

Market Segmentation of Cruise Ship Passengers: Implications for Marketing of Local Products and Services at Destination Points

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Abstract : Tourism has been growing incredibly fast during the past years, including the cruise industry, which is gaining increasing popularity among various groups of travelers. It is a challenging task for companies serving cruise ship passengers with local products and services at the point of destination to reach them in due time with information about their offerings, as well learning how to adapt their offerings and messages to the type of customers arriving on each particular occasion. Although some research has been conducted in this sphere, there is still limited knowledge about many specifics within this sector of the tourist industry. The objective of this research is to examine one of these, with the main goal of studying the segmentation of cruise passengers and to learn about marketing practices directed towards them. A qualitative research method, based on in-depth interviews, was used, as this provides an opportunity to gain insight into the participants' perspectives. Interviews were conducted with 10 respondents from different companies in the tourist industry in Iceland, who interact with cruise passengers on a regular basis in their work environment. The main objective was to gain an understanding of what distinguishes different customer groups, or segments, in this industry, and of the marketing approaches directed towards them. The main findings reveal that participants note the strongest difference between cruise passengers of different nationalities, passengers coming on different ships (size and type), and passengers arriving at different times of the year. A drastic difference was noticed between nationalities in four main segments, American, British, Other European, and Asian customers, although some of these segments could be divided into even further sub-segments. Other important differencing factors were size and type of ships, quality or number of stars on the ship, and travelling time of the year. Companies serving cruise ship passengers, as well as the customers themselves, could benefit if the offerings of services were designed specifically for particular segments within the industry. Concerning marketing towards cruise passengers, the results indicate that it is carried out almost exclusively through the Internet using; a reliable website and, search engine optimization. Marketing is also by word-of-mouth. This research can assist practitioners by offering a deeper understanding of the approaches that may be effective in marketing local products and services to cruise ship passengers, based on their segmentation and by identifying effective ways to reach them. The research, furthermore, provides a valuable contribution to marketing knowledge for the benefit of an increasingly important market segment in a fast growing tourist industry.

Keywords : capabilities, global integration, internationalisation, SMEs

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