

CRUISES – US – 2023

Cruising has recovered, and people who sail are happy to do it again. The biggest issue, particularly for river cruises, is converting huge interest into sales.



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Travel & Leisure Analyst



Cruises - US - 2023

This report looks at the following areas:

- Who has been ocean and river cruising, and who is interested in doing so
- The demographics that are key to expanding cruising
- The aspects of cruising that attract and repel travelers
- The satisfaction levels of cruisers and what factors drive satisfaction
- The new cruise products of interest to consumers
- Consumers' evolving attitudes toward the cruise industry and sustainability



Cruising has recovered, and people who sail are happy to do it again. The biggest issue, particularly for river cruises, is converting huge interest into sales.

Overview

The cruise industry is back and seems to be stronger than ever, with **92% of cruisers saying they were satisfied with their last sailing**. This is good news for an industry whose consistently rising prices could reach a tipping point for consumers whose flexibility is becoming more limited as employers encourage workers to return to the office, and as ever expanding vacation options compete for consumers' dollars and free time.

River cruises are enjoying a surge in popularity over the a past five years, though the newness of the cruise type compared to ocean cruises means the industry is still figuring out its niche. Though 56% of consumers express interest in river cruising in the next year, just 19% currently plan to do so, meaning there's a wealth of opportunity for river cruise lines to develop their identity.

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Cruise lines, and river cruises especially, need to tout onboard amenities to educate those who feel they may be lacking, as well as develop new onboard services, all while maintaining the current satisfaction levels. They must do this at a time when AI technology raises the bar on what makes a "seamless" booking experience and as consumers show more inclination to reward cruise lines that take steps to reduce their environmental impact.

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Report Content

Key issues covered in this Report

- Overview

EXECUTIVE SUMMARY

- What you need to know
- Consumer trends: key takeaways
- Market predictions
- Opportunities

CONSUMER INSIGHTS

Consumer fast facts

Cruise passenger segments

- Mintel's cruise passenger segments
 - Graph 1: cruise passenger segments, 2023
- Potential Repeat Cruisers are the current key target, Potential New Cruisers are the future, will need more effort to convert interest to action
 - Graph 2: Potential Repeat Cruisers vs Potential New Cruisers, by key demographics, 2023
- Profile of Cruisers: younger skew, male and Black
- Profile of Recent Cruisers: more affluent, but generally resembles Cruisers
- Profile of Potential Repeat Cruisers: demographics reflect industry's ability to satisfy
- Profile of Potential New Cruisers: skews female, Gen Z and lower income and Hispanic

Ocean cruising and intent

- Cruising is on solid footing
- Ocean cruising keeps rising in popularity
 - Graph 3: ocean cruising intent, 2021-23
 - Graph 4: ocean cruising history, 2017-23
- Explore ways to activate travelers already inclined to cruise again
- Millennials are the backbone of ocean cruise passengers
 - Graph 5: ocean cruise history in the last five years, by generation, 2019-23
- Strong intent bodes well, but Gen X and Baby Boomers need an incentive to take action
 - Graph 6: ocean cruise intent in the next 12 months, by generation, 2023
 - Graph 7: ocean cruise interest in the next 12 months, by generation, 2021-23

- Ambivalent older travelers need persuasive messaging that reflects their vacation goals and reassurance of safety to commit to cruising
 - Graph 8: attitudes toward vacation types, by generation, 2023
- Show how cruising can fit into Gen Z's vacation plans; they show interest, but lack intent
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 - Graph 9: ocean cruising in the last five years, by race and Hispanic origin, 2019-23
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 - Graph 10: ocean cruise intent in the next 12 months, by race and Hispanic origin, 2023
 - Graph 11: ocean cruise interest in the next 12 months, by race and Hispanic origin, 2021-23
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River cruising and intent

- Cruising is on solid footing
- Experience with and interest in river cruising jumps dramatically – expect further expansion with new routes and thematic cruises
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Cruise vacation choice factors and satisfaction

- High satisfaction with cruising means high likelihood of returning
 - Graph 29: cruise satisfaction, by cruise type, 2023
- Tout the seamless onboard experience
- Capture attention with the cruise logistics consumers search for; market the onboard experience to stand apart from competitors in the arena
 - Graph 30: cruise vacation choice factors, 2023
- Promote the quality and features of cabins
- 84% of cruisers/potential cruisers factor duration, destination/ports of call and cabin size/quality into their cruise choice
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- While consumers choose cruises for logistical reasons, well-appointed and high-quality cabin amenities will keep them coming back
- Key driver analysis – all cruises
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- Key driver analysis – river cruises
- Focus on improving sleep quality to improve satisfaction with cabin quality
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 - Graph 36: desired cruise types, 2023
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 - Graph 39: expedition cruise appeal, by area, 2023
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 - Graph 40: desired cruise types, by generation, 2023
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- Make potential cruise passengers feel safe, mitigate to-port travel costs
 - Graph 42: barriers to cruising, 2021-23
- Make cruise information more user-friendly for Potential New Cruisers
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- Target high earners with less touristed, more unique destinations

COMPETITIVE STRATEGIES

Launch activity and innovation

- Carnival takes big steps toward improving onboard connectivity
- Cruises come to Booking.com, which can be a double-edged sword for the industry
- Cruisers will pay for sustainability
 - Graph 46: attitudes toward sustainability and cruising, 2023
- Hurtigruten pushes its aggressive emissions goals

Strategies and opportunities

- Carnival brings TV to life
- For Millennials: make them part of the shows they loved
- Royal Caribbean adds a touch of class to mainstream cruising
- For middle-income cruisers: offer a taste of luxury
- Cargill hopes to lift the industry with rigid sails
- For Gen Z: keep pushing for sustainability

Marketing and advertising

- Cruise lines broadly get what they pay for in marketing
- Spend vs impressions breakdown: winners and losers
- Spend vs impressions breakdown, continued
 - Graph 47: advertising spend share and impression share, mainstream cruise lines, 2022-23
- Cyber Monday deals address costs beyond the ticket price
- Use cultural experience to connect on TikTok
- Royal Caribbean's ad is a tour de Fort(nite)

THE MARKET

Market context

- Consumers are finally feeling and embracing the country's macroeconomic recovery

Market drivers

- The sky's the limit on seaborne vacation fare
- Fleet expansion will make cruise lines much more aggressive in acquisition
- Inflation continues to hold steady, and travelers feel a little more at ease with paying for vacations
 - Graph 48: Consumer Price Index change from previous period, 2020-2023
- Amsterdam joins a growing list of anti-cruise ship tourism

Market size and forecast

- US passengers are back, and will continue to sail
- US passenger counts surpass 2019 levels in 2023, predicted to increase through 2028
- Total volume and forecast of US cruise passengers

Market share/brand share

- Slow global 2022 recovery created emerging growth markets throughout 2023
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- Global cruise passenger volume
- Contemporary/mainstream cruise line revenue, by company

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- Consumer research methodology
- Generations
- Abbreviations and terms
- Forecast
- Forecast fan chart

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