

The Cruise Line – Port Partnership Getting and Staying on the Itinerary

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Cruise Economics

2000-2004 – Supply driven demand

- Over 50 new cruise vessels hit the market
- Security concerns caused a refocus on US homeports and itineraries close to home
- Cruise lines were looking for ports to collaborate and help build new itineraries
- Cruise line/port competition led to overall market growth in North America
- New homeports emerged

Cruise Economics

2005-2007 – The Megaships

- Slower growth in vessels, but dramatic increase in vessel size 3000 – 4500 pax
- Deployment of megaships in traditional ports
- Redeployment and growth in Europe as well as South America and Australia/NZ
- Cruise lines more selective in itinerary planning in North America and risk averse
- Cruise line/port competition created more challenges to North American cruise ports to maintain and grow the market

2008 – 2010 Itinerary Planning

- Continuation of strong growth outside North America
- Dollar decline and increased value of European cruise vs. European land vacation
- Continued consolidation and increased competition in traditional homeports
- Planning cycle extended created shorter planning window and limited short term opportunities
- Fuel consumption plays increased role

Threats to Cruise Industry and Ports in North America

- Global competition
- The economy
- Increasing costs and regulations
- Congestion caused by inadequate facilities, embark or debark processes, and/or or transportation access plans
- Maintaining value of cruising to the cruise line passenger
- Security or environmental incidents

Creating Opportunities - Back to Basics

- Planning is again 2+ years out, but be ready for short notice opportunities
- Build and maintain relationships at all levels and departments within cruise lines
- Understand cruise line branding and marketing strategies
- Receive feedback from cruise lines on passenger surveys and ship comments
- Engage terminal operations, CBP, shore service providers, agents, stevedores etc. on a regular basis to address issues

Creating Opportunities - Back to Basics

- Contain costs and proactively communicate issues and changes with cruise line
- Build support for cruise from govt. agencies and community to affect positive change
- Work with tourism officials, businesses and other ports to improve marketability for the products locally, regionally, and globally.
- Regional collaboration helps cruise lines plan itineraries, market the products and deal with common issues

Thank you AAPA and Port of San
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