

Adapting the Cruise Products to Chinese Markets

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Abstract

The cruise industry is growing internationally at an unprecedented rate and has now extended to Asia and Chinese. China now represents a new and emerging market, as the cruise tourism in United States and Europe is almost saturated. The objective of this paper is to analyze the current condition of Chinese cruise market, and the different practices between the westerners and the easterners when they taking cruise ships. Then according to different preferences, suggestions are given to further flourish of cruise tourism in china.

Keywords: cruise tourism, Chinese tourists, tourist's practices

1. Introduction

Cruise Tourism, as a high-end tourism product, is defined as traveling for leisure to various destination on a ship and the ships are not involved in the transportation industry like the ferries or the cargo ship.

Since started to develop in 1960s in the United States, Cruise tourism industry has been growing at an unprecedented pace, which was regarded as “the golden industry floating on the sea”. Now according to statistics from China Cruise and Yacht Industry Association (CCYIA), the cruise tourism is increasing at the speed of 8% per year, and improved year by year. The main market are the United State and the Europe, which account for over 80% market worldwide. The major popular destinations are Caribbean ocean and Mediterranean ocean, for their richness in scenic spots, and noted for pleasant weather and “3S”(sun, sand, sea). According to the figure 1 from China Cruise and Yacht Industry Association(CCYIA), we can find out that the number of worldwide crusier keeps growing in the past two decades range from about 7,000,000 in 1998 to more than 20,000,000 in 2012. Furthermore the Global authority cruises organization (PSA / CLIA / ECC) predicts that in the next 5 to 10 years, the global cruise market growth trend will continue. It is expected to 2015, 2020, global cruise passengers will reach 2500, 3000 million passengers scale.

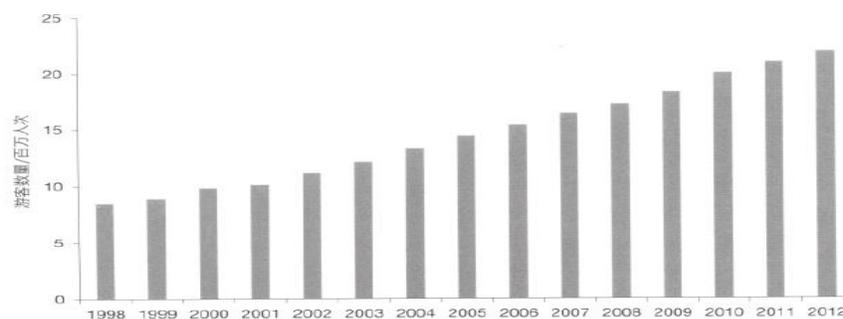


图1 全球邮轮产业增长走势图 (1998—2012)

资料来源: C.P. Wild (International Ltd) from PSA, CLIA, ECC and other sources

In the recent years, the fast development of Chinese economy during the past 30 years has been accompanied by the flourishing tourism market both inbound and outbound, including cruise tourism. Although China now represents an relatively small market with less than 200,000 cruise passengers, it is considered extremely promising as a future market for some reasons.

Firstly, China is a huge market for international tourism, including cruising, with a population of 1.3 billion; Secondly, the Chinese government encourages the development of cruise tourism. Lastly, cruise lines are looking for new destinations and source markets. All of the reasons indicate that China is a huge cruise tourism market in the future.

But when it comes to cruise tourism in China, there is a most relevant issue we need to consider: the international tourists in China and the Chinese domestic tourists do not have the same practices. Some of the Chinese tourist practices are unknown in the West, for example, the red tourism, referring to visiting attractions related to Chinese communism, is a very popular tourism for Chinese people, so there is an urgent need for knowing better the practices of Chinese tourists cruising from mainland China. The key point to cruise lines is adapting the cruise products to Chinese consumers as soon as possible.

2. Literature Review

The retrieval and analysis of the literature we found that, at present domestic research on cruise tourism focus mainly on the following aspects: training cruise tourism talents; cruise industry development and its impact on regional economic; development and marketing of cruise tourism market; environment and strategies of regional development of cruise tourism; construction of cruise port (terminal) and competitiveness evaluation of it; cruise business model and performance.

ZHAO (2009) pointed out that the training of personnel present cruise fuzzy training objectives, curriculum is not standardized, there is a lack of professional materials, not to establish close contact with industry and other issues. WU (2010) summarizes the characteristics of cruise tourism market in China, she points out the factors hindering the development of cruise economy in China are: lack of economic “overall planning”; the infrastructure is not perfect; port charges is not reasonable, customs policy that is not unified. LIU (2011) analyze the impact of cruise tourism on the port city of tourist hotels, tourist attractions, tourist traffic, travel and tourism, shopping and so on. YANG and CHEN (2009) analyzed the existing problems in developing cruise tourism market in China from two aspects of demand and supply, points out China cruise tourism market development should find the target market positioning, develop cruise tourism products suitable to the needs of Chinese, develop the domestic market through the propaganda, strengthen the construction of hardware facilities, perfect and improve the service system and the level. GUO (2009) SWOT analysis of the development of the Pearl River Delta cruise economy, point out that we should strengthen regional coordination and cooperation between the division of labor, improve infrastructure, optimize the border clearance procedures, strengthen the industry cooperation with Hongkong passenger liner and accelerate liner professional training. ZHAO (2009) thinks that in the process of develop the cruise terminal, the coastal city in China should know the important conditions, clear the relationship between the cruise terminal and cruise ship terminal, pays attention to the practicality and convenience of cruise terminal facilities. YIN (2013) summarize the commonness and individuality of different management patterns through the comparative analysis of the carnival, Royal Caribbean, Mediterranean, such as star, Costa cruise company management mode.

As the cruise tourism is emerging in China during the past about seven years, the market is not mature compared with western's, so the studying about cruise in China is shortage comparatively. In this article the comparison method is applied to study the different traits of tourists between Chinese and westerners,

3. Comparison Method

In order to know Chinese customers better, this paper uses comparative method to analyze the different practices between Chinese and westerners. And the comparisons are divided into two parts, one is differing in priorities, the other one is differing tastes and preferences.

3.1. Differing in Priorities

3.1.1 Primary Motivations

To most Chinese tourists, cruise tourism is a new way of travelling overseas, and most tourists are first timer of cruise taking, so when they are in the ship, What Chinese tourists want most is to see and do as much as possible, they keep being involved in various activities, and enjoy time with their family, and acquire bragging rights as well as status by taking a cruise ship tour.

While, for westerners, cruise tourism is common way of travelling, so they taking it for relaxe and enjoy the company of like-minded people.

3.1.2 Travelling Partners

Chinese tourists take cruise ship with their partners, their kids, even the extended family.while, in west, the couples traveling is most common.

3.1.3 Cruise Duration

For Chinese cruise market, the first phenomenon to note is the reduction of the duration of the cruise, although this trend is reflected in other markets where these cruises always coexist with cruises of longer duration, ranging from one week to several weeks. In China, the average is 5 days, 4 nights on board, but some offer a single night on board. Cruises over a week do not meet the expectations of the Chinese customers and are rare in the companies programs. Where they exist, they are rather designed for the international clientele: RCI and Costa offer cruises of this type, while Star Cruises specializes in the Asian market only offers short cruises. The comparison of the offer for the American (RCI) or European (Costa) and Chinese customers shows these differences, since the longer sailings only appear in the catalogs bound for the U.S. or the European customers.

3.2 Differing Tastes and Preferences

3.2.1 Food and Beverage

For most Chinese, dining can be fast-paced, busy, and loud. And they like family-style dining or buffet. Tea ,water ot beer are the popular beverages for Chinese people. About food, Chinese are curious about western food, so they try the food one or two days, then they would like Chinese food like rice and noodles. Actually Chinese give a small importance to the quality of the food. While this is an element of utmost importance to judge the quality of the cruise for certain nationalities, the Chinese do not regard food and beverage quality as essential for the success of the cruise. The cruise does not represent the opportunity for changing eating habits and Chinese passengers prefer Chinese food to a cuisine that will be more international or related to the company country of origin. And Chinese are not interested in bars and lounges, drinking aims at fostering and building a good relationship with others.

While for westerners, dining is formal, so they often dress up in that occasion, have polite conversation, and enjoy the good wine or cocktails. The favourite food for them are steaks, seafood as mains, the popular cuisine are American, Italian and French food. They enjoy relaxing, socializing and drinking in the bars and lounges.

3.2.2 Activities

In the daytime, Chinese try to avoid the sun, don not enjoy the swimming, they tend to stay indoors and shopping. In the evening, they spend time at casino, Karaoke and production shows. While they are ashore, they take part in the organised tours covering all the iconic spots, and enjoy shopping, food and sightseeing in the visiting ports. The attraction for sunbathing and swimming is limited for Chinese visitors. The relation to the body and the sun is different from the Western sense that values tanned skin. Chinese women prefer a preserved skin from the sun and sun bathing areas are therefore rarely used. Water is also an element that the Chinese are unfamiliar with, water is appreciated in a contemplative way, while most Chinese do not swim.

For the westerners, they prefer staying on the deck, in the sun, in the pool, and at the bars in the daytime. When evening, they would like spending time on dinners, bars, shows and lounges. When they arrive at the visiting ports, they have a tour according to their own interest, and they prefer the cultural spots like museums.

3.2.3 Two Major Attraction

There are two major attractions are important for the Chinese customers. Firstly, gaming in all its forms, including traditional gaming such as mah-jong that can be played in rooms reserved for this purpose, games organized by animation teams and the casino. The opportunity to gamble when sailing is a real attraction and competes with places such as Macao, where the gambling is allowed unlike in the rest of the country. Secondly, shopping is another favorite activity, whether performed during excursions ashore or on board. For the tourists, shopping is as important as is discovery of natural and cultural sites.

4. Implications

4.1. Ship Design

Considering the typical practices of Chinese people, the cruise lines should make some adjustment to catering to Chinese cruiser. Firstly, less space given to open decks, pools and outdoors activities as Chinese are less interested in them. Secondly, few bars and cocktail lounges are set up on the ships. In order to catering to Chinese, more branded luxury shops and duty-free stores should be expanded, what's more, widening the space of generous casino, dedicated karaoke lounges with up-to-date equipment, last but not least, the buffet restaurants, tables for large parties also should be added.

For instance, to meet the needs of these customers, the Costa companies have made adjustments. The boats are relatively old and they are subject to a greater or lesser renovation which allows changes in the arrangement of the ship. Thus, Costa spent 12 million Euros on the Costa Allegra (first ship to be positioned in Asia) to remove the sunbathing area, dedicate more than 50% of the space for shops and to reorganize the spa area. Chinese cruise passengers regularly frequent the casino, enjoy the pool, but abandon the gym thinking that it is a waste of time on a cruise. This actually corresponds to the taste of Chinese tourists for lively atmospheres. The heart of the cruise is entertainment, gaming. There is the main expectation on board: 36% of Chinese customers are looking for fun (animations, games), only 7% value above all luxuriously decorations and only 4.6% are seduced by the gastronomy. The gastronomy again shows a difference in perception between Americans, Europeans and Chinese.

4.2 Onboard Services and Staffing

Even though food is not the evaluation standard for Chinese to cruise, it is very important part for cruise travelling, so the cruise companies should hire more chefs from Asia as Chinese are used to native foods. And more Chinese-speaking crew should be hired to facilitate the communication with the guest from China, and meets their need greatly.

4.3. Shorter Cruise Duration

The adjustment of the duration of the cruise is an adaptation to the labor law and, in particular, the lengths of the paid holiday. The clients consist primarily of employees (63%) of which 89% have a monthly salary between 5,000 and 6,000 yuan (US\$ 800-950). These employees travel mainly with a spouse and children or as a couple because the cruise conveys the image of a romantic trip for young couples. There are also older couples who have generally received the cruise as a gift from their families. Unlike other markets, this product is not reserved for elderly clients as it has long been the case in Europe. Employees have four days off spread over the year (1 May, the Feast of the dead in early April, the Dragon Boat Festival in June, the Feast of Mid-Autumn Festival in September) and "two golden weeks"(Spring Festival in January and National Day on October 1). The four days off can bring the opportunity to make a mini-cruise by combining the holiday with the weekend, but it is the "golden week" that will be most conducive to the cruise. There are also a large number of scheduled cruises around October 1.

Offering short cruises also has the advantage of making it financially more affordable. Among the companies present in China, the most affordable rates appear with Star Cruises with a starting price of 700 yuan (\$ 110) per person. This price is mainly due to the short duration of this cruise (one night on board). Costa sets its prices between 2,399 yuan and 10,000 yuan (between US\$ 380 and 1,600), depending on the choice of cabin and length of stay. Finally, the most expensive services are offered by RCI with prices starting at 3,400 yuan (US\$ 540).

4.4. Popularize the Cruise Tourism

Tourism is relatively new in China, sea cruising is an even more recent phenomenon and Chinese tourists are not familiar with this product. Thus, the population has to learn about this product, and industry association has taken up this role. In much the same way as it was done earlier by cruise industry associations in America and Europe, the main objective of the China Cruise and Yacht Industry Association (CCYIA), is to make China the leading cruise destination for international cruises. However, unlike its American and European counterparts, the CCYIA's objective is to educate Chinese market about the cruise product and experience. This is then taken up by companies, such as Costa, whose ultimate goal is to popularize a new form of holiday in China. The promotion of the cruise is based on the valuation of two images: the image of the family holiday designed for the couple and their child (related to the one-child policy) .

5. Conclusion

This article shows that the cruises departing from China for Chinese customers is a very recent phenomenon, we may say an emerging phenomenon. The Chinese government took into account this new activity in the second half of the 2000s, especially within a framework of economic development. The analysis shows that the expectations of Chinese tourists choosing to make a cruise differ from that of the Americans or Europeans. Especially, the element of fun is much more pronounced and spaces for relaxation disappear almost entirely of ships plans designed to welcome Chinese tourists. Socializing is more important than the need to care for oneself. Cruises, however, remain a product for privileged customers in China and we cannot generalize from these conclusions to the description of the Chinese tourist practices on the whole. The same remark should be made for the understanding of the dissemination and adaptation logics of such a practice. Cruises in China are still at their starting point, the first stage of their evolution. Changes that we have still to put under observation and for which we assume that they will continue to differ from the already well-known models: at least for a while.

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