

LUXURY MEMO SPECIAL REPORTS

## Luxury cruising Luxury Memo special report

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*Cunard has introduced customized voyage and tour packages. Image credit: Cunard*

By SARAH RAMIREZ

Luxury cruising is undergoing a resurgence as affluent travelers seek out unique and adventurous experiences, both onboard and onshore.

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With interest in experiential and wellness travel on the rise, high-end cruise lines are working to keep pace with consumer expectations. From luxury accommodations and special partnerships to extended excursions, these investments continue to shape the industry.

"The future of the luxury cruise space is very positive," said Ron Kurtz, president of the [American Affluence Research Center](#), Atlanta. "For many years there has not been enough capacity to satisfy the demand created by the growth in affluent cruisers.

"Because of the rapid growth in capacity, it may take a little time for demand to catch up with the capacity, thus creating some pressure on pricing," he said.

### Top five trends in luxury cruising

- New destinations  
The popularity of smaller vessels, coupled with changing regulations, allows cruise lines to reach more port cities than ever before.
- Extended excursions  
Travelers can round out their trips with pre- and post-voyage tours curated by cruise lines.
- It is the journey  
Cruise lines are catering to passengers' diverse interests with unique onboard experiences.
- Sailing into shape  
More and more passengers are looking to mentally and physically rejuvenate themselves, on and offshore.
- All aboard

Luxury brands are approaching cruising from different viewpoints through partnerships and expanded offerings.

### Changing tides

Cruising has shifted from luxurious journeys on ocean liners to mainstream, middle-class vacations and back again, as luxury cruises refocus on more intimate and unique experiences.

The industry's resurgence has led to acquisitions as corporations look to expand their cruise and hospitality portfolios.



*Royal Caribbean made a \$1 billion investment in Silversea Cruises. Image credit: Silversea Cruises*

Luxury cruise line Silversea was officially acquired by Royal Caribbean in August 2018, as the former invested with a two-thirds stake in the company.

The acquisition brought Royal Caribbean into the luxury cruising world, rounding out all of its sectors. The 67 percent stake is based on an enterprise value of approximately \$2 billion ([see story](#)).

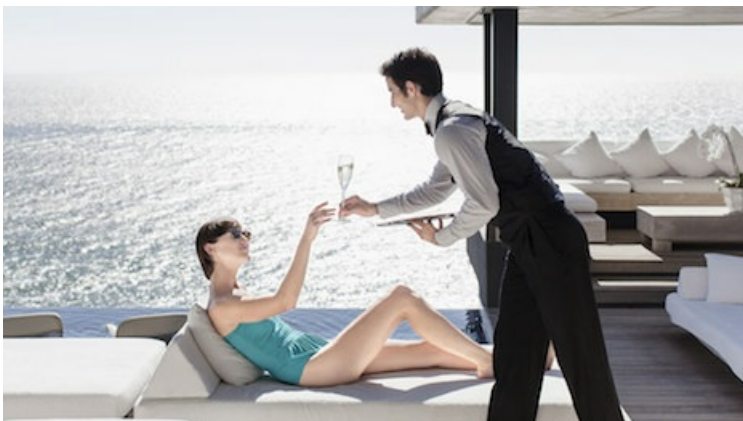
Luxury conglomerate LVMH Mot Hennessy Louis Vuitton expanded its hospitality business with the acquisition of hotel group Belmond.

Belmond encompasses 46 travel experiences, including hotels, trains and river cruises. LVMH purchased Belmond in cash for \$25 per Class A share in a transaction with an equity value of \$2.6 billion and an enterprise value of \$3.2 billion ([see story](#)).

In a similar manner, the typical luxury cruise traveler is changing as the industry evolves.

"The future of the luxury cruise space will be determined by the desires of discerning travelers," said Carmen Roig, senior vice president, sales and marketing at [Crystal](#). "Crystal expects to see the expansion of experiences in far-flung corners of the world as well as the rise in multigenerational travel as a result of young travelers' early exposure to the world at sea.

"Already, more millennials and Gen X travelers have experienced and enjoyed cruising, and nearly half of cruisers around the world are under 50," she said.



*Cruising becomes more popular with millennials. Image credit: Dream Cruises*

Millennials' thirst for adventure and experiences coupled with a lack of funds has cultivated a surprising interest in

cruising.

While many experts would assume that millennials' enthusiasm for unique experiences in travel would call for an aversion to cruising, JD Power has found that this is not the case. They may desire to see the world, but their money values and previous experience with family on cruises has resulted in 94 percent of consumers saying they are likely to take a cruise soon ([see story](#)).

Overseas travel coming from China is also continually growing. Chinese travelers are becoming more experience-oriented, and luxury cruises are among the new activities they are embarking on ([see story](#)).

Coast to coast

To keep up with experiential travel trends, luxury cruise lines are expanding guests' horizons.

For the November 2020 to May 2021 season, Cunard's Queen Mary 2 will host world voyages as part of its classic east-to-west journey, traveling throughout Australia to Asia as well as South Africa, the Indian Ocean Arabian Gulf and the Mediterranean.

Itineraries as part of the Oceans of Discovery program can range from two days to 113 nights ([see story](#)).



*The Windstar fleet is made of six small ships. Image credit: Windstar*

Some destinations are becoming more accessible because of the popularity of smaller vessels. These smaller cruise ships afford travelers several benefits, despite being less attention-grabbing than their larger counterparts.

Since Windstar's ships are shallow draft vessels, they are able to sail down rivers, bays and port cities where larger cruises cannot. These smaller destinations often offer travelers more authentic experiences since they are less consumed by the tourism industry.

Because no Windstar ship has more than 310 guests, travelers are more likely to build relationships with each other as well as staff members ([see story](#)).

Similarly, with much fewer passengers and a high-end experience, river cruising is growing in popularity with affluent consumers.

The 2017 Luxury Travel Trends report showed that not just American river cruising is growing but also European river cruises are leading the way in terms of destinations from affluent consumers ([see more](#)).

Changing travel regulations are also creating opportunities for other destinations.

With new air routes dramatically cutting travel time from Asia to Alaska, the number of visitors from China in the region is only expected to grow ([see story](#)).

Increased interest in Alaskan travel has led Cunard to build on its investments in the region.

Cunard announced that from June to September 2020, it will spend a full season in Alaska and will first make its return in May 2019. In addition, the cruise line will double its Alaskan offerings in the year 2020 ([see story](#)).



*Seabourn is now traveling to Cuba. Image courtesy of Seabourn*

Since the travel embargo between the United States and Cuba was lifted, the Caribbean nation has also been a hot spot for affluent vacationers.

Seabourn will travel to Cuba from Miami and San Juan, Puerto Rico beginning in November 2019. The cruise line will be offering four different itineraries, ranging from 11 to 14 days with stops at three to four Cuban ports ([see story](#)).

#### Beyond the seas

Cruise lines are further appealing to experiential-oriented travelers by offering exclusive, extended excursions for more in-depth and immersive trips often taking place before or after the actual cruise voyage.

"Luxury is one of the fastest growing sectors in travel, with affluent consumers increasingly seeking authentic and meaningful experiences, and cruising companies have recognized this," said Chris Austin, senior vice president of marketing and sales at [Seabourn](#), Seattle. "Luxury cruise lines are really taking the experience to the next level and enabling guests to engage with the destinations in a more interactive, experiential and participatory way."

Cunard's tour packages run for three to four days and take place in a variety of port cities, allowing guests to experience a particular locale in more detail. These tours are designed to precede or follow one of Cunard's cruises.

#### *Cunard offers extended excursions at many of its ports*

The pre- and post-voyage tours include accommodations at luxury hotels in each city. Instead of partnering with another hospitality brand, Cunard has linked up with independent hotels ([see story](#)).

Cunard is not the only luxury cruise line that is expanding to more land-based excursions to make guests' experiences more well-rounded.

Silversea Cruises also recently introduced a collection of land experiences to take travelers to remote locales.

Designed as pre- or post-cruise excursions, Silversea's inaugural Couture Collection includes trips to far-flung destinations such as Antarctica and Tibet.

The fully escorted experiences, limited to small groups, range in length from five to 11 days. These are designed to be easily combined with one or more of Silversea's cruises ([see story](#)).

"Transformative travel experiences through which travelers can learn something new, be meaningfully engaged, and add value to their personal life is the biggest trend we've seen," said Josh Leibowitz, senior vice president of [Cunard North America](#), Miami.

#### Onboard adventures

Unique experiences are not limited to onshore activities, as cruise lines focus on the voyage and not simply the destination.

"Luxury cruise brands stand out by offering passengers a travel experience that they cannot get anywhere else," Mr. Leibowitz said.

Onboard experiences cater to travelers' diverse interests, whether it be fashion, food or more.





*Bulgari is hosting a show on Costa Venezia. Image courtesy of Starboard*

Starboard Cruise Services and Costa Cruises has partnered with Italian jeweler Bulgari to stage an onboard experience that blends elements of entertainment, product showcase and brand education. The Bulgari Jewelry Fashion Show will be held once per itinerary on the newly launched Costa Venezia vessel.

This marks the first joint venture between Bulgari, Starboard and Costa Cruises. Bulgari is one of the retailers within Costa Venezia's 8,000-square-foot shopping area, which is operated by Starboard ([see story](#)).

Similarly, Cunard offers an immersive fashion experience with its annual Transatlantic Fashion Week, which features runway shows, inspiring talks, bespoke dinners and Q&A's.

Cunard's 2019 Transatlantic Fashion Week Crossing will host royal milliner Stephen Jones OBE, shoe maven Stuart Weitzman and American model Pat Cleveland ([see story](#)). Badgley Mischka will showcase its 2021 resort collection through a runway show on a seven-night Cunard voyage next summer ([see story](#)).

Beyond fashion, Cunard also supports the arts through special voyages and partnerships.

In a partnership with the English National Ballet, Cunard is providing guests with a rare opportunity to not only see a special performance but also a behind-the-scenes look at rehearsals and meet the dancers during a one-time-only trip ([see story](#)).



*Cunard announced partnership with English National Ballet. Image credit: Cunard*

Additionally, Cunard has partnered with the British Academy of Film and Television Arts, Los Angeles on a series of events for 2019. Cunard will also be able to offer guests film experiences while they are on board, bringing a taste of Hollywood to the water ([see story](#)).

"Escaping the fast-paced realities of home and indulging in time away at sea to pursue one's creative passion is perhaps the utmost in luxury," Cunard's Mr. Leibowitz said.

Culinary immersions also play a role in experiential travel on cruises.

"Luxury cruise brands offer a high level of service and rich dining experiences," American Affluence Research Center's Mr. Kurtz said.

Crystal Cruises worked with acclaimed chef Nobu Matsuhisa to create a one-of-a-kind cruising experience. The 2018 voyage sailed from Stockholm to London as the "Baltic Bliss" trip with special menus curated by the chef along with

a series of other activities ([see story](#)).

To further engage consumers, the cruise line teamed up with celebrity chef Jon Ashton on a 12-part video series that ventures to destinations served by Crystal Serenity. This culinary exploration has inspired dishes served on-board the ship, but it also allows consumers to experience dining Crystal-style from any location ([see story](#)).

#### *Chef Jon Ashton hosts A Culinary Journey with Crystal Cruises*

Ponant does not just offer a standard wine tastings for passengers. Instead, seeking to elevate the experience, Ponant partnered with Christie's to educate passengers on fine wine investing while traveling from Vancouver to San Diego, passing by California's wine-producing Napa Valley ([see story](#)).

Shopping remains an important aspect of luxury cruising as well.

Starboard Cruise Services is undergoing a transformation to make visits to its stores more of an experience. Whereas in the past passengers would turn to shopping as something to do after days out at sea, today retailers need to do more to become part of a guest's time aboard a ship.

While it partners with a number of luxury brands including Tiffany & Co. and Cartier, LVMH-owned Starboard's stores retail a range of merchandise that includes accessible souvenirs. The company also empowers its frontline associates to build a relationship over the course of a journey ([see story](#)).

Genting's Dream Cruises has built a luxury travel retail concept aboard its World Dream ship that focuses on experience and entertainment.

Tiffany & Co.'s store within the on-board Dream Boutiques retails a full selection of its jewelry and accessories. Dior's boutique on World Dream features its fine accessories, jewelry and watches ([see story](#)).

#### Wellness wave

As demand for wellness travel activities grows among affluents, cruise lines are responding in kind.

"Wellness is one of the hottest interest areas for luxury travelers right now," Seabourn's Mr. Austin said. "I believe part of the reason is the overarching shift from luxury goods to authentic experiences that are truly enriching, helping us mentally and physically rejuvenate ourselves."



*Seabourn has introduced a new wellness program. Image credit: Seabourn*

Coinciding with the launch of the Seabourn Ovation, a new wellness program was introduced onboard. Seabourn partnered with alternative medicine guru Dr. Andrew Weil and award-winning chef Thoms Keller to create special wellness and dining experiences ([see story](#)).

"To take our wellness offering to another level, we had offered two dedicated wellness cruises in 2018," Mr. Austin said. "Based on the success of those voyages, we will be offering two more wellness cruises one in 2019 bound for Arabia and one in 2020 to the Australia and New Zealand."

In partnership with wellness brand Canyon Ranch, Cunard has also introduced a new spa initiative called Mareel Wellness and Beauty. An entire spa redesign will house expanded treatment offerings, as well as a couples suite for seaweed baths, a meditation room and sound therapy facilities ([see story](#)).

Additionally, Regent Seven Seas Cruises is helping passengers achieve well-being in mind and body through a series of outings and spa treatments. Guests who book Seven Seas Wellness will be able to pick from a list of 10 onshore excursions, such as a Tai Chi class in the garden of the Pharo Palace in Marseilles, France ([see story](#)).

Collaborative crews

Upscale cruise lines are also collaborating with other brands, in and out of the luxury space, in increased efforts to offer guests a wider range of experiences.

In 2017, Peninsula Hotels linked with Crystal Cruises as it made its maiden jet voyage, putting its properties' local knowledge to use to introduce travelers to 10 international destinations ([see story](#)).

For its resumed service to Alaska, Cunard is partnering with rail operator Rocky Mountaineer, allowing guests to extend their journey with a train excursion. The train tour includes three to five nights' accommodation and two days on the train ([see story](#)).

Other cruise partnerships focus on family-friendly experiences.

Disney Vacation Club is bringing a variety of packages to customers of private travel club Inspirato, including Disney Cruises and Adventures by Disney excursions ([see story](#)).



*Inspirato is now working with Disney Cruises. Image credit: Disney*

A growing number of luxury brands are also entering the cruising and yachting space.

Hospitality groups Four Seasons and Mandarin Oriental are both offering extended excursions, which offer numerous activities including cruise and sailing expeditions ([see story](#)).

Hospitality brand The Ritz-Carlton is now accepting bookings for its foray into yachting as affluent consumers seek more cultural and unique means of travel.

While the Ritz-Carlton Yacht Collection experience slightly resembles a cruise, the brand emphasizes that the smaller size of its vessels not only provides a more personal and intimate experience, but can also take visitors where the larger cruise ships cannot venture ([see story](#)).



*Ritz-Carlton has opened booking for its yachting service. Image credit: Ritz-Carlton*

On a smaller scale, Toyota Corp.'s Lexus is making a splash by starting production on its own yacht. The first Lexus LY650 is expected to be completed in late 2019 before making its global debut ([see story](#)).

Lexus is one of several luxury automakers hitting the water and doubling down on attracting more boating enthusiasts. However, the success of these automotive-boating initiatives remains to be seen.

Best-practice tips for luxury cruises

- Carmen Roig, Crystal
  - "With so many players in the space, it's important for cruise lines to market their standout features and showcase what makes them different to attract their target guest."
- Josh Leibowitz, Cunard
  - "The best way to market luxury cruises is through education and visual storytelling. Sailing offers a more involved experience than staying at a hotel so it's important to bring all aspects of the experience to life."
  - "Offering details on everything from the accommodations and dining to the entertainment, wellness offerings, ports visited as well as the type of passengers that will be onboard is important in matching the right type of passenger to the right cruise experience."
- Chris Austin, Seabourn
  - "We're certainly trying to help travelers see beyond their perceptions about a cruise. Overcoming the perceptions is something we work hard to do every day, working with closely with travel advisors so they can tell our story and convey the experience to their clients."
  - "If you lead with the word cruise, some travelers are automatically switched off. So we've found it's better to build a mental image about the experience to draw people in all-suite accommodation that is all oceanfront, highly-trained staff, world-class cuisine and coveted destinations large and small and it does work."
  - "Today's luxury traveler is looking for a more enriching experience as they see the world and Seabourn offers them that and so much more. Where else can you go to do and see so much to fulfill your travel dreams in extraordinary fashion? We are the perfect choice for a travel professional to move a luxury land lover to cruise."
- Ron Kurtz, American Affluence Research Center
  - "Catering to repeat passengers with a strong loyalty program is very important. Consistent good food and service onboard, spacious cabins with veranda and interesting itineraries with exceptional shore excursions are all key to the luxury cruiser."
  - "Pre- and post-cruise accommodations as well as attractive air fares for business class are always appreciated by the cruiser."
  - "A good relationship with the travel agents that serve the affluent market is also important."