



Asia, Australia's Next Source Market?

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Understanding the China Cruise Market

- China's Potential as a Source Market
- How are Cruise Lines Responding to Demand?
- Products and Itineraries that Appeal to Chinese Cruisers
- Bridging the Gap

China's Potential as a Source Market

- First and foremost, it is important to understand how today's Chinese consumers think, shop and spend.
- In 2014, the Chinese mobile travel booking industry saw explosive growth
- The number of users of mobile travel booking services increased by 194.6% in 2014
- The most obvious and impressive trend is the use of Mobile Internet in China
- Currently, the proportion of mobile travel app use is close to that of the web, but mobile travel app use will surpass the web in 2015 with projections of 64%
- By 2017, app use is expected to exceed 76%

China's Potential as a Source Market

- Why is this important? Because online vacation-booking sales reached RMB33.26B in 2014
- This is an increase of 36.2% over 2013
- In 2014, online travel sales were RMB124.73B
- The projections for online travel sales for 2017 are RMB381.06B



**China will become the world's largest cruise market by 2020
and these travelers will be booking online!**

How Are Cruise Lines Responding to Demand?



- Cruise lines are enticing travelers with nearly **1,000 ports of call** in new, exotic locations, especially in the fast-growing Asian and Australian markets.
- In 2015, **52 ships** will provide **1,065 Asian cruises** with capacity for **2.17 million passengers**.

How Are Cruise Lines Responding to Demand?

- Today, and as evidenced by my recent meetings with the cruise lines, things are starting to change. The cruise industry as a whole is taking notice of the Chinese market, and the opportunity that exists.
- Royal Caribbean International, Costa, MSC and Princess have all committed additional resources to the region, chasing a market that may grow to nearly \$10B in cruise package sales.



MSC Cruises & Costa Cruises



Costa Serena

- MSC began a year-round deployment this year with Shanghai as a homeport
- *Costa Serena* joins *Costa Atlantica* and *Costa Victoria* in China
- In 2016, a fourth Costa ship, *Costa Fortuna*, will be positioned in the region

Royal Caribbean International

Royal Caribbean International is also increasing its tonnage in China and recently announced:

- *Ovation of the Seas* – launching in April 2016, with its homeport in Tianjin
- *Quantum of the Seas* – will complete a full year of sailings from Shanghai
- *Mariner of the Seas* – will sail from Shanghai
- *Voyager of the Seas* – will sail from Hong Kong's Kai Tak Cruise Port
- *Legend of the Seas* – will sail from Tianjin and then reposition to its new homeport of Xiamen for the remainder of the season.



Ovation of the Seas



Voyager of the Seas

Princess Cruises

- Following a successful inaugural season of Shanghai-based cruises on *Sapphire*, Princess Cruises began homeport cruising in China last year
- *Sapphire* is returning for a second season in China, which runs through October 2015
- Princess announced that its new ship currently under construction will be based in Shanghai year-round when introduced in 2017



Sapphire

Products and Itineraries that Appeal to Chinese Cruisers

Realize the Immaturity of Cruise Consumers

- Cruise travel is an emerging form of tourism in China and the typical Chinese consumer is not familiar with a cruise vacation
- Chinese tourists place importance on the destination and sight-seeing – more active travelers, so cruises (and shore excursions) should be geared accordingly
- Cultural travel is also greatly important to this audience and while the Chinese enjoy traveling together with their friends and families, they are open to experiences that intersect with other cultures
- Outbound tourism consumption is still considered by many Chinese as a luxury purchase



Travel Down Under – for example, a tour to the Great Barrier Reef – can be the perfect opportunity for Chinese travelers. This is active, experiential and once-in-a-lifetime!

Products and Itineraries that Appeal to Chinese Cruisers

- More than 99% of Chinese travelers cruise primarily within Asia today
- Contemporary lines are their choice of product
- Chinese prefer short, 3 – 4 day cruises
- The most popular international fly-cruise destinations

- ***Australia!***
- Alaska
- Caribbean
- Dubai
- Europe
- Singapore



- Fly-Cruise market will grow significantly over the next few years as China becomes more familiar with cruising, and as the middle class looks for unique new travel experiences outside of China

YLLY's Efforts (WorldCruise.cn)

- YLLY.COM officially launched July 1st to China market, aiming to bring cruise education and opportunities to the Chinese market – both consumers and travel agents
- From July until the end of August, we booked more than 2,787 cruises, generating RMB30,000,000+
- We currently have over 260 registered travel agents affiliated with us, and have a road show coming up where we will call on 50,000 more (within the next 12 months)
- Up to 500 training sessions are planned, to help agents understand how to sell cruises, and the value this market can bring to their businesses
- Demand could not be higher!

Bridging the Gap

How Can You Actively Cultivate Chinese Cruise Consumers?

- Travel agents focused on cruising should actively foster the understanding of the cruise vacation with Chinese consumers
- Travel companies should cooperate with cruise lines to broaden the cruise knowledge amongst Chinese consumers
- Emphasizing quality and the wide variety of activities onboard the cruise ship is key and will boost sales
- Travel agencies should begin by informing their current customer base and including cruising in their consumer marketing

TRAVEL AGENTS
ARE KEY
INFLUENCERS

70% of Cruisers
Use a Travel Agent
to Plan and Book
Cruise Vacations



Final Thoughts

Thank you



Questions?
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