

Study of Shanghai Cruise Tourism Product Development Strategy Based on the Balance of Supply and Demand

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Abstract

Firstly, three international cruise company (Royal Caribbean, Costa and Star) launched in Shanghai as the starting port of the cruise tourism products was studied, and from the ship itself, route and shore destination, summed up the characteristics of products. Secondly, according to the results of research and interviews from the cruise attractive factors, routes perception, travel together, time, cost, look forward the destination and formalities complexity point of demand for the product characteristics were analyzed. Finally, according to these characteristics, based on the supply and demand balance perspective, analysis of the development strategy of cruise tourism market in Shanghai from the three aspects of construction, the cruise liner, ontology shore destination etc.

Keywords: cruise tourism; supply and demand characteristics; development strategy

Introduction

With the improving of the level of economic and social development, the demand of domestic tourists for cruise tourism products is growing, however, domestic scholars' study on cruise tourism product development strategy is relatively lacking. In recent years, the rapid development of cruise tourism in Shanghai. However, Shanghai in the process of further development of cruise tourism also met with some bottlenecks, among the more prominent problem is that the cruise tourism product has certain deviation between supply and demand^[1]. Introduced in this paper, the three major international cruise company (Royal Caribbean Costa and Star) with Shanghai as the port of cruise tourism product is studied, and through interview and questionnaire approach of Shanghai cruise traveling market demand situation was analyzed. Finally, provided some suggestions for the development of cruise tourism market products in Shanghai based on the balance of supply and demand.

1. Research on the supply product characteristics of Shanghai cruise tourism market

1.1 Overview of the three major cruise lines

- 1.1.1 *Royal Caribbean cruise company, founded in 1969, headquartered in Miami, is one of the largest global fleet cruise brands.*
- 1.1.2 *Costa Cruise Lines, headquartered in Genoa, it is famous for Italy style. Originated in 1860 in the Costa family, it is the largest cruise company in the European region.*
- 1.2.3 *Star Cruises, founded in 1993, is a leader of cruise industry in the Asia-Pacific region. In just thirteen years, Star Cruises company has become the world's third largest cruise company. At present, the company mainly engaged in Asia business.*

1.2 The main cruise in Shanghai cruise tourism market of three big companies

Found by searching, Royal Caribbean cruise lines with the port of Shanghai is mainly launched "Voyager of the Seas" and "Mariner of the Seas" two ships. Costa Cruise Lines in the Shanghai market mainly include "Victoria" and "Atlantic". The main cruise of Star cruises company in Shanghai cruise tourism market is the "SuperStar Gemini" [2-4]. Basic information as shown in table 1:

1.3 The main route information in Shanghai cruise tourism market of three big companies

1.2.1 Major route information of Royal Caribbean Cruises(as shown in table 2)

1.2.2 Major route information of Costa Cruises (as shown in table 3)

1.2.3 Major route information of Star Cruises (as shown in table 4)

1.4 Research on the supply product characteristics of three companies of Shanghai cruise tourism market

Through the above information, combined with other relevant materials [5] analysis found that the cruise product launched by three major cruise companies in Shanghai has the following characteristics:

- 1.4.1 Cruise manufacturing countries are European countries, the number of cruise ship less, but the overall tonnage of grade distribution is more uniform.
- 1.4.2 Cruise ships decorated with European and American style, taking into account the Asian style. The ship's catering, entertainment, fitness, duty-free shops and other facilities are complete, basically can satisfy the tourists to eat, live, row, play, shopping, entertainment and so on.
- 1.4.3 The cruise line number is less, but also relatively simple. Mainly in Japan and South Korea route, also went to Taiwan and other regional routes.
- 1.4.4 The proportion of visa-free liner is large, about 50%. There are a number of routes need Japanese visa and Taiwan pass.
- 1.4.5 The departure time is more concentrated in April-October, general normal distribution. The number of days of the trip is mainly 4-6 day excursion.
- 1.4.6 The starting price is from 2000 yuan to 4000 yuan.
- 1.4.7 The destination of Cruise tourism is mainly islands, peninsula or the port city, close to the mainland coast of China. The main attractions are landscapes and natural scenery, folk customs and duty-free shops and so on.

Table 1:

	<i>Voyager of the Seas</i>	<i>Mariner of the Seas</i>	<i>Victoria</i>	<i>Atlantic</i>	<i>SuperStar Gemini</i>
<i>Country of manufacture</i>	<i>Finland</i>	<i>Finland</i>	<i>Germany</i>	<i>Finland</i>	<i>Spain</i>
<i>Tonnage (ten thousand tons)</i>	<i>13.8</i>	<i>13.8</i>	<i>7.52</i>	<i>8.56</i>	<i>1.9</i>
<i>Length(Meter)</i>	<i>311</i>	<i>311</i>	<i>252</i>	<i>293</i>	<i>164</i>
<i>Width (Meter)</i>	<i>38</i>	<i>38</i>	<i>32</i>	<i>32</i>	<i>23</i>
<i>Deck floor (floor)</i>	<i>15</i>	<i>15</i>	<i>12</i>	<i>12</i>	
<i>Number of rooms (rooms)</i>	<i>1557</i>	<i>557</i>	<i>964</i>	<i>1057</i>	<i>356</i>
<i>Capacity (persons)</i>	<i>3840</i>	<i>3114</i>	<i>1928</i>	<i>2114</i>	<i>716</i>
<i>First voyage time (years)</i>	<i>1999</i>	<i>2003</i>	<i>1996</i>	<i>2000</i>	<i>1992</i>

(Data sources:Sea of cruiseTravel Network and Baidu)

Table 2

	Route	Necessary visas	Departure Date	Days	Starting price
Voyager of The Seas	Shanghai-Jeju-Shanghai	Visa-free	Apr.21,May.23/31	4/4/4	2399/2688/3199
	Shanghai-Tokyo-FujiSan-Hakone-Shanghai	Japanese visa	Apr.24	6	12276
	Shanghai-Jeju-Busanpo-Shanghai	Visa-free	May.26,Jun.3/12/16/24	6/5/5/5/5	4250/3313/3299/2999/3299
	Shanghai-Jeju-Busanpo-Tianjin	Visa-free	Jun.28	6	2625
	Shanghai-Taipei/Keelung-Taichung-Shanghai	Taiwan pass	Jun.7	6	4000
Mariner of The Seas	Shanghai-Jeju-Busanpo-Shanghai	Visa-free	Jun.18/23,Jul.23	5/5/5	4299/3299/4299
	Shanghai-Jeju-Shanghai	Visa-free	Jul.2/16	4/4	2799/2799
	Shanghai-Fukuoka-Jeju-Shanghai	Japanese visa	Jul.19	5	3800
	Shanghai-Jeju-kobe-Beppu-Shanghai	Japanese visa	Oct.20	8	5778

(Data sources: Sea of cruise Travel Network, Data collection time range: 19 April 2013 31 December 2013)

Table 3:

	Route	Necessary visas	Departure Date	Days	Starting price
Victoria	Japan panorama	Japanese visa	May 18	6	3888
	Shanghai-Jeju-Incheo (Seoul) - Shanghai	Visa-free	Apr.22, May.23, Jun. 19/11/23	5 (All)	1859/3199/3399/2999/3499
	Shanghai-kobe-Shimizu/Shizuoka-Yokohama-Jeju-Shanghai	Japanese visa	Sep.30	8	7959
	Shanghai-Keelung-Taichung-Shanghai	Taiwan pass	May. 27	6	2799
	Shanghai-Yokohama	Japanese visa	Apr.26, May .20	4/4	999/1659
Atlantic	Shanghai-Jeju-Incheon (Seoul) - Shanghai	Visa-free	Jul.4/17/26	6/5/6	7419/4399/4699
	Shanghai-Jeju-Busanpo-Shanghai	Visa-free	Jul.9/13/31, Sep.13	4/5/5/5	4999/3888/4399/4999
	Shanghai-Jeju-Fukuoka-Kagoshima-Shanghai	Japanese visa	Aug.4/13/18,Sep.8/17, Oct.17/4	6 (All)	3999/4699/4699/4699/4699/5399
	Shanghai-Jeju-Fukuoka-Shanghai	Japanese visa	Aug.9/23/27,Sep.4/22/30,Oct.9/13/22/26	5 (All)	3699 (All)
	Shanghai-Jeju-Kagoshima-Shanghai	Japanese visa	Aug.31	5	3699

Table 4

	Route	Necessary visas	Departure Date	Days	Starting price
SuperStar Gemini	Shanghai-Jeju-Shanghai	Visa-free	Apr.22,May.24/4,Jun.12/21,Sep.23	4/4/5/5/4/5	3140/3140/2999/2999/2899/2650
	Shanghai-Busanpo-Jeju-Shanghai	Visa-free	Apr.30, Jul.17	5/5	3760/3760
	Shanghai-Busanpo(Overnight)- Jeju-Shanghai	List to be done abroad	May.13	5	2999
	Shanghai- Lishui-Jeju-Shanghai	List to be done abroad	May.27/31,Jun.4, Sep14	5/5/5/5	2999/2999/2999/2650
	Shanghai-Busanpo-Lishui-Jeju-Shanghai	List to be done abroad	Jun.16	6	3550
	Shanghai-Fukuo-Lishui-Jeju-Shanghai	Japanese visa	Aug.16	6	2999
	Shanghai-Ishigaki- Naha- Shanghai	Japanese visa	Sep.6	6	3160
	Shanghai-Highseas-Busanpo--Shanghai	List to be done abroad	Sep.27	5	2650
	Shanghai-Taichung-Keelung-Shanghai	Taiwan pass	May .8	6	4799
	Shanghai-Keelung(Taipei)-Taichung-Kaohsiung-Shanghai	Taiwan pass	Jul. 7	7	5539

(Data sources: Sea of cruise Travel Network, Data collection time range: 19 April 2013 31 December 2013)

2. Research on the demand characteristics of products of Shanghai cruise tourism market

Through questionnaire and interview ,we successively conducted an effective research on nearly 460 tourists and potential tourists on board (only Chinese) (among them, nearly 270 visitors attended the travel from Shanghai to Korea jeju island in April 7, 2013 by " Voyager of The Seas ")

2.1Basic information of the research objects as shown in table 5.

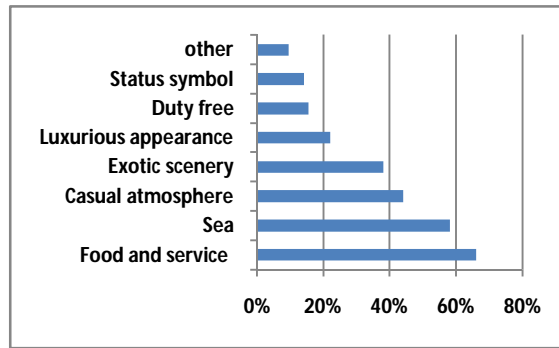
Table 5

Category	Index	Percentage
Sex	Men	47.26%
	Women	52.74%
Age (year)	25 and below	7.12%
	26-35	26.86%
	36-45	29.37%
	46-55	17.36%
	56 and above	19.29%
Level of Education	Primary school and below	2.62%
	Middle school	11.47%
	University	76.48%
	Graduate and above	9.43%
Occupation	Civil servants and career preparation	18.37%
	Company personnel	27.59%
	Private owners	11.24%
	Retirees	26.49%
	Others	16.31%

2.2 The detailed demand information

2.2.1 Cruise tourism attraction research results shown in Table 6)

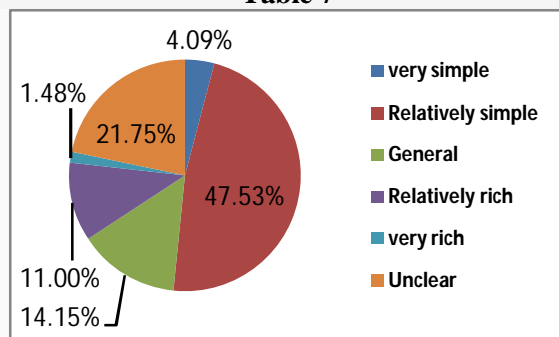
Table 6



The question asked is "what is the most attractive place to cruise tourism" (multiple choices). As can be seen from the above, The main factors that attract tourists is the food and service on board (67%), blue sea (about 58%), casual atmosphere (about 45%) and exotic scenery (about 38%). Tourists more care about is a kind of "experience", hope to enjoy the beauty of nature and the exotic customs in casual atmosphere, have stronger "curiosity". At the same time, there are also a significant number of people take a fancy to the appearance of the cruise and identity. Which is consistent with the orientation of cruise tourism .

2.2.2 Route demands. (research results shown in Table 7)

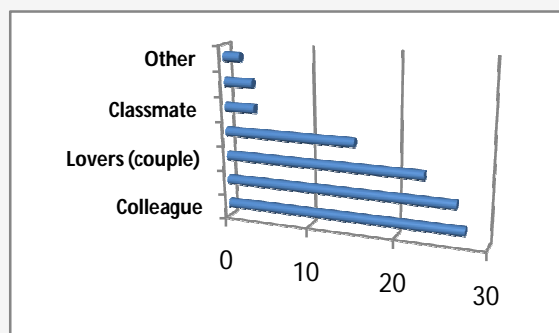
Table 7



The question asked is "What do you think the current Shanghai cruise line richness ". Nearly 50 percent of the visitors think the current route is relatively simple, 14.15% of cruise tourists think lines richness in general, 11% of the visitors think that the routes relatively rich . This shows that the current route for cruise tourists are not satisfied with abundance, cruise lines are still necessary to further develop and enrich. Notably, 21.75% of the tourists have no concept of current cruise route. This implies that the propaganda of cruise and cruise route need to promoted.

2.2.3 Travel companion way (research results shown in Table 8)

Table 8

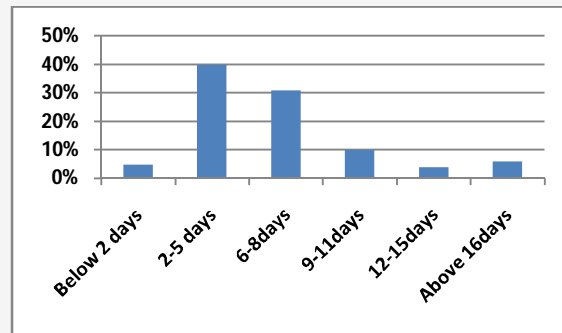


The question asked is "You join this trip with whom?" (Only tourists on board) .

From above, we can see that Cruise travel mainly in the form of hand in hand, only about 3% of the tourists traveling alone. Moreover, the main mode of travel together as colleagues, family, couple (husband and wife) and friends and current domestic cruise tourism is mainly divided into the following several market: commercial market, family market, the honeymoon as well as friends.

2.2.4 Time demands. (research results shown in Table 9)

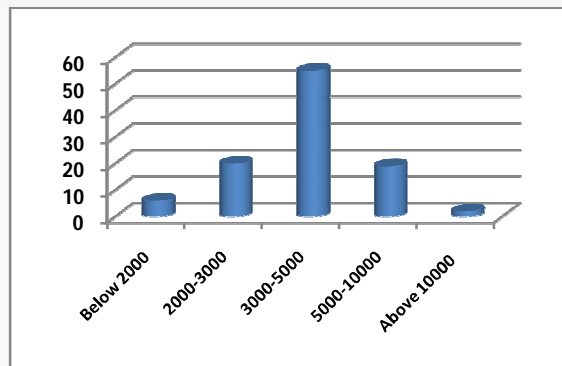
Table 9



The question asked is “Usually, how long would you like to choose the cruise trip ”. As can be seen from the table, cruise tourist most interested in the 3-5 days’ travel, this proportion is as high as 40%. Secondly is the 6-8 days’ travel, the proportion is about 31%. It shows that the tourists interested in short-range cruises relatively. Notably, about 20% of visitors willing to choose the cruise trip which may take more than nine days, visible, long-range cruise travel with a strong market potential and development prospects.

2.2.5 Price demands. (research results shown in Table 10)

Table 10

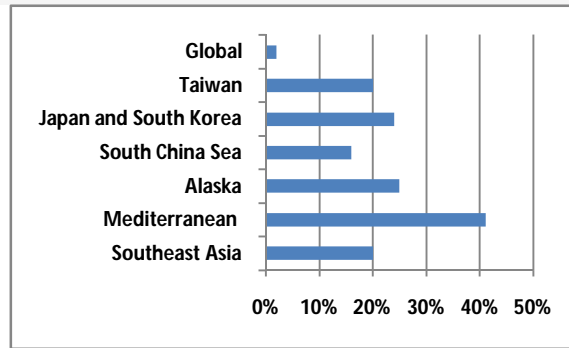


The question asked is “How much RMB would you like to spend on a cruise travel”. From the statistical results can be seen, more than 50% visitors are willing to spend 3000 -5000 yuan on cruise travel, about 20% of the visitors to accept the travel of 2000-3000 yuan, about 19% tourists choose 5000 -10000 yuan’ travel. Overall, the price tourists can bear psychologically is slightly lower than the actual market price.

2.2.6 Expect Destination research results shown in Table 11)

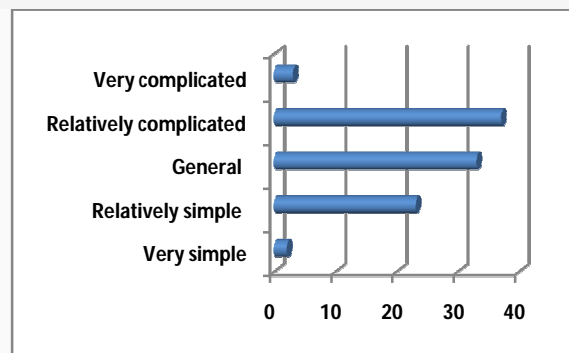
The question asked is “which of the following areas you willing to choose as your cruise destination”. (multiple choices) More than 40% of the tourists choose Mediterranean as the cruise destinations. There were about 20% of tourists interested in Southeast Asia, Alaska, Taiwan, South Korea and Japan Respectively. This shows that the tourists have many psychological destinations, but also beckons cruise prospects to some extent.

Table 11



2.2.7 Program complexity (research results shown in Table 12)

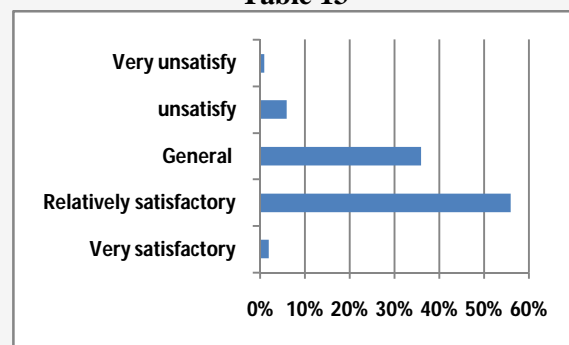
Table 12



The question asked is “Do you think the procedures of the cruise tourism complex”. The results showed that, more than 35% visitors think relatively complex, about 34% of the tourists chose the general, about 23% of the tourists think the procedures is relatively simple . Overall, about 70% of the tourists think the procedures are not simple. This shows, the procedures needed to simplify and improve further.

2.2.8 Life fitness research results shown in Table 13)

Table 13



The question asked is “Do you think the facilities and services on the cruise ship is in line with the Chinese habit of life” (Only tourists on board) .From the table we can see that 44% of the tourists feel not satisfied. These data indicate that, the cruise ship facilities and services can not satisfy the needs of Chinese tourists very well.

3. Study on the products development strategy of cruise tourism market in Shanghai

Through the above comparative analysis of product characteristics between supply and demand in Shanghai cruise market , I believe that we should consider from the following aspects to the further develop the products of Shanghai cruise tourism^[6-7].

3.1. Accelerating the construction of local fleet, developing more cruise products with "Chinese characteristics". Statistical results showed that about 44% of the visitors feel the ship's facilities and services are still not enough "sinicization", which make many Chinese tourists (especially the elderly) does not adapt (don't adapt to western food, can't understand English or are not interested in entertainment facilities). Local fleet will greatly reduce the inadaptability of construction, improve tourist cruises "comfort". At the same time, enhancing the flexibility of route designing.

3.2. Riching cruise quantity and level, expanding the tourists' choice. On the one hand, the cruise itself is a tourist destination, along with an increase in the number of cruise tourism, it's attraction to tourists will gradually decrease, which in turn directly affects the competitiveness of the entire route and the "customer retention rates." On the other hand, different tourist have different preference for cruise itself, the size, style, appearance, luxury degree of cruise will all affect the choice of cruise tourists.

3.3. Expanding routes richness, and actively open up specialty tour and special tour routes. Overall, cruise tourism route in Shanghai is relatively single, mainly to Japan ,South Korea and Taiwan. Taking price, time and other factors into account, these routes are "moderate routes." However, the current demand of chinese tourists for cruise route shows a trend of "short-range and low cost". Statistics show that the demand rate of 2-5 days and 3,000 -5000 routes were 40% and 52% . It should also be noted that there were 26%, 16% and 41% of the visitors are willing to choose Alaska , South China Sea, and Mediterranean as a cruise destination. Therefore, we should further expand the richness of route. In addition, the cruise tourism characteristic is obvious. First of all, crowds of tourists level clear, target market is also clear. Cruise travel is a high-end tourism. And the target market, mainly for business people, the honeymoon couple (or couple), retired , family, friends etc.. Secondly, tourism motivations of the tourists are more consistent. So, we should consider to carve out some characteristics and special route, mining market potential in maximum.

3.4. Developing more cruise routes with "simple procedure". Cruise tourism procedures are mainly embodied in the two aspects:"entry and exit" and "process". On the " entry and exit", among the cruise lines which make Shanghai as the port of departure, only about 48% of the routes visa waiver, the rest of the routes will need a visa, entry permit or outbound list. In the "process", after the bank check, tourists will also accept the ship security. The actual investigation results show that about 70% of the tourists think the procedure of cruise tourism is not simple. It may give visitors some inconvenience, will also reduce the enthusiasm and the possibility of visitors to some extent.

3.5. Improving the quality and attractions of shore tourism destinations . Cruise tourism is a comprehensive tourism form, its quality is mainly decided by two parts : "ship part" and " shore part". In comparison, the number of destination of Shanghai cruise tourism is limited, and the main attractions is the natural scenery, folk customs and duty-free shops, tourism is relatively monotonous. Therefore, we should actively open up more shore destination, at the same time, attention should be paid to the characteristics of the shore destination attractions, avoid repetition of scenery.

3.6. Reasonable planning shore tourist route. In addition to improve the tourist destination on the shore beyond the quantity and quality, and reasonable planning on shore tourist line is also crucial. Here mainly refers to the travel time and line of shore travel . First of all, the deficiencies of time arrangement is mainly refers to that ,shopping time is too long, and not enough attention has been paid to the introduction of characteristics and culture of the local. For economic reasons, the tour guide emphasis on the duty-free shopping time and introduction of product , however, research results show that only 15% of the tourists think that the duty-free shop is the most attractive factor for tourists. Secondly, insufficient in line content mainly refers to tourism is not enough "depth". This makes the attraction of shore tourist is not strong, so it can not coordinate with the ship part well. The planning of shore tourism route will directly affect the quality and satisfaction of cruise tourism.

4. Conclusion

On the current situation, the cruise tourism development potential in China's huge. This paper only from the perspective of product supply and demand characteristics of Shanghai cruise tourism product was summarized. At the same time, put forward some suggestions for product development. Cruise tourism is still in the "initial stage" in China, development of domestic cruise tourism responsibilities. Still need to continue to explore.

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