

# The European market potential for cruise tourism

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Although cruise tourism is accessible for many Europeans, the COVID-19 pandemic is having a big impact on this market. In Europe, Germany and the United Kingdom are the main target markets. There are many forms of cruise tourism. World and sea cruises normally use large ships, which may not be affordable for you as a small and medium-sized enterprise. In addition, most large cruise ships are not environmentally sustainable at all. As the demand for sustainable tourism increases, small sea and river cruises which contribute to local communities become more appealing for small and medium-sized tourism operators.

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Figure 1: River cruise ships mooring at a cultural destination



Source: pexels.com

## 1. Product description

Cruise tourism involves an all-inclusive holiday on a cruise ship for at least 48 hours, whereby the ship calls at several ports or cities on a specific itinerary. It is a tourism product that offers and combines [attractions](#), [activities](#), [access](#), [accommodation](#), and [amenities](#). The nature of cruise ships makes them as destinations in themselves, where features and amenities are comparable or even superior to resorts on land.

According to the Dutch centre for coastal tourism, [HZ Kenniscentrum Kusttoerisme](#), cruise tourism comprises a variety of different types of cruises, varying in duration and destinations:

Table 1: Cruise tourism divided in specialist niches and target groups

Cruise Tourism			
Specialist niche	Description	Target group	Examples

Expedition cruises	Special, normally inaccessible locations. Ships are often small or medium in size with a limited draught to be able to access more remote places. On-board facilities are fairly comfortable.	The target group of expedition cruises mainly comprises curious, highly educated, nature-focused and adventurous individuals.	Arctic expedition cruises offered by <a href="#">Quark Expeditions</a>
River cruises	River cruise tourists spend several nights on board. Ships are reasonably small to be able to navigate close to river banks.	River cruise companies mainly focus on couples and singles.	River cruise offered by <a href="#">Myths and Mountains</a>
Sea cruises	Sea cruises cover large distances, sailing the world's seas and oceans. Ships are large to very large, with a wide variety of facilities and services to cater to different target groups. As a result of the size of the vessels, the ports that accommodate these ships need adequate facilities.	Various target groups due to the large number of amenities and facilities on board.	Mostly established large companies offer sea cruises such as <a href="#">Silversea</a>
Theme cruises	These are cruises that follow a specific theme throughout the journey, such as wine cruises, golfing cruises, cooking cruises, active cycling cruises, music and celebrity cruises.	Theme cruises can be attractive to various target groups depending on the theme they represent. They are especially popular among the millennials and Generation Z.	Dance cruise, holistic holidays at sea, poker cruise, Disney themes cruises, sci-fi sea cruise

Mini cruises	These are regular cruises that last considerably shorter. Mini cruises start close to home, are cheaper and the ships are smaller.	Mini cruises are a great option for young professionals whose work schedule does not allow for longer holidays.	<a href="#">Merapi</a> offers budget cruises in Indonesia
World cruises	World cruises are cruises for travelling around the world in a relaxed way. They enable passengers to visit destinations scattered across continents and countries. World cruises have all the facilities passengers might ever need, but prices are quite high. Departures from Europe are generally scheduled in January and journeys normally last 60-100 days, stopping at 30 to 60 ports.	As the cost of world cruises are quite high and the journey tends to be long, therefore it is more suitable for mature travellers, the elderly or families without children.	Established companies such as <a href="#">RoyalCaribbean</a>
Transit cruises	In this type of cruise, the destination serves as a stopover. The destination welcomes passengers early in the morning or afternoon, so they can explore it. Their duration is between one and a few days. After visiting a destination, the ship sails to the next one.	Similarly to river cruises, transit cruises can be popular among adventurous younger travellers, couples and also singles.	Day cruises in the <a href="#">Mekong Delta</a>

Turnaround cruises	These are cruises that start and return to the same destination. Cruise ships moor at ports for embarking and disembarking passengers. For passengers, these ports may not be their desired destination, but they sometimes take the opportunity to take a tourism trip.	As they tend to be shorter than world cruises, these are suitable for families as well as couples of all ages.	<a href="#">Norwegian Cruise Line</a>
Charter cruises	A group that books the whole or only part of a ship (e.g. a yacht, sailing boat) for various purposes.	Charter cruises are especially popular with families or group of friends for all sort of celebrations. Companies may also want to charter cruises to offer incentives to their employees.	<a href="#">Adventure Smith Explorations</a>

This article provides an overview of cruise tourism, including expedition, river, sea, theme, mini cruises as well as world, transit and turnaround cruises. Some other niches in the nautical segment are covered in separate CBI studies.

This study explains why Europe is an interesting market, which countries offer the most potential and which trends offer opportunities.

### Tips:

- Focus on a cruise type that is feasible for you. Expedition cruises, [theme cruises](#), mini cruises, transit cruises and turnaround cruises may offer opportunities.
- Focus on activities and sights instead of luxury, as offering a high-level luxury requires big investments.
- Ensure that safety standards are followed. The safety of your passengers is very important. Get started by reading our study [on how to manage risks](#).
- Look for opportunities to cooperate. For instance, your business may offer tours and activities for transit cruise passengers to explore the destination. When you operate your own cruise, work with other local service providers.
- Read our studies on [dive tourism](#) or [surf tourism](#), if you are interested in nautical tourism in general.

## 2. What makes Europe an interesting market for cruise tourism?

The cruise industry is one of the largest growing sectors in the tourism industry. It has steadily been growing, even during the economic recession in the 2000s. Between 2009 and 2019, the number of ocean cruise tourists worldwide rose significantly from 17.8 million passengers in 2009 to 30 million in 2019. The industry continues to grow and expand into new destinations.

This growth is fuelled by various trends, as described in [CLIA's 2020 trend outlook](#). According to the trend outlook, in the year 2020, 19 new CLIA ocean cruise ships are expected to start sailing, adding to the 278 projected to be in operation. Some 32% of the new ships will be deployed in the Caribbean region. The same CLIA report states that in 2018, 28.5 million tourists enjoyed a cruise holiday, while the industry contributed €128 billion to the global economy. The continuous growth of the global cruise industry is well indicated by the projections.

Europe is the [fastest growing tourism submarket](#) and, after North America, is also the second-largest cruise market in the world. The [passenger volume](#) of cruises leaving from European ports increased from 6.1 million to 7.2 million between 2012 and 2018.

The global cruise tourism market is expected to grow incrementally between 2018 and 2022 by 6%. According to the 2018 [Cruise Industry News Annual Report](#), the biggest growth in passenger numbers will come from Europe. By 2027, 51% of cruise passengers will probably be coming from North America (14% in 2019), 31.5% from Europe ([7.17% in 2019](#)) and 17.5% from Asia-Pacific (5.7% in 2019). That means that the growth rate of cruise tourism in Europe is anticipated to be bigger than in the US and Canada, but the absolute number of cruise passengers in Europe will not exceed the number in North America.

The growth projections are challenged by the impact of COVID-19, however. According to [KPMG](#), the pandemic has damaged the reputation of the industry and resulted in significant revenue loss (such as paying out cancellation fees, reimbursement of tickets, costs associated with ships docking at various ports). The financial impacts are significant and may lead to the closure of numerous cruise companies. The ones that are able to survive will need to comply with even more rules and regulations than before. The extension of existing sanitation standards and more strict enforcement of rules and regulations can be expected. Restoring confidence is a major priority, therefore transparent and visible procedures are needed. This means that the industry needs to prepare for higher risk management costs and more service restrictions.

As indicated by [KPMG](#), various reports have confirmed that despite the uncertainties, the number of bookings for 2021 show an increase compared to 2019. This trend is strengthened by the fact that many cruise companies offer credits that can be used for future bookings, instead of cash refunds, and/or offer large discounts for new bookings. As stated by KPMG, a CLIA report shows that 82% of the passengers are likely to book a cruise holiday for their next vacation. The cruise industry therefore appears to be resilient and, despite of the risks, passengers look forward to cruising again in the near future.

Major [factors driving the global growth](#) in cruise tourism:

- A strong economic recovery, causing an increase in consumer spending and a gradual increase in luxury lifestyle and leisure travel expenses.
  - A substantial increase in repositioning cruises, which refers to moving a ship from one sailing destination to another. According to Technavio, [consumer interest in repositioning cruises](#) includes exploring different destinations and their price advantage when compared with regular cruising. Cheap one-way flights for travellers to return to their homes or reach the ships in the first place are also an attractive factor.
  - The growth of cruise ship capacity. According to the 2018 [Cruise Industry News Annual Report](#), ocean cruise ship capacity will increase by 48% from 2018 to 2027, from 26.7 million to 39.6 million passengers.
  - New destinations and new regions are continuously introduced
  - Cruising is increasingly [popular across various generations](#). Cruising is no longer just for the elderly.
- The following table shows the most visited regions with at least 4,000 passengers involving developing

countries.

Table 2: Number of sea cruise passengers per destination region

Relevant destination regions	Number of cruise passengers 2018 (in 1,000)	2017 year-to-year growth	2018 year-to-year growth	Countries of origin (in descending order)
Eastern Mediterranean	745.8	−11%	+8%	Italy, UK and Ireland, Germany, Spain, France
Africa, Middle East	219.0	−4%	−9%	Germany
Asia and China	139.4	+9%	+9%	UK and Ireland, Germany
Exploration destinations *	78.4	+43%	+11%	UK and Ireland
Panama Canal, South America	61.8	+15%	+3%	UK and Ireland, Germany
Australia, New Zealand, Pacific	44.7	+8%	−4%	UK and Ireland
North America's West Coast, Mexico, California, Pacific Coast	18.0	−11%	+1%	UK and Ireland
Transatlantic, World Cruise	209.2	+8%	+17%	UK and Ireland, Germany

Source: [CLIA 2018 Europe Market Report](#)

\* Exploration destinations include, for example, the Arctic, the Galápagos Islands and Antarctica.

European cruise passengers on transatlantic world cruises or travelling through the Panama Canal, to South America, Australia, New Zealand, Pacific, Asia and China have the highest average ages (58+) and make the longest trips (more than 12 days). To the Eastern Mediterranean, European passengers have the youngest average age (47) and do the shortest trips (approximately 8 days). Passengers to North America's West Coast, Mexico, California, Pacific Coast, Africa and Middle East have an average age of 51-52 and take a trip of 12-13 days. Based on passenger capacity, the most popular cruise companies on the European market are Carnival Corporation (3.2 million), MSC Cruises (2.2 million) and TUI Group (1.1 million).

### Tips:

- Understand the market. Continuously collect data, facilitate market research, monitor the industry and consumer trends. A good place to acquire data is CLIA, which publishes an [annual market report about Europe](#) and other reports, such as the [Ocean and River Cruise Review](#).
- Develop new cruise products. Although cruising is already well developed as a product, you could focus on developing new products based on market analysis and feedback, keeping in mind the varied target audience.
- Target your customers via European cruise operators, regular tour operators, destination management companies, or directly. To reduce your dependence on one sales channel, sell your cruises via a variety of channels.
- Promote your region together with other potential destinations to CLIA Europe. [CLIA](#) is the global organisation of the cruise industry, which includes [CLIA Europe](#). It represents more than 50 cruise lines (ocean, river, and specialty cruise lines), 340 executive partners (key suppliers and cruise line partners such as ports and destinations, suppliers and business services), 15 thousand travel agencies and agent members worldwide.

## 3. Which European countries offer most opportunities for cruise tourism?

In passenger volume, the two most important European markets for cruises are Germany and the combined market of the UK and Ireland. Together they accounted for nearly 60% of all European cruise passengers in 2018.

The remaining cruise tourism markets in Europe's top six are Italy, Spain, France and Switzerland. All these countries show increases in passenger volume between 2016 and 2018, [the biggest increases being in Italy and Spain](#). The tables below show which of these countries have the biggest potential for destinations (with at least 4,000 passengers) in developing countries.

### Germany

Germany offers the biggest cruise market in Europe (31%), but growing little annually. Cruise holiday lengths also show small increases. The Caribbean, Bahamas and Bermuda are the most important destination for German cruise goers (10-11%), followed by Africa and the Middle East (5-6%) and the Eastern Mediterranean (5%).

Table 3: German cruise market key statistics

Year	Number of passengers (in 1,000)	Annual growth	Average duration in days	Average age
2018	2,233	3.0%	9.1	49
2017	2,169	7.5%	8.8	50
2016	2,018		8.8	50
Market share Europe 2018: 31%				

Source: [CLIA 2018 Europe Market Report](#).

Destinations in developing countries show a decline over the past three years. The decline is visible in the age groups 20-29 and 40+, especially in one-day cruises and cruises of 21 days or more.

Table 4: German cruise market most visited destination regions

	2018 (market share/ in 1,000 passengers)	2017 (market share / in 1,000 passengers)	2016 (market share / in 1,000 passengers)
Caribbean, Bahamas, Bermuda	9.5% / 210	11.1% / 236	11.4% / 222
Africa and Middle East	4.8% / 107	5.6% / 120	6% / 117
Eastern Mediterranean	4.5% / 100	4.6% / 97	5.3% / 104
Asia, China	1.9% / 42	2.8% / 59	3% / 58
Panama Canal, South America	0.7% / 17	0.9% / 19	0.9% / 17
Exploration destinations	0.9% / 20	1.1% / 23	0.6% / 12

Source: [CLIA 2018 Europe Market Report](#).



## UK and Ireland

The UK and Ireland combined make up 27% of the cruise market in Europe, the second-largest share. Compared with the other top-five markets in Europe, cruise passengers from the UK and Ireland are the oldest (56-57 years) and take the longest cruise holidays on average (10 days). Market data shows a marginal increase of this market in the past two years and a marginal increase in holiday length.

Table 5: UK and Ireland cruise market key statistics

Year	Number of passengers (in 1,000)	Growth	Average duration in days	Average age
2018	2,009	2.0%	10.1	57
2017	1,971	0.5%	10.3	56
2016	1,960		10.4	56
Market share Europe 2018: 27%				

Source: [CLIA 2018 Europe Market Report](#).

Caribbean, Bahamas, Bermuda (14%–15%) and Eastern Mediterranean (7%–8%) are the most visited destination regions by British and Irish cruise travellers. Interest in Caribbean, Bahamas, Bermuda, and Asia, China, and Panama Canal and South America has been slightly increasing since 2016. [According to Statista](#), the most popular types of cruises booked by UK travellers are ocean (57%), adult-only (33%), river (32%) and land-based (25%).

Table 6: UK and Ireland cruise market most visited destination regions

	2018 (market share / in 1,000 passengers)	2017 (market share / in 1,000 passengers)	2016 (market share / in 1,000 passengers)
Caribbean, Bahamas, Bermuda	14.7 / 295	14.1 / 276	13.8 / 268
Africa and Middle East	1.2 / 24	2.4 / 48	2.0 / 38
Eastern Mediterranean	6.9 / 137	7.3 / 144	8.2 / 159

Asia, China	3.2 / 63	2.3 / 45	1.9 / 37
Panama Canal, South America	1.3 / 26	1.0 / 20	0.8 / 16
Exploration destinations	1.2 / 32	1.1 / 22	1.1 / 22

Source: [CLIA 2018 Europe Market Report](#).

## Italy

Italy is the third-largest cruise market in Europe, making up 12% of the total European cruise market. Interest in cruise holidays shows a clear increase in the past two years. Compared to the other top-five markets in Europe, Italian cruise passengers are the youngest on average at 43 and take the shortest cruise holidays on average (7 days), which has shortened marginally in the last three years.

Table 7: Italian cruise market key statistics

Year	Number of passengers (in 1,000)	Growth	Average duration in days	Average age
2018	831	8.0%	7.3	43
2017	769	2.5%	7.5	43
2016	751		7.5	42
Market share Europe 2018: 12%				

Source: [CLIA 2018 Europe Market Report](#).

Italians' interest in cruise holidays to the Caribbean, Bahamas, Bermuda has clearly increased over the past few years. Cruise holidays to Africa and Middle East show a small decline, mainly visible in the age group 20-39. From 2017 to 2018 all age groups showed increases. With reference to the length of the cruise, 1-3 day cruises, 8-13 day cruises and cruises longer than 21 days declined between 2016 and 2018, but probably due to economic recovery these figures were turned to strong growth again in 2018. However, the popularity of 15-20 day cruises has been declining, and this decline has been stronger in 2018 than in 2017.

Table 8: Italian cruise market most visited destination regions

	2018 (market share / in 1,000 passengers)	2017 (market share / in 1,000 passengers)	2016 (market share / in 1,000 passengers)
Caribbean, Bahamas, Bermuda	9.7 / 81	10.0 / 77	8.2 / 61
Africa and Middle East	2.9 / 24	2.6 / 20	4.0 / 30
Eastern Mediterranean	23.4 / 195	22.3 / 172	23.3 / 174
Asia, China	0.4 / 3		
Panama Canal, South America			
Exploration destinations	0.4 / 3	0.3 / 2	

Source: [CLIA 2018 Europe Market Report](#).

## Spain

Spain's cruise market has a market share of 7% in Europe, which is similar to France's. Compared to the other top-five markets in Europe, the Spanish cruise holidays are the shortest (7 days), having reduced in length marginally in the last three years. The shares of cruise holidays to various destinations fluctuate from year to year.

Table 9: Spanish cruise market key statistics

Year	Number of passengers (in 1,000)	Growth	Average duration in days	Average age
2018	530	3.9%	7.3	46
2017	510	6.4%	7.5	44
2016	480		7.6	44
Market share Europe 2018: 7%				

Source: [CLIA 2018 Europe Market Report](#).

The most visited destinations by Spanish cruise goers are Eastern Mediterranean (16%–18%) and Caribbean,

Bahamas, Bermuda (6%–8%). The latest figures show a small decline of visits to the Caribbean, Bahamas, Bermuda and a small increase to Africa and the Middle East, and Eastern Mediterranean. The decline was mainly associated with a decline in cruise popularity in all age groups older than 20 years. However, in 2018 all age groups showed a strong increase again. The decline in 2017 was mainly in the market of cruises of 15 days or more. In 2018, the longest category of cruises (21+ days) still showed a decline, whereas all other cruise lengths showed increases.

Table 10: Spanish cruise market most visited destination regions

	2018 (market share / in 1,000 passengers)	2017 (market share / in 1,000 passengers)	2016 (market share / in 1,000 passengers)
Caribbean, Bahamas, Bermuda	7.3 / 39	8.1 / 41	6.4 / 31
Africa and Middle East	1.7 / 9	1.1 / 6	1.9 / 9
Eastern Mediterranean	17.6 / 94	15.9 / 81	16.1 / 77
Asia, China	0.6 / 3		
Panama Canal, South America	0.4 / 2	0.6 / 3	0.5 / 2
Exploration destinations	0.5 / 2	0.5 / 3	

Source: [CLIA 2018 Europe Market Report](#).

## France

France also has 7% of the European cruise market. Two destination areas stand out: Caribbean, Bahamas, Bermuda (21–24%) and Eastern Mediterranean (11–14%).

Table 11: French cruise market key statistics

Year	Number of passengers (in 1,000)	Growth	Average duration in days	Average age
2018	521	3.4%	7.9	49
2017	504	-9.1%	7.7	48

2016	554		8.0	48
Market share Europe 2018: 7%				

Source: [CLIA 2018 Europe Market Report](#).

It seems that the Caribbean, Bahamas, Bermuda region has become more popular in the past three years among French cruise travellers (from 20.5% to 23.3%), while the Eastern Mediterranean slightly less popular (from 13.6% to 12.7%). Travellers between 13 and 30 years of age and from 40 to 49 showed slightly declining shares in 2016-2017, but all age groups were on the rise again in 2018. Cruises of 4-6 days and 14 days showed sharp declines in 2018. Cruises of 8-13 days and more than 21 days also declined in 2017 but increased sharply in 2018.

Table 12: French market most visited destination regions

	2018 (market share / in 1,000 passengers)	2017 (market share / in 1,000 passengers)	2016 (market share / in 1,000 passengers)
Caribbean, Bahamas, Bermuda	23.3 / 121	24.4 / 120	20.5 / 111
Africa and Middle East	2.5 / 13	2.1 / 10	2.6 / 14
Eastern Mediterranean	12.7 / 66	11.1 / 55	13.6 / 74
Asia, China	1.0 / 5		
Panama Canal, South America	0.9 / 5	1.0 / 5	0.7 / 4
Exploration destinations	0.9 / 5	0.7 / 3	

Source: [CLIA 2018 Europe Market Report](#).

## Switzerland

Switzerland has a small market share in the European cruise market of only 2%.

Table 13: Swiss cruise market key statistics

Year	Number of passengers (in 1,000)	Growth	Average duration in days	Average age
2018	154	1.5%	9.0	49
2017	152	3.2%	9.0	49
2016	147		9.2	49
Market share Europe 2018: 2%				

Swiss cruise holidaymakers most often go to destinations in the Eastern Mediterranean region (14%–16%) and the Caribbean, Bahamas, Bermuda region (10%–12%). These percentages show some fluctuation since 2016. In 2018, the age groups between 20 and 29 and those between 40 and 69 declined clearly in market share. All other age groups increased. Figures clearly show that cruises of 14 days or longer have become less popular in the Swiss cruise market, but shorter cruises increased.

Table 14: Swiss cruise market most visited destination regions

	2018 (market share / in 1,000 passengers)	2017 (market share / in 1,000 passengers)	2016 (market share / in 1,000 passengers)
Caribbean, Bahamas, Bermuda	10.3 / 16	11.7 / 18	10.6 / 15
Africa and Middle East	4.9 / 8	3.7 / 6	5.0 / 7
Eastern Mediterranean	14.3 / 22	13.8 / 21	16.4 / 24
Asia, China	2.2 / 3	2.2 / 3	2.2 / 3
Panama Canal, South America	1.8 / 3	2.0 / 3	2.0 / 3
Exploration destinations	2.0 / 3	2.1 / 3	

Source: [CLIA 2018 Europe Market Report](#).

If you run a business in the Eastern Mediterranean regions, in the Asia-China region, or in the Galápagos Islands,

you have the biggest opportunities to seize in the European cruise market; these destinations combine a significant number of passengers with the biggest growth in passenger volume (table 14). If we consider the strong growth of transatlantic and world cruises (8% in 2017 and 17% in 2018), businesses in the latter two destination regions might have even more opportunities.

### Tips:

- Focus on the UK, Ireland or Germany. The UK and Ireland combined, and Germany, are the most interesting markets for you to focus in Europe.
- Consider products and services in the market of expedition cruises and river cruises because they have strong potential.

## 4. What trends offer opportunities or pose threats in the European cruise tourism market?

### Growing demand for sustainable cruises

Sustainability and sustainable tourism are big topics in the political agenda in Europe. Travellers, especially the younger generations, and businesses are increasingly aware of and concerned about sustainability. Holiday choices are also increasingly influenced by ethics, moral values, concerns about the environment, animal welfare, production and labour practices, and social impact on local communities and people. These travellers demand affordability and availability of environmentally friendly, sustainable and socially responsible tourism services and products. They want to reduce their holiday carbon footprint, but often want to improve the destination as well. That is why do good, feel good holidays and ecological tours are growing in popularity.

Cruise tourism in general [is seen as unsustainable](#). When huge ships pay visits to small communities, this normally has a big impact on the lives of locals. Because they bring many visitors, who stay only a short amount of time, it may cause over tourism and not create many jobs. Cruise tourism also hardly contributes to local communities, as only 8% of the total holiday expenditure is spent on location. The biggest problem with cruise tourism however is that it generates a lot of pollution, particularly large cruise ships. This includes air pollution (by CO<sub>2</sub> and NO<sub>x</sub> emissions) as well as water pollution, since ships create a lot of waste that is partly dumped in waterways, seas and oceans.

The cruise industry is slowly responding to the growing demand for sustainability by working together with destinations, local cultures and landmarks to limit their environmental footprint. There has been an increase of sustainable practices on board, such as waste management, and sustainable tourism activities on shore, such as voluntourism initiatives that focus on creating a positive environmental and social impact at destinations.

Examples of good practices by cruise tourism operators include:

- [AmaWaterways](#) offers river cruises with the [Zambezi Queen](#) in South Africa on the Chobe River. It uses various approaches to sustainability, such as purified river water for on-board showers, taps and the pool; biodegradable cleaning products; solar-heated hot water; and a water-jet propeller system that doesn't disrupt the riverbed.
- [Uniworld Cruises](#) (Ireland): environmentally friendly river cruising.
- [Aqua Expeditions](#): river cruises ships' doctors deliver medical supplies and healthcare to remote Amazon villages.

## Tips:

- Study the [UN Sustainable Development Goals](#) and develop a policy on increasing sustainability. Start small, for example, by reducing waste using reusable dishes. Have clear rules on your ship for passengers, for example, about not throwing rubbish in overboard. Invest in a motor that produces less emissions.
- Large ships can also use technology to reduce wastewater, install solar panels or use alternative fuels like biodegradable fuels.
- Use your sustainability practices to market your product. Showing you care about the environment will prove popular among European tourists.
- Provide training for both your staff members and your travellers on environmental and cultural issues. Educate your employees on operational procedures to minimise the negative environmental impacts and provide your travellers with on-board learning possibilities on marine life and environmental protection.
- Review [our study on trends in the tourism sector](#), where you can find more information on the rising demand for sustainable holidays, including background information, best practices and tips.

## Growing European market for millennials and Generation Z

While the millennial market for tourism has been growing, Generation Z is expected to outpace the millennials and become the largest consumer market by 2020. Both generations look for personalised and transformational travel experiences. Especially river and small ship cruises are gaining importance among millennials while Generation Z is looking for multi-destination cruises and unique experiences on board, such as music festivals at sea. for example.

The tourism markets for millennials or Generation Y travellers, born between 1980 and 1995, and Generation Z, born between 1995 and 2015, are growing rapidly. Both generations prefer unique travel experiences over possessions. While authenticity is important for the millennials, Generation Z is even more keen to find original experiences. They are increasingly searching for extreme adventures and transformational experiences that contribute to their quality of life. As both generations are tech-savvy, they enjoy sharing their travel experiences online. While both generations are mostly motivated by authentic user-generated content, Generation Z is even more inspired by influencers sharing genuine content.

Cruising originally targeted high-spending tourists, but nowadays it is increasingly accessible to people on small budgets, including millennials and Generation Z. While younger generations like to escape their everyday lives, they are also often referred to as working nomads (working remotely on their laptops to avoid lost wages). Offering good internet connections and areas suitable for working can please this target group.

It is also important to mention that while the 'original' target group of elderly passengers used to seek routine and standardised experiences, the millennials and Generation Z travellers see the cruise tourism as a 'complementary' form of holiday. This means we are witnessing the emergence of a new type of traveller, referred to as the 'hybrid passenger'. Therefore cruise tourism providers can no longer simply rely on repeat visitors; they need to find a way to capture the attention of first-time passengers. One approach towards this is to offer thematic cruises such as heavy metal cruises, for instance, and unique packages that combine sea and land experiences or providing major events (e.g. concerts) on board. This trend points towards the emergence of [cruise ships as "flexible experience platforms"](#).

Examples of companies that have successfully tapped into the millennial and Generation Z cruise markets include:

- [Aqua Expeditions](#) offers small-boat luxury river cruises in Peru, Cambodia and Vietnam. It has achieved global recognition as a leader in luxury small-ship river cruising.



- [Merapi](#) offers various adventurous budget cruises in Indonesia on small boats. Cruise ships take travellers to snorkelling locations, traditional villages and places to relax, including excursions.
- [Taonga Safaris](#) offers river cruises for tourists aiming to enjoy wildlife.
- [Uniworld River Cruises](#) in collaboration with [ME to WE](#), offers a 12-day New Delhi-to-Kolkata journey that starts with four days of cultural immersion and service projects in rural Rajasthan, followed by eight days on the Ganges, sailing round-trip from Kolkata.
- The South Pacific experts from [Paul Gauguin Cruises](#) have partnered with [Te Mana O Te Moana](#), a non-profit education and conservation organisation, to offer free Moana Explorer programme for kids to participate in daily naturalist-led activities and outings, from conducting water experiments to learning about underwater life through board games. Parents are also welcome to participate. Read more on multi-generational travel on our CBI study on this topic.

### Tips:

- Read the [CBI tourism trends report](#) for more detailed information on the needs and wants of Generation Y.
- Launch thematic cruises offering unique experiences on board to target Generation Z.
- Generate authentic content for the promotion of your services to inspire these generations.
- Collect guest feedback and visitor data and integrate it into your management review.

## The feeling of achievement

The millennials and Generation Z are driving the shift from experiential travel to achievement travel. These young travellers want to do more than just visit a destination. They seek adventure. They are looking to learn new skills (such as taking cooking classes, making local products or artefacts, learning to surf) or complete challenges (such as climbing a mountain or river kayaking).

The cruise industry responds to this growing demand by establishing connections with the destination and prioritizing physical visits and experiences in the destination. They offer packages that focus on ever-expanding itineraries, destination experiences and options for obtaining 'Instagram perfect moments', which refers to experiences that could perfectly be shared via the social media platform of [Instagram](#). The aim is that those returning from a cruise will have shift in perspective and a sense of accomplishment/achievement.

While achievement is the core of the experience, travellers are becoming ever more conscious. Contributing to local communities while visiting a destination is seen as a priority. This has been recognised by cruise operators. This offers perfect opportunities for small excursion operators.

Example:

- [Myths and Mountains](#): The company offers river cruises in Asia. The cruises offer a wide range of services and comfort. For those looking to immerse themselves in local culture, they offer master classes, such as on traditional attire and lifestyles, and a variety of off-board excursions.

### Tips:

Investigate the numbers of ocean cruises that pass along the coast and of river cruises in your country. Get in touch with the organisations behind these, and discuss the options to offer authentic, adventurous, immersive activities such as a traditional canoe journey during a cruise stopover in Papua New Guinea.

Offer cruises combined with onshore adventure activities, such as trekking, hiking, biking and cooking

workshops.

Contribute to the connections with the hinterland by providing authentic onshore transport facilities to bring people from the port to landmarks or activity locations.

## Solo and female travel

**Travelling solo** is becoming more popular amongst cruise passengers. Cruise operators are increasingly focusing on people travelling alone, as cruises offer a safe and easy way to reach faraway destinations. As an emerging trend cruises started to offer single cabins with single-friendly prices. There is more emphasis on offering activities and on and off-shore programmes for solo travellers allowing them to meet others travelling solo. A number of Latin American countries are among the most popular for solo travellers. Solo travellers tend to be confident, independent, have a real sense of adventure, and to be spontaneous and social.

Besides solo travel, cruises have recognised the potential in female travel. Women travel more frequently, and their market is continuously growing. Cruises started offering itineraries focused on women. Female empowerment is in the core of these experiences. Female-centred cruises allow women to explore the world in a safe and secure manner. Furthermore, solo travel is more popular among women than among men. It is a promising market segment.

Example:

- **BlueFoot:** Sailing holidays in style. The company offers day trips, 7-day sailing trips and 8 to 9-day sailing adventures. They offer free sailing classes for those who want to learn how to sail. The trips are suitable for solo travellers as well as for larger groups. They offer their services around the Grenadines in the Caribbean region.

### Tips:

Investigate which cruise companies passing by your area have offers tailored to solo and/or female travellers and provide services that match their needs.

Provide authentic experiences that help create bonds between solo travellers.

## The impacts of COVID-19 on cruise tourism

The pandemic can be seen as a catalyst that has **accelerated many of the processes** that have already been present in the cruise tourism sector. When looking at the impacts from the passengers point of view, it becomes clear that the significant negative implications of Covid-19 on individuals' financial situation affected the purchasing power and spending patterns of potential cruise passengers.

Due to the pandemic, the all-inclusive aspect has gained even more popularity. Passengers favour all-inclusive packages as these allow them to have an idea of the costs prior to departure. Furthermore, passengers seek security when it comes to cancellation fees and refund policies.

Although there have been smart developments in the cruise industry in recent years, this process has now accelerated due to the pandemic. Online booking options, dynamic pricing, last-minute bookings, and the use of advanced on-board digital technology and services will be increasingly required. This process will have an

impact on the number of staff on board. The need for less personnel will allow for more revenue-generating passengers.

Ports can be expected to [pose even more restrictions](#) when it comes to accessibility and the health screening of cruise passengers. The sustainability debate will again come to the fore, with destinations expected to revisit the extent to which cruise tourism contributes to the local economy, and assess anew whether cruise companies follow local standards and comply with local regulations. This will mean loss of flexibility and further restrictions for cruise companies.

From the cruise operators' perspective, [ticket prices are anticipated to drop](#), while on-board revenue is expected to continue growing by providing additional services. Furthermore, cruise operators will increasingly focus on 'controlled experiences', both on board and at the destinations. Visits to private islands probably will increase as a result, since they allow for full control over the shore experience. In order to regain even more control, the ships are likely to become destinations themselves, offering an even wider range of attractions on board. In line with the increasing popularity of proximity tourism and short-haul tourism due to COVID-19, home ports will have key importance.

It can also be expected that small players will have difficulty staying in business. The launch of newly built ships will be delayed and the focus will shift to the refitting, rebranding and modernisation of older ships. With declining demand, the sector is expected to focus on mainstream segments instead of niches (geographical and/or thematic). Therefore, the product might become more standardised and the aim may be to capture as much share as possible in the mainstream markets.

### **Tips:**

Offer packages that include a variety of services both on board and off board, and provide transparent cancellation and refund policies to build trust.

Comply with the highest safety, security and sanitation standards possible.

Make sure you have a budget dedicated to risk management.

Adapt smart technologies that enable online bookings and dynamic pricing.

Focus on proximity and/or short-haul tourism.

This study was carried out on behalf of CBI by [Molgo](#) and [ETFI](#).

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