

A report prepared by MedCruise Secretariat on the progress of the project:

"Promoting MedCruise port destinations in China"



# I. Transforming China into a major source market for cruising the Med



Beyond The Horizon of Zheng He Branding the Mediterranean in China

As part of MedCruise marketing strategy aiming to promote the Mediterranean and its adjoining seas as the most popular cruise destination among Asian cruisers, a MedCruise delegation travelled to Shanghai, China, in May 2017.

The Association was represented by Maria Cano, Vice President of MedCruise and member of the Board of Directors responsible for the Communications, Website and China project, as well as by members of the MedCruise Secretariat.

The message spread to the Chinese world is clear: there is nowhere else on earth where one can cruise to so many different countries within such a short

period of time and sample as many flavours, cultures and retrace the footsteps of history as one can in the Mediterranean and its adjoining seas.

## II. Promoting MedCruise destinations to the leading cruise travel agents in China

On May 8<sup>th</sup> and 9<sup>th</sup>, MedCruise delegation met with the leading cruise travel agents in Shanghai aiming to further promote the Mediterranean as a region made for cruising. Some of the meetings held are presented below.



MedCruise representatives visited the head offices of Ctrip International Travel Service, the largest cruise travel agent of China, to meet with Mr. Tyler Tu, Cruise Business Manager-Overseas and Mrs. Chloe Chen, Overseas Regional Manager. MedCruise delegation initiated the discussions presenting the various features of the Med and its adjoining seas as a cruise destination and describing all those unique characteristics that make the

Mediterranean the best choice for

Chinese cruisers.





From their side, Ctrip representatives confirmed the increased interest of their customers to cruise the Med and highlighted the great importance of the cruise ship deployed in the region as one of the main reasons for purchasing a cruise product.

MedCruise and Ctrip also discussed the potential of an official collaboration aiming to further promote the cruise industry in the Mediterranean and its adjoining seas.



MedCruise visited the head offices of Shanghai Ever Bright Town International Travel Service to discuss the prospects of tourism and cruise industry in the region. The MedCruise delegation stressed the fact that cruising the Med offers among others a great opportunity to discover the history, the architecture, the culture, the gastronomy and the sightseeings of more than 20 countries located in three different continents. Also, it was made clear that the MedCruise ports form an excellent destination for Chinese luxury shoppers looking for high quality services and exclusivity.

The MedCruise delegation met with Mrs. Constance Pan, Assistant Manager for the Shanghai office of **Donghu International Travel Service**.

Mrs. Pan presented the main structures of the Chinese cruise and travel industry, while pointing out that the most effective way to reach Chinese cruisers is undoubtedly through internet and social media tools. She also noted that for the time being the main dissuasive factor for the Chinese cruisers to massively choose the Med region is the lack of Chinese speaking personnel and the relatively higher costs compared to a cruise in Asia.





The MedCruise team met with Mr. Edgar Wang, President of Youlunhai agency, to discuss the current state of the cruise industry in China, as well as a potential collaboration to promote 'Cruising the



Med' within the Chinese market. Mr. Wang highlighted the fact that with the Chinese cruisers doubling their numbers every year, there is a huge potential for MedCruise ports to promote their destinations to the specific market.

As he explained, Chinese cruisers have remarkably increased within the past years and as a result the redirection of part of this flow to the Med would prove to be highly beneficial for both parties.



MedCruise delegation joined Mr. Lu Wei and Mrs. Helen Zhang of the cruise department of Shanghai **Airlines Tours International Group** to discuss the latest trends in the Chinese cruise market. As Mr. Wei and Mrs. Zhang explained, the agency is already closely collaborating with cruise lines that deploy in the Mediterranean region in order to further promote the 'Cruise the Med' culture in China. The agency highlighted the fact that Europe and the Med are turning nowadays to a most popular destination for

their customers, while concluding the meeting all participants agreed to maintain an open channel of communication between the two entities aiming to further exchange information and material promoting the Mediterranean cruise destinations.



# III. MedCruise Ports expand their markets at the first edition of ITB China



MedCruise participated at ITB China 2017 that took place 10-12 May 2017, in Shanghai, China.

This first edition of the event formed a travel trade show exclusively focused on the Chinese Travel Market. The three day event gathered international destinations, service and travel technology providers in Shanghai connecting them with handpicked Chinese buyers.

The Association was present at the show with its own space within the Chinese Friendly stand, where the MedCruise representatives had the opportunity to meet with local

agents and other stakeholders, presenting the MedCruise destinations and promoting the region as an excellent choice for cruising.





MedCruise benefited also of its presence in ITB China 2017 exhibition and conference in order to actively interact with the cruise lines that deploy in the region and exchange views and ideas regarding the Chinese cruise market.



# 10 Reasons

why there is so much focus on China in the global cruise market

China's source market will grow to around 4.5m by 2020



China's booming outbound travel numbers are expected to double by 2020, feeding demand for fly-cruising in Australia; SE Asia; Europe and Alaska



Just under 1m Chinese cruised last year, a 40% jump from 2015



Of the 850 calls in 2016, 85% turned around in Shanghai's Baoshan district. Other main ports of call include: Shanghai SIPG City Centre; Tianjin; Haikou (Hainan); Xiamen; Sanya (Hainan); Nansha (Guangzhou) and Dalian



Strong commitment of ships in the region by the world's five leading companies:











Royal Caribbean Cruises Ltd.

There is massive opportunity for growth in China. The cruise market grew 40% between 2014 and 2015, yet market penetration is still under 1%.



Baoshan's Wusongkou is aiming for 800-1,000 calls and 5-6m passengers annually from 20-30 home porting ships in the next five years



The first purpose-built cruise ship for Asia in 17 years, Genting Dream, was delivered by Meyer Werft to Dream Cruises in October 2016. 2017 delivers include: Norwegian Cruise Line's Norwegian Joy and Princess Cruises' Majestic Princess



There are huge opportunities for international equipment suppliers and service providers to supply China-built cruise ships and ships operating in **North Asian waters** 



China-built cruise ships are on their way: Carnival Corp. & plc, Fincantieri and China State Shipbuilding Corp to build two ships for the Chinese market at Shanghai Waigaoqiao Shipbuilding; SunStone Ships and China Merchants to build four expedition ships at China Merchants Heavy Industry (Jiangsu) together with Norway's Ulstein Design & Solutions



Source: Seatrade



#### IV. What comes next...?

## Chinese Travel Agent Contact list: Exclusive access to MedCruise members



Following the presence of MedCruise delegation in China, the Secretariat will organise and circulate an extended list of Chinese travel agent contacts, considerably expanding the professional network of its members.

## **Seatrade Cruise Asia Pacific 2017**



As part of the wider strategic marketing plan that aims to transform the Asian market into a major passenger source market for Mediterranean Cruise ports, MedCruise is heading this autumn to Seatrade Cruise Asia Pacific 2017 to be held in Shanghai, China, 1-3 November.

The MedCruise team is currently exploring the potential of sponsoring and actively participating at an extended travel agents educational programme to take place during the event.

### Discuss the way forward

MedCruise members will discuss the next steps of this major strategic China marketing project during the forthcoming 50th General Assembly of the Association to be held in the MedCruise member port of Gibraltar, on June 14th-17th, 2017.



If you are a member of MedCruise Association, register <u>here</u> to join the 50<sup>th</sup> General Assembly and join the MedCruise team in shaping the way forward.