



CLIA UK & IRELAND CRUISE REVIEW 2016

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INTRODUCTION

A record 1.9 million holidaymakers from the UK and Ireland took an ocean cruise in 2016 proving that the wide choice of cruise holiday experiences, worldwide destinations and high levels of service offered on a cruise holiday cannot be beaten.

This growth comes at a time of sustained investment by the cruise industry. With global cruise fleet capacity set to increase by at least a third over the next ten years, major source markets such as the UK and Ireland will be spoilt for choice.

As our love affair with the traditional Mediterranean holiday continues to go from strength to strength, the cruise sector is reaping the benefits as holidaymakers make the most of being able to visit multiple European hot spots in one cruise holiday. Mediterranean fly-cruises remain the number one choice (458,000 passengers in 2016), with Western Europe itineraries from UK ports (272,000) now firmly established at number two.

2016 was also a great year when it came to ultra-luxury cruises, with both a host of new ships being launched in the sector, and a record number of passengers opting to sail with one of the ultra-luxury brands. A near nine per cent rise in sales ensured that the total surpassed the 2012 peak of 28,450 and fell just short of 29,000. A sure sign that the incredible five and six star experiences offered by these cruise lines continue to exceed expectations.

The number of passengers starting their cruise holiday at home grew strongly in 2016 with UK cruise departures now accounting for 48 per cent of the market. The 2016 comparison reflects a nine per cent rise in the number of passengers departing from the UK (912,000 passengers) which can be attributed to the convenience of travelling to the port, the wide range of state of the art ships now sailing from the UK, and the incredible value for money that an 'ex-UK' sailing offers for holidaymakers.

Fly-cruises were also on the up in 2016 with a 2.8 per cent increase as those travelling from the UK and Ireland choose to make the most of the new ports and destinations that cruise lines are visiting.



EXECUTIVE SUMMARY 2016

UK & Ireland adds 100,000 passengers for another record total and could follow Germany by hitting 2m-passenger mark in 2017

[UK outpaces overall European cruise market growth which in 2016 achieved 3%](#)

The Med continues to dominate the ex-UK and the fly-cruise market

[Average age of passengers falls to 55, its lowest in six years](#)

Surge in ultra-luxury cruise bookings with a 8.5% increase in sales

[One in nine UK package holidaymakers booked a cruise](#)

High levels of repeat passengers helped to drive growth

[More repeat guests helped lead to fewer last-minute bookings](#)

Port of call passengers at UK ports top record 1.2m

[Double digit increase for river cruising](#)

UK CRUISE MARKET CLOSES IN ON 2M MARK

Concerns that a combination of the Brexit vote and terrorism fears might halt UK & Ireland cruise sector growth in 2016 ultimately proved unfounded with yet another record year for sales.

The increase fell short of the 8.8% boost recorded in 2015 but – at 5.6% - it was still the second highest annual rise in the past six years and brought the total up to 1.9m. Similar growth this year (2017) would see numbers top the 2m mark for the first time. That would represent a 50% increase in just 10 years.

Cruising was not the only holiday sector to grow last year with an estimated 6% rise in the overall number of foreign holidays booked and a similar hike in package holiday sales.

This means that cruising’s share of the overall tourism market remains unchanged at just over 4% while the number of package holidaymakers choosing a cruise stays at about one in nine. But these shares are still comfortably more than double what they were in 2001.

In 2016, growth was driven by more capacity offered by UK-oriented brands such as P&O Cruises plus increased ex-UK capacity by the likes of Princess Cruises, Royal Caribbean International and MSC Cruises. There was also the fourth successive year of growth in flycruise sales to just short of record levels.

And, although the double digit annual growth the UK cruise sector enjoyed during most of the 2000s may not return as the overall market size increases, there remains substantial potential for the future with the industry currently

committing more than \$50bn to 70-plus new ships to be delivered over the next 10 years – with the probability that those 70 will turn into more than 100 by 2026.

Although some of the extra capacity will be heading to China, which remains on course to become the largest global source market for cruising over the next 10-15 years, all the major cruise companies have stressed that they are still committed to their major established markets in North America, the UK and Europe, and Australia.

1 UK Cruise Market 2006-16

Year	Passengers (000s)	% growth
2006	1,204	12.4
2007	1,335	10.9
2008	1,477	10.5
2009	1,533	3.8
2010	1,622	5.8
2011	1,700	4.8
2012	1,701	0.1
2013	1,726	1.5
2014	1,644	(4.8)
2015	1,789	8.8
2016	1,889	5.6

Source: IRN Research for CLIA UK & Ireland 2016

2 UK Cruise Sector's Share of Foreign Holidays Market 2001-16

Year	Foreign Holidays (000s)	Foreign Inclusive Holidays/Tours (FIT) (000s)	Ocean Cruises (000s)	Ocean Cruises' share of FIT Market	Ocean Cruises' share of all Foreign Holidays
2001	38,670	20,631	776	3.8%	2.0%
2012	36,173	14,470	1,701	11.8%	4.7%
2013	37,149	15,266	1,726	11.2%	4.6%
2014	38,519	15,868	1,644	10.2%	4.2%
2015	42,150	16,676	1,789	10.7%	4.2%
2016	44,737	17,624	1,889	10.7%	4.2%

Source: IRN Research for CLIA UK & Ireland 2016

RECORD NUMBERS FOR BOTH NO-FLY AND FLYCRUISES

In 2017, there is every chance that the total number of UK passengers choosing to cruise from a UK port will top the million mark for the first time and exactly the same milestone will be reached by those choosing to flycruise.

This follows a year – 2016 – when these cruise holiday choices attracted more UK & Irish passengers than ever before.

The gap between the once dominant flycruise sector and the ex-UK options has been closing for much of the decade and in 2016 reduced to 4% difference in share across the market.

The sectors need respectively just a 9.7% and 2.5% increase this year to reach the magic million. This gradual change in the balance of UK and Irish cruise preferences continues to be reflected in the changing shares of the various cruise destinations with Northern and Western Europe being the major beneficiary.

The Mediterranean remains the number one choice for flycruise (458,000 passengers in 2016). Western Europe itineraries from UK ports are now firmly established at number two with 272,000 passengers, over taking ex-UK cruises to both Norway (129,000), the Mediterranean (218,000) and Caribbean flycruises (229,000).

As destinations for both ex-UK and flycruising, the Mediterranean and Caribbean remain popular though, and are showing some renewed growth while still being some way off their peaks of 767,000 (Mediterranean) and 275,000 (Caribbean).

After its record-breaking 2015, the Atlantic Islands dipped a little in 2016 but still achieved its second-best total (163,000).

The Baltic, which had its peak years in the second half of the last decade when it attracted more than 100,000 cruise visitors from the UK and Ireland, will be encouraged to have recorded its best total (86,000) since 2010.

Another region which bounced back in 2016 was the Arabian Gulf/Red Sea/ Indian Ocean. Geopolitical and terrorism issues which caused, among other disruptions, the cancellation of popular programmes out of Sharm el Sheikh saw the whole region drop from a peak of 58,000 cruise visitors in 2010 to just 8,000 in 2014. But a 181% increase in 2016 saw the total grow back to 37,000.

3 Top Destinations For UK & Ireland Cruise Passengers 2001-16

Destination	2001 Pax (000)	2013 Pax (000)	2014 Pax (000)	2015 Pax (000)	2016 Pax (000)	% change 16/15
Mediterranean	334	644	613	672	676	0.6
Northern Europe	98	531	467	466	528	13.3
Caribbean	146	183	205	235	255	8.5
Atlantic Islands	77	161	151	188	163	(13.3)
Other Areas	121	208	208	228	267	17.1
Total	776	1,726	1,644	1,789	1,889	5.6

Source: IRN Research for CLIA UK & Ireland 2016

4 UK-UK Cruises Versus Flycruises 2008-16

Year	Passengers (000s)	% growth	UK-UK (000s)	% share	Fly Cruise (000s)	% share
2008	1,477	10.2	557	37.7	920	62.3
2009	1,533	3.8	594	38.8	939	61.2
2010	1,622	5.8	653	40.3	969	59.7
2011	1,700	4.8	729	42.9	971	57.1
2012	1,701	0.1	807	47.5	894	52.5
2013	1,726	1.5	844	49.0	882	51.0
2014	1,644	(4.8)	739	45.0	905	55.0
2015	1,789	8.8	840	47.0	949	53.0
2016	1,889	5.6	912	48.3	976	51.7

Source: IRN Research for CLIA UK & Ireland 2016

WESTERN EUROPE POPULARITY MEANS SHORTER CRUISES

PAYING MORE FOR LUXURY

The average length of cruise taken by UK passengers dipped below 10 days for the first time in nine years in 2016. Durations were shorter for both summer and winter cruises primarily as a result of more shorter cruises being scheduled from UK ports.

These inevitably head for Western European destinations as well as other UK ports and are often being used by the

cruise lines to attract more new-to-cruise passengers to the concept of cruising in the hope that they then return for longer voyages.

The reduction in the average length of a cruise booked also meant that, despite the growth in passenger numbers, the total number of bednights booked fell by 2% compared with 2015.

5 Average Duration (Nights) of UK & Ireland-Booked Cruises 2010-16

Year	Summer	Winter	Year
2010	10.2	12.7	10.9
2011	10.1	13.1	10.9
2012	10.2	12.5	10.9
2013	9.7	12.4	10.5
2014	9.9	13.3	10.9
2015	9.7	12.6	10.6
2016	9.2	11.3	9.8

Source: IRN Research for CLIA UK & Ireland 2016

6 Bednights Booked by UK passengers 2008-16

Year	Bednights (000s)	% change
2008	15,378	18.4
2009	16,943	10.2
2010	17,735	4.7
2011	18,524	4.5
2012	18,472	(0.3)
2013	18,064	(2.2)
2014	17,915	(0.8)
2015	18,890	5.5
2016	18,471	(2.2)

Source: IRN Research for CLIA UK & Ireland 2016

There was no sign of any economic doom and gloom in the UK economy when it came to booking cruises in 2016 as a record number of passengers opted to cruise with one of the Ultra-Luxury brands. An 8.5% rise in sales ensured that the total beat the 2012 peak of 28,450 and fell just short of 29,000.

7 Luxury Brands' Share of the UK & Ireland Cruise Market* 2010-16

Year	Summer	Winter	Total	% of all cruises
2010	16,125	7,899	24,024	1.5
2011	15,371	10,498	25,869	1.5
2012	20,057	8,393	28,450	1.7
2013	18,780	8,260	27,040	1.6
2014	17,478	9,029	26,513	1.6
2015	17,894	8,708	26,602	1.5
2016	19,607	9,280	28,887	1.5

Source: IRN Research for CLIA UK & Ireland 2016
Note: * Includes Crystal Cruises, Ponant, Hapag-Lloyd Cruises, Hebridean Island Cruises, Regent Seven Seas Cruises, Seabourn, SeaDream Yacht Club and Silversea



CRUISERS GETTING YOUNGER AGAIN

More repeat business appears to have been the key to 2016's record totals for UK cruise passengers.

likely one result of the trend towards shorter cruises – which also usually appeal to younger travellers.

Despite this though, the average age of those passengers who cruised dipped quite significantly (by nearly a full year) to be at its lowest for six years at just over 55. Just three years ago, it seemed to be on its way to 60 and traditionally, first-time cruisers tend to be younger than frequent cruisers so this drop is most

Another significant statistic is the number of passengers taking multiple cruises within the year also fell. This will mean that the growth in total passengers is even higher than might otherwise have been the case as more individuals would have made the bookings, some taking two, three or more cruises in a year.

8 Age Profile of UK & Ireland Cruise Cruise Passengers 2005-16

Year	% passengers						Average Age
	Up to 26	26-34	35-44	45-54	55-64	65+	
2005	10	5	9	18	25	33	53.5
2006	8	5	11	21	27	27	54.3
2007	8	4	9	19	27	31	53.2
2008	8	4	8	18	27	33	53.7
2009	7	4	8	18	28	35	55.6
2010	9	4	9	19	27	33	54.8
2011	9	4	9	19	26	35	55.6
2012	8	4	7	18	27	37	56.1
2013	7	4	7	17	26	40	57.0
2014	5	4	5	16	27	43	58.2
2015	8	4	6	15	24	42	56.2
2016	7	4	6	15	24	41	55.4

Source: IRN Research for CLIA UK & Ireland 2016

9 First-Time Cruisers as % of UK & Ireland Market 2007-16

Year	%
2007	38
2008	32
2009	29
2010	33
2011	40
2012	36
2013	32
2014	33
2015	33
2016	31

Source: IRN Research for CLIA UK & Ireland 2016

10 UK & Ireland Passengers Booking Multiple Cruises In A Year 2010-16

Year	Cruises taken in last year (%)					
	1	2	3	4	5	6+
2010	43	33	12	5	3	6
2011	58	27	9	2	1	1
2012	46	30	14	4	2	2
2013	45	33	12	4	2	1
2014	47	29	13	5	3	3
2015	37	32	18	6	5	4
2016	48	31	11	5	3	3

Source: IRN Research for CLIA UK & Ireland 2016



CRUISE-SAVVY CONSUMERS PREFER TO BOOK EARLY

The key trend in 2016 was towards booking further in advance which frequent passengers usually favour as that enables them to guarantee the accommodation, departure dates and flights that they want.

In 2016 just over a quarter of bookings were made within three months of departure and this compares to a third in 2015 and 40% as recently as 2013. In fact, in 2016, more bookings were made more than nine months in advance than within three months – that had not happened since 2010.

11 Trends in Booking Lead-Times for UK & Ireland Cruise Market 2006-16

Year	% of bookings (no. of months)				
	12+	9 - 12	6 - 9	3 - 6	0 - 3
2006	15	18	18	24	27
2007	18	17	18	23	24
2008	18	17	18	22	26
2009	25	19	17	22	17
2010	16	16	18	22	28
2011	15	15	17	20	34
2012	13	12	17	23	36
2013	11	12	16	21	40
2014	11	13	16	24	36
2015	11	14	17	24	33
2016	12	16	20	24	27

Source: IRN Research for CLIA UK & Ireland 2016

DOUBLE-DIGIT SURGE IN OVERSEAS VISITORS TO UK PORTS

The UK is becoming a major cruise destination for both UK and overseas cruise passengers. A 20% increase in transit passengers at UK ports during 2016 brought the total to more than 1.2m and this – the seventh double-digit percentage increase in eight years - meant numbers had doubled since 2010.

There were seven more cruise ships making calls and this meant the second highest total ever – at 114. At about

24,000, the total UK passengers booking round-Britain cruises was also the second-highest in the history of the UK market.

There were a record number of UK passengers embarking cruises at UK ports but a sharp drop in the number of overseas passengers meant that total embarkations dipped slightly but still topped the 1m mark for only the third time.

12 Passengers Embarking at UK Cruise Ports 2010-16

Year	2010 Pax (000)	2011 Pax (000)	2012 Pax (000)	2013 Pax (000)	2014 Pax (000)	2015 Pax (000)	2016 Pax (000)
Total Embarkations	833	878	962	1,062	942	1,060	1,032
% change	13.6	5.4	9.6	10.4	(11.3)	12.5	(2.6)
UK Passengers	653	729	807	844	739	840	912
Overseas passengers	180	149	155	218	203	220	120
% share of overseas	21.6	17.0	16.1	20.5	21.6	20.8	11.6

Source: IRN Research for CLIA UK & Ireland 2016

13 Transit Passengers at UK Ports 2010-16

Year	2010 Pax (000)	2011 Pax (000)	2012 Pax (000)	2013 Pax (000)	2014 Pax (000)	2015 Pax (000)	2016 Pax (000)
Passengers	563	651	723	871	922	1,017	1,214
% growth	25.7	15.6	11.1	20.5	5.9	10.3	19.6
Ports Visited	48	50	52	52	57	57	55
Ships	118	107	105	105	110	107	114
Lines	53	50	47	49	53	55	52

Source: IRN Research for CLIA UK & Ireland 2016

More than half those asked in the 2016 UK Cruise Survey included on-board service among their top three reasons for choosing a particular ship for their cruise last year. This was the highest score for any single reason since these surveys began and underlines just how important that element of the cruise product has become to its consumers.

But perhaps the most significant finding in last year’s Survey is the importance cruise consumers now put on the benefits that come with loyalty membership schemes. This has long been true in the hotel and airline sectors but cruising was relatively slow to put such strong emphasis on such schemes so only now are they becoming a key factor in purchasing decisions.

14 UK Passengers - Top 3 Reasons For Choosing Last Ship 2011-16

Reasons	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %
Service on board	29	24	23	46	48	51
Dining	26	23	24	36	40	41
On-board atmosphere	26	24	22	35	37	29
Facilities on board	25	21	23	33	31	35
Cabins and public rooms	15	13	17	28	23	30
Entertainment	16	15	15	23	23	18
Loyalty membership benefits	13	18	15	23	23	31
Special Occasion	20	18	16	18	17	20
All-inclusive drinks package	11	7	11	16	16	9
Cruise themes	5	5	5	7	8	4
Maiden Voyage	1	1	1	1	2	1

Source: UK Cruise Survey 2016 (IRN Research)

15 UK Cruise Passengers - Reasons* For Choosing To Cruise 2011-16

Reasons	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %
Itinerary / Destinations	69	70	71	51	53	53
Enjoyed previous cruise with line	64	55	56	39	42	42
Price / Value for Money	n/a	n/a	n/a	34	31	34
Departure Date	31	38	38	23	23	26
Cruised on this ship before	n/a	n/a	n/a	21	24	27
No flight	21	25	25	19	26	26
Local departure port	n/a	n/a	n/a	16	24	19
Duration	22	24	23	12	11	12
To try another cruise line	9	17	16	11	8	6
Special Offer	n/a	n/a	n/a	11	12	8
All-inclusive nature of package	n/a	n/a	n/a	8	10	9
To try another ship	10	9	10	8	6	9
Flights from local airport	22	13	12	7	5	4
Personal Recommendation	9	6	8	4	4	5
Pre and post land stays	n/a	n/a	n/a	3	3	3
Travel agent recommendation	4	5	3	2	1	1
Recommendation on web review / blog	4	2	3	1	0	0

n/a = not suggested among multiple answers * 3 principal reasons selected
Source: UK Cruise Survey 2016

For the second year running, the South West has shown the most growth in generating cruise passengers and it is now punching well above its weight in terms of numbers compared to its share of the UK population. Scotland and London were the main regions losing share in 2016.

16 Cruise Passengers by Region of Residence 2012-16

Region	2012	2013	2014	2015	2016	UK pop %
South East / London	28	27	24	28	26	18
South West	11	12	12	14	16	9
North West	14	13	13	12	14	9
Scotland	11	8	9	7	5	8
Yorkshire & Humberside	8	8	8	9	9	7
West Midlands	7	8	8	9	8	8
East Midlands	5	8	8	7	8	8
East of England	4	6	6	7	6	11
Wales	6	4	5	5	7	5
North East	5	5	3	4	3	4
Northern Ireland	2	1	2	1	1	3

Source: IRN Research for CLIA UK & Ireland 2016

DANUBE LEADS WAY FOR RIVER CRUISING

River cruising is on the up-and-up globally with many new vessels being introduced along with facilities increasingly mirroring those of their oceangoing counterparts.

This has increased choice for consumers and has reinvigorated the UK market which had stagnated badly during the Noughties. Growth started again in 2013 and has steadily accelerated ever since with 2016 showing a double digit (11%) increase in passenger numbers.

This is despite the continued decline of what used to be the core product in the sector: Nile cruising. Geopolitical issues have battered that option for two decades now but just since 2012 numbers have fallen by 88% to a paltry 3,600 UK passengers in 2016.

All the growth has come in European river cruising where the Rhine/Moselle remains number one with numbers up by 50% since 2012 but is now very closely followed by the Danube which has nearly trebled numbers over the same period. Other, new river cruise options have emerged, too, with Portugal’s Douro up by a third since 2012.

17 UK River Cruise Market 2012-16

European Destinations	2012 Pax (000)	2013 Pax (000)	2014 Pax (000)	2015 Pax (000)	2016 Pax (000)	% change 2016/15
Rhine / Moselle	26.9	35.5	37.3	38.8	39.5	2
Danube	15.0	17.3	24.4	33.6	38.4	14
Rhine / Danube	4.6	5.1	7.0	7.6	9.1	20
Subtotal	46.5	57.8	68.7	80.0	87.0	9
Rhone / Seine	10.2	14.1	14.2	18.5	21.7	17
Russian	5.2	6.4	7.4	5.2	6.0	15
Po (Italy)	3.0	3.1	2.9	2.1	2.0	(5)
Elbe	2.4	3.6	2.8	3.4	3.5	3
Douro (Portugal)	9.3	10.7	11.0	11.7	12.3	5
Netherlands	11.0	11.1	9.7	8.1	8.2	1
Other European	2.4	3.1	3.7	2.4	4.5	86
Total European	90.0	109.9	120.4	131.4	145.1	10
Non European Destinations	2012	2013	2014	2015	2016	% change
Nile	28.3	12.2	8.9	7.0	3.6	(49)
Far East (including China)	8.2	7.5	7.9	7.4	8.9	20
Other non-European	3.3	2.0	2.3	4.6	9.3	102
Total non-European	39.8	21.7	19.0	19.1	21.8	15
Global Total	129.7	131.6	139.4	150.3	166.9	11

Source: IRN Research for CLIA UK & Ireland 2016





Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association with representation in North and South America, Europe, Asia and Australasia. CLIA represents the interests of cruise lines, travel agents, port authorities and destinations, and various industry business partners before regulatory and legislative policy makers.

