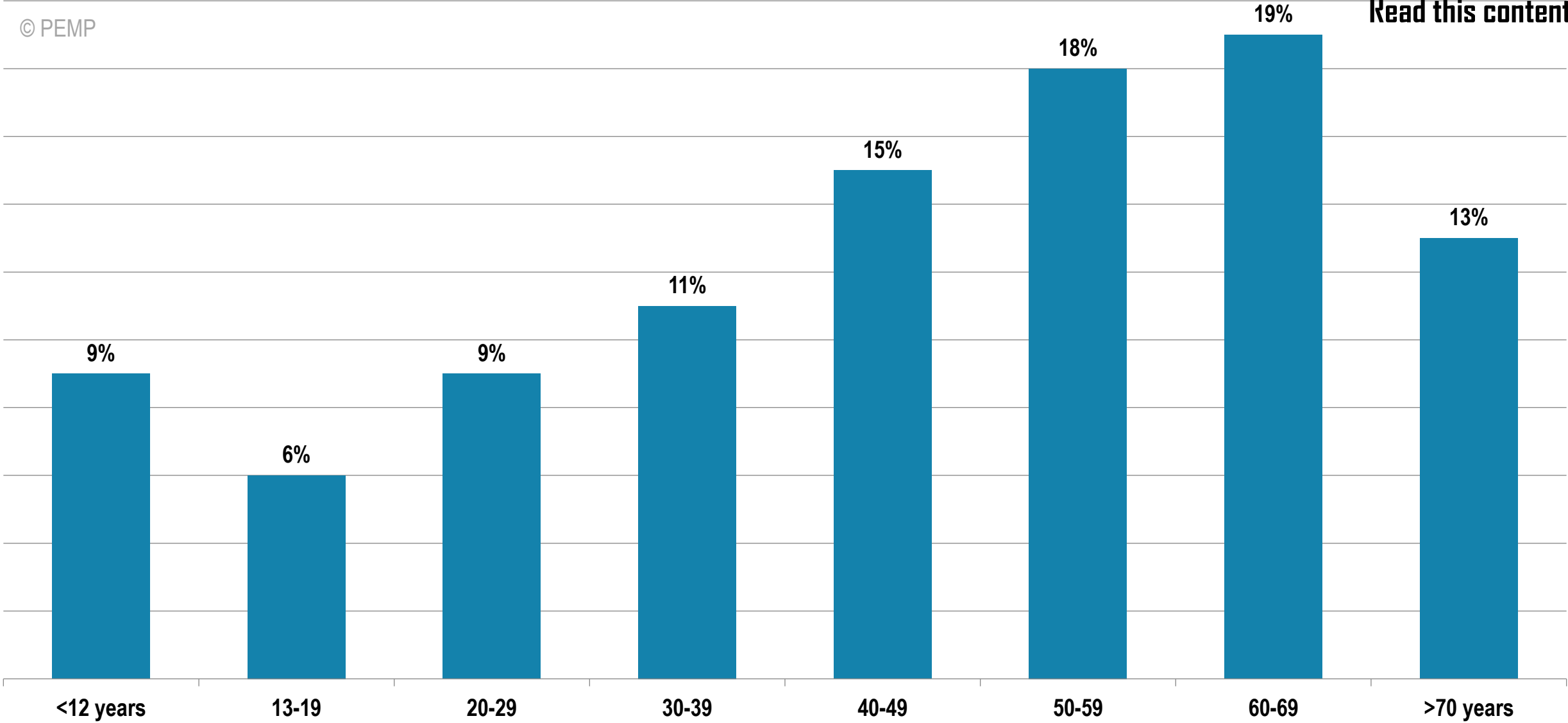


Average Cruise Passenger Age Groups

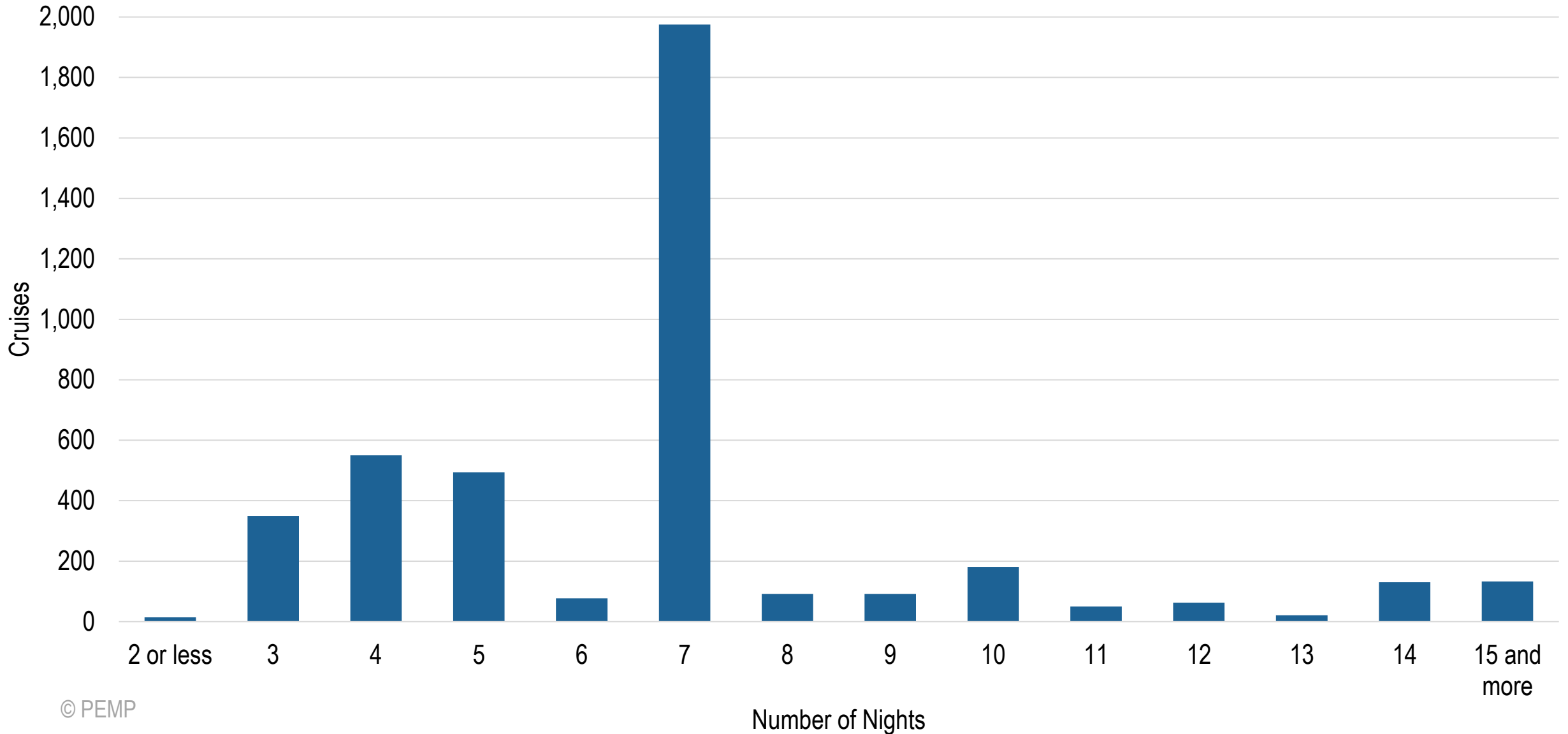


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Duration of North American Cruises (in nights), 2011



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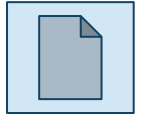
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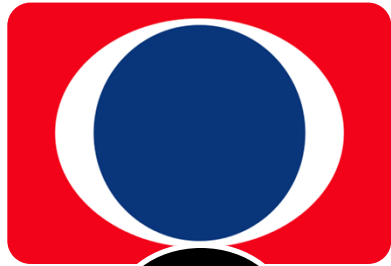


B. Cruise Lines

Market Share of Main Cruise Lines / Companies, 2023



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39.0%

Carnival Corporation

- Carnival CL (15.8%)
- Costa (4.7%)
- AIDA (4.4%)
- Princess Cruises (5.6%)
- Holland America (2.6%)
- P&O (2.5%)
- P&O Australia (1.3%)
- Cunard (0.7%)
- Seabourn (0.3%)



24.0%

Royal Caribbean Cruises

- Royal Caribbean (17.2%)
- Celebrity Cruises (4.4%)
- TUI Cruises (1.9%)
- Silversea (0.4%)
- Azamara Cruises (0.2%)
- Hapag-Lloyd (0.2%)

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12.4%

MSC Cruises

- MSC (12.3%)
- Explora (0.1%)



8.5%

Norwegian Cruise Line

- Norwegian (7.6%)
- Oceania (0.6%)
- Regent (0.3%)



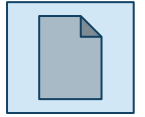
16%

Other

- Disney Cruises (1.6%)
- Star Cruises (1.0%)
- Dream Cruises (2.3%)

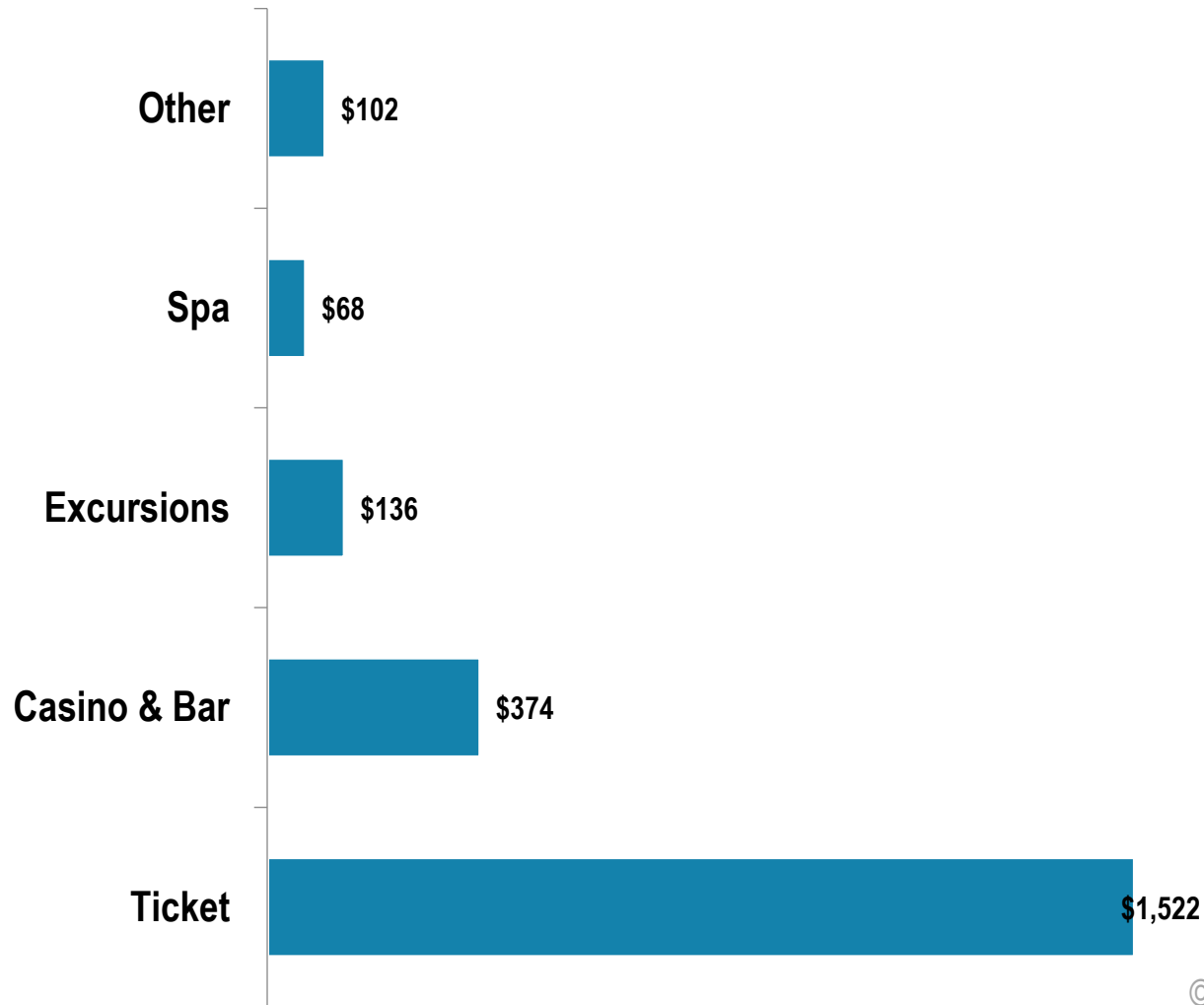
The Big-4
Ships: 217 / Berths: 586,685 / Share: 84%

Revenue and Expenses per Average Cruiser, 2023

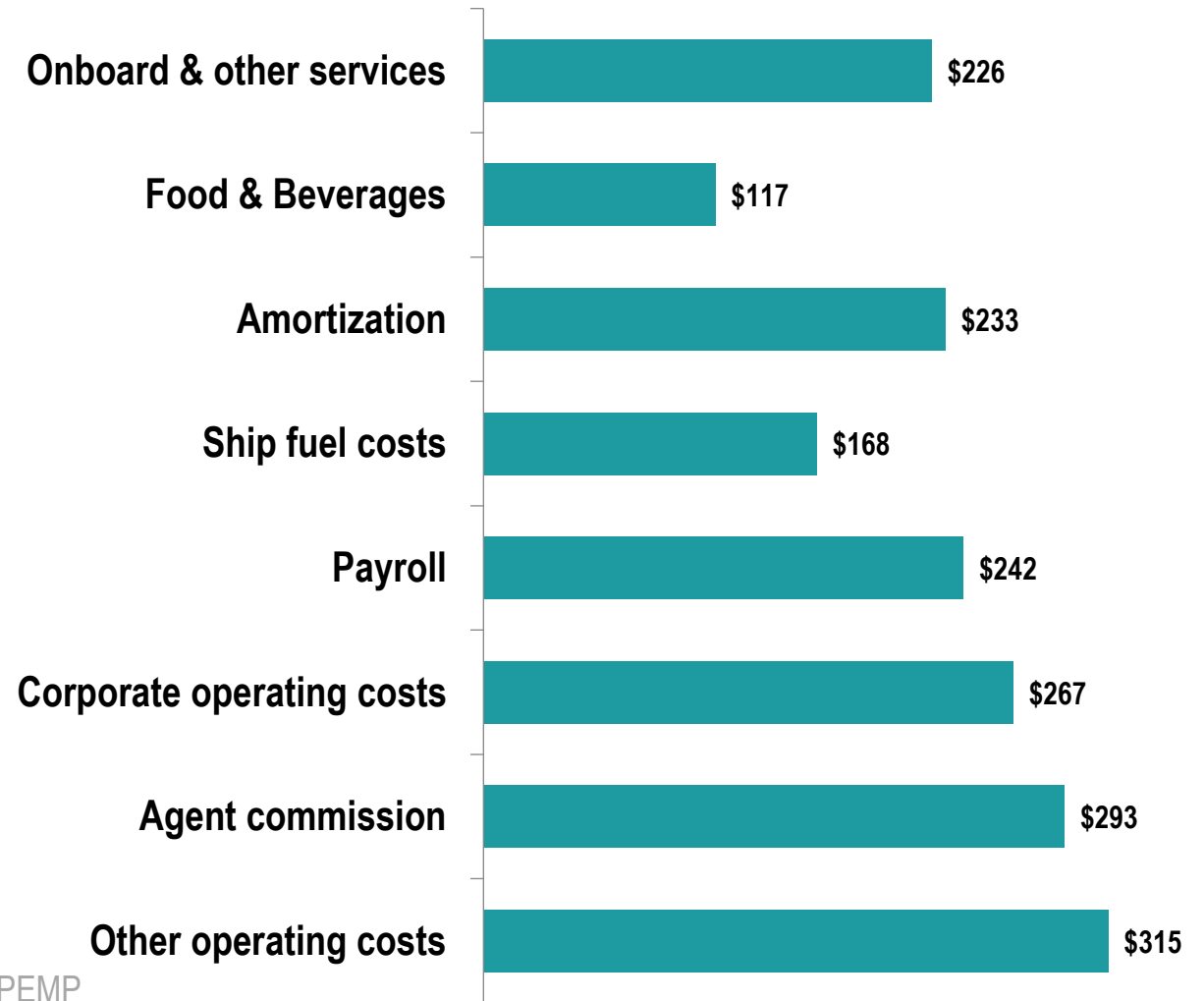


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Revenue (\$2,202)



Expenses (\$1,862)



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Segmentation of Cruise Shipping

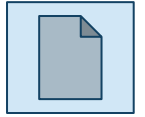
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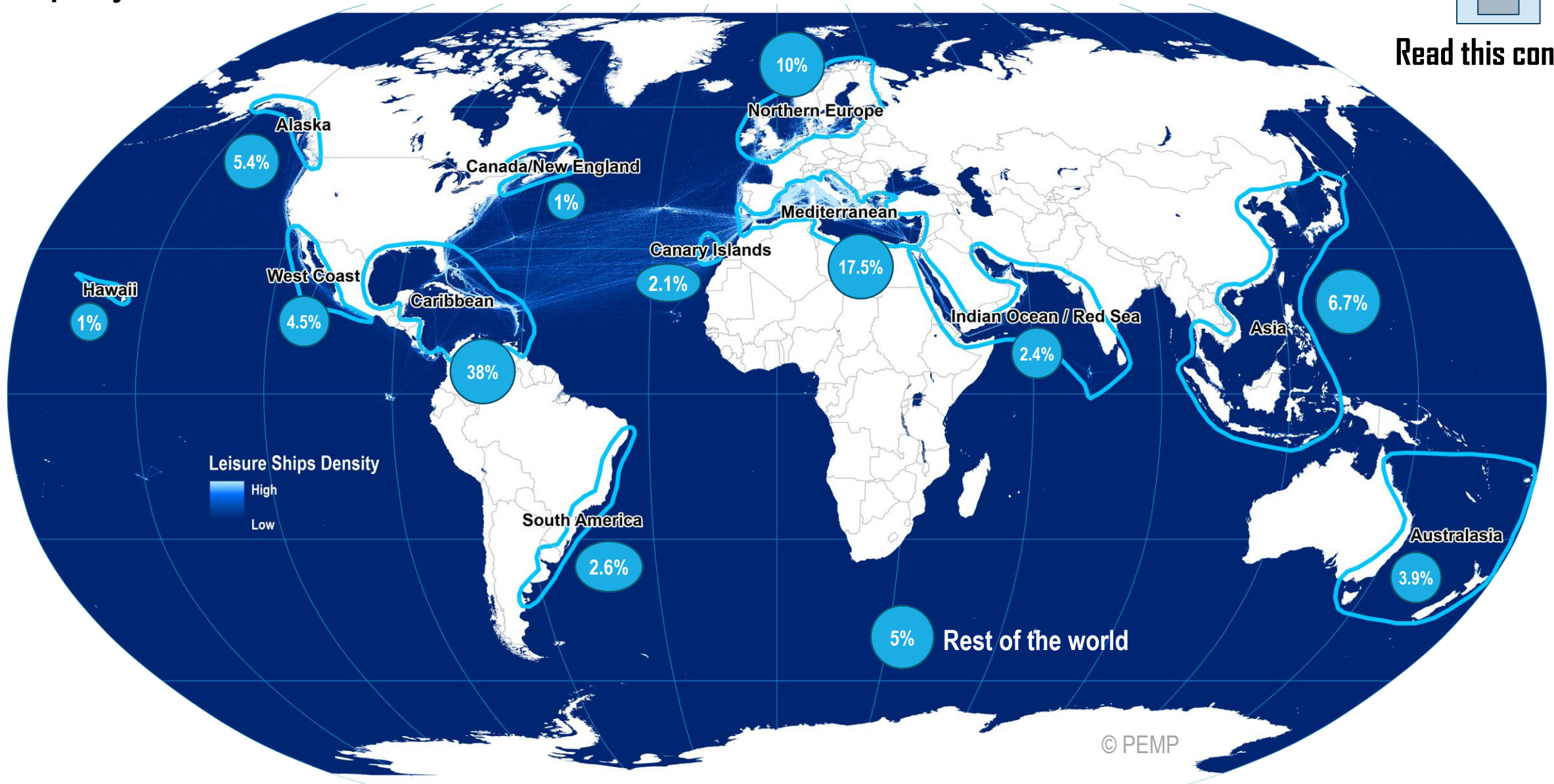
	Contemporary Cruise Lines	Premium Cruise Lines	Luxury Cruise Lines	Speciality Cruise Lines
Keyword	Quantity	Quality	Exclusivity	Adventure
Ships	Large ships	Medium-sized Ships	Small Ships	Very Small ships
Typical Capacity	2,000-5,600 Pax	1,500-2,500 Pax	100-800 Pax	100-300 Pax
Cabins	Small cabins	Large cabins	Huge cabins or all suites	Mixed cabin accommodations
Orientation	Family friendly	Family friendly, but more adult-oriented	Not family-friendly	Not suitable for most families
Length of itineraries	3-7+ night	7-14 night itineraries	10+ night	3-20 night
Quality of Services	3-4 star service	4-5 star service	5-6 star service	3-5 star service
Price point	\$-\$\$\$	\$\$-\$\$\$	\$\$\$\$\$	\$\$\$\$-\$\$\$\$\$
Cruise Lines (examples)	Carnival Cruise Line; Costa Cruise Line; Disney; MSC; Norwegian Cruise Line; Royal Caribbean	Azamara Cruise Line; Celebrity Cruises; Holland America; Oceania Cruises; Princess Cruises	Crystal Cruises; Cunard Line; Regent Seven Seas Cruises; Seabourn; Sea Dream; Silversea Cruises	Cruise West; Delta Queen Steamboat; Discovery World Cruises; Hurtigruten; Peter Deilmann; Star Clippers; Viking; Windstar

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Deployment of the Global Cruise Fleet, 2023



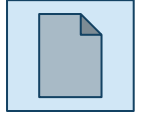
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Classification of Cruise Ships by Cruise Lines

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Ship class	Tonnage (GT)
Fantasy class (1998)	72,000
Sunshine class (1996)	102,000
Spirit class (2000)	88,500
Conquest class (2002)	110,000
Concordia class (2006)	113,300
Dream class (2009)	130,000
Vista class (2016)	133,500
Excel class (2018)	183,000



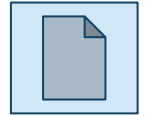
Ship class	Tonnage (GT)
Sovereign class (1988)	73,800
Vision class (1997)	83,000
Voyager class (1999)	138,000
Radiance class (2001)	90,090
Freedom class (2004)	154,400
Oasis class (2009)	230,000
Quantum class (2014)	168,600
Icon class (2023)	250,000



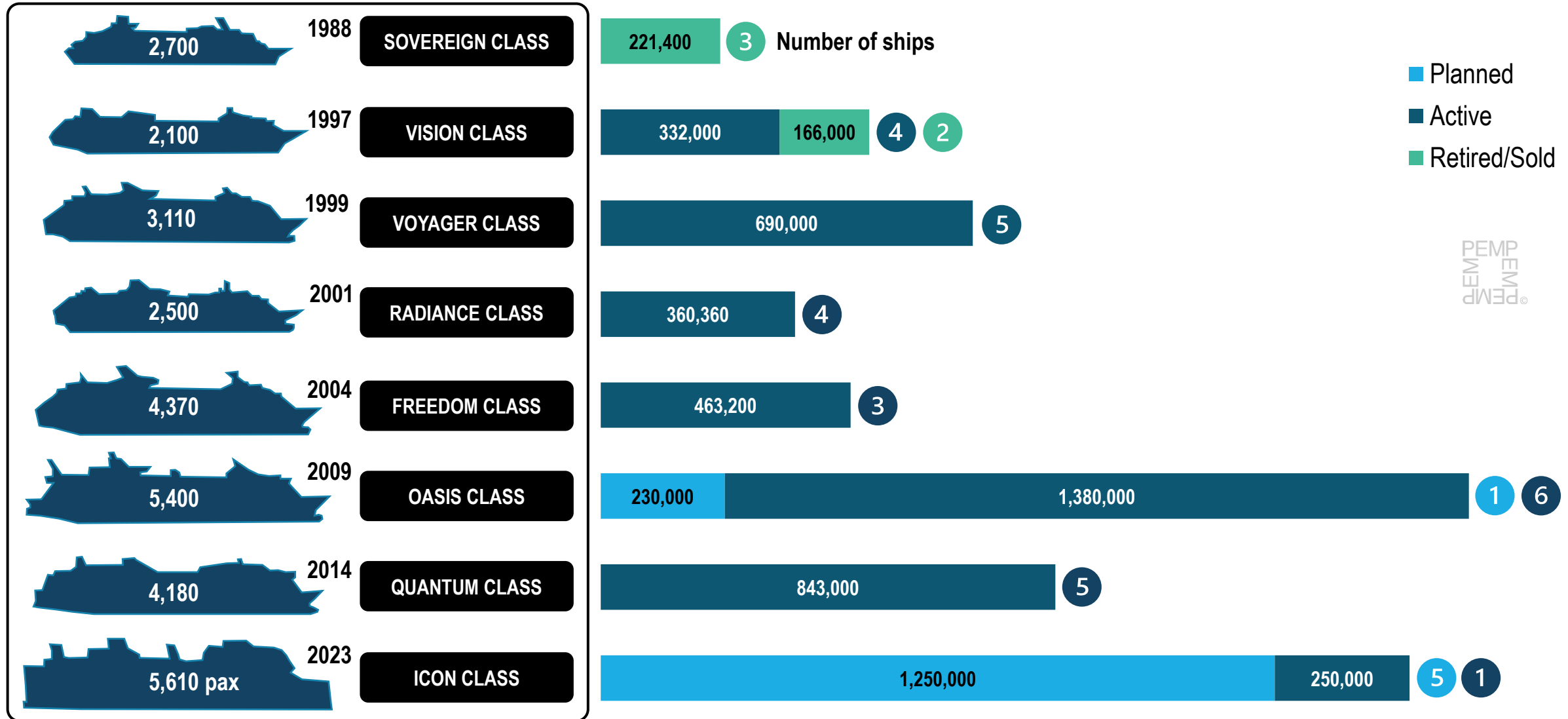
Ship class	Tonnage (GT)
Explorer class	30,200
Sun class (1995)	77,400
Grand class (1998)	110,000
Coral class (2002)	91,600
Royal Class (2013)	144,000
Sphere Class (2024)	177,800



Total Gross Tonnage by Ship Classes, Royal Caribbean Cruises



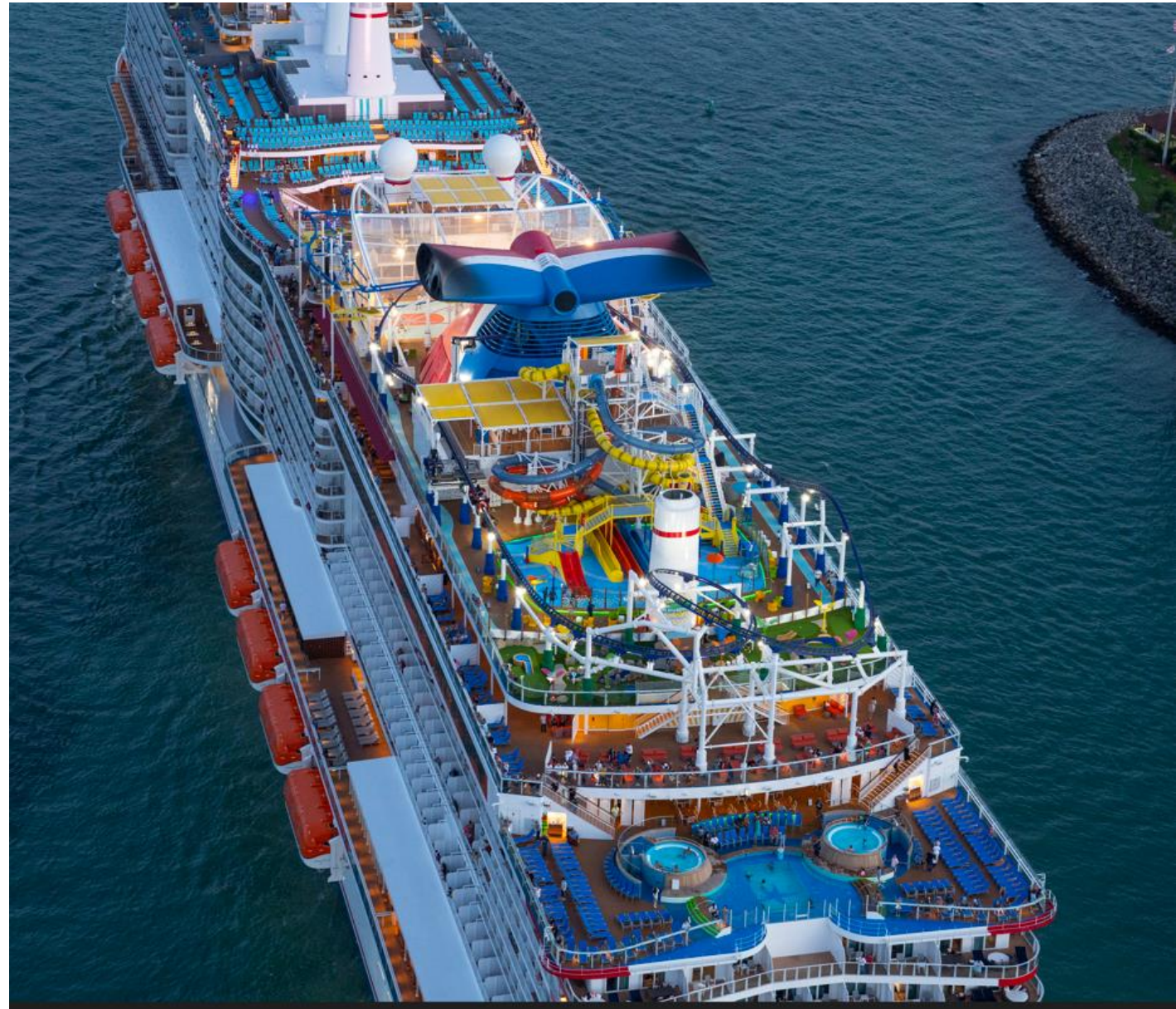
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Amenities on a Cruise Ship



Royal Promenade, Voyager Class, 1999



Selected Amenities on the Icon of the Seas (Royal Caribbean, 2024)

On Deck Activities

- Crown's Edge — Obstacle course
- Category 6 — Largest waterpark at sea
- FlowRider — 40-foot-long surf simulator
- Pool decks — 7 pools, 9 whirlpools, first suspended infinity pool at sea
- Adrenaline Peak — Rock climbing wall 40 feet above deck
- Surfside — A neighborhood with a carousel
- Absolute Zero — Ice rink
- Laser tag — Glow-in-the-dark laser tag
- Pickleball
- Mini Golf
- Sports Court
- Sea Fitness Center

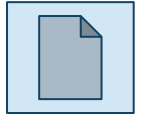
Services

- Vitality Spa
- Central Park — Largest “living park” at sea
- Onboard shopping
- World-class dining — Complementary and specialty restaurants

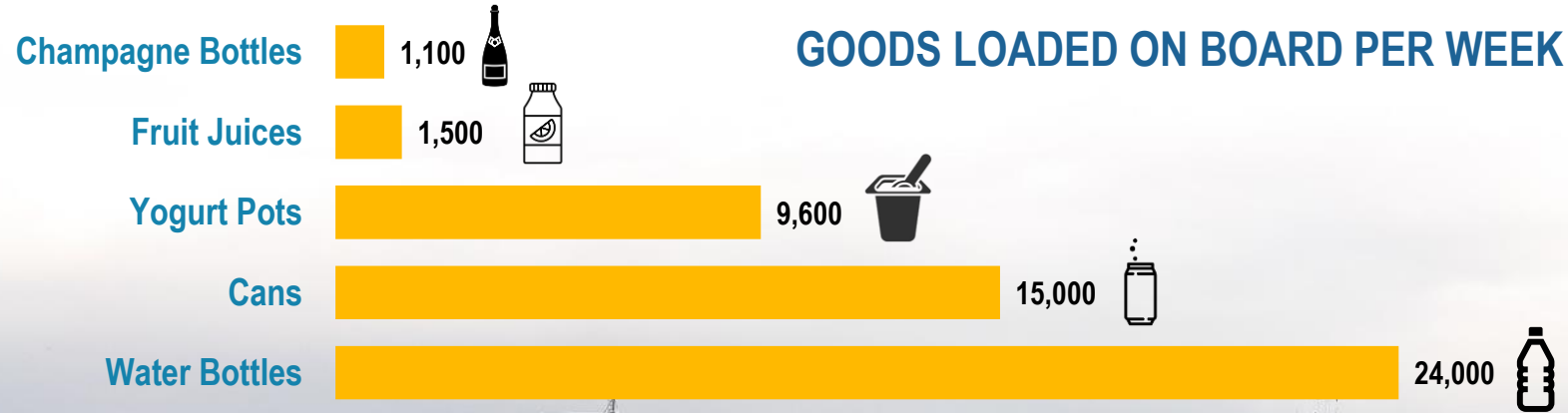
Entertainment

- Royal Theater — Multimedia productions
- Absolute Zero — Ice skaters
- AquaTheater — High-diving shows
- Royal Promenade — A two-story boulevard with 15 bars & restaurants
- Nightlife — Bars, lounges, and nightclubs
- Casino Royale
- Music Hall — Live bands, dancing, parties
- Spotlight Karaoke

Some Goods Consumed on Board a 3,000 Pax Cruise Ship per Week



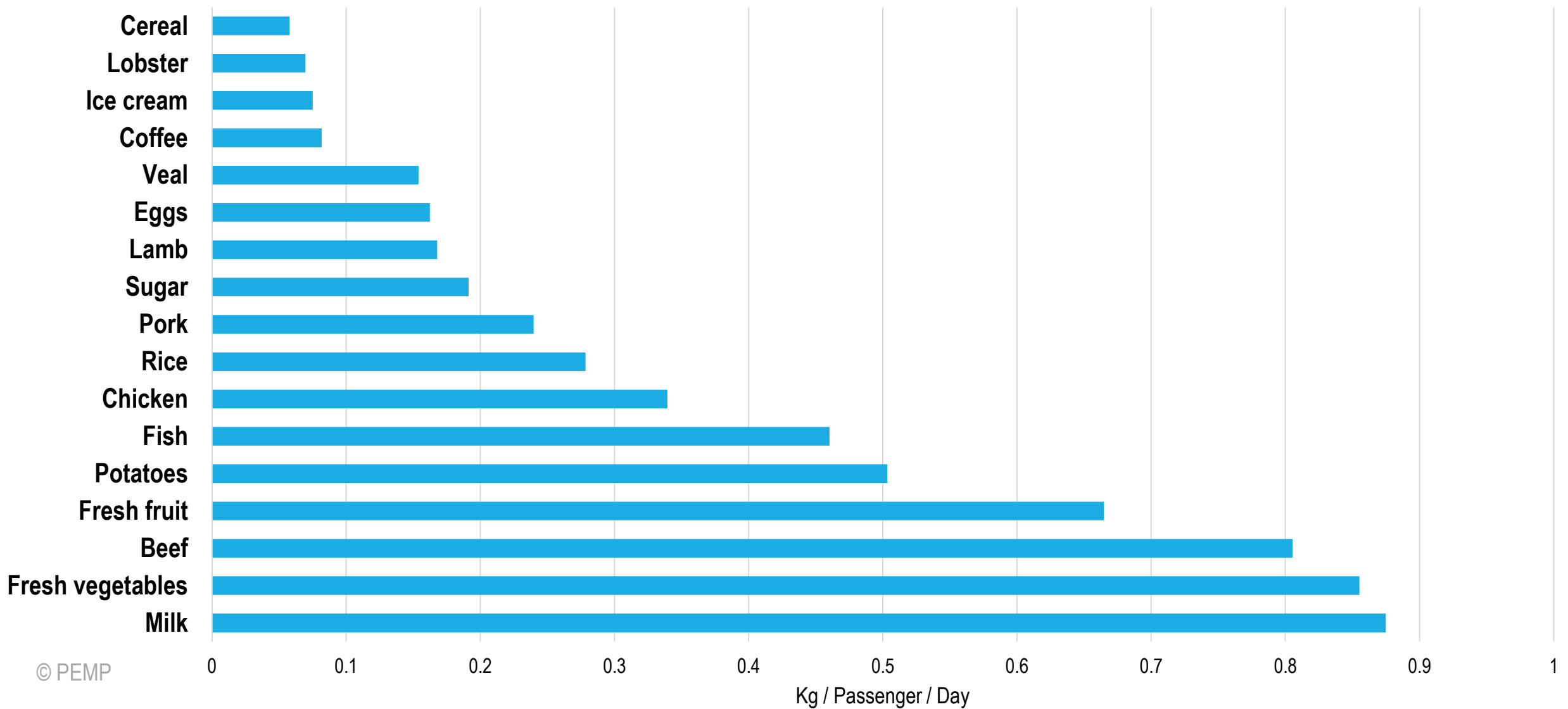
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Concordia Class

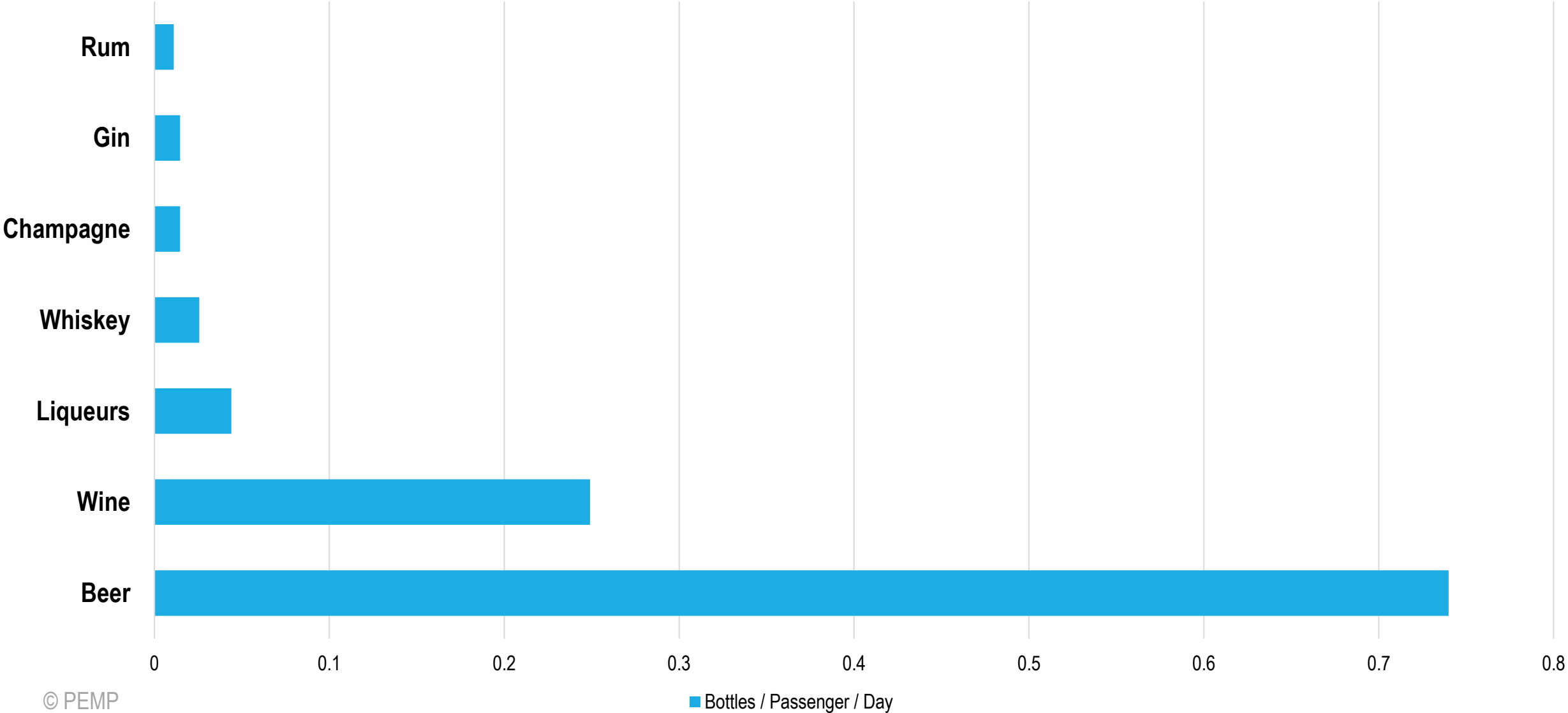
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Food Provisioning for a 2,000 Passengers 7 Days Cruise



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Alcohol Provisioning for a 2,000 Passengers 7 Days Cruise



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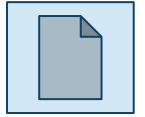
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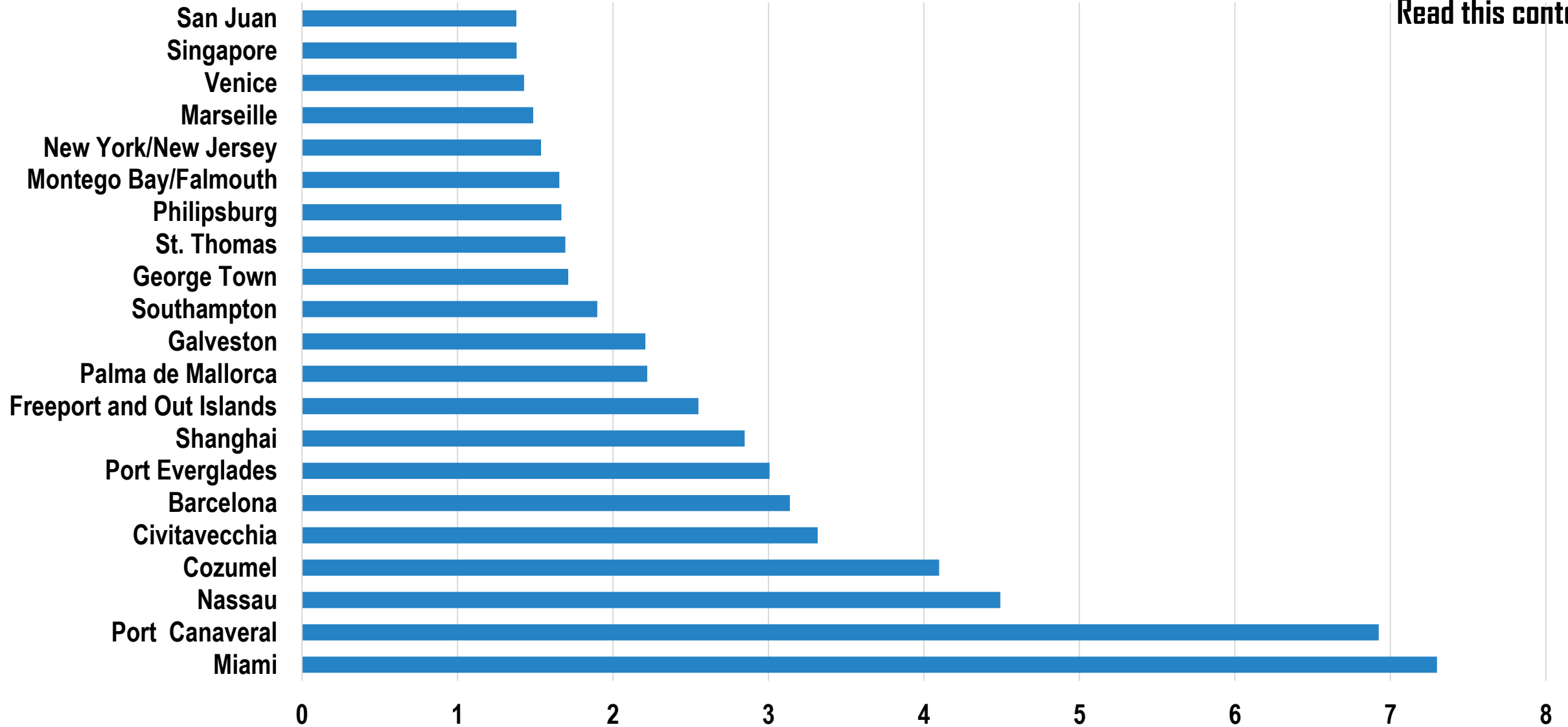


C. Cruise Ports

Largest Cruise Ports by Passengers, 2023



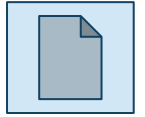
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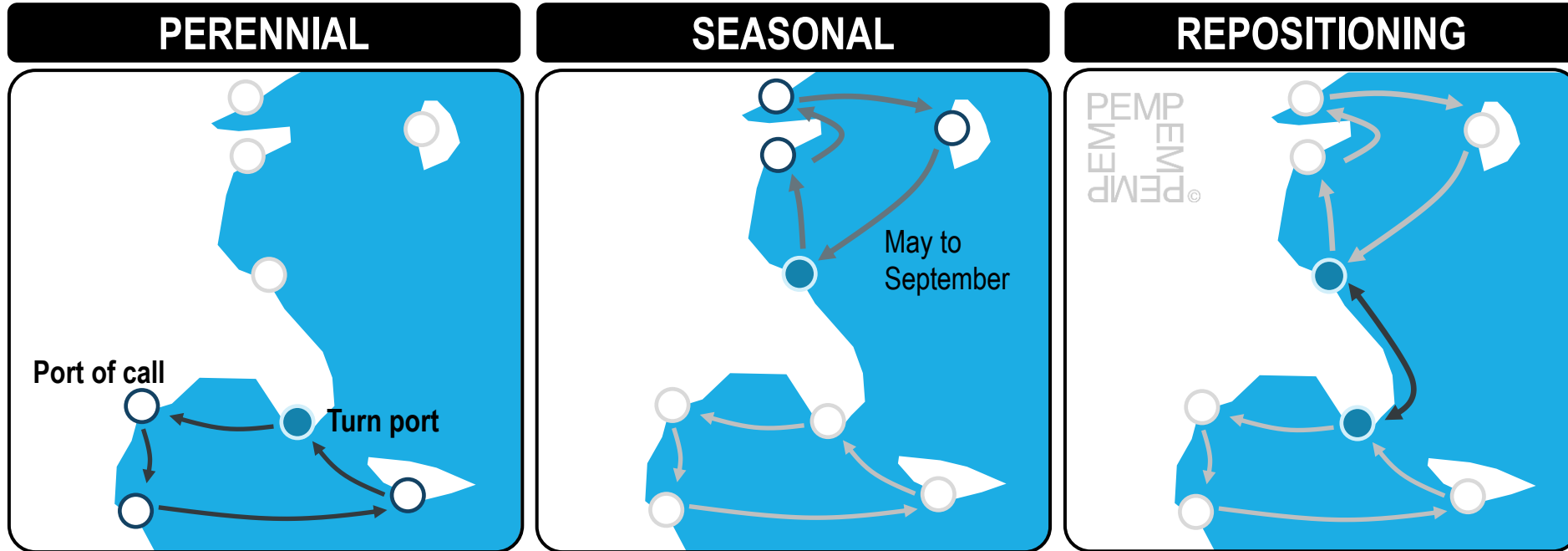
Types of Cruise Ports

- Home ports (turn ports or hub ports)
 - Ports where passengers begin or end their cruises (loops).
 - Cruise ships are resupplied and refueled, including waste disposal.
 - About 80% of all cruises end up in their port of origin.
 - Growing number of homeports underlining the expansion and diversification of the cruise industry.
- Ports of call (transit ports)
 - Intermediate stops along the itinerary.
 - Cruise vessels call for a few hours.
 - Guests have the opportunity to visit the port city and nearby tourist attractions.
 - The cruise ship acts as a staging point.

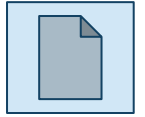
Types of Cruise Itineraries



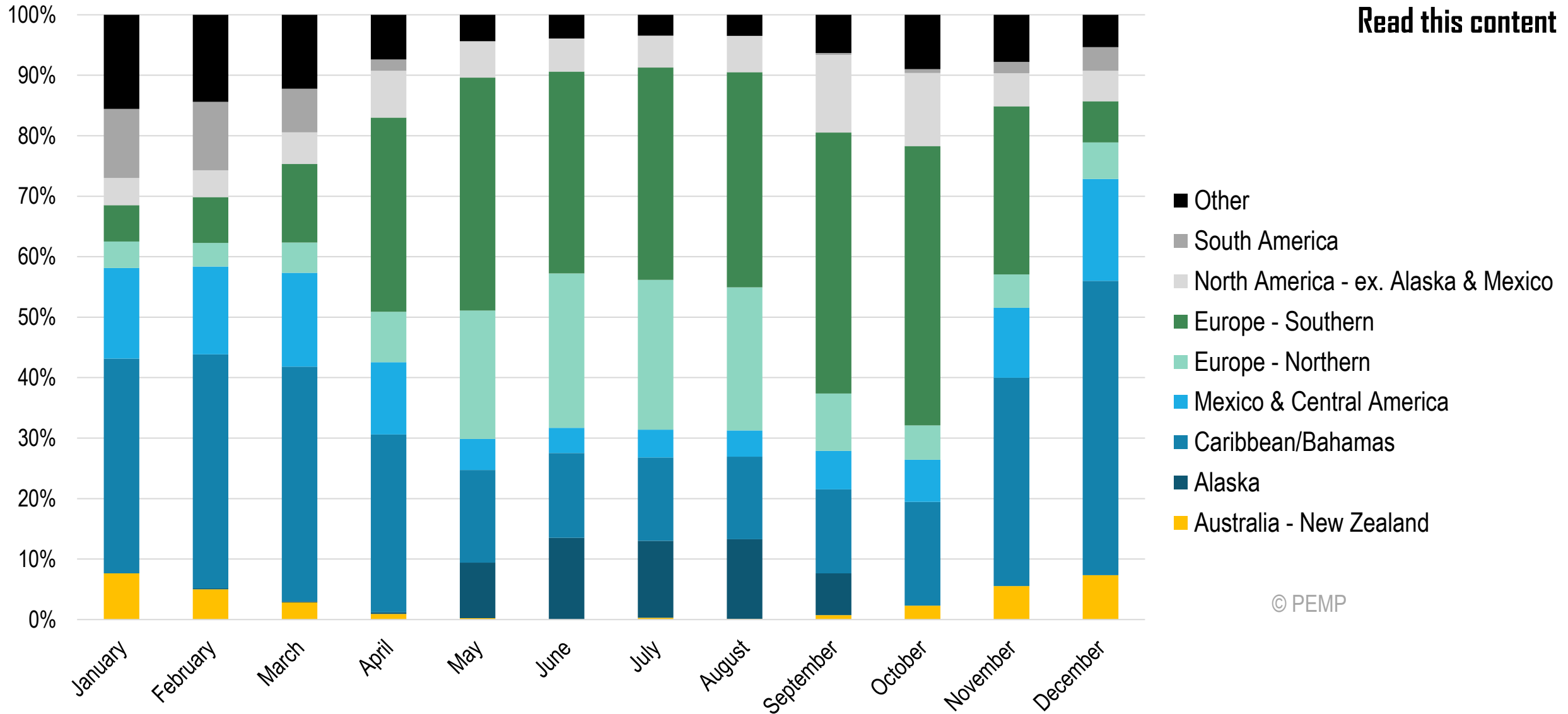
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Share of Monthly Cruise Passengers by Region of Destination, 2012

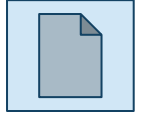


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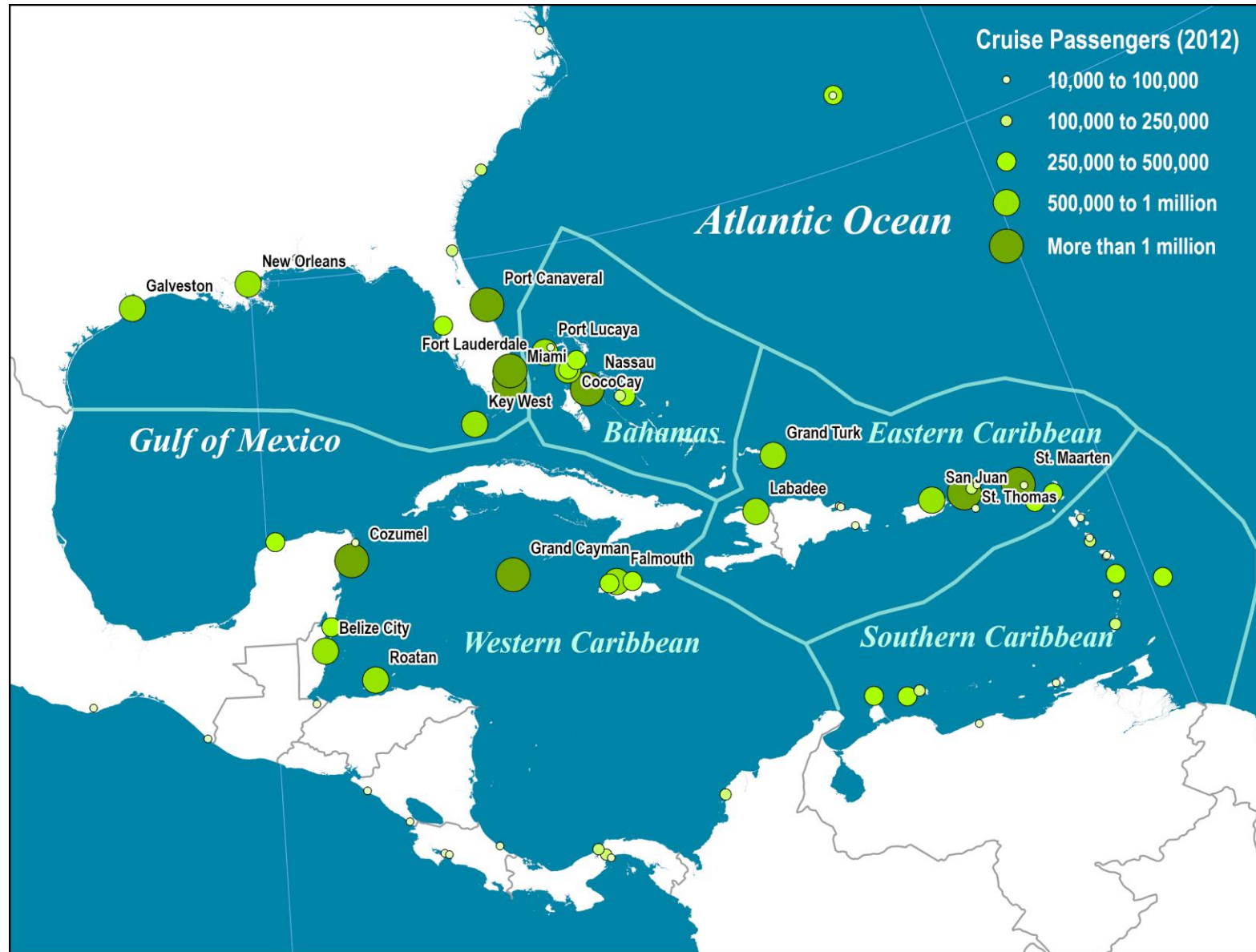


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Cruise Passengers Visits, Caribbean, 2012

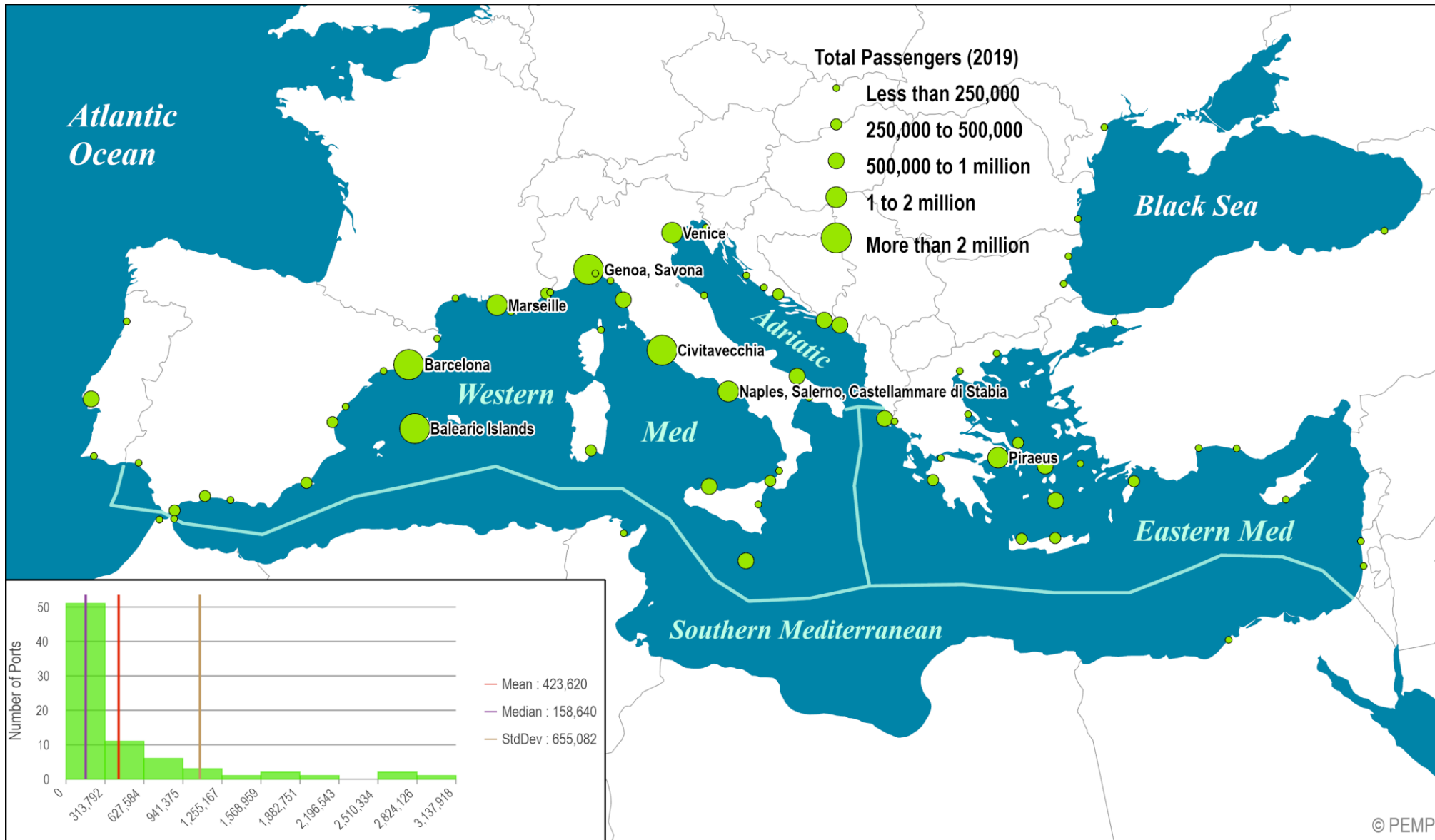
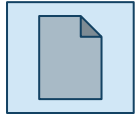


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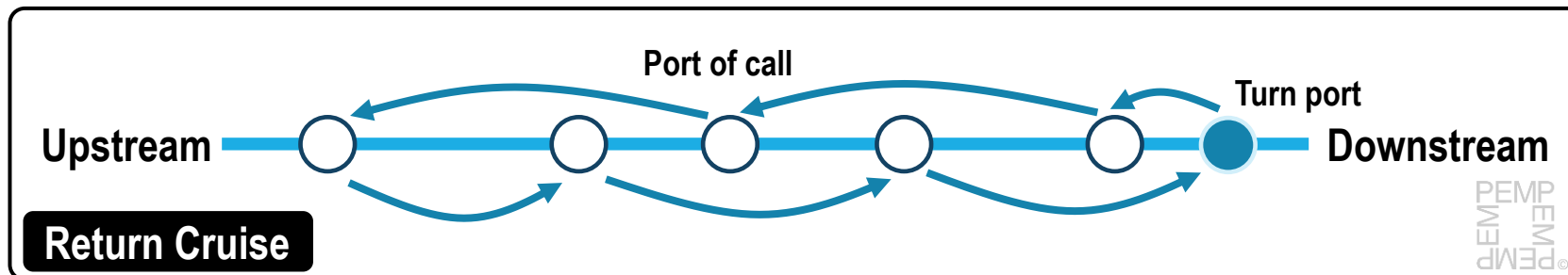
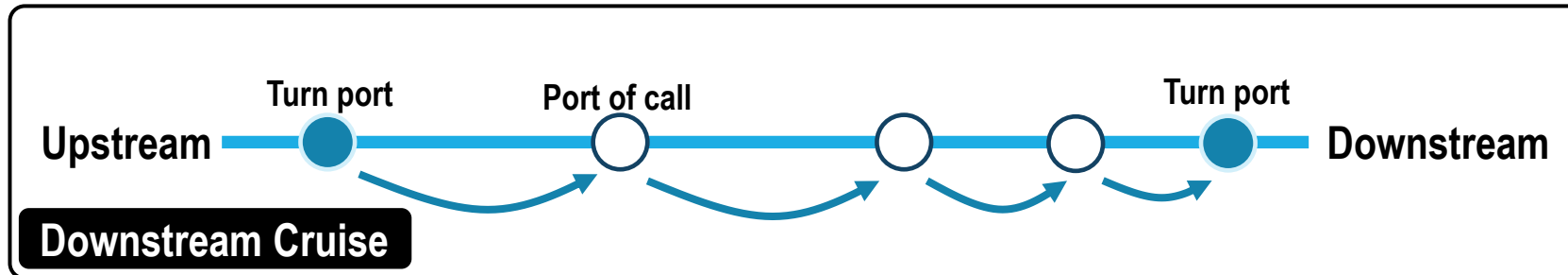
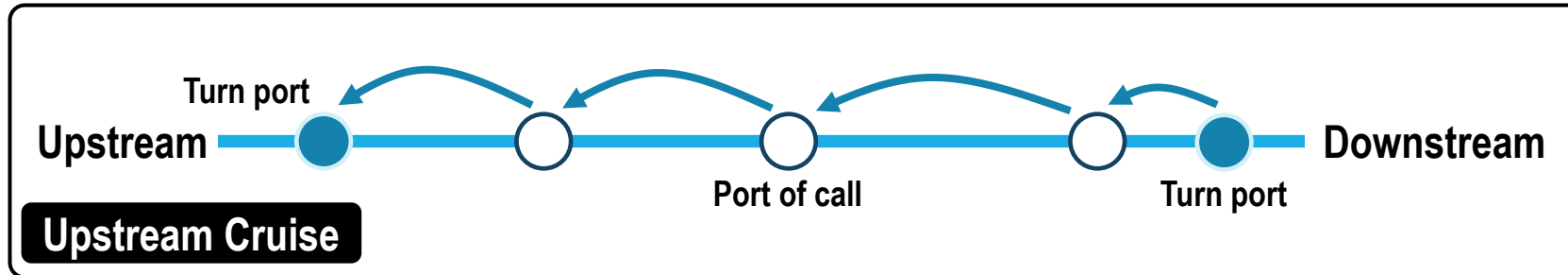
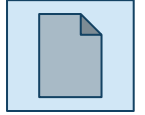
Cruise Passengers Visits, Mediterranean, 2019

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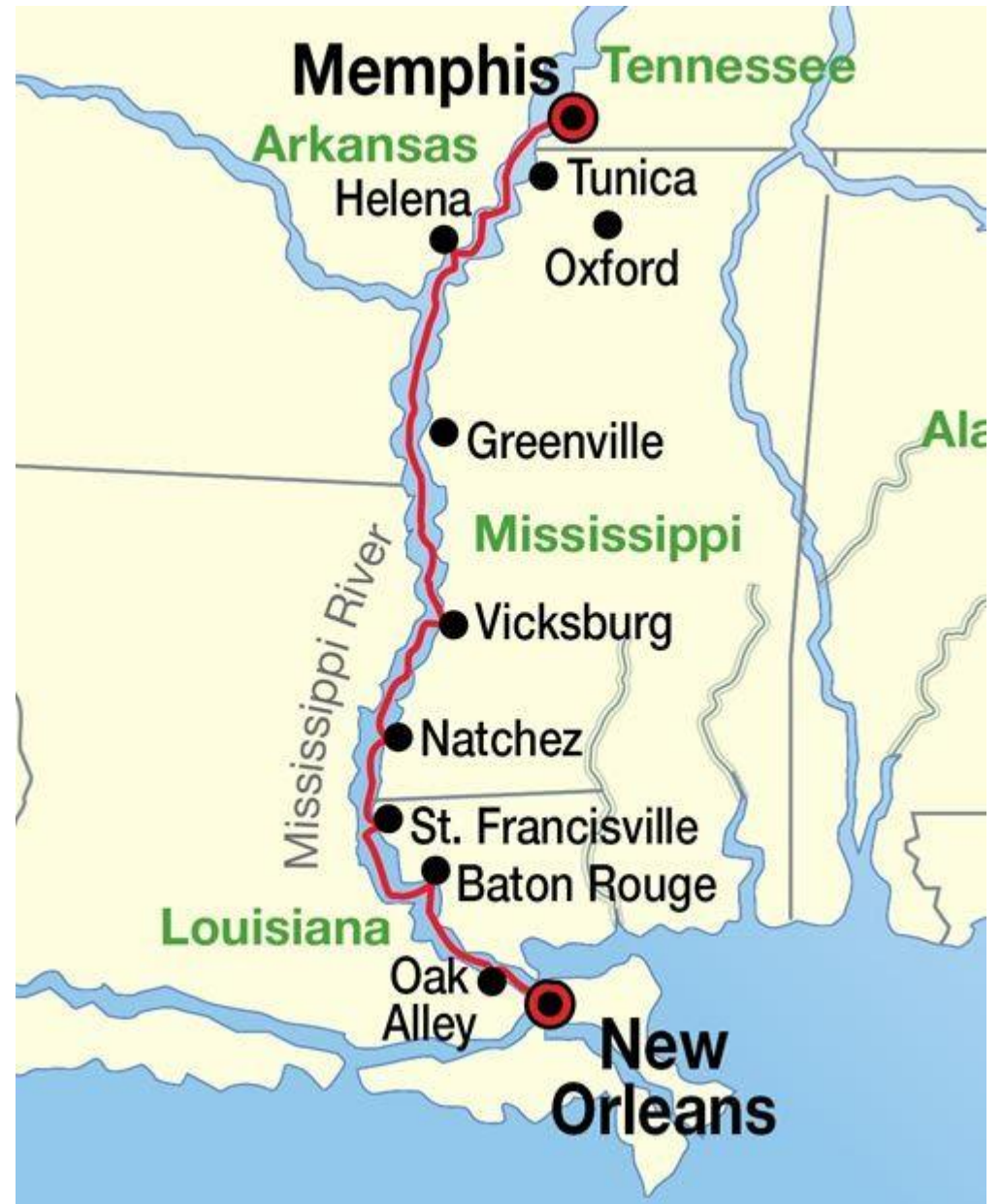
Types of River Cruise Itineraries

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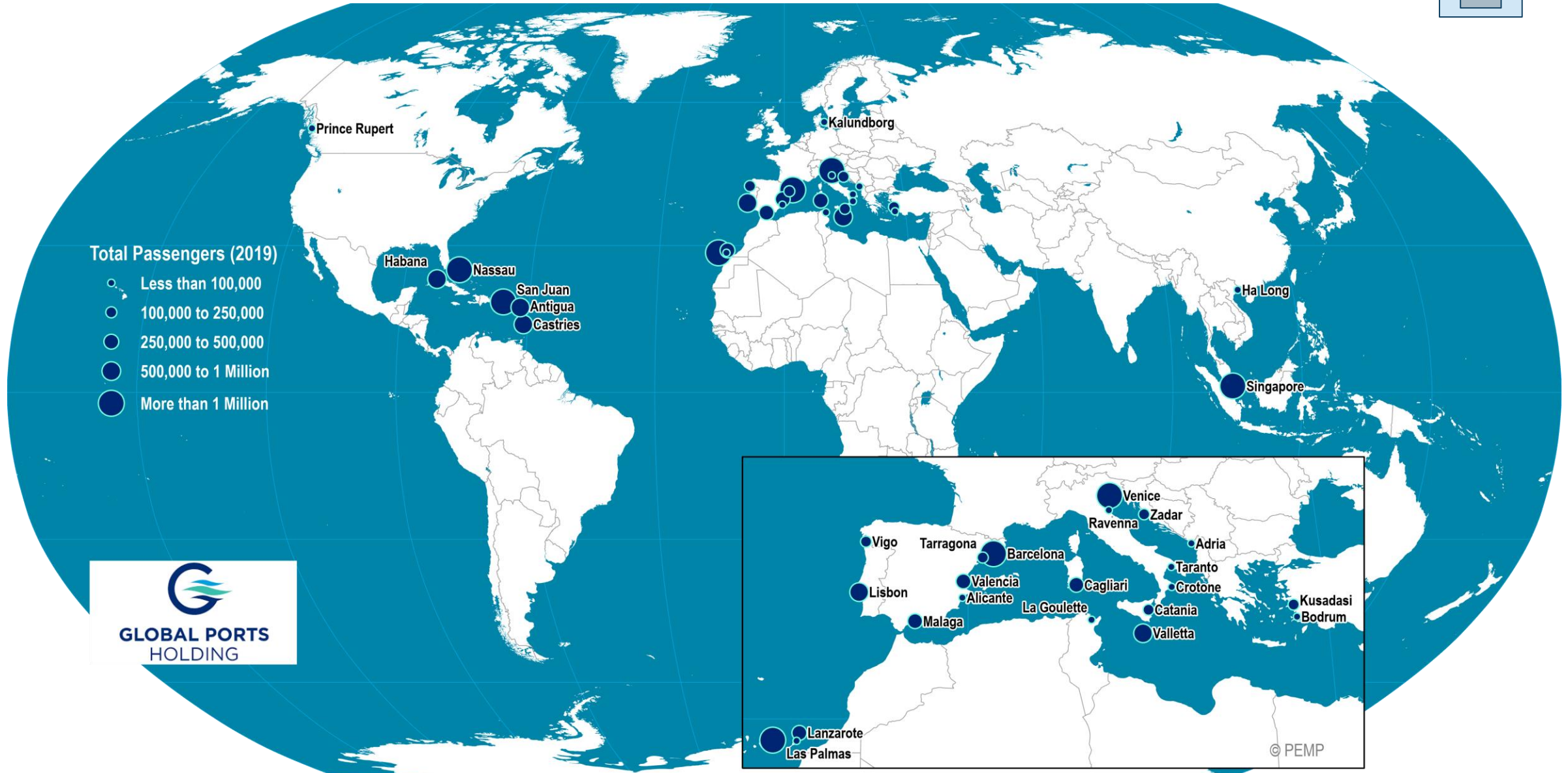
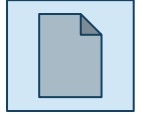
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Mississippi River Cruises

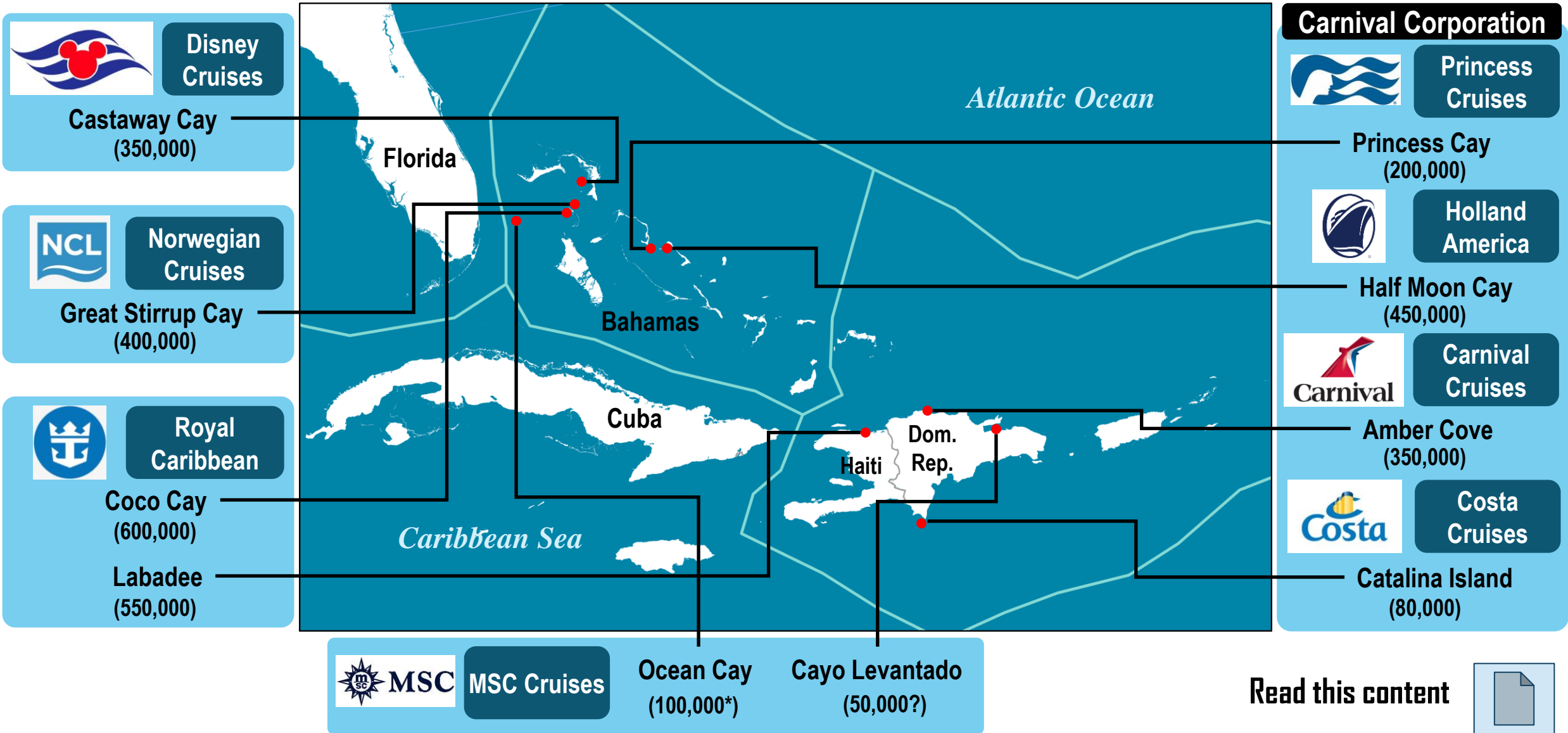


The Cruise Portfolio of Global Ports Holdings, 2023

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Cruise Terminals: Private Islands owned by Cruise Lines in the Caribbean



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