

Research on Travelers' Perceived Value of Chinese Leisure Sea Cruise Holidays for the Post-COVID Era

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Abstract

Years of outbound tourism boom made China the second largest source market of cruise travel, however, an unexpected pandemic in 2020 put the whole cruise industry into a halt. With hard work of both government and the general public, Chinese economy revives and the pandemic remains largely under control, China is set to resume cruises. In fact, China's cruise industry started to stagger since 2017 due to many defects unveiled in the past decade. The first historic negative increment in 2018 and impact from COVID-19 became a wake-up call for all Chinese cruise practitioners. Few studies explore reasons of this development slowdown in China's cruise market in respect of consumers' expectations. Combining qualitative research and quantitative research, this study used simply statistical analysis and thematic analysis to probe into opinions and expectations of Chinese tourists on cruise travel. Reasons of China's cruise industry recession were found by online questionnaire, in-depth interview and secondary data. Furthermore, this report tries to put forward suggestions to reverse the status quo of Chinese cruise market.

Keywords

Cruise Industry; Travelers' Expectations; Quantitative Research; Qualitative Research; Statistical Analysis; Thematic Analysis.

1. Introduction

Before COVID-19 pandemic, the annual growth rate of Chinese tourism industry reached at 10 percent and overseas tourism segment was expanding at an even more dramatic speed (Cyrill, 2018). Thriving economy and flourishing tourism brought continuing growth to Chinese cruise industry. Besides, economic factors and political reasons also played a significant role in Chinese cruise industry development. From 2007 to 2012, Chinese government issued many supportive policies, not only at state level but also at local level (Sun, Feng, & Gauri, 2014).

Modern cruise ports have been continuously established along coastlines of China and cruise port clusters have been built up in north, east and south of China. According to China Cruise & Yacht Industry Association, China till now have in total 14 cruise ports in operation. In early 2020, however, coronavirus brought the whole cruise industry to a standstill, international cruise lines shut down their standard cruise routes one after another. After nearly 2-year effort, economic revival and stable control of pandemic allow China to resume cruises (Yang, 2020). To resume China's cruise industry, beside the massive hit from pandemic, cruise operators must notice those long lasting problems in this industry.

China's cruise industry started to sink since 2017. The first historic negative growth in Chinese cruise industry appeared in 2018, the number of cruises that stopped in China dropped by 17.95 percent and cruise passenger number fell to 4,906,583 by 0.98 percent comparing with 2017 according to the China Ports and Harbors Association and the China Cruise & Yacht Industry Association. Defects existed even before pandemic, such as "charter ships", "block group space" and overly dependence on tourism intermediaries (Sun, Ye & Xu, 2016), also

shows that Chinese cruise practitioners and cruise salesmen do not have deep understanding of Chinese travelers or the fact that they did not catch up with changeable needs of Chinese cruise consumers. Some analysts criticized that after decades of high-speed expansion, Chinese cruise industry transferred into an adjustment period (Wang, 2019).

So, to make cruise industry sail again, reasons causing this “ice age” of Chinese cruise industry should be uncovered, especially from the perspective of Chinese travelers. This report follows this conception and tries to facilitate Chinese cruise industry to get into a sustainable developing stage by giving some constructive suggestions.

1.1. Aim

This research aims to explore Chinese travelers’ expectations for cruise products and services. Factors that led Chinese travelers to lose interest in this type of holiday then caused decline in the Chinese cruise industry will be investigated. Recommendations will be given to cruise operators to revitalize Chinese cruise industry.

1.2. Objectives

- (1) Define the characteristics that attract Chinese tourists to choose cruise as a travel mode.
- (2) Investigate the expectations that Chinese passengers have for cruise travelling.
- (3) Analyze the factors during tourists’ decision-making process that lead the loss of interest in cruise travel.
- (4) Evaluate how cruise operators in China should promote their products according to Chinese cruise passengers’ needs and expectations.

2. Methodology

The aim of this research was to investigate what factors about tourists that gave rise to consumption slowdown in cruise industry and to explore Chinese tourists’ ideal cruise traveling.

First, this research utilized online survey questionnaires as quantitative research method to find what make travelers choose cruise and what kind of impressions Chinese tourists have on cruise travel. These online questionnaires were distributed among residents in Qingdao. As a coastal city in northeastern China, Qingdao has well-developed cruise industry and a large cruise port, and cruise travel is easily accessible to all residents in Qingdao. These questionnaires were sent out via WeChat, the most popular online massaging tool in china, and citizens of Qingdao were targeted by this survey. After collected the quantitative data, author then applied simply statistical analyzing method in this research to explore the biggest obstacle that keeps Chinese tourists away from cruise travel.

Second, face-to-face interview was used as qualitative method to enquire some details and feelings of cruise passengers on cruise trip. This in-depth interview was conducted with 10 people who had cruise trip before and tried to find out service frictions, service fail points and service highlights during their previous cruising experience. Qualitative data was recorded on paper in the course of interview and these data was integrated and sorted into several categories. Then this report used thematic analysis to discuss results and explore existing problems in cruise service and cruise products.

As for sample size, online software website Survey Monkey was chosen as sample size calculator. By the end of 2018, the permanent population of Qingdao city reached 9.3948 million, so the population size was 9,394,800 to be calculated. 90% was chosen to be confidence level with consideration of the accuracy of study and feasibility of research. And the margin of error was set on 5%, so the 5% positive and negative deviation was allowed on the survey results (Dessel, 2013). Then the Survey Monkey website used sample size formula to get the

sample size needed for this survey, that is 269. Sample size of qualitative research should be large enough to reach the saturation point, so that all research questions can be addressed, meanwhile, it also should be a proper amount to avoid repetitive data (Shetty, 2019). So the qualitative sample size was supposed to be big enough to uncover the variety of opinions as well as decrease the repetition at the point of saturation. Scientist Creswell (1998) recommends 5-25 interviews and Morse (1994) suggested at least six for phenomenological studies. Phenomenological study helps researchers delve into the feelings, thoughts and understandings of certain experience or situation (Lester, 1999). Based on this theory, in-depth interview for cruise travel could be classified as one of phenomenology studies, so this report chose sample size of 10 to do qualitative research.

The aim of quantitative research was to get statistically meaningful results, while qualitative research was to discover opinions and perspective (Shetty,2019). In-depth interview was an unstructured interview that carried out face to face to uncover underlying beliefs, opinions and feelings on a topic and it was a free exchange of information that could discover greater depth of insight than focus groups (Malhorta & Birks, 2005). So this report used quantitative method and simply statistical analysis to estimate the number of people in Chinese estuary harbor cities who had been to cruise travel, and thematic analysis to find out what factors are most effective to attract Chinese travelers. Then the in-depth interview explored feelings during travelers' journey and what made cruise passengers repeat or turn to another cruise line.

3. Results and Discussion

In this survey, in total 270 feedbacks have been collected including 18 different questions about cruise travel. Among 270 participants, only 91 have taken cruise trip before and the rest of 179 have not (shown in Figure 1). 68.61% of 179 claimed that “no time” was the principle reason that they never tried cruise travel and 28.47% chose “high price” as the barrier that hindered them from cruise. Then “not interested”, “no idea how to take cruise travel” and “safety concern” ranked the third, fourth and fifth reason to resist cruise travel (as it shown in Figure 2). But in fact, according to the prices in Ctrip, the most popular travel website in China, cruise trips departing from Asia are more affordable than from other regions. For example, a cruise trip from Shanghai to Korea and Japan lasting five days cost only around \$600. So we can draw a conclusion that apart from lack of time, misunderstanding and inaccessibility of cruise trip lead to losing customers. Furthermore, when asked about the first impression on cruise travel (Figure 3), 34.5% non-cruise participants chose “high cost”, besides, answers like “monotonous cruise itinerary” and “visiting destinations in a hurried and cursory way” were ranked second and third. Additionally, the answers of “long and tedious onboard time” and “bumpy journey with seasickness” fully reflect some stereotype result from misinformation.

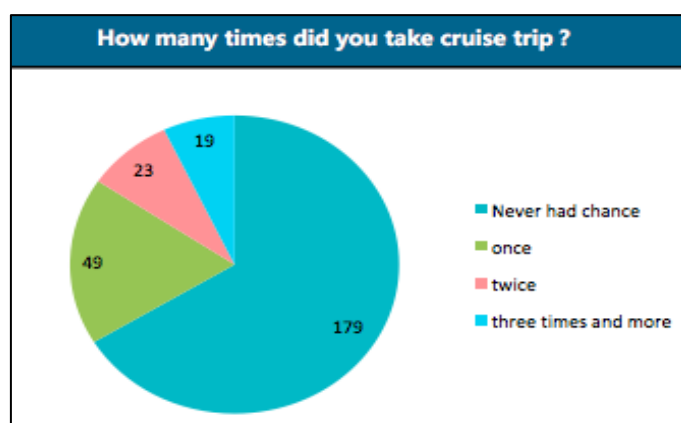


Figure 1. The Number of Cruise Travelers and Times

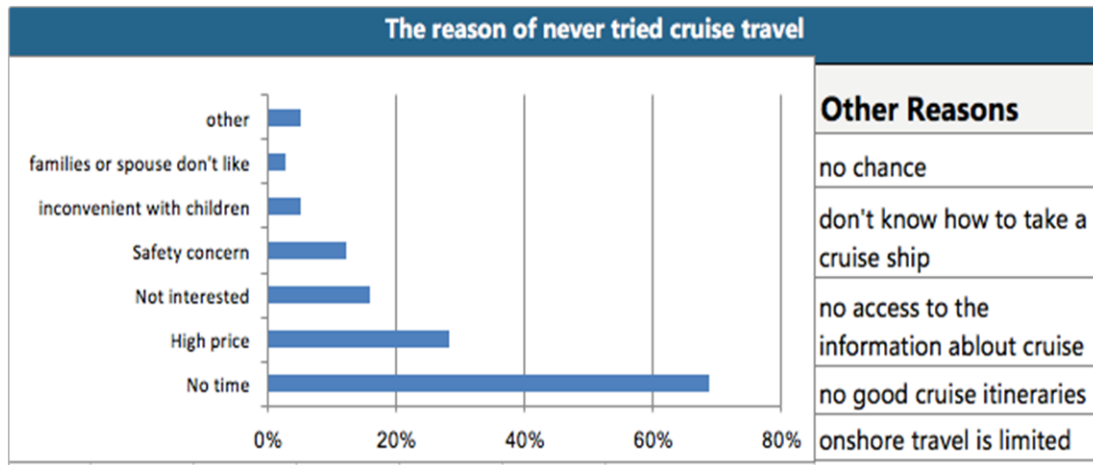


Figure 2. The Reason of Never Trying Cruise

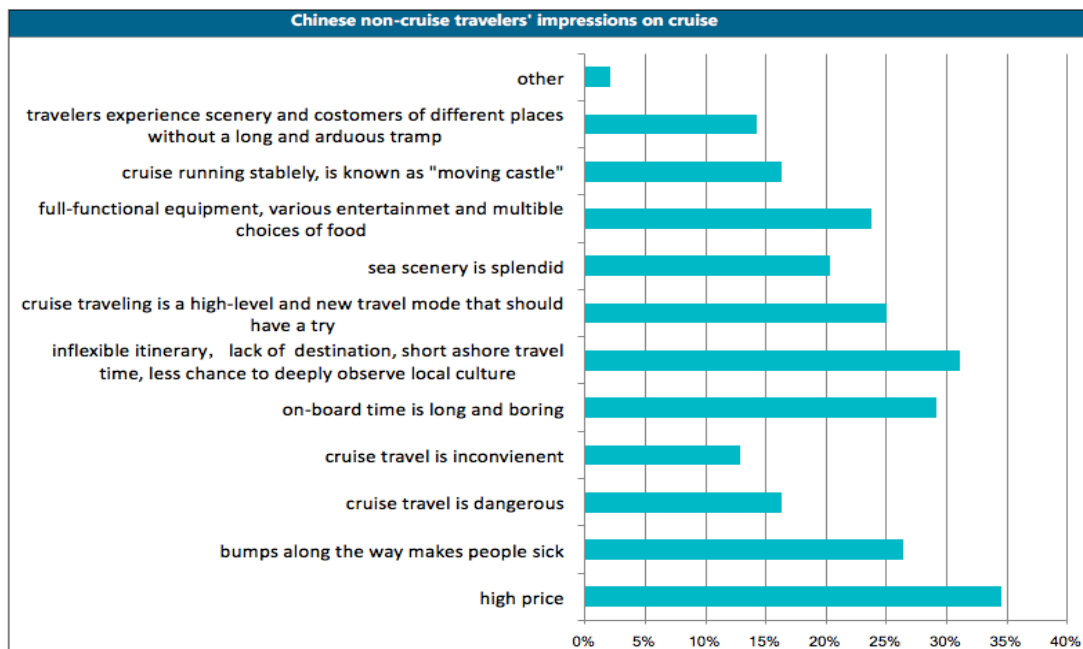


Figure 3. Chinese Non-Cruise Travelers' Impressions on Cruise

Most survey participants knew about cruise through travel agency's advertisement, then via internet, television and word-of-mouth (Figure 4). Different from other countries where cruise tickets are sold directly by cruise lines to customers, Chinese cruise market is monopolized by travel agencies and OTA. Sun at al. (2016) disclosed that during the first several years that cruise entered Chinese market, cruise lines had no favorable marketing channels and no abundant financial investment, but travel agencies and OTA had rich resource, so the intermediaries' marketing pattern, like "charter distribution model" and "block group space", played a positive role at the very beginning. Therefore, a monopolized market featuring package cruise tour products took shape. In that market, cruise package products were sold at turnkey prices (including ashore tour) that costs even less than the price of traditional cruise fare. But with this price, travelers can visit a large number of places without self-planning their sightseeing activities.

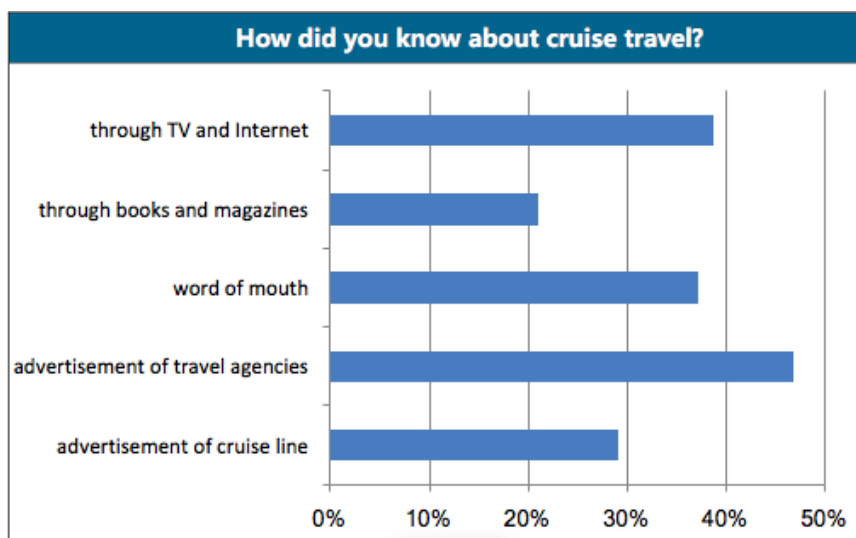


Figure 4. Channels that Chinese Travelers Get to Know Cruise

However, the last-minute price of cruise products started to decline since 2015 due to similar cruise tour package, fierce price competition and uncertain demand (Sun et al., 2016). This kind of low-price, mass-produced and homogenous products also brought bad experience to cruise passengers. 70% interviewees mentioned that they did not have enough time for onshore sightseeing. “two hours for getting off and getting on board, two hours on the way to tourist sites, even though, free-duty is compulsory during this pressing sightseeing” said Yifei Wang, an office clerk in Qingdao. What’s more, Wei Zhen, a postgraduate student in Qingdao university, expressed that his travel agency had requested extra fee for those who were not going onshore sightseeing. The operation of travel agencies lowered the quality of onshore travel and ruined the good mood of cruise passengers, which decreased the number of repeat customer and lost attraction for new customers. In the survey, one participant said that he had never thought of cruise travel, because he heard onshore sightseeing was not main part of this.

Other problems uncovered by both survey and in-depth interview are short of ports of call and rushed onshore stay. Not only cruise passengers mentioned this problem but also interviewees without cruise experience had this type of impression. 53% cruise respondents (Figure 5) and 31% non-cruise respondents (Figure 3) had this opinion. As the most popular cruise destination in the world, Caribbean and Mediterranean both have abundant tourism resources with numerous coastline countries and ports. This gives cruise lines various choices when design cruise itineraries, at the same time provides travelers chances to try new cruise routes. However, after ten-year development, accessible abroad cruise destinations for Chinese tourists are only Japan and Korea, which due to China’s restriction on foreign-flagged ships. According to Maritime Law of the People’s Republic of China (1992), “No foreign ships may engage in the maritime transport or towage services between the ports of the People’s Republic of China unless permitted by the competent authorities of transport and communications under the State Council”. But most of cruise ships in China are foreign ships, they are not allowed to stop by domestic ports in China, that explains why there is few domestic ports of call-in cruise itineraries.

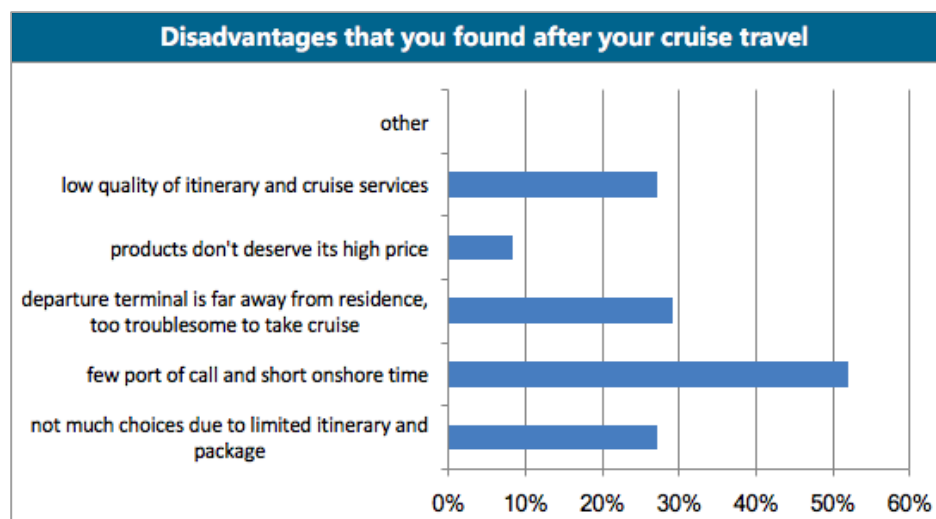


Figure 5. Cruise Limitations from Cruise Travelers Point of view

4. Conclusion and Recommendations

Integrating the results of survey, in-depth interview and secondary data, the cruise travelers regarded cruise trip as a fresh adventure that could appreciate marvelous ocean view as well as enjoy leisure time. However, some problems were unleashed through this investigation: Chinese travelers still could not access to accurate information about cruise travel and they have stereotypes originating from films and traditional thinking pattern (Zou & Petrick, 2017). Disconnection between cruise lines and passengers caused by OTA makes cruise products and price not friendly to customers. Moreover, the mass-produced cruise products, pressing onshore sightseeing and monotonous cruise itinerary weaken tourists' enthusiasm for cruise. So for cruise practitioners, they are supposed to take effective measures to reverse this depressing situation. First of all, they can advertise authentic cruise travel through TV show, online video website and social media to correct some Chinese tourists' false impression. Second, cruise reservation channels should be increased and cruise information be transparent. Third, more various and flexible cruise itineraries should be designed to meet needs of different consumer segments so that travelers will have chance to plan their own exclusive cruise itineraries. Besides, Chinese authorities are supposed to bring more China-made cruises into use. The last but not least, in this pandemic period more media channels are needed to show cruise permit, testing facilities and medical staffs on board, which will effectively relieve safety concerns of potential consumers.

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