

Small Ships, Big Benefits for Alaska Visitors and Businesses



Small Cruise Ship Market Update

Prepared by Alaska Division of Economic Development

October 8, 2013

Session Agenda

Introduction

- Update on Alaska's small cruise ship market
- Insight on small cruise ship visitors

Panel Discussion: (60 minutes)

- Importance of the small cruise ship industry as means for the public to access national forests and parks
- New products and itineraries for 2014 and beyond
- Collaboration among competing companies and how they join forces to address challenges facing their business
- How to do business with small cruise ship companies (sell Alaska products and services)
- Attracting small cruise ship companies to your community (infrastructure and product needs)

Questions and Answers: 15 to 20 minutes

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Trend Spotting: Survey Identifies Top Trends in Cruise Vacations

2013 CLIA survey of 600 agents and 55 member lines

77% of
travel agent
partners say...

...specialty cruising is a growing sales opportunity.

Primary factors driving interest in specialty cruising:

- destination and itineraries
- *smaller ship size*
- slower pace of vacationing
- *ability to visit smaller ports/destinations*



Trend Spotting: Survey Identifies Top Trends in Cruise Vacations

2013 CLIA survey of 600 agents and 55 member lines

Trends according to member cruise lines...

- global expansion of destinations
- *smaller ships*
- globalization of passenger sourcing
- shorter cruise offerings

Trends according to travel agents...

- larger and *smaller/niche market ships*
- increase in global destinations and itineraries
- domestic ports of embarkation
- green technology
- shorter cruise offerings

Source: Cruise Line International Association, *2013 North America Cruise Industry Update*, February 2013
Photo Credits: Un-Cruise Adventures



So how small is small?



NOTES 

How Big is Alaska's Small Ship Market?

1% of Total...
Small,
But Significant
Market

Alaska Cruise Passengers, 2006 and 2011				
	2006		2011	
	Percent	Total	Percent	Total
Total Cruise Visitors		958,900		883,000
Small Cruise Ships	3%	28,767	1%	8,830
Cruise Package (Base: Total Cruise Visitors)				

Source: McDowell Group, Inc., *Alaska Visitor Statistics Program (AVSP) VI, Summer 2011*,

Note: AVSP identifies small cruise ship vessels to be those that carry 400 passengers or less.

Photo Credits: Un-Cruise Adventures.

NOTES



Comparing Cruise Package Types, 2011

95%
Small Ship
Visitors
=RT in AK

	All Cruise Visitors	Visitors on Small Vessels
Total Cruise Visitors	883,000	8,830
Small Cruise Ships	1%	
Cruise Package (Base: Total Cruise Visitors)		
Of the 100 or less vessels, round trip w/in AK		95%
Cruise 1-way, fly 1-way		5%
Cruise with land tour (YVR/SEW/ANC/DNP ...)		20-25%

Source: McDowell Group, Inc., *Alaska Visitor Statistics Program (AVSP) VI, Summer 2011, (all cruise visitors)*

Note: AVSP identifies small cruise ship vessels to be those that carry 400 passengers or less.

Estimates for Visitors on Small Vessels, John Kreilkamp, Un-Cruise Adventures.

Photo Credits: Un-Cruise Adventures.

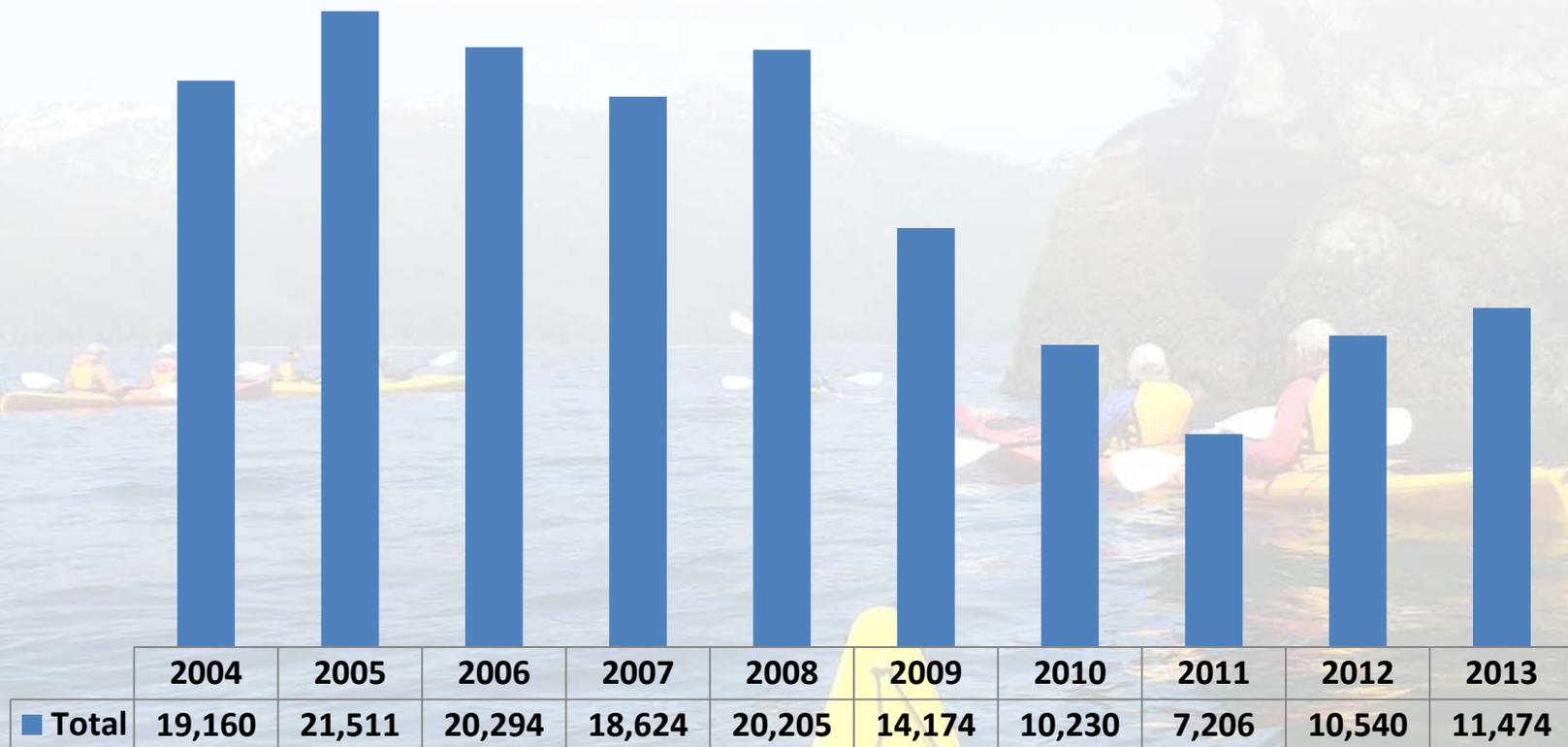
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Another Look at Small Ship Trends...

Alaska Department of Environmental Conservation



Small Cruise Ship Maximum Passenger Capacity 2004-2013



Source: Alaska Department of Environmental Conservation, pre-season estimates submitted for wastewater discharge permits.

DEC definition of Small Cruise Ship = 50 to 249 passengers.

Photo Credits: Un-Cruise Adventures.

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Current Operators Under 100 in Alaska

American Cruise Lines – Guildford, CT (one vessel, 100 passengers)

Alaska Dream Cruises (Allen Marine) – Sitka, AK (three vessels, 41-61 passengers)

The Boat Company – Paulsbo, WA (two vessels, 20 and 24 passengers)

Fantasy Cruises – Seattle, WA (one vessel, 32 passengers)

Lindblad/National Geographic – (two vessels, Sea Lion and Sea Bird, 60 passengers)

Un-Cruise Adventures – Seattle, WA (22 to 88 passengers)

Other Vessels

Other vessels offer 12 passenger, scheduled overnight cruises, including vessels like **Dean Rand's Discovery Cruises in Prince William Sound** and others.

Noble Caledonia (Caledonian Sky) – (one vessel, 114 passengers), Entered Alaska market with four sailings during 2013, three scheduled during 2014. One voyage begins in Russian Far East, traverses Aleutian Islands to Kodiak to Seward.

Hapag-Lloyd – (two vessels, 166 to 188 passengers), As of 2010, only cruise line with a northern Alaska itinerary (Nome, St. Lawrence Island, Chukotka)

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Photo Credits: Un-Cruise Adventures.



Communities Called on by Smaller Vessels

Operator

Ports of Call

American Cruise Line

Juneau, Hoonah, Haines, Petersburg
Wrangell and Ketchikan

The Boat Company

Sitka, Juneau

Alaskan Dream

Juneau, Ketchikan, Kasaan, Thorne Bay, Coffman
Cove, Wrangell, Petersburg, Sitka, Haines, Skagway,
Gustavus, Sitka, Metlakatla

Fantasy

Sitka, Juneau , Kake, Tenakee Springs
Petersburg, Hoonah

Lindblad

Juneau, Petersburg, Sitka

Un-Cruise Adventures

Juneau, Sitka, Ketchikan, Petersburg, Wrangell,
Elfin Cove, Haines, Skagway, Klawock

Photo Credits: Un-Cruise Adventures

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2013 Passenger Capacity (estimates)

Company's with vessels of 188 passengers or less

Operator	Vessels	Total Voyages	Capacity	% Market
Alaskan Dream	3	42	2,286	16%
American	1	11	1,100	8%
The Boat Company	2	32	704	5%
Fantasy	1	14	448	3%
Hapag Lloyd	2	4	686	5%
Lindblad	2	36	2,160	15%
Noble Caledonia	1	4	456	3%
Un-Cruise Adventures	7	107	6,512	45%
			14,352	

Sources: Cruise Line Agencies of Alaska , internet schedules for Alaskan Dream, American Cruise Lines, Boat Company, Fantasy C
Un-Cruise Adventures (estimates only and not confirmed by operators)

Photo Credits: Un-Cruise Adventures



2013 Passenger Capacity (estimates)

Company's with vessels of 100 passengers or less

Operator	Vessels	Total Voyages	Total Capacity	% Market
Alaskan Dream	3	42	2,286	17%
American	1	11	1,100	8%
The Boat Company	2	32	704	5%
Fantasy	1	14	448	3%
Lindblad	2	36	2,160	16%
Un-Cruise Adventures	7	107	6,512	49%

13,210



Sources: Cruise Line Agencies of Alaska , internet schedules for Alaskan Dream, American Cruise Lines, Boat Company, Fantasy Cruises, Un-Cruise Adventures .

Photo Credits: Un-Cruise Adventures.

2014 Passenger Capacity (estimates)

Company's with vessels of 100 passengers or less

Operator	Vessels	Total Voyages	Total Capacity	% Market
Alaskan Dream	3	42	2,286	16%
American	1	11	1,100	8%
The Boat Company	2	32	704	5%
Fantasy	1	14	448	3%
Lindblad	2	36	2,160	15%
Un-Cruise Adventures	7	125	8,320	53%

15,019



Sources: Cruise Line Agencies of Alaska , internet schedules for Alaskan Dream, American Cruise Lines, Boat Company, Fantasy Cruises, Un-Cruise Adventures .

Photo Credits: Un-Cruise Adventures.

Small Ship Guest Profile = Geotourist

Company's with vessels of 100 passengers or less

NAT-GEO SAVVY Traveler Survey Defines Geotourism

Tourism that sustains or enhances the geographical character of a place—its environment, heritage, aesthetics, culture, and the well-being of its residents.

The study aims to see how much the traveling public would support policies designed to keep destinations healthy.

Survey asked 150 questions. Statistically, the 3,300 responses represent the opinions (accurate to plus or minus two percent) of the 154 million American adults who traveled in the past three years .

Sources: U.S. Travel Association (formerly Travel Industry Association of America), 2003. Geotourism: The New Trend in Travel, Sponsored by National Geographic Traveler
Photo Credits: Un-Cruise Adventures.

NOTES



NAT-GEO SAVVY Traveler Survey

- 71% say it's important our visits not damage the environment.
- 61% say a travel experience is better when the destination preserves its natural, cultural, and historic sites.
- 54% feel there are fewer unspoiled places than there used to be.
- In short, the survey found that the majority of those who spend significantly on travel care about their destinations.

Sources: U.S. Travel Association (formerly Travel Industry Association of America), 2003. Geotourism: The New Trend in Travel, Sponsored by National Geographic Traveler

Photo Credits: Un-Cruise Adventures

NAT-GEO SAVVY Traveler Survey

- **Wishful Thinkers** : largest group (22 million adults), youngest (avg. 32 yrs.), least wealthy (U.S. \$53,000 household income), least traveled (fewer than nine trips in three years). These parents, country folks, and students all yearn to travel more, if only they had time and money.
- **Traditionals**—about 16 million—travel conservatively (older, female, not too wealthy, sometimes take occasional church-group tour).
- **Apathetics**—20 million inert bodies—just aren't interested in anything about travel, but do it from time to time anyway.
- **Outdoor Sportsmen**—21 million, most rural of the groups—travel mainly domestically, often for hunting and fishing. They like backcountry, not cultural events.

Sources: U.S. Travel Association (formerly Travel Industry Association of America), 2003. Geotourism: The New Trend in Travel, Sponsored by National Geographic Traveler

Photo Credits: Un-Cruise Adventures

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NAT-GEO SAVVY Traveler Survey

- **Good Citizens**—18 million, household incomes averaging U.S. \$71,000, well-educated—civic-minded at home. They recycle, vote, serve on committees, but aren't notably activist when traveling.
- **Self-Indulgents**—20 million, almost as well-heeled—travel with an eye to pampering themselves, not the destination.
- **Urban Sophisticates**—21 million and the wealthiest group, at U.S. \$77,000 average household income—are environmentally inclined culture-seekers, traveling to experience everything from London plays to Zulu dances.
- **Geo-Savvys**—16 million—are similar to Urban Sophisticates, but more middle-income and outdoorsy, and very environmentalist. Expect lots of Sierra Club members

Sources: U.S. Travel Association (formerly Travel Industry Association of America), 2003. Geotourism: The New Trend in Travel, Sponsored by National Geographic Traveler

Photo Credits: Un-Cruise Adventures



NAT-GEO SAVVY Traveler Survey

- Three of the most-traveled groups lean toward geotourism.
- Their market clout is striking. Multiplying average of each group's number of trips by household income, Urban Sophisticates, Geo-Savvys, and Good Citizens could muster half of all travel revenue.
- Second phase of study asked whether respondents would give preference to a travel company that protected natural or historic sites even if it cost more.
- Over half of Urban Sophisticates and Geo-Savvys said "yes," with Good Citizens and Traditionals close behind.
- Even a fifth of Self-Indulgents said "yes."

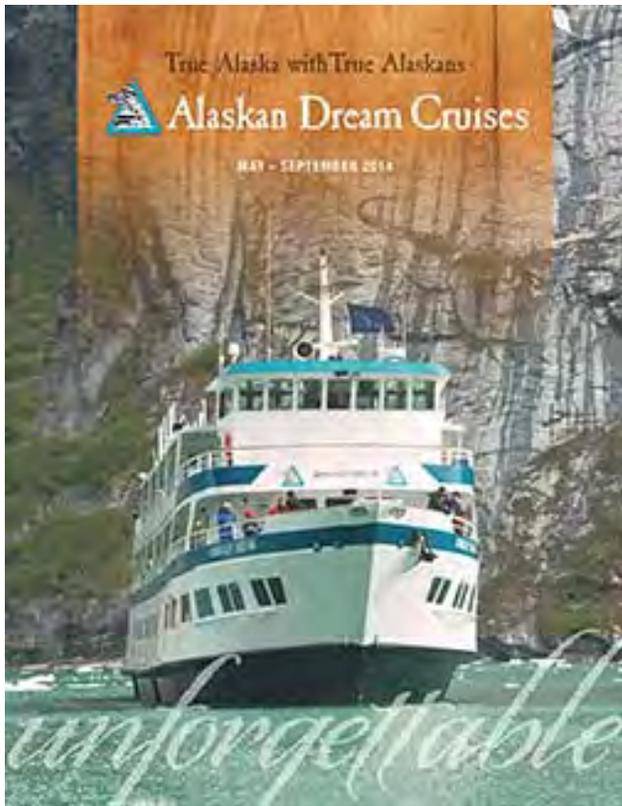
Sources: Jonathan B. Tourtellot, [National Geographic Traveler](#) and U.S. Travel Association (formerly Travel Industry Association of America), 2003. Geotourism: The New Trend in Travel, Sponsored by National Geographic Traveler

Photo Credits: Un-Cruise Adventures

NOTES 



Alaskan Dream Cruises



- Three vessels
- Carry 40-58 guests
- Four itineraries (8, 9, 11 & 13 day cruises) focusing on scenic beauty, wildlife and Native culture of Southeast Alaska
- Alaska Homeports: Sitka, and Ketchikan
- “True Alaska with True Alaskans”

SINCE 1980



The Boat Company

SOUTHEAST ALASKA

*Wilderness
Adventure
Tours*



- ★ Two vessels, 20-24 passengers ea., 12-13 crew ea.
- ★ Week-long trips between Juneau and Sitka, including one night stay in port prior to vessel departure.
- ★ Focus: Wilderness excursions, hiking, sport fishing, natural history education/conservation.
- ★ The only non-profit cruise company in Alaska.

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Un-Cruise Adventures



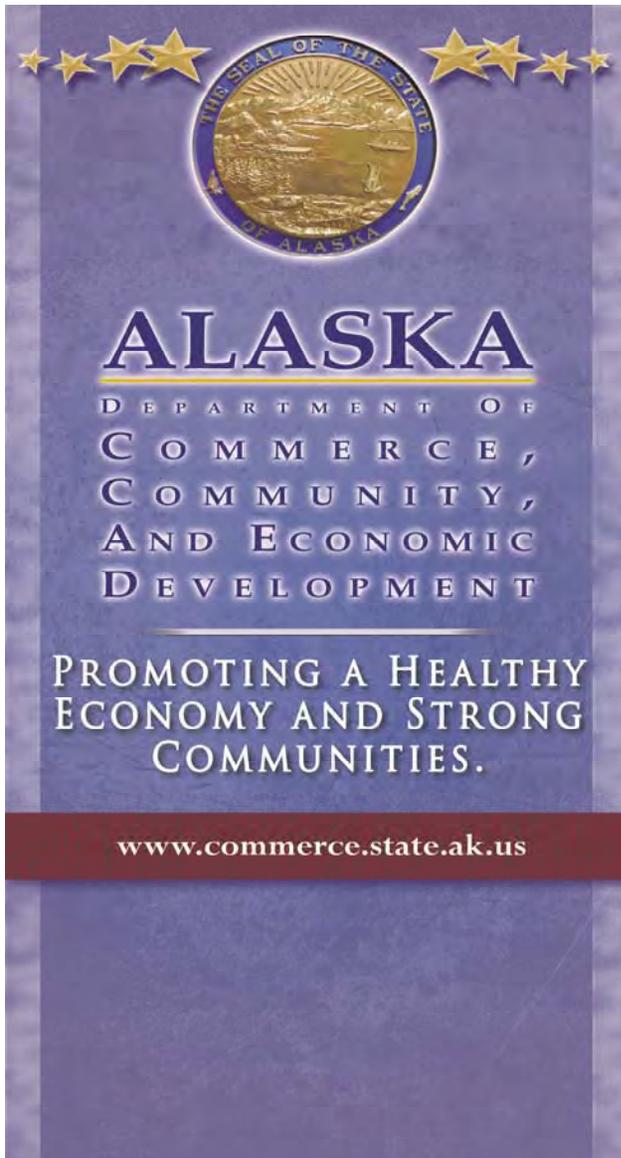
- Seven vessels sail in Alaska: four yachts, three expedition vessels, one replica coastal steamer
- Carry 22-88 guests on adventure voyages
- Active, Luxury, Heritage and Charter Adventures
- Alaska Homeports: Juneau, Ketchikan, Sitka



NOTES

Unrushed. Uncrowded. Unbelievable.





Questions? Feedback?

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