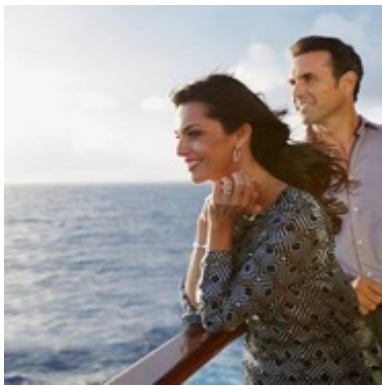


RESEARCH

## 46pc of affluent households have taken a cruise in past 10 years: report

April 15, 2014



*Regent Seven Seas Cruises promotion*

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By JOE MCCARTHY

The intent among affluent consumers to purchase a cruise during the next 12 months is rising, according to a report by the American Affluence Research Center.

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Precisely because affluent consumers have traditionally shown modest interest in cruise packages, the report argues that the industry has an opportunity to lift sales. The report also delves into recent buying patterns among the wealthy, such as major purchase plans and holiday shopping.

"I was surprised that only 46 percent of the affluent had cruised during the past 10 years, which is probably equivalent to whether they had ever cruised," said Ron Kurtz, president of the [American Affluence Research Center](#), Atlanta.

"I expected that number to be higher," he said. "It was also a bit surprising to see that familiarity with the cruise brands was rather low."

The Spring 2014 Affluent Market Tracking Study #25, the latest in a series of twice-yearly surveys, is based on a national sample of 330 men and women who have an average annual household income of \$268,000, an average primary residence value of \$1.1

million, an average net worth of \$3.1 million, and average investable assets of \$1.5 million.

### Sunny weather

The report begins by outlining the current outlook of consumers. Respondents view the current business condition as less favorable than in fall, but more favorable than last spring.

However, affluent consumers have a more positive view of future business conditions. Based on the 200 point index system, respondents' view of future business conditions rose 12 points to 117 and views of the stock market rose 13 points to 119.



### *Net-A-Porter same day delivery promotion*

Spending patterns are also returning to pre-recession levels, according to the report. Consumers are more likely to plan a major expenditure than in the year-ago period.

About 36 percent of respondents said they will make an effort to reduce or defer payments in the next 12 months.

The report also explores the expected changes in spending for 17 major categories. For instance, 25 percent of respondents said that they will spend more on home furniture in the next 12 months, while 3 percent said they will spend more on fine jewelry.

### Cruising along

The 46 percent of consumers who have taken a cruise in the past 10 years averaged 3.4 cruises in total. When applied to the households represented by the survey, this turns out to be about 3.6 million annual cruise passengers.

About 8 percent of respondents have taken a river cruise and 44 percent have taken an ocean cruise. Around 7 percent of consumers responded that they have taken nine or more cruises in the past decade, indicating that a small cohort drives a lot of business.

Respondents above the age of 60 were most likely to have taken a cruise.



### *Crystal Cruises*

The lack of familiarity with brands may have something to do with cruise numbers. Consumers traveled on an average of 2.1 brands over 10 years.

Contemporary brands Carnival, Norwegian and Royal Caribbean earned the highest overall familiarity rankings, ranging from 50 to 59 percent. Luxury brands Crystal, Regent, Seabourn, and Silversea scored the worst, with familiarity levels ranging from 19 to 27 percent. Premium brands Celebrity, Cunard, Disney, Holland America, Princess and Windstar slid between 19 and 56 percent familiarity.

The report argues that if brands are able to increase visibility, they may see greater traffic. However, brands in other categories may be hesitant about teaming up.

"Many luxury brands have higher levels of consumer familiarity than the cruise brands," Mr. Kurtz said.

"As a result, it is questionable whether the luxury brands would benefit as much as the cruise lines in any type of marketing partnership," he said.

Final take

*Joe McCarthy, editorial assistant on Luxury Daily, New York*

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