

RESEARCH

68pc of affluent Chinese likely booking a cruise this year: report

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Chinese affluence

By SARAH JONES

Affluent Asian consumers show a strong interest in cruise tourism, with the market growing by double digits over the past three years, according to a new report from Agility Research.

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In general, Asian markets offer strong opportunities for travel service providers, as economies grow and consumers have more disposable income. For global lines, gearing Asia Pacific itineraries towards local consumers may boost bookings.

"As tourism in Asia grows, particularly in affluent travel in the region, opportunities are rife across the various sectors of the tourism business," said Amrita Banta, managing director at [Agility Research & Strategy](#). "One of these growth areas is the newly evolving cruise industry."

For its "Cruising Asia: Potentially big business in Asia" report, Agility Research & Strategy surveyed 2,400 individuals across key Asian markets, China, Singapore, Malaysia, Hong Kong, Taiwan, South Korea, Japan and India in May 2015.

Growing interest

China and India, often linked as two of the strongest emerging markets, are going to drive the most cruise bookings in the region over the next year. Consumers here showed the most inclination toward going on a cruise in the next 12 months, with 68 percent of Chinese and 61 percent of Indians saying it was likely.



Photo courtesy of Crystal Cruises

While Indian and Chinese consumers may book the most, South Korean and Japanese travelers are projected to spend the most when booking. They are more likely to spend six or more nights a week out at sea, compared to the shorter trips of their Indian and Chinese peers.

As of now, these potential cruise travelers plan to primarily stay within the confines of Asia Pacific.

Chinese passengers are most likely to travel to Jeju, an island near South Korea, followed by Bali and Sydney, Australia. Indians, on the other hand, prefer the destinations Singapore, Hong Kong, Dubai, United Arab Emirates, and Sydney.



Ritz-Carlton Singapore

Sydney is a popular locale for South Korean, Japanese and Malaysian consumers, while

the Japanese islands of Okinawa and Osaka made the top three for both Hong Kong and Taiwan respondents.

Other ports that made the list include Phuket, Thailand and Venice, Italy.

Market segmentation

Cruise lines, much like other hospitality brands, will have to build awareness in Asian through digital channels.

Hotel brands are trying to fill the awareness vacuum in China as many travelers consider international and domestic travel for the first time, according to a new report by L2.

Many Chinese consumers depend on digital resources for travel guidance, making it imperative for brands to increase visibility on social media, search engines and online travel agencies. Indeed, six out of 10 Chinese consumers regularly consult OTAs for travel advice, according to BCG, essentially making these sites gatekeepers of commerce ([see story](#)).

Previous research from Agility broke down the psychographics among the different nations. While much attention has been paid to the spending power and penchant for luxury goods among Chinese consumers, brands cannot assume that the same exact attitude and shopping habits exist across all Asian countries.

China's maturing luxury buyers care most about quality and exclusivity, while in other areas, such as Hong Kong and Singapore, luxury is more defined by a lofty price point. As luxury brands spread out and increase operations throughout Asia to reach what will be 1 billion affluents over the next 10 years, understanding the nuances and personality traits typical in particular countries can help them more accurately market to residents ([see story](#)).

Knowing these psychographics can also help cruise lines gear their trips towards this growing market.

"It is notable that the two top markets for the next 12 months, China and India, have very different needs," Ms. Banta said.

"Indian cruises can fit into more compact packages given Singapore's proximity to Hong Kong, but cruises geared toward the Chinese market will require more days. While cruises from Bali – Sydney are already available, these typically run up to around nine days.

"The challenge in successfully reaching the Chinese market will lie in the cruises designed for them, taking into account the other top countries they would like to visit."

Final Take

Sarah Jones, staff reporter on Luxury Daily, New York

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