

# Trends in Cruise Ship Deployment




Presentation to  
**2008 AAPA Cruise Conference**  
**San Francisco**

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# Presentation Outline

- 
- **Customers are driving new trends in travel**
    - Expectations vs Buzz
  - **Cruise Line response to customer demands**
    - New Ships (hardware)
    - Fresh Itineraries
  - **What this means for ports**
  - **How ports can respond**
  - **Possible physical and intangible constraints**

# New Trends in Travel



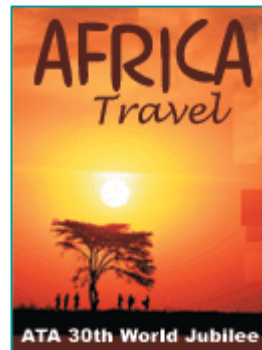
## Results in Cruise Line Response

- Ship deployments - *Itineraries*
- New Ships



## In turn Ports Respond

- Home port
- Destinations



## In process both port and cruise line impacted by

- Global economy
- Regulations
- Infrastructure



# Ship Redeployment Drivers

- Dollar Devaluation
- Fuel Cost
- Global Economy
- Security
- Hardware & Infrastructure
- Regulations – CBP, Passenger Vessel Act of 1886

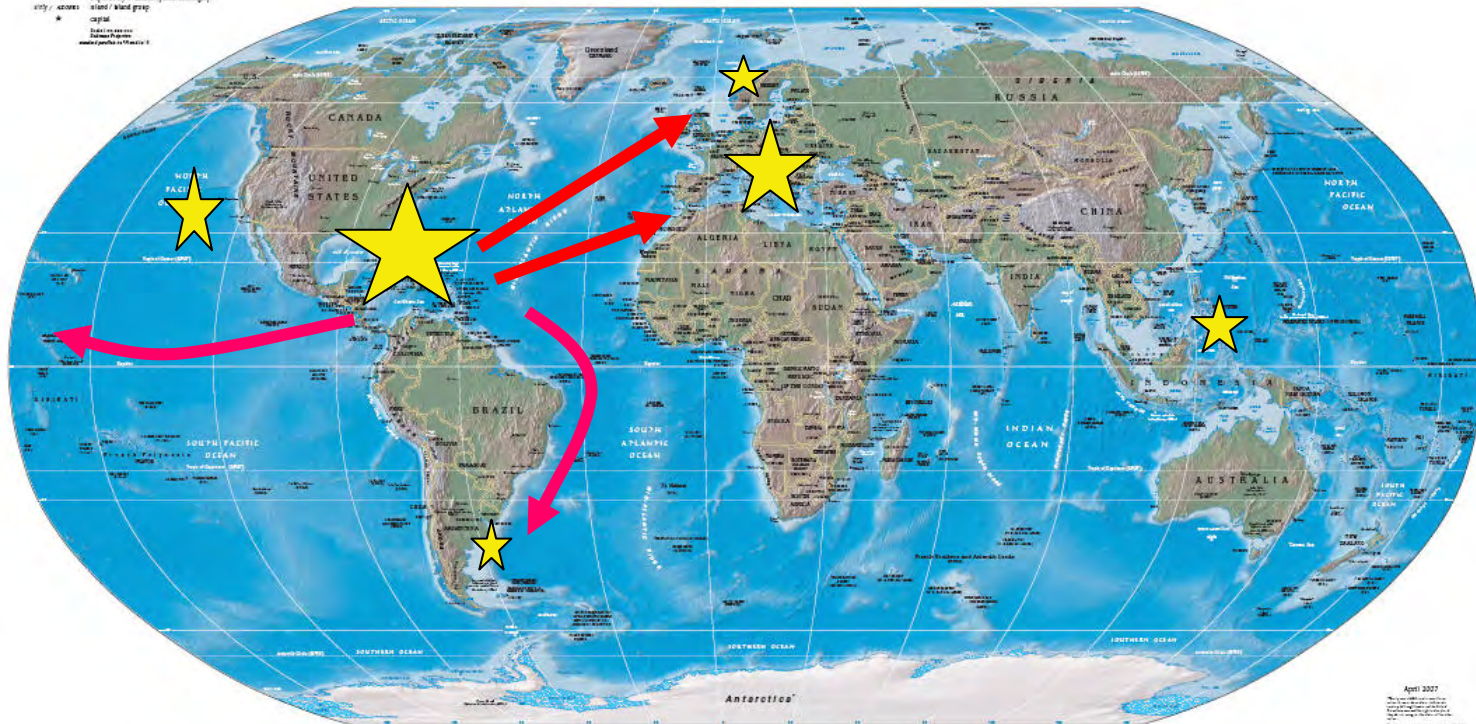




# Key Ship Redeployments and Itinerary Changes

Physical Map of the World, April 2007

AUSTRALIA independent state  
Bermuda dependency or area of special sovereignty  
city - asterisk island - island group  
capital  
Data as of 2007  
Political Boundaries  
Scale 1:10,000,000



April 2007

# 2008 Top Travel and Tourism Trends & Issues

## Travel & Tourism



## Continued Growth in 2008

Travel & tourism -**third-largest retail industry** in the US behind automotive dealers and food stores.

Leisure travelers fill more hotel rooms and airline seats annually than business travelers.

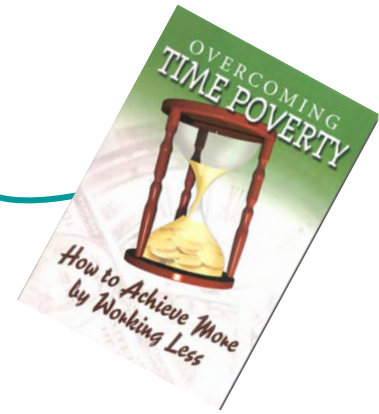
(source - Randall Travel Marketing)

# 2008 Top Travel and Tourism Trends & Issues

## Time poverty –

More to do & less time to do it....#1 trend driver affecting every travel segment.

- Nearly **half** Americans suffer from Time poverty -- People do not have enough time to do what they want & travel.
- They have desire to simplify their lives by buying all-inclusive events.
- Nearly one third of Americans did not take all their vacation days.
- More competition for fewer vacation days.
- Museums and attractions continue to expand while attendance is shrinking.
- More new professional sports teams even at second and third tier cities.





# 2008 Top Travel and Tourism Trends & Issues

## Fragile consumer confidence *will affect travel decisions:*

- Subprime market ripple impact erode confidence
- High fuel cost pull back trip plans

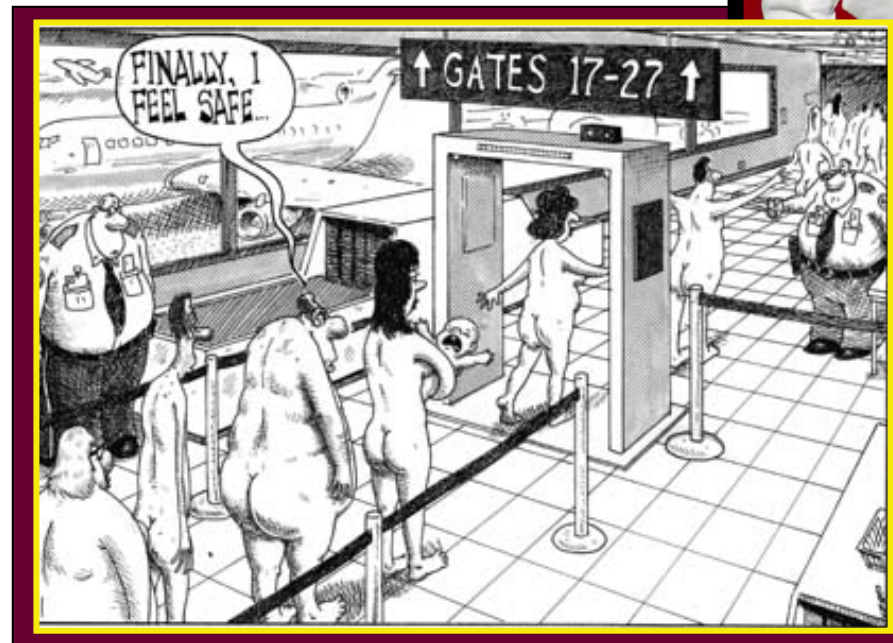
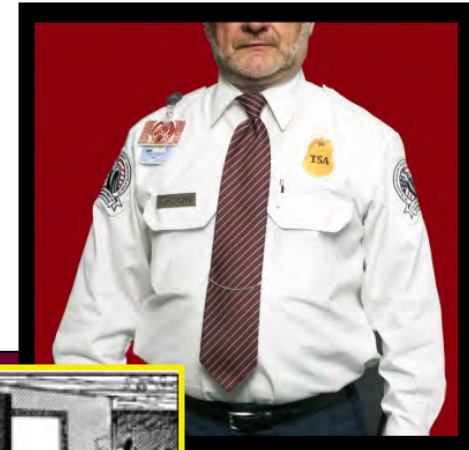




# 2008 Top Travel and Tourism Trends & Issues

Traveler frustration with hassles,  
inconvenience and poor service:

- Security
- Congestion



(source - Randall Travel Marketing)

# 2008 Top Travel and Tourism Trends

## Internet as travel planning facilitator:

- # 1 source of travel planning and purchasing
- 1/3 of US Internet users now research and book travel online



# 2008 Top Travel and Tourism Trends



GEO  
TOURISM

## Geotourism:

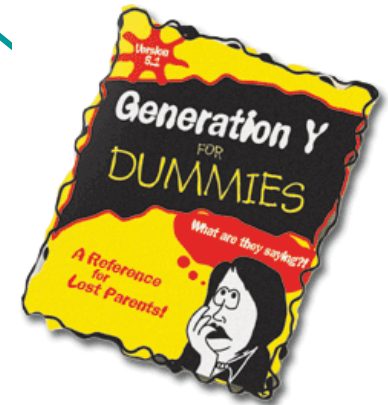
- Increased traveler demand for destinations are protected the authenticity and geographic character of place. According to National Geographic society geotourism is defined as *“Tourism sustains or enhances the geographical character of a place -- it's environment, culture, aesthetics, heritage, and the well-being of his residents”*.
- A recent study sponsored by the travel industry Association of America and National Geographic traveler, found that at least 55.1 million Americans could be classified as **SUSTAINABLE TOURIST** the study states that: these travelers have ceaseless expectations for unique and culturally authentic travel experiences that protect and preserve the ecological and cultural environment.

(source - Randall Travel Marketing)

# 2008 Top Travel and Tourism Trends

## Business travel slowing down:

- Increasing reluctance by employees to travel and cost containment means its down 48%.



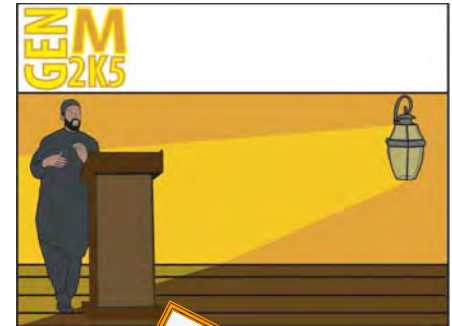
## Generation shifts:

- Retiring Boomers, Gen X enters peak earning years, Gen Y and M Generation becoming more defined.
- Baby boomers are reaching 60s, say travel tops their list of desired retirement activities.



# 2008 Top Travel and Tourism Trends

- Youth and student travelers make up 24% of all international travelers worldwide
- Leisure travel segmentation: adults traveling as couples 61%, adults traveling with children 31%, adults traveling alone 28%, popularity of vacation type was visiting friends and relatives 56% each and like vacations 27% general site saying 21% urban vacations 15% cruise vacations 12% camping and hiking vacations 12% theme park vacations 11% gambling vacation 9% golf vacation 2% (source YPB&R/Y)



# 2008 Top Travel and Tourism Trends

## More demand by travel segments with Concierge like attention for handholding and facilitation:

- Today's traveler is impatient with the process of finding the good stuff including restaurants lodging and things to see and do.
- Want someone or something that makes it easy for them to get easy information.
- According to TIA the ideal vacation destinations are those that offer an easy travel experience, a sense of fun and adventure and local flavor.



# 2008 Top Travel and Tourism Trends

## Reinvention of existing agent for some infrastructure to meet the needs of changing demographics generation groups and Trent Summers:

- *TRANSUMERS are consumers driven by experiences instead of the 'fixed', by entertainment, by discovery, by fighting boredom, who increasingly live a transient lifestyle, freeing themselves from the hassles of permanent ownership and possessions. The fixed is replaced by an obsession with the here and now, an ever-shorter satisfaction span, and a lust to collect as many experiences and stories as possible.\* Hey, the past is, well, over, and the future is uncertain, so all that remains is the present, living for the 'now'.*
- What does this mean for the cruise Industry and it's port partners?



# An Explosive Focus by Lines on Emerging Markets



Royal Caribbean's launching a France-based line, *Bleu de France*

Royal Caribbean with Spain's Pullmantur

Costa's building a niche in Asia

Carnival Corp with a German line AIDA

NCL, Princess and Royal Caribbean, are incorporating passengers from a variety of lifestyles and traditions onto the same ships

**Good** for those who want to meet people from around the world

**Negative** as some groups tend to stick together, and mingling is limited and the inconvenience of announcements in multiple languages as a downside





# Been There, Done That with Big-Ship-Style Cruising

**Expedition cruises** are on the upswing (the sinking of G.A.P. Adventure's Explorer in Antarctica aside) exotic trips are in demand.

*Not just Antarctica anymore, expeditions to Greenland, the White Sea and Asia are also popular.*



**Voyage to the Heart of the Amazon**

The Rio Negro of Brazil



# Fresh World Cruise Options – A spark of Energy in this Traditional Cruise Offering

**2008 - Five are sailing  
this year**

Cunard  
Hapag-Lloyd  
P&O  
Holland America  
Princess

**2009- Four lines  
already have announced**

Regent Seven Seas  
Cruises  
Princess  
Fred Olsen  
Queen Mary 2

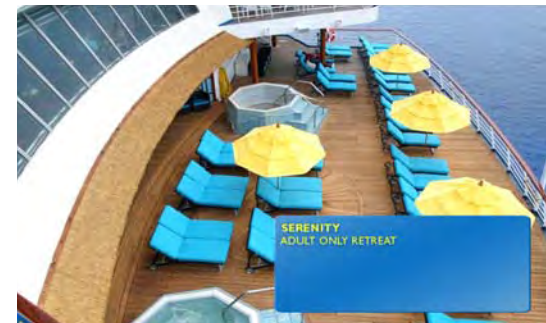
Physical Map of the World, April 2007



# Ship Enhancements for Market Shifts

Six of Carnival's Fantasy-class ships will join Carnival Inspiration and Carnival Imagination, which have received a significant **"Evolutions of Fun"** upgrade.

Includes children's water parks, a new design style for pool areas and the creation of the Serenity adults-only deck area.





# Homeport Cruising Needs an Upgrade

**Homeport cruising is getting tiresome.**

With rare exception, everyone absolutely agreed that for all the benefits of homeport cruising, these trips -- whether from the West Coast, Gulf Coast, East Coast, U.K. or beyond -- are becoming a snore. Too many same-old, same-old itineraries, too many same-old, same-old (and we mean old relatively speaking) ships.





# Most Influential Trend!!!

## *Focus on the Family*



**The biggest trend of all in cruising today focuses on the family.**

Norwegian Cruise Line, Princess, Celebrity, Royal Caribbean and Carnival are leading the front, offering, in newer ships, options ranging from spa services for teens to family-friendly accommodations and beyond. Bigger ships mean more space for fun activities like:

- Rock-climbing walls
  - Ice rinks
  - Mini golf courses
  - Bowling alleys
  - Swimming pools with elaborate waterslides
  - Boxing rings
- Extreme venues include RCI's surfing simulators, like the one Royal Caribbean's *Freedom of the Seas* and *Liberty of the Seas*.



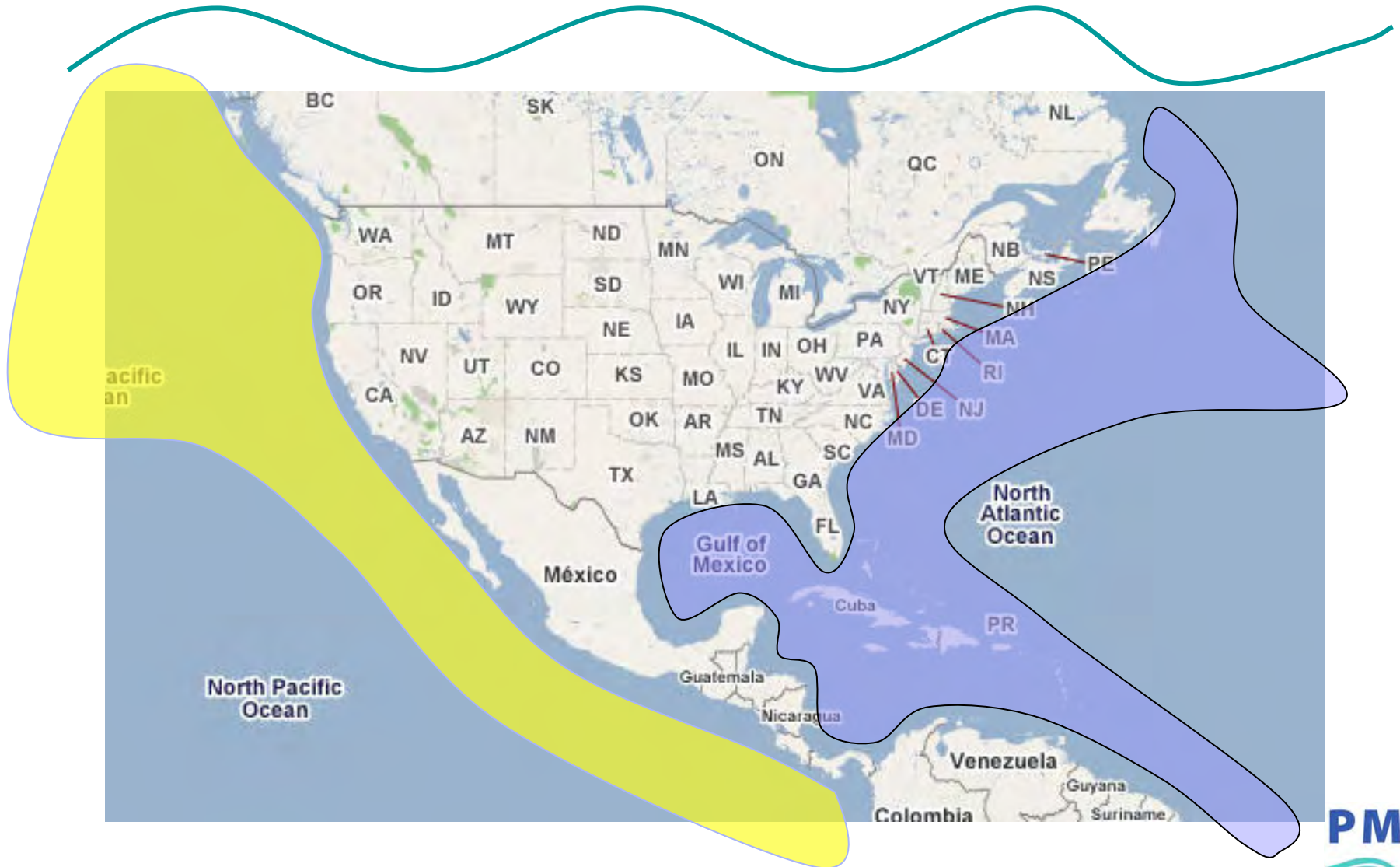
# Shipyards role in Itinerary Planning



**Maintenance**

**Repair**

# West Coast & East Cost Cruise Regions



# Cruise Ship Capable Dry Docks





# Cruise Ship Capable Dry Docks



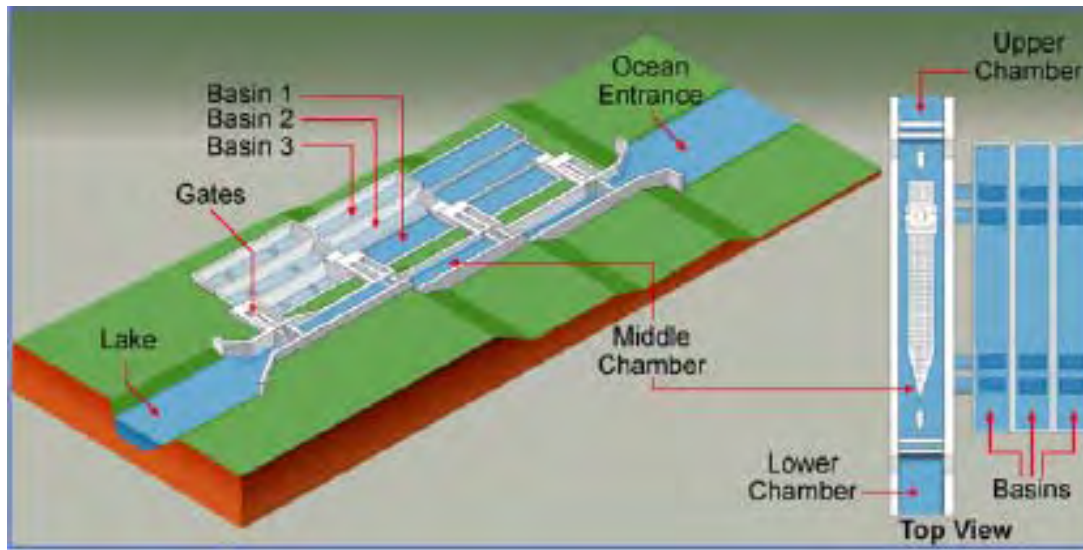
# Itinerary Planning – Infrastructure & Hardware Developments



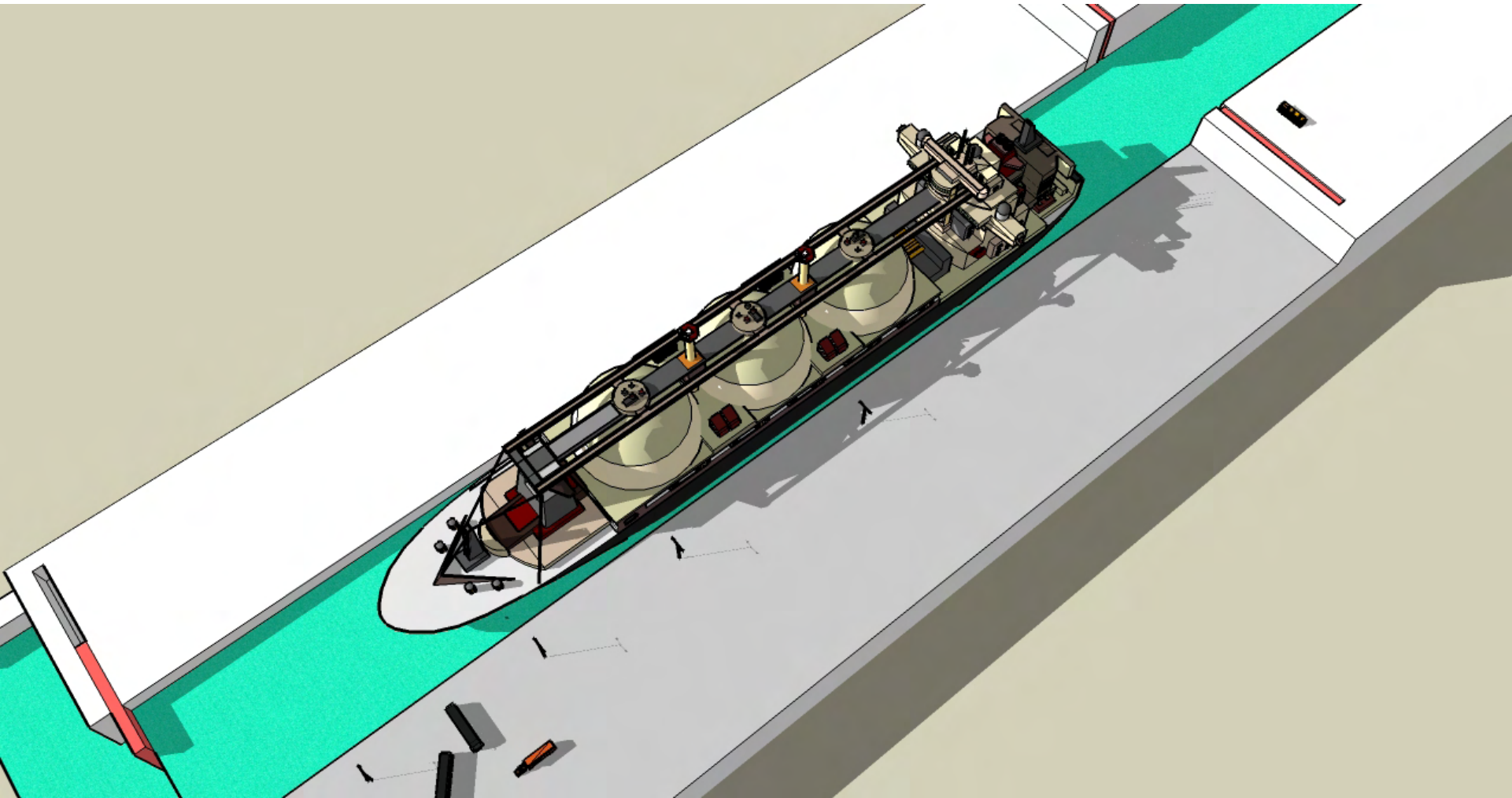
*Locks Docks & Ships*

# Panama Canal Expansion

- Completion 2014
- 6 new chambers (3 each end)
- 1400 ft, long 180.4ft wide, 60ft deep
- Design vessel = Post Panamax Container Ship – 1200ft loa, 160ft wide 50ft draft

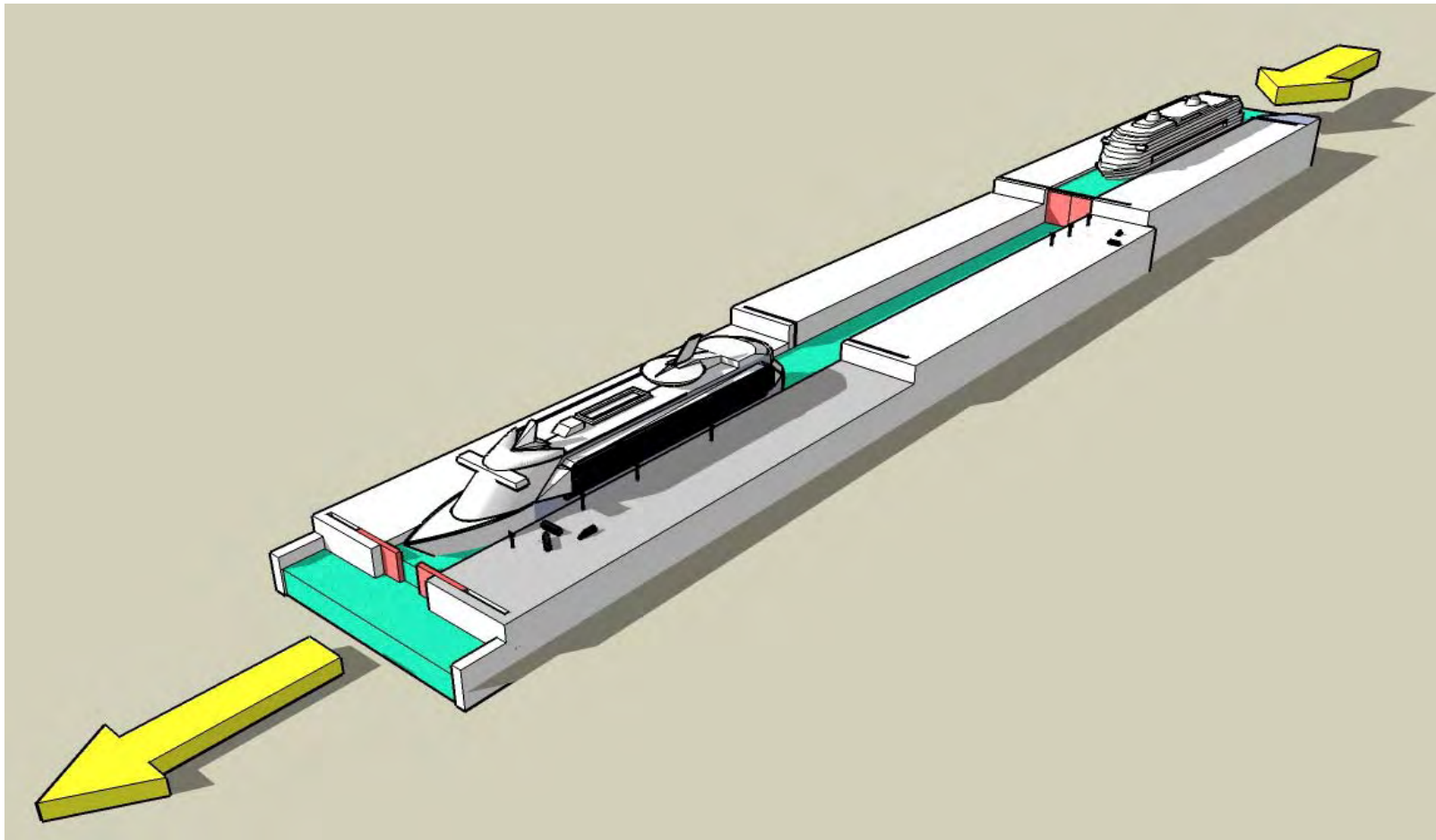


# Panama Canal – Lock Design

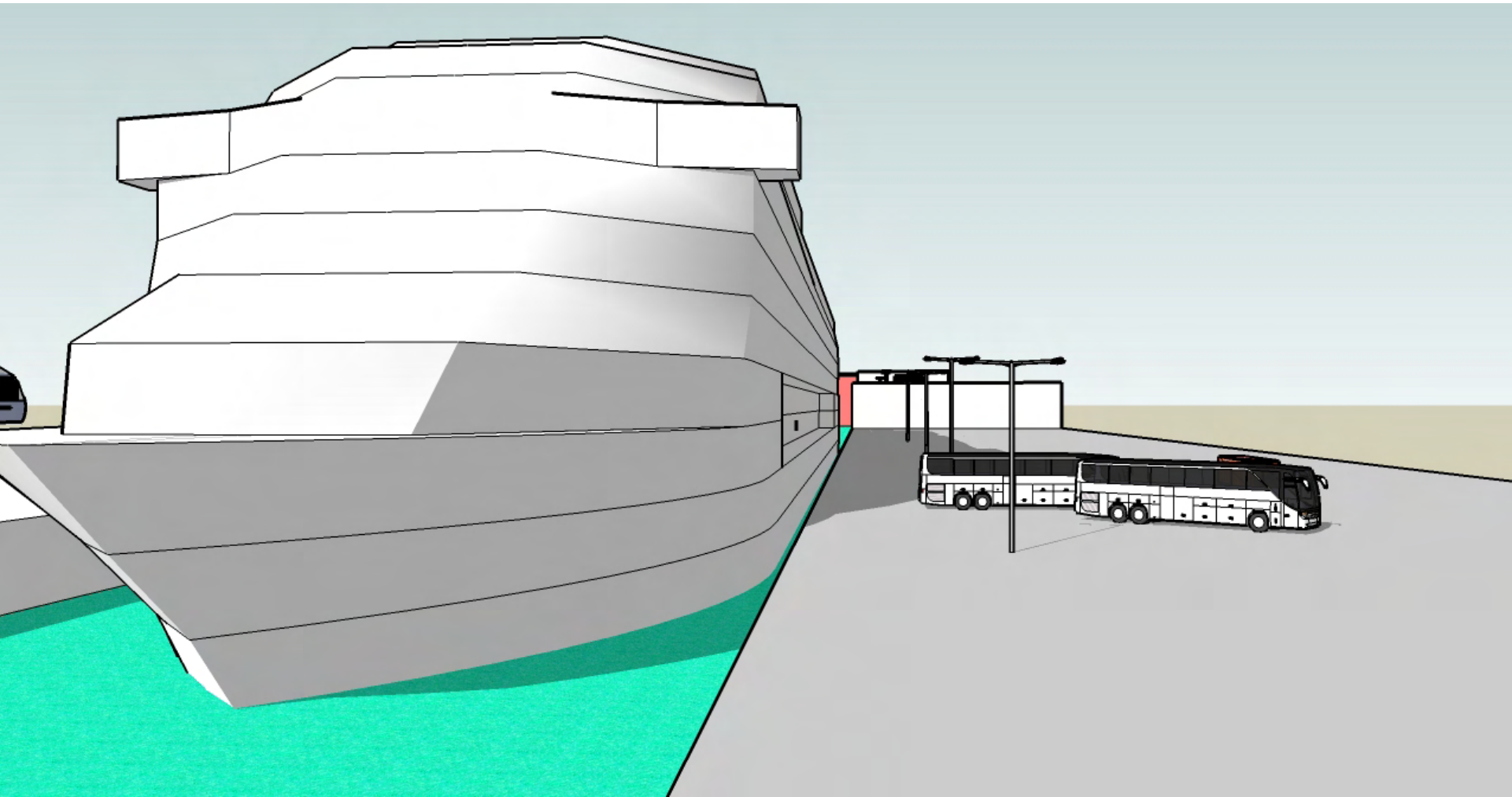




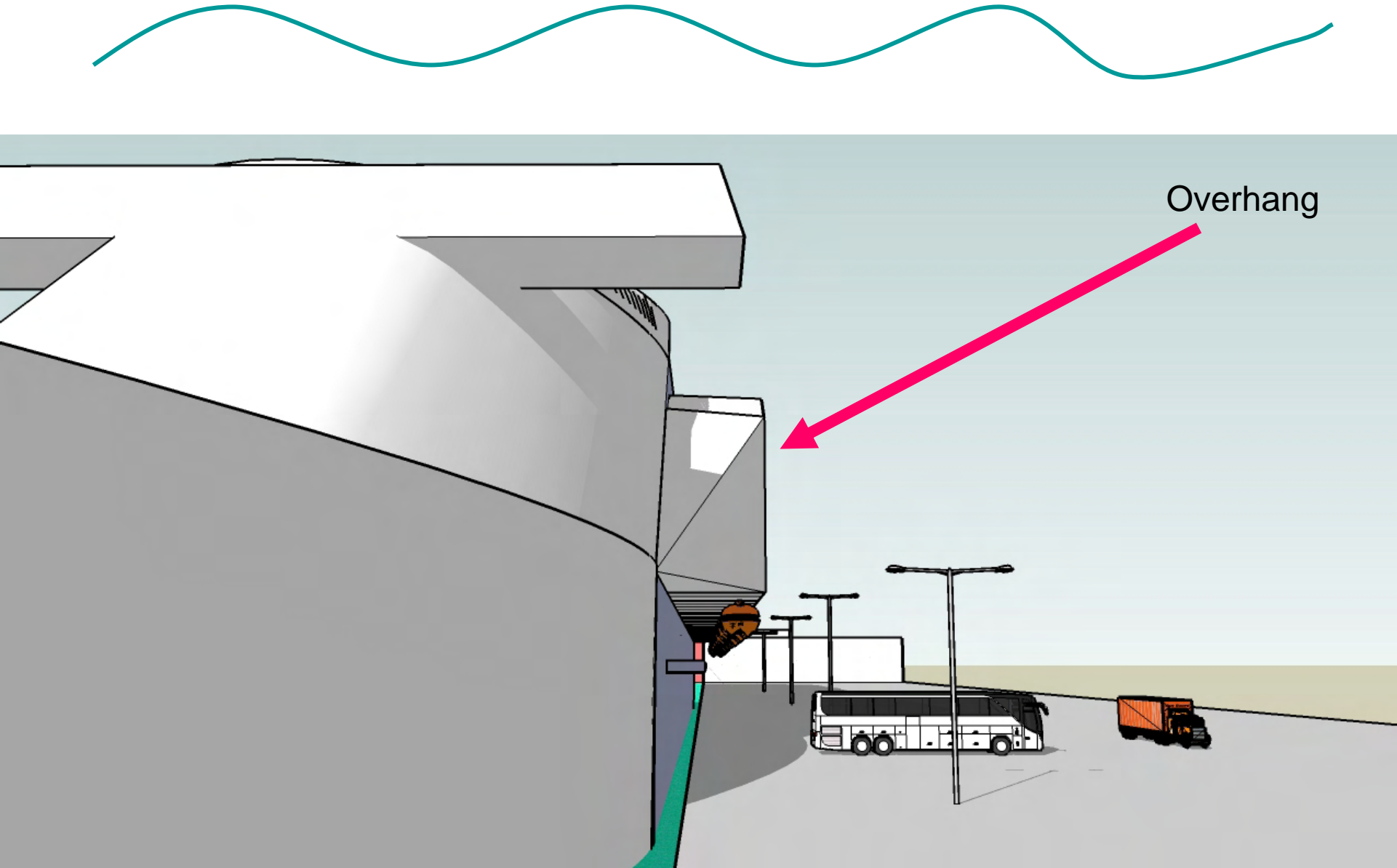
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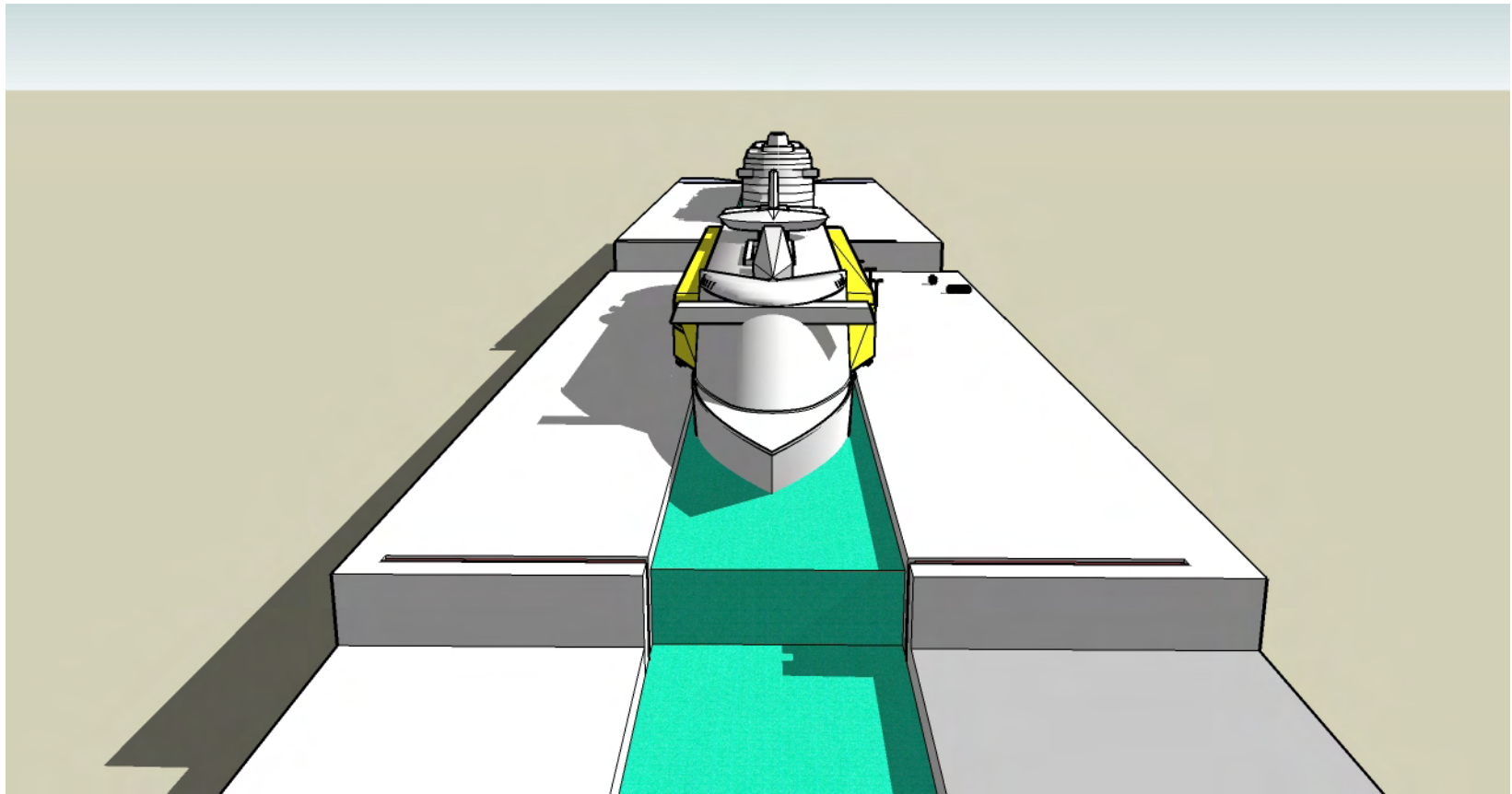
# Panama Canal – Mega Class



# Panama Canal – Ultra Mega

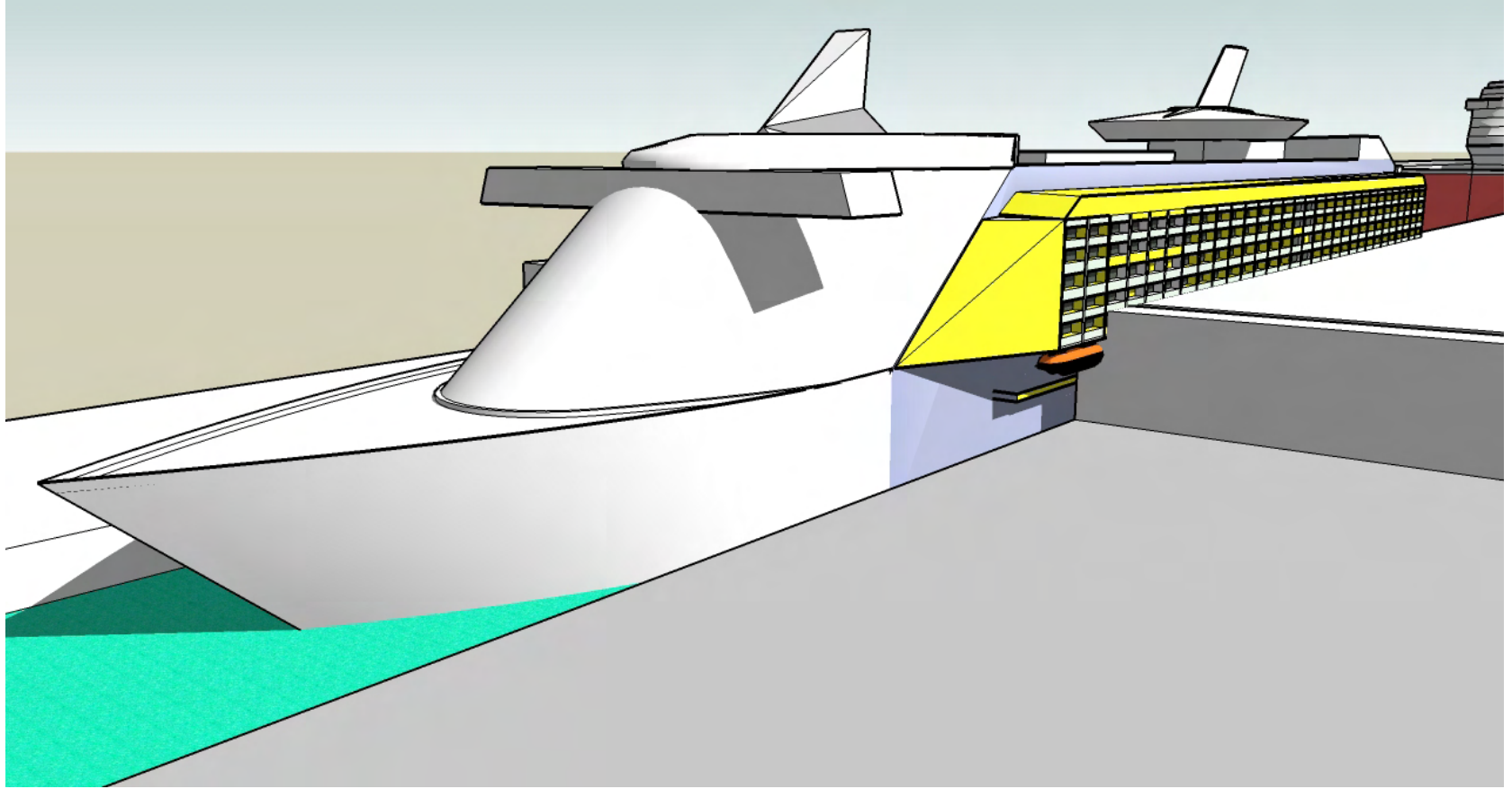


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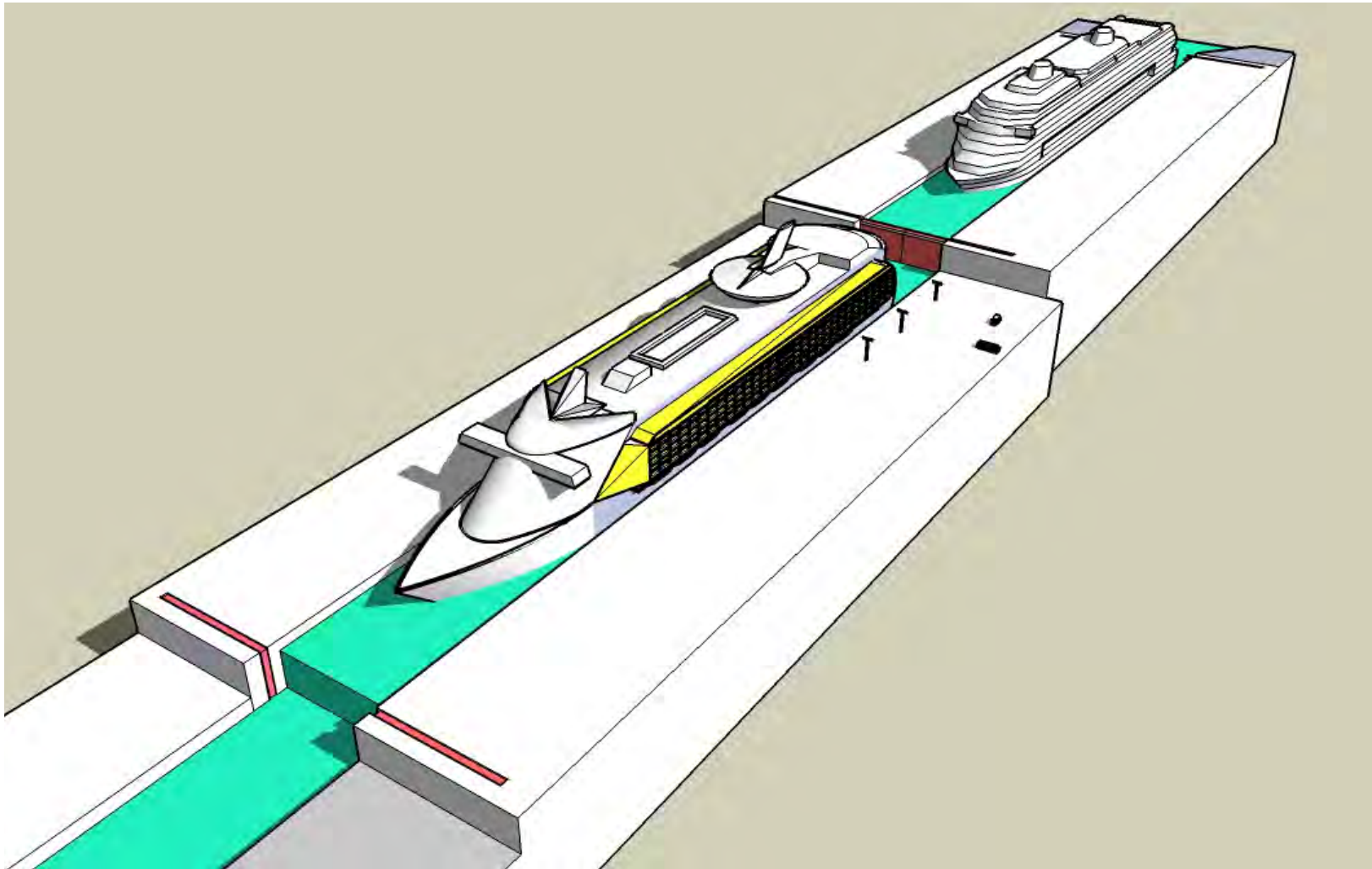




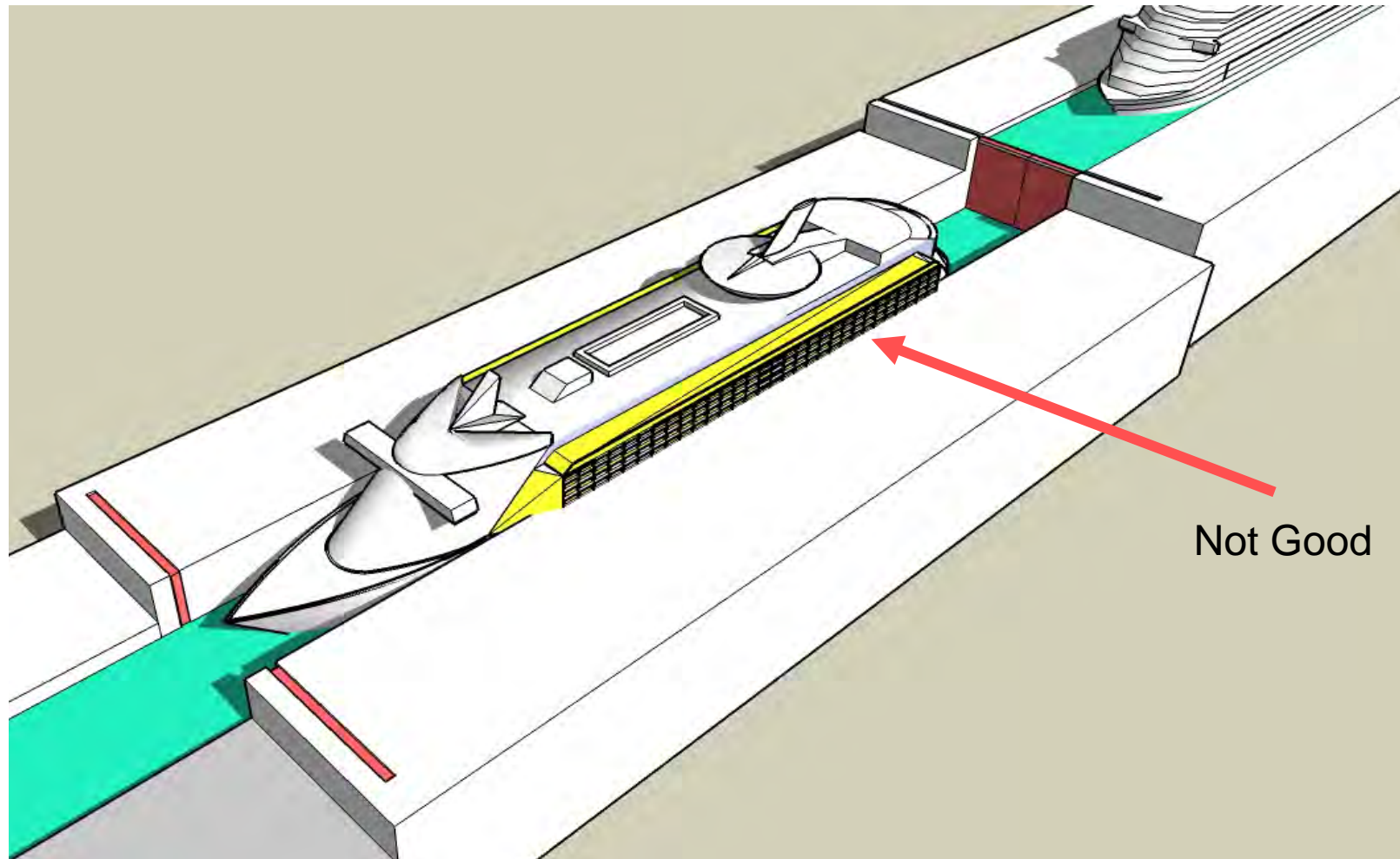
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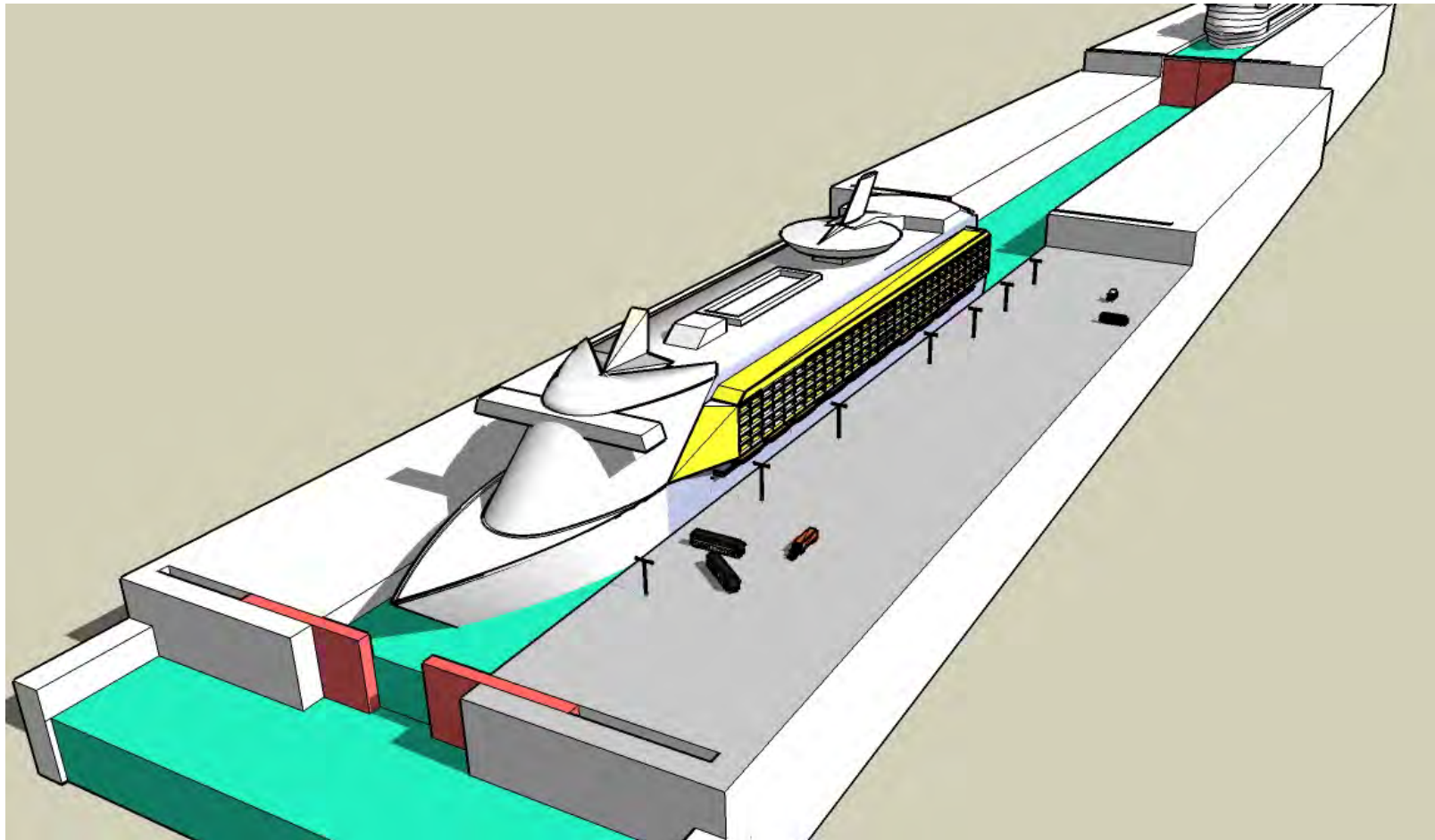
# Panama Canal – High Stage



# Panama Canal – Low Stage



# Panama Canal – Exit Phase





# Ultra Mega Ship Overhangs - Issues



## Interference issues with

- Cruise terminals
- Docks
- Locks

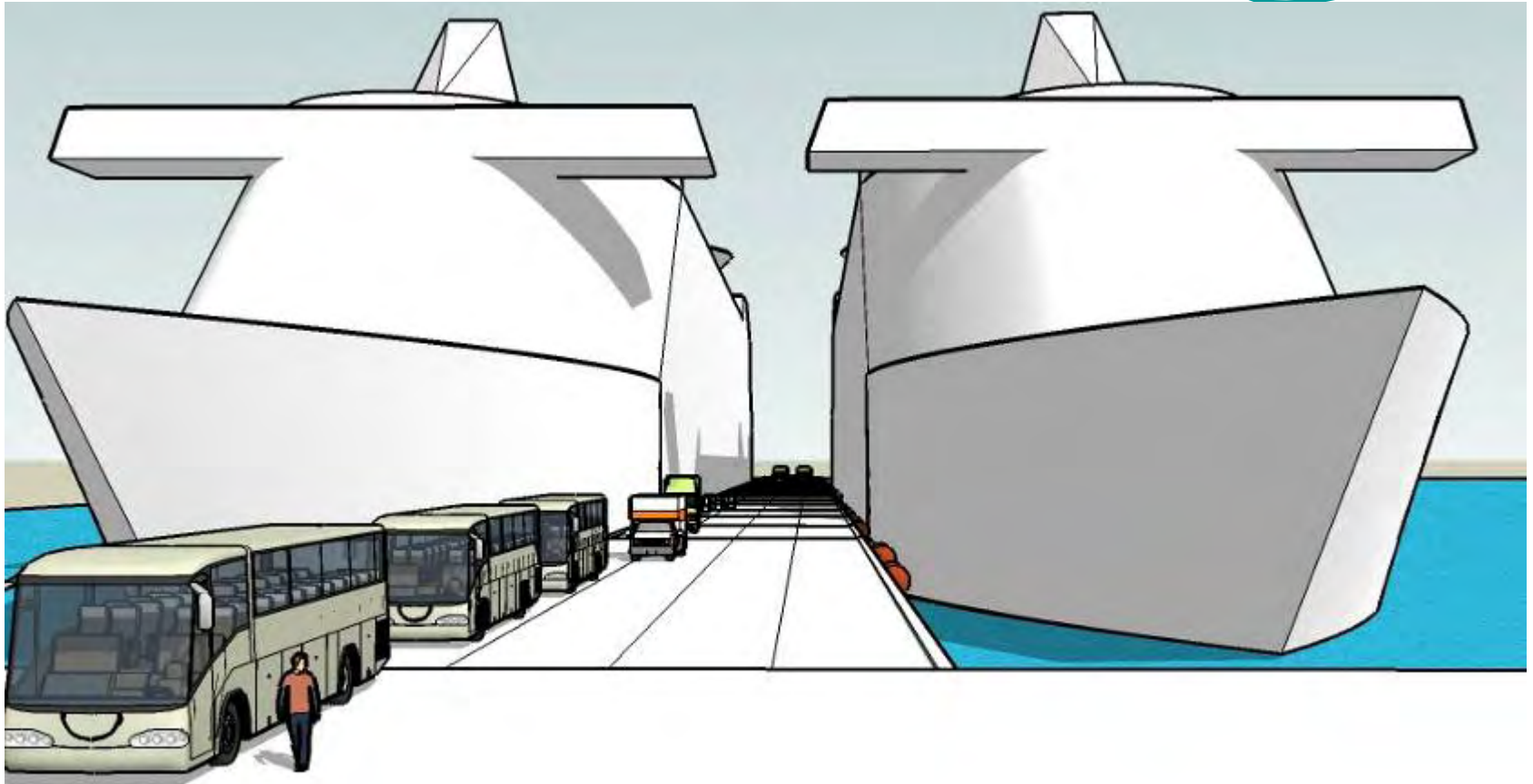
# Ultra Mega Ship Overhangs - Issues



# British Virgin Islands - Road Town pier

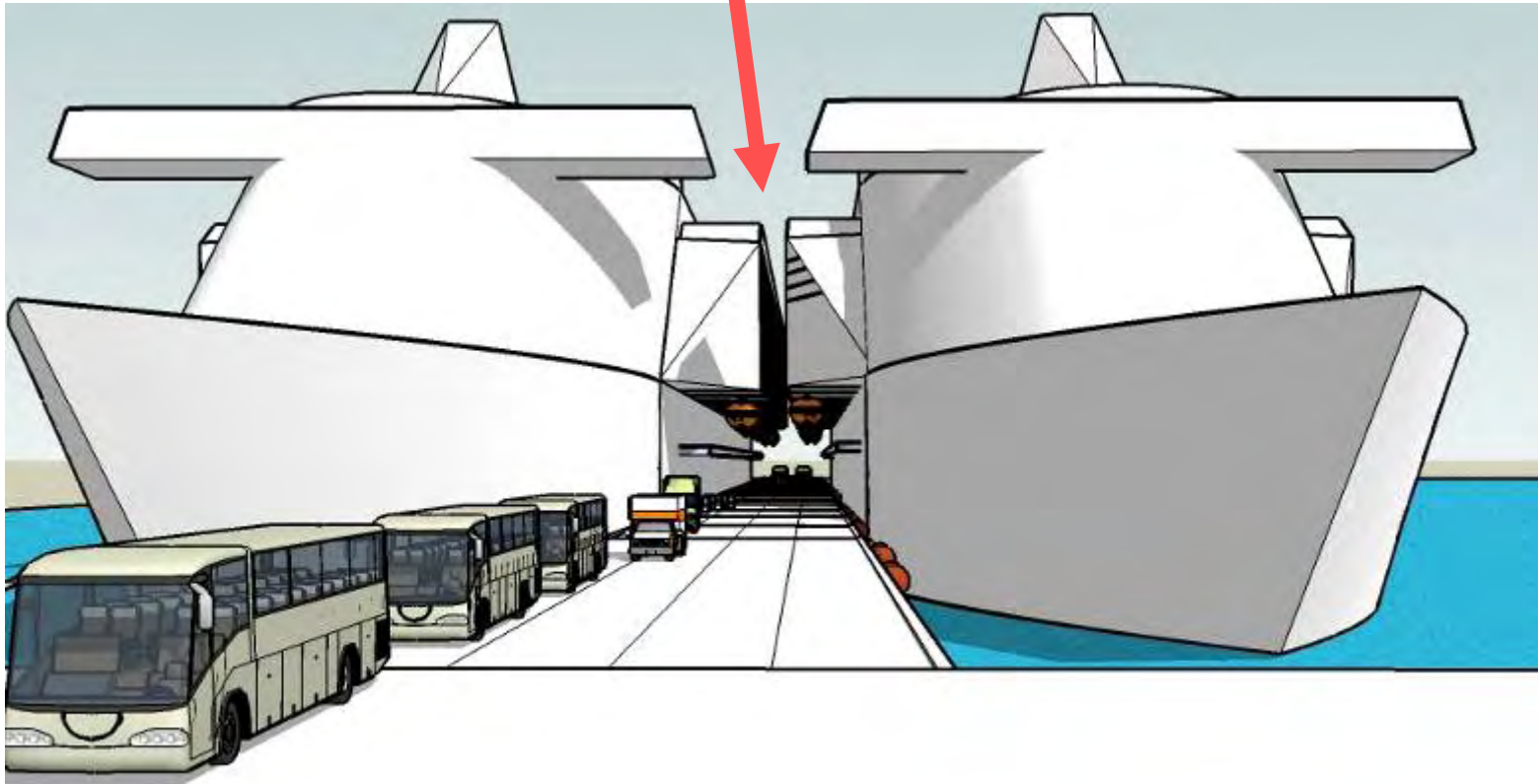


# Cruise pier width adjustments

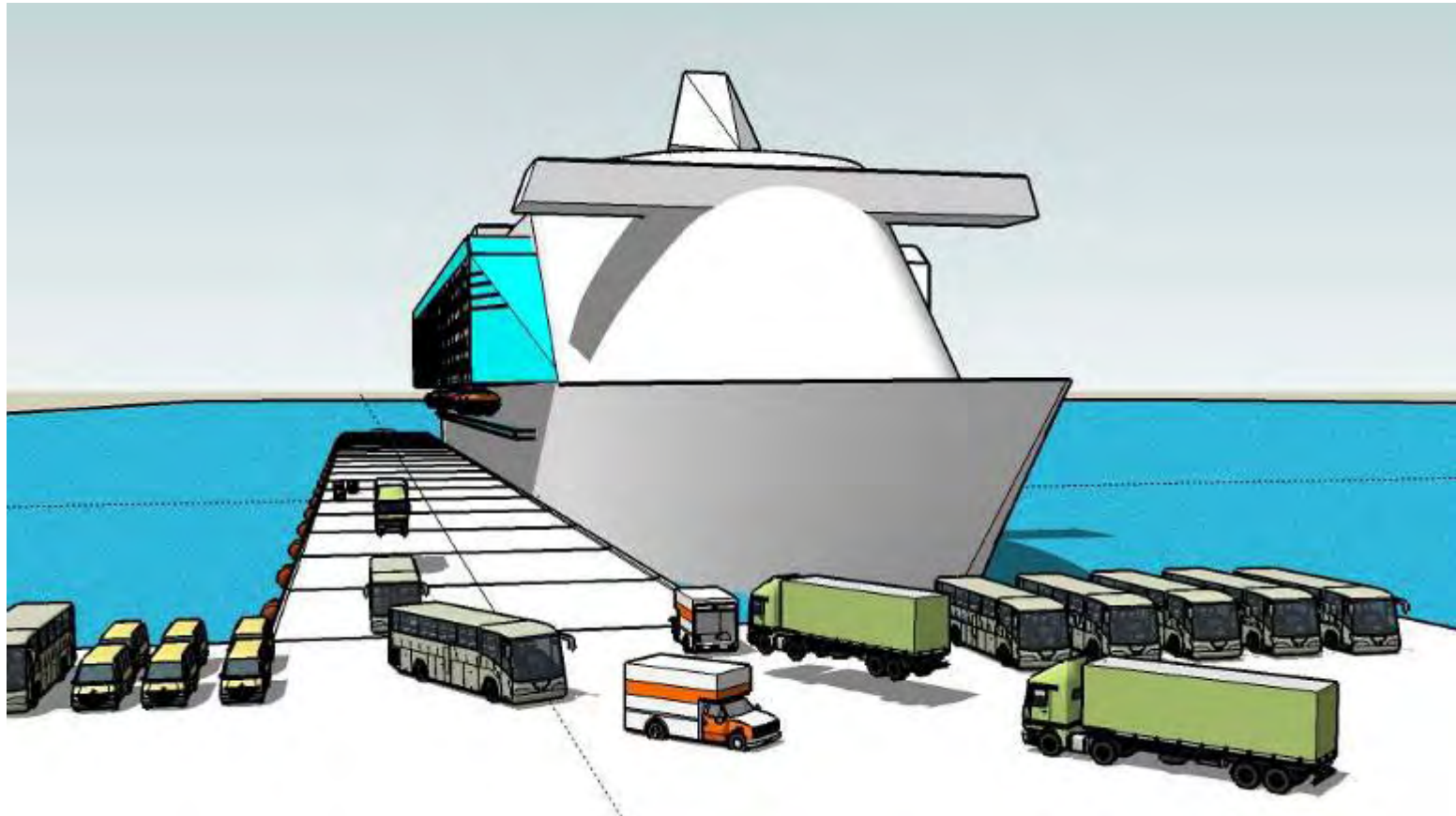




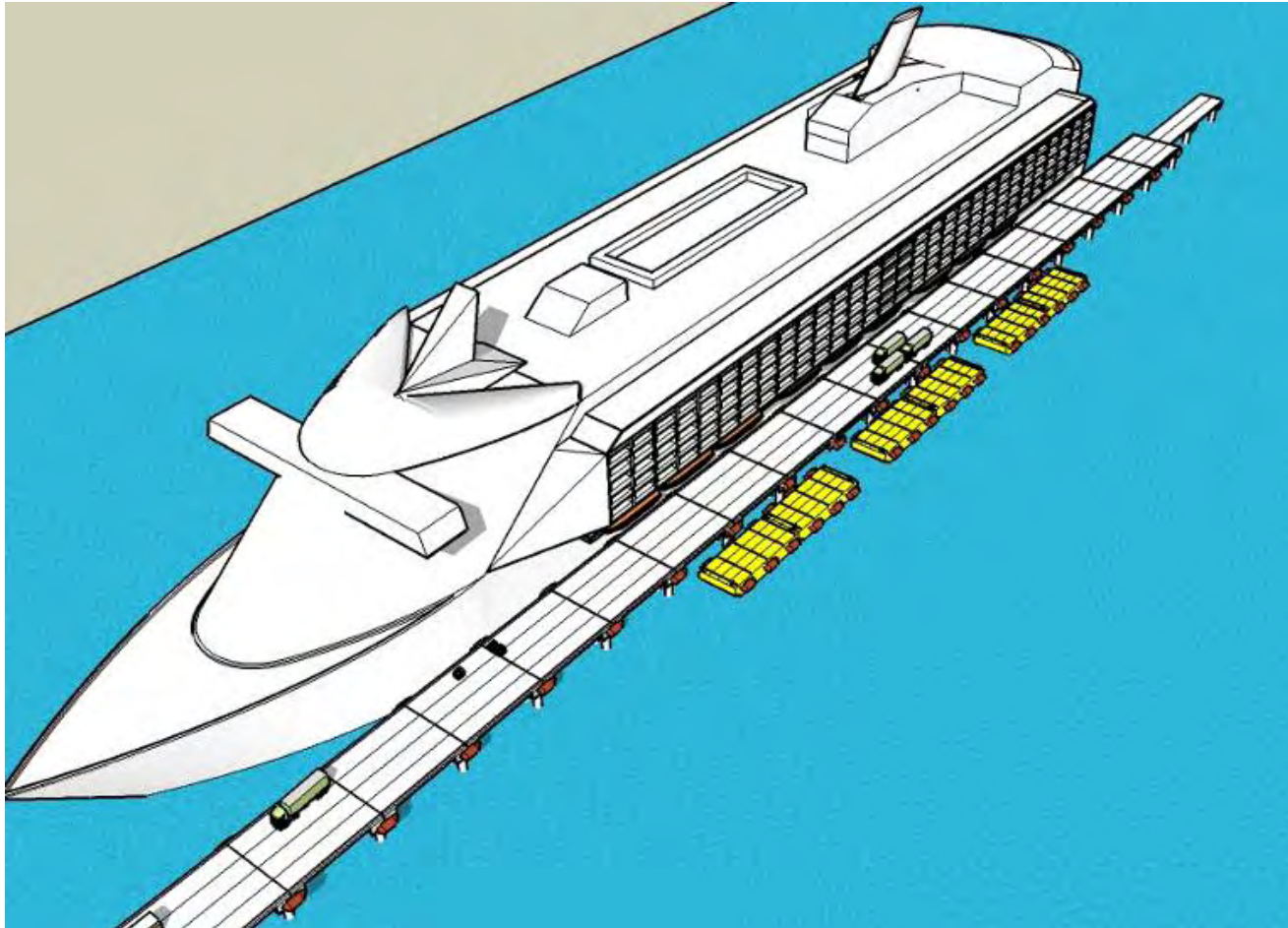
# Mega ship Overhangs bring cruise pier operational challenges



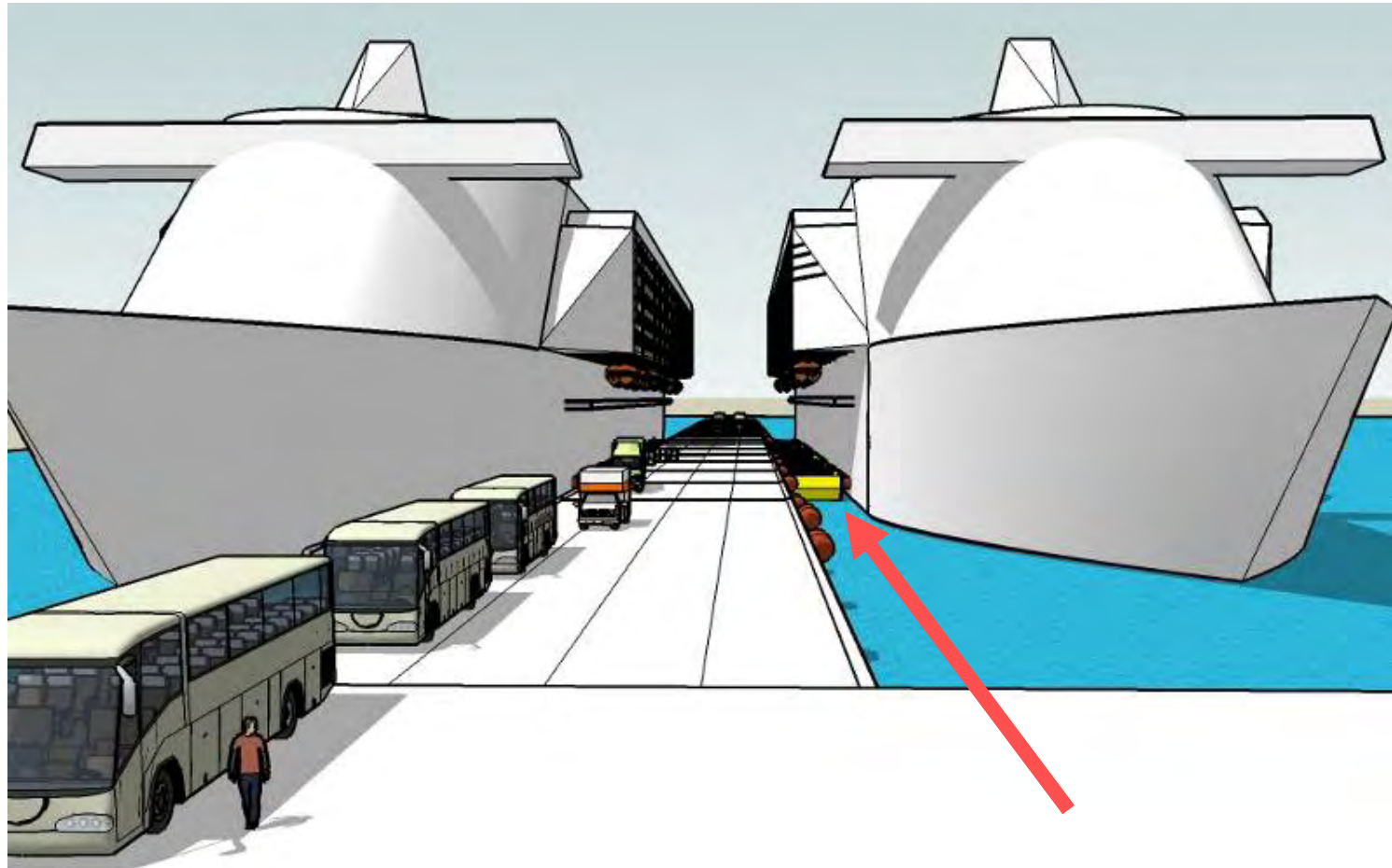
# Cruise pier width adjustments



# Camel option – Short Term only

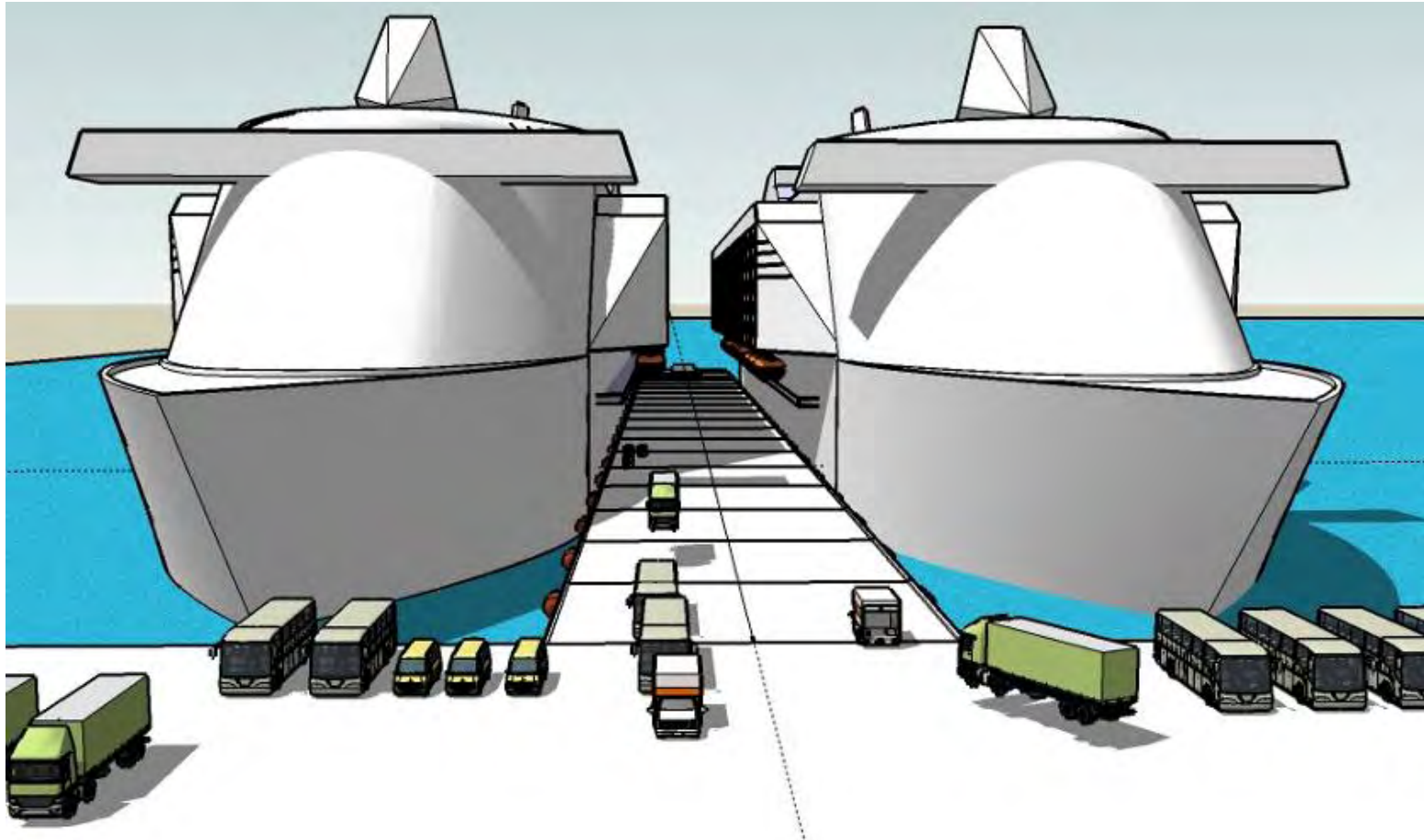


# Camel Option – Short Term Only





# Mega Pier – Min 85 feet wide





**Looking Ahead....**

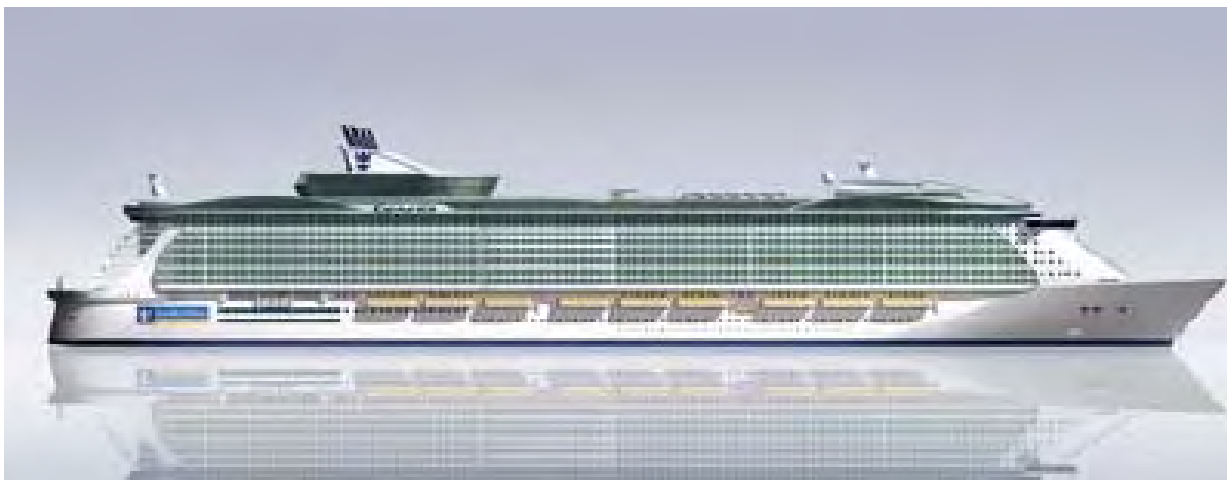
**Dream, Reality or Sanity  
Check?**

# World City – Originally Scoffed as Folly



# World City Folly?

# Hello RCI Genesis

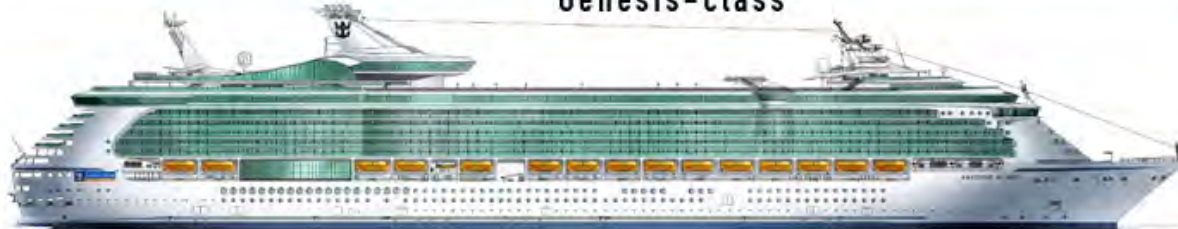




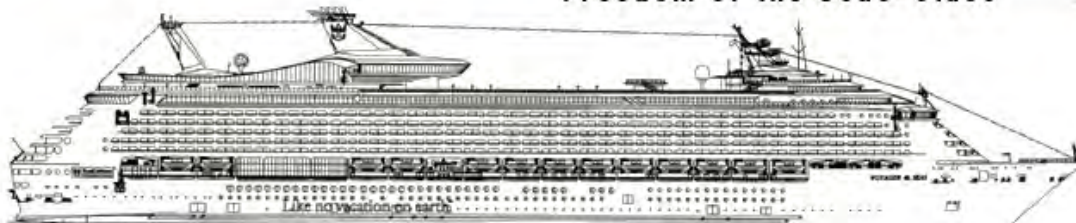
# Changes in Itineraries – Facilitators



Genesis-class

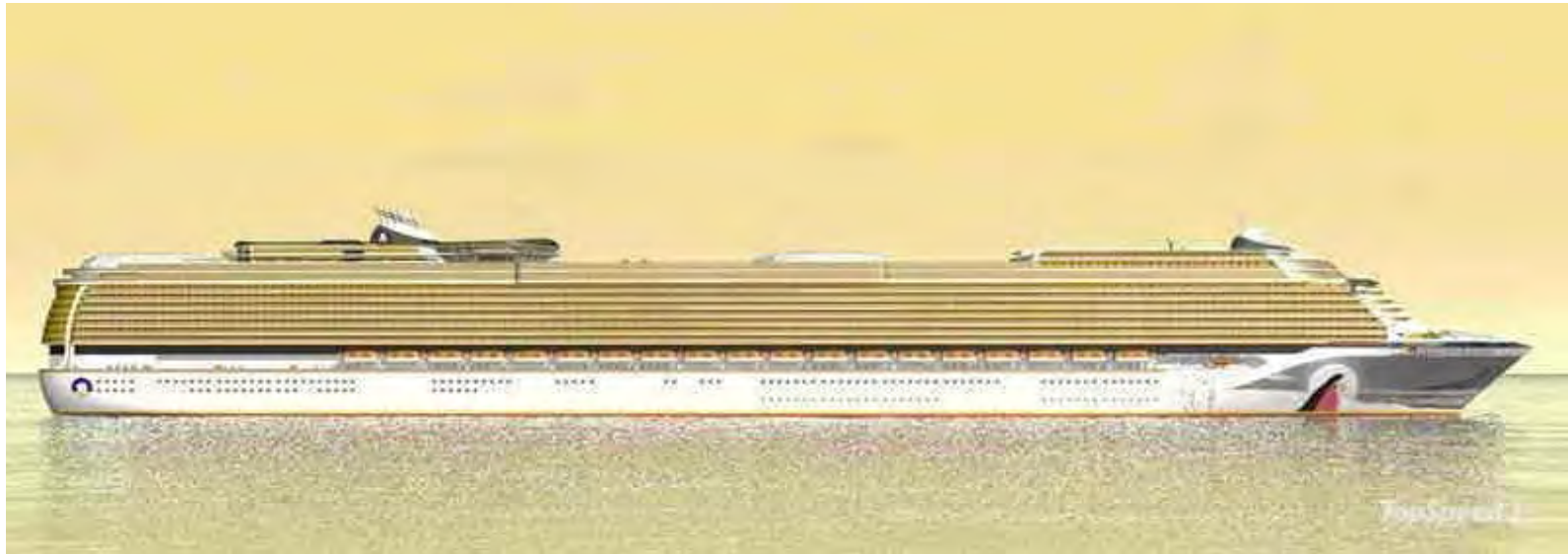


Freedom of the Seas-class



Voyager of the seas-class

# *Say hello.....*to another World City type vision



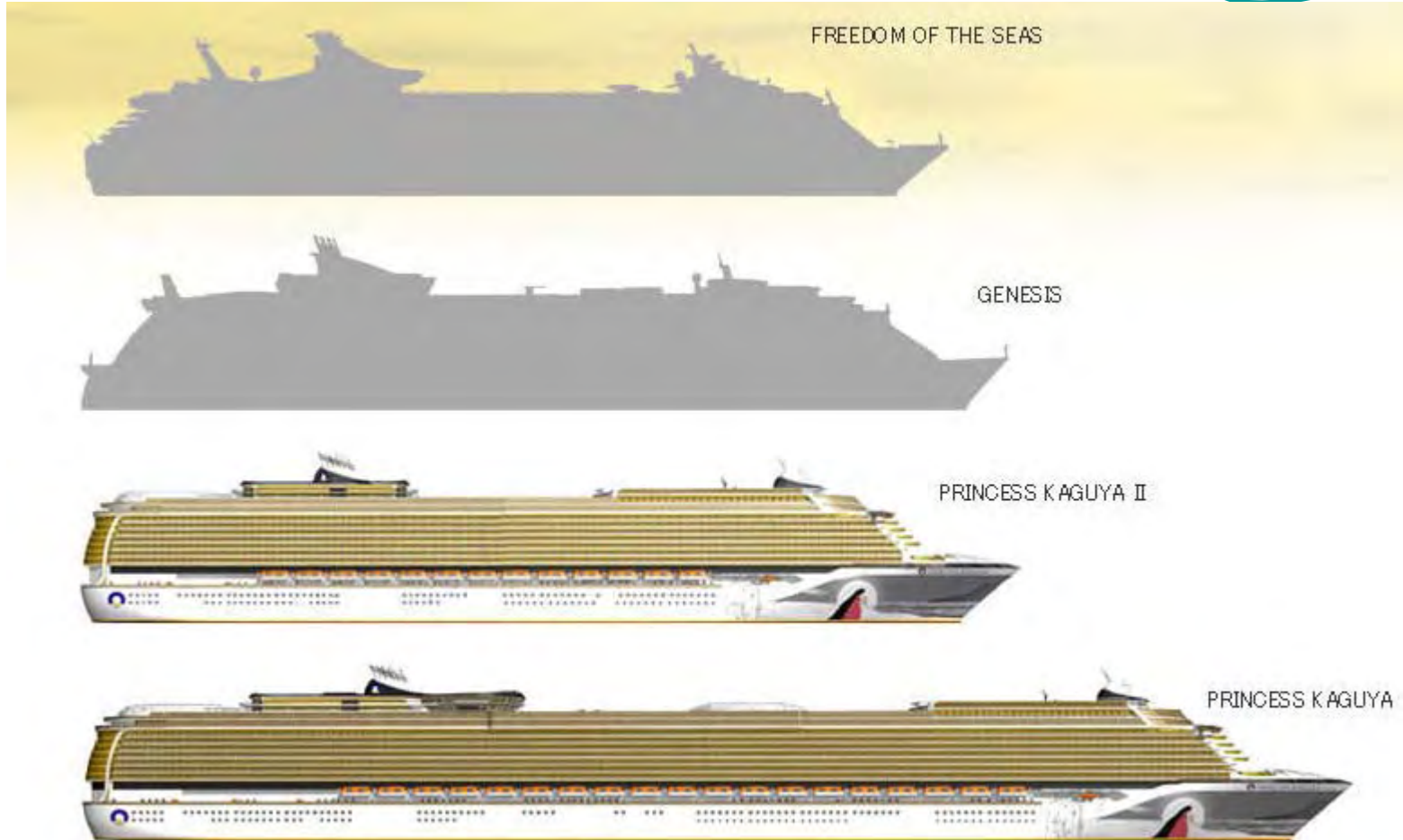
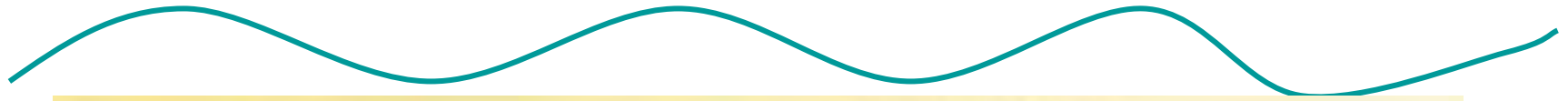
## ***Princess Kaguya***

8,400 pax – 4,000 crew

1660' loa, 190' bm 450,000 grt



# Freedom & Genesis compared to Princess Kaguya



Freedom Class ships are less than half the size of the Japanese giant.

# Princess Kaguya Project - "International Urban Cruise Ship"



## FEATURES

All ship facilities available to public at each port of call, functioning as a facilitator of international cultural exchange.

**Hotels** – 3 Branded hotels

**Residence** - Some rooms of the hotels for sale as residential suites

**Restaurants** - 50 restaurants, and large food courts

**Shopping Mall** – 52,200 sq ft

**Convention Hall** -The floor space is 75,347.37 sq. ft.

**Concert hall**

**Proposed Delivery** - Order for the ship by the end of 2008, with delivery expected in 2012.

The concept design of the ship has been carried out in cooperation with one of the top cruise ship building yards in the world, Aker Yards Cruise & Ferries.

**Owner-** Japan Contents Network Inc, Hajime Tanaka, CEO





**Summary  
&**

**Special Thanks**

**to**

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**of**

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