



HONG KONG TOURISM BOARD
香港旅遊發展局

NSS Enriching Knowledge for Tourism And Hospitality Studies Curriculum:
Introduction to Tourism Series (1) Seminar on the development of
cruise tourism in Hong Kong – Part 2 (New)

**How to market Hong Kong
as a must-see destination for cruise visitors**

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General Manager – MICE & Cruise



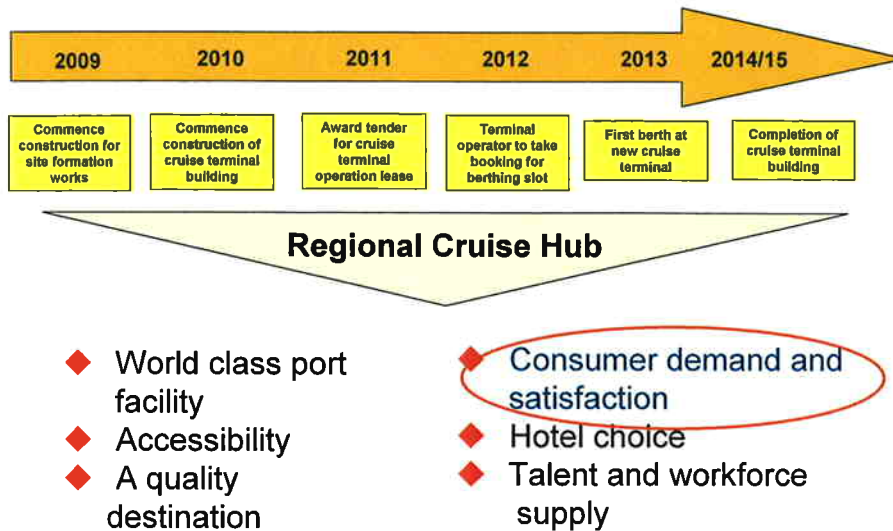
Kai Tak Cruise Terminal

- ◆ No. of berths : 2
- ◆ Berthing length : 800 meters
- ◆ Ancillary commercial area : 5,600 square meters
- ◆ CIQ operation : 3,000 passengers per hour
- ◆ Maximum capacity : 220,000 gross tonnages with draft of 12 meters





Regional Cruise Hub Necessities



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Objectives

- ◆ To support the government in building Hong Kong as a regional cruise hub and foster home-porting business
- ◆ To build cruise tourism as another form of travel experience to drive arrivals and visitors' spending to Hong Kong

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First of all, to understand the cruise market to foster win-win partnerships with key players to win customers

- 1. Cruise companies**
- 2. Travel Trade**
- 3. Neighbouring countries and cities**



The Cruise Industry

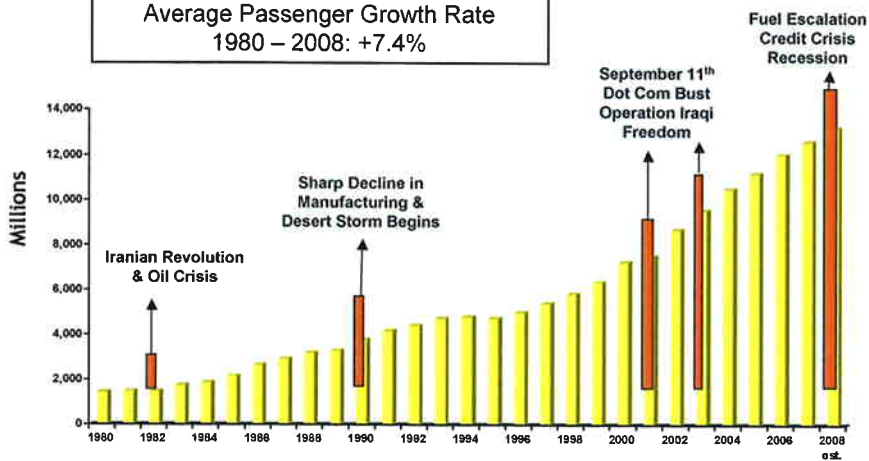
- ◆ Cruise is a very young industry, developed since 80's
- ◆ Representing US\$24.5bil business with a cruise fleet of 294 in 2008 worldwide

	Worldwide	North America	Europe	Asia Pacific
Cruise Fleet	294	156	126	12
Occupancy level	92.6%	91%	90%	87.5%
Est. Sales Rev (US\$bil)	\$24.5	\$16.7	\$6.7	\$1.1



Growth Over the Years

Average Passenger Growth Rate
1980 – 2008: +7.4%



Source : CLIA 2009



The Industry Players

Market dominates by four players and will continue to expand with new fleets especially mega vessels to achieve economy of scale

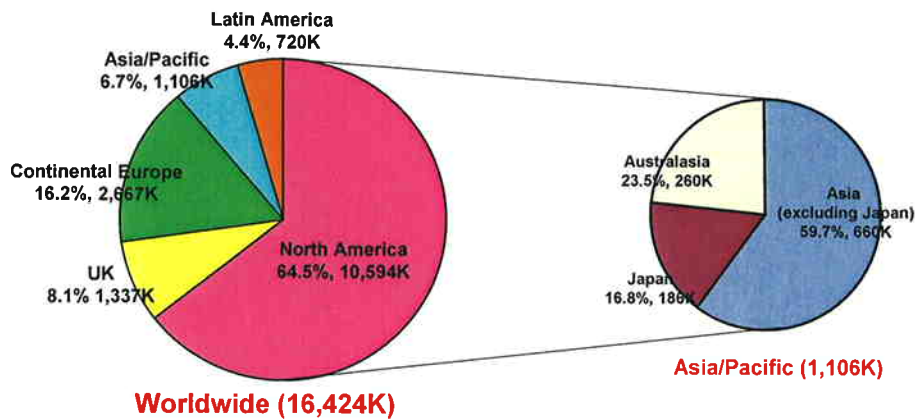
	Fleet		Market Capacity		Market Share (%)	
	2008	2012	2008	2012	2008	2012
1. Carnival Corporation	89	105	7.6m	9.3m	46.7%	45.8%
2. Royal Caribbean Cruises	38	47	3.8m	5.1m	23.3%	25.2%
3. Star Cruises Group	16	17	1.6m	2.3m	9.8%	11.3%
4. Mediterranean Shipping Co.	10	12	0.8m	1.1m	4.9%	5.4%
5. Others	141	153	2.5m	2.5m	85.2%	87.3%
Total	294	334	16.3m	20.3m	100%	100%

Source: Cruise Industry News Annual Report 2008



Share of Passengers Worldwide 2007

North America and Europe as the top two source markets, with much room to penetrate. Asia is recognized as a high potential developing market.



Source: Mintel International Group Limited – Cruise International Report June 2008



The Marketing Mix

Product



Price



Onboard Credits
Free Prepaid Gratuities
Onboard Savings
Discounts [MORE](#)



Place

Promotion



Product (Fleets)

From budget to luxurious, mega to boutique, a highly diversified product portfolio to deliver incredible value across the entire spectrum of cruise vacations



Oasis of the Seas



Windstar Surf



Silversea Whisper



Seabourn Spirit



Disney Magic



Carnival Conquest



Costa Classica



Product (Itinerary)

Itineraries cover many continents and exotic places around the world

3/4 Day Cruises

- ◆ Bahamas
- ◆ Baja Mexico
- ◆ Hainan/Sanya

4/5 Day Cruises

- ◆ Western Caribbean
- ◆ Bahamas

7/8 Day Cruises

- ◆ Caribbean
- ◆ Bermuda
- ◆ Mexico
- ◆ Alaska

10 Day+ Cruises

- ◆ Northern Europe
- ◆ Southern Europe/Mediterranean
- ◆ Hawaii
- ◆ Panama Canal
- ◆ South Pacific
- ◆ Orient & Far East
- ◆ South East Asia
- ◆ Alaska
- ◆ Africa
- ◆ South America
- ◆ Trans-Atlantic
- ◆ World cruise



Itineraries Development from Hong Kong

The geographic location of Hong Kong enables :

- ◆ 5D4N Cruise to Vietnam and Sanya
- ◆ 5D4N Cruise to Taiwan
- ◆ 7D6N Cruise to Singapore
- ◆ 7D6N Cruise to Japan/Korea
- ◆ 14D13N Cruise to North Asia or South East Asia



Examples of Itineraries in Asia



7 days Tianjin to Shanghai (Costa)



7 days S'pore to HK (Costa)



14 days S'pore to S'pore (Costa)



18 days Beijing to Singapore (Princess Cruises)



22 days Beijing to Bangkok (Regent Seven Seas Cruises)



35 days Sydney to Shanghai (Cunard Cruises)



HK/Taiwan Cruising

A new itinerary to capitalise on the Taiwan fever and fit the short vacation pattern of the China market



Star Cruises – 6D5N at RMB\$3,559 up
(1 sailing in 2009)



Costa - 5D4N at RMB\$3,799 up
(13 sailings in 2010)

Sailing Itinerary***

Day	Port ***	Arrive	Depart
08-Mar	Hong Kong, China		5:00 PM
09-Mar	Keelung, Taiwan	1:00 PM	8:00 PM
10-Mar	Hualien, Taiwan	9:00 AM	6:00 PM
11-Mar	Taipei (Keelung), Taiwan	7:00 AM	9:00 PM
12-Mar	Cruising		
13-Mar	Hong Kong, China	7:00 AM	

Royal Caribbean - 5D4N at
US\$429 up (5 sailings in 2010)

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Price

- ◆ Price sets according to product proposition and value delivered
- ◆ Fairly stable in the past decade
- ◆ Revenue grows from onboard and excursion activities



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Distribution

99% sales via distribution networks – travel agencies and online



Promotion

Cruise companies market through print advertising on leisure and cruise magazines, consumer level trade fairs, TV and online advertising

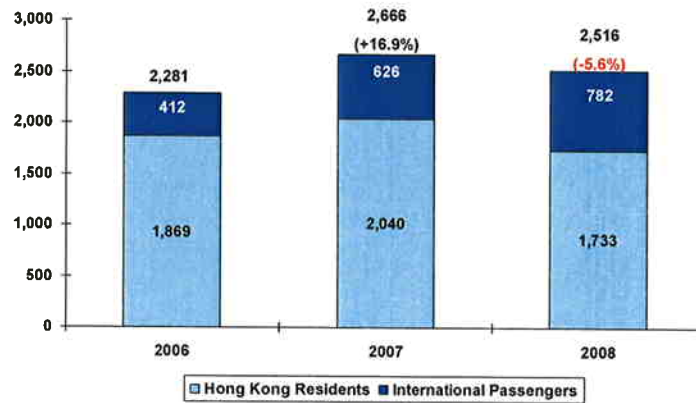




Total Cruise Passengers 2006 - 2008

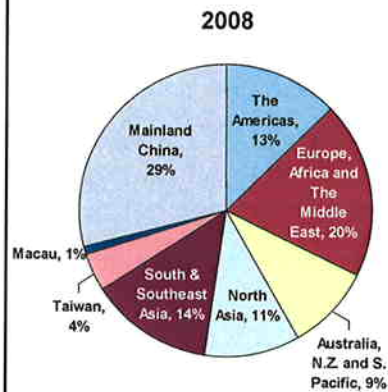
The no. of international cruise passengers to HK kept on growing from 2006 to 2008. Hong Kong is also a strong base for building a sustainable outbound market.

Passengers Throughput ('000)



Consumer Profile 2008 (Transit & Homeporting Cruise)

Hong Kong maintains a balanced portfolio of international passengers



	Homeporting	Port-of-Call
Mean age	45	63
Length of Stay	2.5 nights	1.0 night
Per Capita Spending	HK\$5,397	HK\$2,114
Satisfaction (10pt)	7.8	9.2

Source : Cruise Passenger Survey 2008 (Full yearly report)



Cruise Tourism – A big potential in Asia Pacific

Hong Kong – how to capitalize on the opportunity and build the city as a “must-see” destination ?



3-Year Promotion Strategy

A focused and targeted approach to maximise effectiveness

4-pronged Strategies

- ◆ Build destination awareness
- ◆ Facilitate itinerary development
- ◆ Educate consumer & create demand
- ◆ Enhance passenger experience

Partners / Targets

	Cruise Companies	Neighbouring Cities	Travel Trade	Consumers
◆ Build destination awareness	✓		✓	✓
◆ Facilitate itinerary development	✓	✓		
◆ Educate consumer & create demand	✓		✓	
◆ Enhance passenger experience	✓			✓



Create Destination Awareness

- ◆ High profile presence at major cruise industry events
 - Seatrade Miami
 - Seatrade Asia
 - China Cruise Industry Development Summit

- ◆ Maximise Hong Kong exposure to the cruise industry to sustain top-of-mind awareness and destination preference

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Seatrade Cruise Shipping Miami 2009

- ◆ The largest annual cruise industry convention and exhibition in the world
- ◆ Hong Kong - a prominent presence at the exhibition
- ◆ HKTB/CNTO joint cocktail reception to network with top cruise executives
- ◆ Cruise trade partners from HK – make use of the booth for business meetings



2008



2009

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2009 Cocktail Reception



- ◆ Guest of Honour : Mr Donald Tong, JP, Hong Kong Commissioner for Economic & Trade Affairs, USA
- ◆ China Delegation : Director General, China National Tourism Administration and representatives CNTO New York Office, Tourism Administrations of Beijing, Tianjin, Qingdao, Shanghai, Anhui, Xiamen, Shenzhen and CITS
- ◆ Cruise Lines : Over 40 top executives from cruise lines attended the event and network with HK and China delegates



China Cruise Industry Development Summit

The 4th China Cruise Industry Development Summit 2009 & The 1st International Cruise Expo

- ◆ 5-7 November 2009, Sanya
- ◆ Foster networking and business development with government officials and cruise industry





China Cruise Industry Development Summit

Hong Kong Delegation

- ◆ Lead by the Commissioner for Tourism
- ◆ HKTB - Executive Director, GM-MICE & Cruise
- ◆ Cruise line executives

Hong Kong Exposure

- ◆ Speaking engagement
- ◆ Convention and round table discussions
- ◆ HKTB booth at the 1st International Cruise Expo



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Seatrade All Asia Cruise Convention

- ◆ 24-25 June 2010, Shanghai

Objectives

- ◆ Showcase the strengths of Hong Kong as a regional cruise hub
- ◆ Foster networking and business development with cruise industries worldwide
- ◆ Ride on cruise development to benefit exhibition industry

Seatrade All Asia CRUISE CONVENTION

14-15 JUNE 2010
International Cruise Professionals & Cruise Industry Execs

The Cruise Industry in Asia: Present Growth and Future Prospects

Organized in association with **SIPG**

Following on from a successful debut in 2009 that brought over 2,300 cruise industry professionals from 28 countries to the Shanghai International Cruise Terminal, the All Asia Cruise Convention returns to Shanghai for the second time in 2010.



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Facilitate Itinerary Development

Cruise South China Promotion

- ◆ A dedicated Cruise South China website to promote the scenery, people and culture of Fujian, Guangdong, Guangxi and Hainan provinces and Hong Kong
- ◆ Integrated on-line promotion by eblast and sweepstakes, reaching out to 25,000 cruise travel agents based in USA

www.cruisesouthchina.com



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Key Markets

- Short Haul Markets
 - China
 - Japan
 - India
- Long Haul Markets
 - USA
 - United Kingdom
 - Australia

Target Segments

- Family
- Achievers

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Overseas Promotion (1)

Consumer co-op advertising and education seminars



Overseas Promotion (2)

Consumer co-op advertising and education seminars





Enhance Passenger Experience

- ◆ Maximise the satisfaction of cruise passengers and showcase Hong Kong as an exciting destination
- ◆ Key hospitality activities
 - ◆ Complimentary video, tourist publications, souvenir and privilege coupons
 - ◆ Welcome performance - culture performance / Police band
 - ◆ Temporary information and enquiry counter
 - ◆ Port Lecture



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Mid-Stream Berthing



Visitor service onboard the ship



Hospitality service onboard tender



Visitor Services at Landing Point



Open Top Bus Tour



Commemorative Sailings



Welcome by Dukling



**Graced by Commissioner
for Tourism**



Student Ambassador



Official and celebratory programmes onboard the ship



**While continuing the existing efforts,
looking forward...**



Cruise Ships Homeport in Hong Kong



Costa Allegra

- ◆ 1,000 pax
- ◆ Homeport in 2009 between May and Oct



Costa Classica

- ◆ 1,680 pax
- ◆ Homeport in 2009 and 2010



SuperStar Aquarius

- ◆ 1,529 pax
- ◆ Daily cruise to highsea



HK/Taiwan Cruising

A new itinerary to fit the vacation pattern of the China market



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RCI - 5D4N at US\$429 up
(5 sailings in 2010)



Create Market Demand / Fly-Cruise Business

◆ Capitalize on HK/Taiwan cruising to build the China Market

Opportunities

South China - Rail/bus+Cruise+hotel package

North China - Beijing/Shanghai - Fly-cruise+hotel package

Market segments – multi-disciplined families and achievers

- ◆ Extensive market education on cruise experience through high impact communication activities
 - China media familiarisation tour to generate TV coverage
 - Feature stories in leisure travel magazines
- ◆ Partner with cruise lines and trades for :
 - Co-op advertising
 - Consumer tactical programme
 - Pre and post land packages
 - Online promotion

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Up coming - a New Cruise Tourism Website

- ◆ Strengthen online information dissemination to facilitate cruise traveling from Hong Kong
- ◆ 2010 to launch
- ◆ Cruise website revamp
 - A showcase of "Spectacular Hong Kong"
 - Highlights of events and activities in the year
 - Sailings, itinerary and onboard/excursion activities
 - Hotels information
 - Cruise terminal facilities
 - Transportation
 - E-coupon and brochures
 - Facts about Hong Kong



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Maximise Hong Kong exposure to the Cruise Industry

- ◆ Industry fam programme for overseas cruise trade partners to experience HK
- ◆ Editorials in key online and printed industry titles to build destination awareness and appeal



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Please join us to experience cruise travelling
Thank you!

