Segment transition within the Cruise Line Industry

From a perspective of Royal Caribbean International

Bachelor thesis within Marketing

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Abstract

A cruise, meaning a travel on a ship where one visit a number of places is a form of holiday alternative that has grown rapidly the last decade.

Royal Caribbean International (RCI) is the largest actor on the Swedish market and is now changing its target market strategy. The company is transitioning its focus from the old traditional more affluent clientele, to target a wider span of customers where the people between 30 and 50 years of age are in focus and have become the main target group. Therefore activities aboard are added to suit these customers specifically.

What the authors of this thesis want to find out by using both interviews and questionnaires is whether the general opinion about cruising is coherent with the message that Royal Caribbean International is trying to convey. The authors also want to know if the targeting efforts are optimal when trying to alter people’s mindset and attract a new type of younger customers.

According to the performed survey, the brand awareness of RCI was best within the main target group. The most efficient media vehicle in communicating RCI’s brand has been brochures followed by newspapers and word of mouth. Somewhat surprisingly neither TV nor Internet was among top three of the most awareness creating media vehicles.

Through these media vehicles RCI tries to convey that younger people are now more in focus. However, people older than 50 are the most positive towards going on a cruise themselves. At the same time the whole population seem to think that cruising is best suited for people older than 50. No matter how old the respondents to the questionnaire were they believed that cruising was better suited for people older than themselves.

The population is getting older and the proportion of people over 50 years will increase dramatically compared to younger people within the next decades. Still RCI is focusing on adding activities and market themselves towards a younger group. Family behavior is
changing and people tend to start a family later. RCI is therefore targeting families to a
greater extent in order to attract the young but at the same time retain the older and
proportionally growing customers groups.

Cruise prices have decreased and RCI is now more than ever not only targeting more
affluent people. It is supposed to be afforded by a wide span. Even so, people tend to think
that cruising is better suited for high-income takers. At the same time it is widely associated
with luxury, not affordability.

Associations to cruising are overall positive but they are not necessarily exactly the ones
that RCI is trying to communicate the most. Some perceptions are in line with the message
RCI are trying to convey while others are based on the established prejudices that
surrounds the cruise line industry and that are hard to erase. Even though people typically
see cruising as something positive, they are still according to this study not to any great
extent considering going on a cruise.
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1 Introduction

In the following section we will introduce our topic, segment transitioning within one of the largest cruise line companies in the world, to be more specific: how the targeting of Royal Caribbean International in Sweden has changed during recent years.

We will start by discussing how the industry has evolved up to this point in the background section. A short presentation of Royal Caribbean International as a company can also be found in this section.

Further, a discussion leading up to the problem and purpose with this thesis will be presented.

1.1 Background

A cruise can be defined in many ways. According to Collins Cobuild English Dictionary (1995) a cruise is defined as “a holiday during which you travel on a ship or a boat and visit a number of places”. Another definition of a cruise is “to sail about for pleasure, calling at a succession of places” (21st Century Dictionaries, 1999). Cruise ships are similar to floating hotels where passengers enjoy themselves while being transported between different locations. Ships are gradually more viewed primarily as mobile leisure resorts rather than a pure mean of transportation (Dowling, 2006). There is a distinct difference between cruising and ocean voyages designed to transport an individual from one place to another (Cartwright & Baird, 1999).

The very first steam ship was taken into service 1801 in Scotland. It was not until 80 years later that the first ever pleasure cruise took place. The Oceanic Yachting Company refitted one of its ships to a full time cruise ship intended for the European market. In the 1890’s Orient Line started offering regular cruises also in the Caribbean (Cartwright & Baird, 1999).

The number of cruises increased slightly until the 1930’s, at that time even around the world cruises existed. When the flight services began to replace the scheduled cruise traffic over the Atlantic Ocean, the cruise companies were forced to look for new markets during the 1970’s. Norwegian cruise companies became market leading, especially in the Caribbean that became the main focus in the industry (Nationalencyclopedia, 1993).

Today the passenger cruise line industry is a modern and rapidly expanding global industry. Since the early 1990’s the growth and global reach has been exceptional for an industry with such high capital costs and with such a complex regulatory and legal environment in which it operates. With capacity projected to continue to increase each year, the future offers extraordinary opportunities for the industry, its customers and suppliers. This increase in capacity is driven by a record number of new ships coming into service (World Travel & Tourism Council, International Hotel & Restaurant Association, International Federation of Tour Operators, International Council of Cruise Lines and United Nations Environment Programme, 2002).

In the 15 years preceding 2005, cruise passengers have increased by an average of 8% each year and in recent years as much as 15% worldwide (Dowling, 2006).

The cruise line industry is a significant economic contributor worldwide affecting also agriculture, airlines, travel agents, food and beverage suppliers and other service sectors. It is also a booming industry that is forecasted to grow to 20.7 million passengers worldwide.
by 2010. Out of these approximately 5.5 million passengers will be travelling from Europe. (World Travel & Tourism Council et al., 2002)

In the Nordic countries the total number of cruise passengers is expected to be around 100 000 this year (Ticket, 2005). The three largest cruise line companies worldwide are Carnival Cruises, Royal Caribbean International and Star Cruise Corporation (Dowling, 2006). In the Nordic countries as well as in Sweden, Royal Caribbean International has the largest market share and about 35-40% of the Nordic cruisers travel with them (Strandberg, 2007). The cruise line industry caught our interest because of its rapid growth and prominent future in the world of tourism. The authors chose to focus the report from the perspective of Royal Caribbean International since it is the market leaders and play an important role in the rapidly growing Swedish cruise line market.

1.2 Royal Caribbean International

Royal Caribbean Cruise Lines was established out of three Norwegian shipping lines in 1968. Their first ship was called “Song of Norway” and it entered service in 1970. Since then there has been a significant expansion when it comes to new boats, destinations and services etcetera. Song of Norway, their first ship had a capacity of approximately 700 passengers. Nowadays their new ships in the Freedom class have total occupancy of 4370 passengers. Going from one ship in the early 1970s, Royal Caribbean International today has a total of 21 ships, the smallest with a capacity of 1600 passengers (Royal Caribbean International, 2007a).

After many years of various mergers, acquisitions and joint ventures Royal Caribbean International is today a part of the publicly traded Royal Caribbean Cruises Ltd. Traded on the New York Stock Exchange and incorporated in the Republic of Liberia Royal Caribbean International is one of the world’s largest cruising companies. Royal Caribbean Cruises Ltd is the second largest cruise line group in the world. They are also operating Celebrity Cruises, the Azamara and Pullmantur brands, with 35 modern ships and a passenger capacity of approximately 71,150 (Greg Johnson, 2007) The ships operate worldwide with a selection of itineraries that call on approximately 300 destinations (Royal Caribbean Ltd. Annual Report 2006, 2007). Royal Caribbean International call on approximately 170 destinations worldwide (Royal Caribbean International, 2007b) and operates the largest amount of berths of any cruise line in the world. More than 3 million travel with them per year in the contemporary and premium segments of the industry (Royal Caribbean Cruises Ltd. Annual Report 2006, 2007).

According to Roar Ingdal (2007), Nordic manager for Royal Caribbean International, the company is on its way to open a new office targeting the Swedish market. This is in order to manage the growth potential in the country as well as the next step in a strategic commitment within the region. A commitment that also involves Royal Caribbean International to, for the first time, locate a ship with homeport in Värtahamnen, Stockholm and to open a new route in and around the Baltic Sea (Travel News, 2007).

From here on out Royal Caribbean International will be abbreviated RCI.
1.3 Problem Discussion

Data from Cruise Lines International Association (CLIA) suggest that cruise line passengers nowadays are younger, with an average age of 49 years (Ostrovski, 2006) and less wealthy than they have previously been (Dowling, 2006). Even if this age might not be regarded as young, it is still a significant difference to what it has been. Younger and more active people are targeted and options are now also being catered for them. More activities are on offer both on and of the ships. Examples of activities offered include ice-skating, wall climbing, miniature golf, on shore excursions and kayaking etcetera. Youth programs are also increasingly on offer that is tailored to children in all ages (Royal Caribbean International, 2007c). Another change in the nature of cruise holidays is that some of the formality is replaced with a more casual feel. There still are several options for posh cruises with strict dress codes and set dining times but the anticipated new type of passengers is expected to change all that (Tully, 2007). Petrick & Xiang (2006) have shown that the changing demographics of cruisers imply that “high-end” cruise lines will be losing a share of the market, and value-oriented cruise lines may be gaining a competitive edge (cited in Dowling, 2006).

During recent years the Baltic, Nordic and Swedish markets have become somewhat of a favorite region for RCI because of its great potential and strong growth. According to the RCI Sales Manager in Sweden David Malmberg, the main customers have previously been so called “dinky’s” (referring to people with double income and no kids yet) and “empty nesters” (couples whose children have moved out). However this is about to shift in Sweden as well and the demographics of the typical cruiser are changing. RCI is in the Swedish market focusing more and more to attract families and younger people in general to travel with them (Strandberg, 2007). RCI’s main target groups in the Swedish market are families, couples and individuals in the age range of 30-50 years old (Royal Caribbean International, 2007d). It targets this group despite the clear trend that the population is getting older (Hall, 2005). Since RCI have a new targeting strategy it is exciting to investigate if it has succeeded with communicating its message and brand to the new main target group.

1.4 Purpose

The purpose of this thesis is to investigate if the general opinion about cruising is coherent with the message that Royal Caribbean International is trying to convey now when it is transitioning its segment focus. The authors also want to know if its targeting efforts are optimal when trying to alter people’s mindset and attract a new type of younger customers.

1.5 Research questions

People are today increasingly considering cruising for their next vacation but still cruising is not contemplated to the extent that it perhaps could be. Therefore we would like to investigate if this younger target audience is aware of Royal Caribbean International as a company and of its new marketing efforts.

- RCI is addressing a new younger and more active market segment. What kind of implications does this strategy imply?
- To what extent is people aware of RCI and is it using the right media vehicles when communicating its message?
• To what degree is there coherence between what RCI is communicating and peoples perception regarding cruising?

• In what degree is cruising considered within the different age spans and is RCI’s new main target group perceived to be in focus of the company’s product offerings?

1.6 Delimitations

A cruise is “to sail about for pleasure, calling at a succession of places” (21st Century Dictionaries, 1999) and should not be confused with passenger transportation at sea. In this thesis we do not consider many of the so-called cruise lines operating in and around the Baltic Sea to be real cruise lines. Even tough they offer pleasurable sea voyages it is also more a pure mean of transportation between two ports only, not between a “succession of places”.
2 Theoretical framework

2.1 Market segmentation

According to Kotler & Armstrong (2004) market segmentation is the process of dividing a market into different groups of buyers who have different characteristics, needs or behaviour and who may require separate marketing programs or products. Weinstein (2004) has a similar view and defines segmentation as the process of portioning markets into groups of potential customers with similar needs or characteristics who are likely to display similar purchase behaviour. Yet another definition of market segmentation is “dividing a large population or group into smaller groups with the same or similar characteristics” (Marconi, 2000).

The American Demographic Institute classifies the main elements of segmentation in consumer marketing as demographic, geographic and psychographic variables (Marconi, 2000). Kotler (2000) however includes one more major segmentation variable and that is behavioural segmentation. These four major types of segmentation variables are presented below:

- Geographic variables identify the position and characteristics of a particular geographical area, into different geographical units like nations, states, regions, cities, regions or neighbourhoods (Kotler, 2000).

- Demographic segmentation is when the market is divided into groups on the basis of variables such as age, gender, income, occupation, education, race, religion, race, generation, nationality, family life cycle, family size and social class. These types of variables are the ones that are most commonly used when distinguishing customer groups. One main reason to this is that the preferences, wants and usage rates of consumers often are associated with demographical variables. Another reason is that demographic variables often are easier to measure. Income segmentation for instance is commonly used in such product categories as automobiles, clothing, boats, cosmetics and travelling (Kotler, 2000).

- Psychographic segmentation is when buyers are divided into different groups due to differences when it comes to lifestyle or personality and values (Kotler, 2000). After having defined target individuals or groups demographically, the next step is to understand what makes one individual or a group to behave in the same way as or differently from others (Marconi, 2000).

- Behavioural segmentation is according to Kotler (2000) when buyers are divided into groups on the basis of their attitude toward, the knowledge of, use of, or response to a product. Many marketers regard behavioural variables such as benefits, usage rates, user status, loyalty status, buyer readiness stage and attitude as the best starting points for constructing market segments (Kotler, 2000).

There are a lot of ways to segment the market, but far from all are effective. In order for market segmentation to be effective market segments need to be:

- Measurable: this means that the size; purchasing power and profiles of the segments should be possible to measure.
• Accessible: the market segments can be served and reached in an effective way.

• Differentiable: the segments are conceptually distinguishable and respond in a different manner to different marketing mix elements and programs.

• Substantial: the segments of the market are big or lucrative enough to target.

• Actionable: it is possible to design a marketing program that can attract and serve the desired segments (Kotler & Armstrong, 2004).

To map out the different segments is crucial when one consider which segment to target. It is the market segments targeted that direct RCI’s marketing efforts. RCI’s market segmentation strategy has changed somewhat during the last two decades; this is very much related to the purpose of this thesis. This because it is the segments targeted that initially determines the marketing efforts used by the company.

2.2 Target Marketing

When a company has identified and evaluated different market segments it has to decide on which ones to target. In order to evaluate which segment to target companies have to consider at least three factors, the segment size and growth, segment structural attractiveness and company objectives and resources. According to Kotler and Armstrong (2004) “a target market consists of a set of buyers who shares common needs or characteristics that the company decides to serve”. Each buyer has unique wants and needs and can therefore be regarded as a separate target market. However, most companies choose to try targeting a broader segment of buyers (Kotler & Armstrong, 2004).

There are several different strategies that are used by companies to target the market. To use an undifferentiated marketing strategy is one of them. When using this approach you choose to target the entire market with one offer and ignore the differences between different segments of the market. This type of mass-marketing strategy is focusing on what is common in the needs of consumers rather than the differences between people. Another approach is to use a differentiated marketing strategy. Here the firm tries to target several market segments with different offerings. By doing this companies hope to gain a stronger position and increase their sales within each market segment. Companies that succeed with developing a stronger position within several segments create more total sales, compared to companies using an undifferentiated marketing strategy. However, using a differentiated strategy entails higher costs than targeting the entire market with one offering. A third strategy that is used is called a concentrated marketing or niche marketing strategy. This is a suitable strategy for companies with limited resources. Companies using this strategy are focusing on going after a large share of one or a few segments or niches. Companies can market more effectively by fine-tuning, prices, products and marketing programs to fit the needs of carefully defined segments. The strategy that has the narrowest target is micromarketing. This is a practice where the company tailors its products and marketing programs to suit the tastes of specific locations and individuals (Kotler & Armstrong, 2004).

Target marketing is included in this thesis because it is important to study what market RCI has targeted in the past and is targeting now. It is the target marketing strategy that
ultimately guides RCI and its marketing efforts. This is also of importance since RCI is targeting a new segment and the needs and wants varies from the former segment. In order to understand the compatibility of new and old segments targeted one has to be aware of the theory of target marketing.

### 2.3 Brand Awareness

According to Kotler (2005) a brand can be defined as “a name, term, sign, symbol or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler, Wong, Saunders & Armstrong, 2005). A brand communicates something about a company, a service or a product and it influences what comes to mind when a consumer comes in contact with it. It is the marketing effort around the brand that influences the consumers’ perceptions about it. One of the relevant dimensions that distinguish brand knowledge is the awareness of the brand. Brand awareness is basically the ease in which a particular brand comes to mind (Keller, 1993). According to Kapferer (1997) brand awareness measures how many people that know what the brand stands for and of what promises the brand is communicating, in terms of products and/or services offered. He also claims that a brand without awareness is just something that is on the product and do not have any meaning or effect (Kapferer, 1997). Brand awareness consists of brand recall performance and brand recognition. The latter relates to the customers’ ability to, upon prior exposure to the brand, distinguish it among others. Brand recall is about how consumers start thinking of a brand when discussing a particular product or service category (Keller, 1993).

Kapferer (1997) distinguishes three different types of brand awareness. Top of mind awareness is about measuring which brand that first comes to mind within a certain product category. This type of awareness benefits the brand especially when consumers have to make fast decisions or without great efforts. Household products are a category of products that can benefit a lot from top of the mind awareness. Unaided awareness is another type and is about measuring the impact of the brand, for instance by to what extent the brand is spontaneously associated with a certain product category. A brand that comes into the consumers mind instantly has a greater chance to be purchased; this is true especially for time sensitive consumers. The third type of brand awareness is aided awareness. Here you ask the target audience if they have heard about or are familiar with a particular brand, or if they at least have heard about the brand name. The purpose of this is to ensure that people have heard about the company’s brand. That the brand is not completely unknown makes it easier to convince hesitating consumers about the product. The common perception that all brands should strive be to be in the top of the mind of consumers when it comes to brand awareness is incorrect according to Kapferer (1997). He thinks that this is dependent on which market the company operates in. In order to reach top of mind awareness great investments often is required, he claims that these investments is not always appropriate to do (Kapferer, 1997).

Two main reasons make brand awareness very important when customers make decisions. First, it is important that the brand comes to mind when they are thinking about a product or service category. For instance, that they are associating soda with Pepsi or Royal Caribbean International with cruising etc. With high brand awareness the likelihood that the brand is selected increases. Second, even if there are basically no other brands in consideration brand awareness can still effect purchasing decisions. Consumers have shown that they are more inclined to purchase well-known brands and can thus be tempted to try product categories they normally wouldn’t (Keller, 1993).
To what extent people are aware of RCI can be measured with the help of aided brand awareness. This theory also helped when formulating the questionnaire. Brand awareness is rather decisive when first time cruisers chose which company to pursue a cruise with. Therefore it was important to include this section when fulfilling the purpose of this thesis.

2.4 Marketing channels

According to Kotler, Wong, Saunders & Armstrong, (2005) the advertiser must choose which media that carries the message best.

In order for us to evaluate whether RCI today is using right media and how efficient the media it is using we need to know some basics about different perspectives on advertising media. These following sections of theory will later be used to analyze our empirical findings and thereby see if other media can be used and in that case why.

2.4.1 Reach, frequency and impact

The reach of the advertisement is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time. For example the advertiser might try to reach 70 percent of the population within the first three months of the campaign. Frequency is a measure of how many times the average person in the target market is exposed to the message. For example the advertiser might want an average exposure frequency of three. The desired media impact is also of great importance. This is the qualitative value of a message exposure through a given medium. For instance, products that have to be demonstrated visually may have a greater impact from TV messages rather than messages on the radio. The same message in the national newspaper might be more believable than in a local weekly. In general, the more of these three criterions the advertiser seeks, the higher the advertising budget will have to be (Kotler, et al., 2005).

2.4.2 Choosing among media types

The media planner has to know how well the different media types perform when it comes to reach, frequency and impact. The major media types are; newspapers, television, direct mail, radio, magazines, and the Internet. There are many factors to consider for the media planner but the media habits of the target consumers will of course affect the choice of media and so will the nature of the product. For example, fashion is best advertised in color magazines and car performance best demonstrated on television. Different types of messages may require different media, for example a big sale that will take place tomorrow will require radio or newspapers. At the same time advertisement with a lot of technical data might require magazines, direct mailings or an online ad together with a website (Kotler, et al., 2005).

Cost is also an important consideration in choice of media. Network television is very expensive, newspaper or radio advertising costs much less but reaches fewer customers. The media planner looks at both the total cost but also at the cost of reaching for example 1000 people using a certain medium (Kotler, et al., 2005).

These media selections must be revised regularly. For a long time, television and magazines dominated in the media mixes of national advertisers. What have become more common
are strategies in micromarketing; this means that the focus is more narrowed down and advertisers are trying to reach more specific customer groups. This has lead advertisers to shift larger promotions of their budgets to media that cost less and targets more efficiently. Advertisers can take advantage of the narrowcasting cable televisions offers by “rifle in” special segments rather than using the “shotgun” approach offered by network broadcasting. For instance kitchen accessories can be marketed in special cooking channels or travels in travel channels etc. (Kotler, et al., 2005).

2.4.3 Selecting media vehicles

The next step for the advertiser is to choose the specific media within each general media type. In most cases there are an incredible number of choices. Within television there are multiple channels to choose between. The specific show to broadcast in before or after is also of importance. Prime time shows are the favorites but costs escalate with its popularity.

The planner must select the media that will do the best job in terms of reaching the target customer group. Then other factors have to be considered such as credibility, status and editorial focus. The media planner then decides which media that give the best reach frequency and impact for the money invested (Kotler, et al., 2005).

2.4.4 Evaluating advertising

What sales are generated by is difficult to determine. It might be due to an increase in brand awareness or in brand preference. The effects on sales are often harder to measure than the communication effects (Kotler, et al., 2005).

The change in brand awareness is decided by the number of people who notice the advertisement and becomes aware of the brand. If the desired awareness is not received the advertiser must find out why. Possible reasons can for example be poor impact achieved by the communications campaign or that customers forget because of poor recall or inadequate advertising investment (Kotler, et al., 2005).

The nature of consumers’ attitudes towards a brand can be ascertained before and after a campaign. An informative ad allows consumers to learn more about product/brand benefits. If the message is poorly targeted, or conveys an undesirable or unbelievable message, consumers are antipathetic towards the brand. Consumers might on the other hand become sympathetic towards the advertised brand benefits. Before-and-after studies would enable changes in consumer brand preferences to be determined. Reasons for brand rejection should be identified so that communication weaknesses can be redressed (Kotler, et al., 2005).
3 Method

This chapter will discuss the chosen method, how and on what grounds our decisions have been taken in order to fulfill the purpose. It will also describe how we will approach the problem of carrying out a survey including a questionnaire. This section will end up with criticism concerning used sources.

3.1 Methodological approach

In general there are two methods when it comes to performing a study like a bachelor thesis. There are either the qualitative or the quantitative approach. Quantitative data consist of numerical data or data that has been quantified for example data gathered through questionnaires. Qualitative data is data that is non-numerical or data that has not been quantified, typically gathered through interviews. In the case of this study, the most suitable way was to use both interviews and questionnaires. In other words; both a qualitative and a quantitative approach was used. People in the tourism business that either sell RCI cruises or are in some way involved in that process were interviewed. Included here is also RCI’s Marketing Executive in the Nordic and Baltic region, Rikke Dorum Schönborn. The qualitative approach to data collection was profitable in getting a brief overview of some elementary background facts before finishing the development of the purpose and definition of background and problem. This was also done in order to identify how RCI is conveying the message concerning the marketing of its cruises. Another aim was to take part of the data collected by RCI themselves that could be in use for this thesis (Saunders, Lewis & Thornhill, 2003).

3.2 Qualitative data collection

To truly grasp the problems in the transition and incorporation of new segments this study needs to approach different perspectives and then compare the resemblances of them. In order to understand the new marketing strategies that have been implemented and how new segments of younger people can be targeted, operational staffs have to be addressed.

3.2.1 Interviews

Interviews were performed with three interviewees that all had extensive experience from the cruise line industry. In order to get more objective data not only employees at RCI were interviewed. The interviews were initiated with employees at companies closely related to the cruise line industry. Marie Johansson, the Director of Communication at Ticket Travel Group that carries RCI’s cruises was contacted. Ticket Travel Group is the largest travel agency in Sweden (Ticket, 2007). Another big actor when it comes to cruises is Globetrotter. It has been in the business for around 25 years and Sales Manager, Jan Josefsson, was also interviewed. These two interviews took place September 26 in 2007. As mentioned earlier a third interview was conducted. Dorum Schönborn was interviewed November 1 in 2007. All interviews included questions about marketing strategies, the development of the cruise line industry, segmentation and targeting within this industry. The interviews were all conducted over the phone and audio recorded at the same time in order to ensure accurate transcriptions and correct reproduction of data. All questions and transcriptions of the interviewees’ respective answers can be found in the appendices.
Further on Dørum Schönborn has assisted in mapping out the different marketing efforts, this was done via email correspondence and can be read in appendix F.

### 3.3 Quantitative data collection

The main collection of empirical quantitative data was done through a survey. This survey laid ground for the analysis of the respondents in a quantitative approach. This approach helped answering the research questions in a more accurate way than only a qualitative approach would have done. The accuracy will be increased since the study will not only be based on a few opinions from experts. More general perceptions about cruising will be revealed when also uninitiated laymen reveal their view. Another reason for using a quantitative approach was that the authors wanted to see and get a good idea about the differences in perceptions between people in different age spans. Something that was hard to do using only a qualitative approach (Saunders et al., 2003).

#### 3.3.1 Quantitative survey

A survey is a method that is used in order to collect data from people about who they are, how they think and what they do. The method is suitable to use when you cannot observe directly what you want to study. A survey usually has the form of a questionnaire that is filled out by a person himself (Bainaves & Caputi, 2001). Respondents can be asked a wide variety of questions about their behavior, attitudes, intentions, motivations, awareness, demographic and lifestyle characteristics. The questions can be asked verbally, in writing or via Internet, and the answers may be obtained in any of these forms. Often the questioning is structured. When conducting a structured data collection, a formal questionnaire is prepared and the questions are asked in a prearranged order. Whether the research is regarded as direct or indirect depends on if the respondents know the purpose. A direct approach is when the purpose not is disguised to the respondents or is obvious to them from the questions asked. The most popular method of collecting data is using a structured direct survey, and it involves administering a questionnaire. In typical questionnaires the most of the questions are fixed-alternatives questions. These types of questions make the respondent chose from predetermined answering alternatives.

For instance:

<table>
<thead>
<tr>
<th></th>
<th>Disagree</th>
<th>Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopping in department stores is fun.</td>
<td>1 2 3 4 5</td>
<td></td>
</tr>
</tbody>
</table>

There are several advantages with using this survey method. It is easy to administer a questionnaire. The data collected are reliable due to that responses are limited to the alternatives stated. The use of fixed-response questions reduces variations in the result that may have occurred otherwise, because of differences in interviewers (Malhotra, 2004). This type of closed end questions helps to ensure that the researcher can collect the needed information (Kumar, 1996). Finally to code, analyze and interpret this data is relatively easy. Disadvantages are that respondents may refuse to answer the questionnaire and thereby not provide you with the desired information. This refusal is often due to that they think that the questions asked are to sensitive or personal. Structured questions and fixed-response alternatives can also result in loss of validity for certain types of data such as feelings and beliefs (Malhotra, 2004). There is also a greater possibility of investigator bias,
because the researchers may only list the type of answers that they are interested in or that come to mind (Kumar, 1996). Although there are some disadvantages with using the survey approach it is by far the most common method used for collecting primary quantitative data in marketing research. However there are some aspects you have to consider carefully when designing as survey (Malhotra, 2004).

“A good questionnaire must engage the respondents and stimulate their interest in providing complete and accurate answers. It must do this while creating a common understanding of both questions and answers among all respondents” Bobbi Brantley, training manager, research services, Burke, Inc (Malhotra, 2004).

When formulating your questions the wording and tone of your questions is important because the quality of the information obtained largely depends upon these factors. There are some general things that are important to consider when you formulate the questions:

- To always use simple and everyday language- you have to keep in mind that all respondents are not highly educated.

- To not use ambiguous questions- that is questions that can be interpreted differently by different respondents.

- Do not ask questions that are double-barreled- questions that have a question within the question. Then you do not know which of them the respondent actually intended to answer.

- Do not ask questions that can be leading- this is a question, which by its contents, structure or wording, leads a respondent to answer in a certain way.

- Do not ask questions that are based on presumptions- when asking such a question the researcher just assume that the respondent fit into a particular category and searches for information based upon those assumptions (Kumar, 1996).

The order of the questions in the questionnaire is also important to consider as it affects the quality of the information, as well as the interest and willingness of potential respondents to even participate in the study. There are two ways to order the questions; one is to ask them in a random order. The other one is that they should follow a logical progression based upon the objectives of the study. The second view is supported by Kumar (1996) because he thinks that this approach leads the respondents into the themes of the study, starting with simple ones and stepwise progress to more complex ones. According to him this type of approach sustains the interest of respondents and gradually stimulates them to answer the questions (Kumar, 1996).

The design of a questionnaire is according to Saunders et al. (2003) far more difficult than you can think. One needs to ensure that the questionnaire collect precisely the data that you require to answer the research question. The design of the questionnaire is of vital importance not only because of already mentioned reasons but also because of the inability to go back to people and collect additional data using another questionnaire. The design will also affect the response rate, the reliability and the validity.
These parameters can be maximized by

- Careful design of individual questions
- Clear layout of the questionnaire form fit’s
- Coherent explanation of the purpose of the questionnaire
- Pilot testing
- Carefully planned and executed administration

In the questionnaire both category questions and rating questions was used dependent upon what the data was going to be used for. Category questions are generally used when data about attributes is collected. Rating questions are used when collecting data about opinions. The Likert style rating scale was used where the respondent were asked how strongly they agreed or disagreed with a statement, this on a five-point rating scale. The Likert scale enables to measure opinions in a numerical way. Both category questions and rating questions are closed-ended questions. The intention was to converse with 96 individuals’, only closed-ended questions was easier to interpret and therefore incorporated after the pilot test, see 3.4.1 (Kotler, 2005).

### 3.4 The Questionnaire

One of the main intentions of the questions used was to find out if the main target group of RCI was aware of the company, and if its general opinion about cruising was coherent with the one RCI have tried to communicate. The aim was to follow Kumar’s (1996) recommendation, to use simple and everyday language, when the questions were formulated for the final version. This was done to avoid confusion and to ensure many responses.

The final questionnaire that was handed out to respondents consisted of nine questions. Fixed-response questions were used because it reduces variations in the result (Malhotra, 2004) and helped to ensure that the information needed was collected (Kumar, 1996). To use this type of questions also made it easier to analyze and interpret the data collected (Malhotra, 2004). The questionnaires in both English and Swedish can be found in appendix G and H respectively.

### 3.4.1 Pilot test

Before the questions were finalized a pilot test was conducted in order to evaluate the questionnaire. This was also done to ensure its quality and collect needed information. The idea behind this was to see how people responded to the questions and if there was anything that was hard to understand or easy to misinterpret. After agreeing on questions to test, the questionnaire was handed out to family and friends with little or no knowledge about the thesis. They filled in the questionnaire without interference but under supervision. In this way the authors got a good grasp about what questions that caused the respondents the most difficulty. The respondents were also asked if it was anything in particular that they reacted upon and that they felt made the survey unnecessarily hard.
15 pilot tests were handed out in total, which the authors felt was enough to draw conclusions regarding the drawbacks of the questionnaire. After the test, what was noticed was that some questions were difficult for respondents to understand correctly. Therefore some of the questions were changed and rephrased. What was noticed was for instance that it was hard for the respondents to relate to the open ended questions and take the time to come up with a constructive response. Some questions were removed or revised before the questionnaire was finalized. The open-ended questions were revised and the respondents were provided with fixed alternative that they could mark instead.

3.4.2 Questions one and two

In question one and two the authors were interested in learning about the respondents. They wanted to know a bit more about whom the respondents are in order for to interpret the rest of the answers accordingly.

3.4.2.1 Question one

\textit{Q1. Mark the age span you are in. (26-30, 31-35, 36-40, 41-45, 46-50, or 51-55)}

In line with Kumar’s (1996) view the questionnaire started with a simple question in order to sustain the respondents’ interest. The question is straightforward and easy to answer for everybody. Question one is directly connected to the purpose and research questions, if RCI manages to reach out to the age span it intends. Also, it is important to know how the responses vary according to the age of the respondent. To be able to analyze the other questions in the questionnaire satisfactory it was needed to study them in relation to the age of the respondents. It is their age that divides them in to the different analyzable categories.

It was also important to divide the respondents in groups according to age since it was used as a basis of the sampling. Quota sampling (as described in 3.5.2) was used with the aim to receive a certain amount of respondents belonging to each and every one of the declared spans above.

3.4.2.2 Question two

\textit{Q2. What is your sex? (Male or Female)}

This question was merely included to ensure that there is an even spread between the respondents when it comes to gender. The research questions are gender independent but the authors were worried that they would get a biased result if there were only either male or female respondents. Therefore they tried to keep an even mix of respondents.

3.4.3 Questions three to five

These questions are a bit more specific about RCI than the others. Here the authors were not interested in general answers neither about the respondents nor about cruising in general. They wanted to know if the respondents were aware about RCI and how well it has managed to reach out with its marketing efforts.
3.4.3.1 Question three

Q3. Have you ever heard about the company Royal Caribbean International and/or do you recognize the logo to the right? (Yes or No)

Figure 3-1 "Logotype"

If analyzed together with question one the third question helped to get quite a good grasp about the awareness about RCI within the different age spans. This question was included to learn if there was any relationship between age and how aware the respondents were about RCI as a company. The authors tried to find out if the people within the age of 30-50, that is RCI’s main target group, were more or less aware about RCI than others. The questionnaire continued with a simple yes or no question that also is somewhat of a “go-to” question, allowing the respondent to skip further RCI specific questions if its aided awareness about the company is non-existent (Balnaves & Caputi, 2001). This question was placed in the beginning rather than in the end to avoid being too leading in accordance with Kumar’s (1996) ideas.

3.4.3.2 Question four

Q4. In what context have you heard about or been in contact with the company. Mark the option that suits you best. (TV, Radio, Newspaper, Family & Friends, Acquaintance, Internet, Direct mail advertising, Travel catalogues and Brochures, Travel agencies, or Other)

Question four is highly dependant on question number three that is somewhat of a screening question. The idea of this question is to see what marketing tools that have had the most effect so far. Since this question only will be answered if the respondent is aware about RCI expectations regarding validity is significantly lower.

3.4.3.3 Question five

Q5. Royal Caribbean International offer cruises to passengers in all ages. (Strongly agree – 1, 2, 3, 4, 5 – Strongly disagree).

The authors wanted to know if people’s general opinion about RCI is that it is offering cruises for both young and old. The responses were evaluated together with the age variable in question one. The real intention was to find out if the people within the age span (30-50), that RCI is now targeting more and more, really are aware that RCI is offering cruises to people in all ages.

3.4.4 Questions six to nine

These questions are more general and are intended to help understand the respondents’ general opinions about cruising. The authors expected all their respondents to answer these questions since they were closed end or fixed alternative questions and are fairly simple to answer based only on own perceptions of cruising (Kumar, 1996., & Malhotra, 2004).
3.4.4.1 Question six

Q6. With which three of these following words do you associate Royal Caribbean International? (Quality, Luxury, Activities, Culture, Too Structured, Forced social intercourse, Good value for money, Relaxation, Excitement, Service, For Young and Old, Cramped, Tedious, Carefree, Other)

The sixth question is interesting because it allows the examination of the frequency of the phrase selection and thus the understanding of the respondent’s mindset and views on the cruise line industry. This question helped to get an understanding of people’s perceptions and prejudices. Some of the phrases were taken from cruising lines’ websites and reflect values that they intend to convey. Other phrases are based on common opinions that were collected from people in the surroundings. The frequency with what an answer is selected will together with the respondents’ age help to analyze the general opinions of the respondents. This question is probably the most complex to answer and therefore it is not put in the immediate beginning in accordance with Kumar’s (1996) view. The authors contemplated to pose the question as an open-ended question but figured after the initial pilot test that it was too hard for the respondents to answer. It also provided too much variation in the responses. Therefore, it was revised into a fixed response question where the respondents were allowed to cross multiple answers.

3.4.4.2 Question seven

Q7. What age span does cruising suit best? (20-34, 35-49, 50-64 or 65+)

This question helps understanding the respondents’ general opinion regarding the ideal age suitable for cruising. Analyzed together with question one, the authors could see if peoples’ opinion varies with their age and what kind of relationship there might be. It was interesting to see if the age span that is RCI’s main target group (people aged 30-50), really recognize that its age group is regarded as one of the most suitable for cruising.

3.4.4.3 Question eight

Q8. Cruises does only suit high-income takers (Strongly agree – 1, 2, 3, 4, 5 – Strongly disagree).

Question eight was included in the questionnaire because it enabled the authors to analyze if people that do not earn a lot still believe that there are cruising alternatives available for them. Many cruise alternatives have become cheaper than before and are sometimes not that much more expensive than a conventional charter if you include accommodation, food and beverages etc. Especially not if you consider all the places you get to experience and the level of service received onboard (J. Josefsson, personal communication, 2007-09-26). Therefore it was interesting to see if the actors in the business have managed to convey the message that cruising actually is an affordable alternative for a large group of people.

3.4.4.4 Question nine

Q9. I have considered taking a cruise on my vacation. (Strongly agree – 1, 2, 3, 4, 5 – Strongly disagree).

Analyzed together with age the authors got quite a comprehensive idea of how interested people within the different age spans are in cruising. What was most interesting was to see if the somewhat younger at all have contemplated the idea of taking a pleasure cruise.
3.5 The concept of sampling

Population: “A population is the aggregate of all the elements that share some common set of characteristics and that comprise the universe for the purpose of the marketing research problem” (Malhotra, 2004). The population is the group in which the researcher wishes to draw a conclusion and constitutes all units within this group (Kumar, 1996). Populations must be accessible and quantifiable and related to the purpose. It is important that the population is accurately defined and not too vague (Balnaves & Caputi, 2001).

Sample: “A subgroup of elements of the population selected for participation in the study” (Malhotra, 2004). From the sample you obtain the information required to make an estimate that are as accurately as possible, it is supposed to reflect the population; a good sample achieves representativeness (Balnaves & Caputi, 2001). The purpose of a sample is to save money and time; it can be very costly and time consuming to investigate an entire population (Kumar, 1996).

Suppose you want to do an estimation of some sort. For instance, you want to estimate the average men shoe size in your business statistics class. There are two ways of going about this estimation. The first method is the most reliable but also the most time and money consuming. You contact every single male student in your class asking them about their shoe size and ultimately calculate the average. All the male students in the class are in this example the population. It can be very costly and time consuming to investigate an entire population therefore the second method is to draw a sample. Instead of asking everybody in the population you select a sub-set or a sample where you are asking, for example, only every fifth student. Sampling is really a trade of between certain gains and losses. As mentioned it saves time and human resources but you can never find out hard facts using a sample, only more or less accurate estimates and predictions (Kumar, 1996). Good judgment must be used when sampling to achieve accurate findings and there are several different sampling techniques to choose from. The sample used was derived from the population of the municipality of Jönköping as described further in section 3.7.

3.5.1 Sampling Techniques

Sampling techniques can broadly be classified as probability and non-probability. The main difference between the two is that in the former the units are selected by chance and in the latter the technique relies on the personal judgment of the researcher (Malhotra, 2004). In probability sampling each element in the population must have an independent and equal chance of selection in the sample, subjectiveness and personal preferences etc. does not influence the choice of sample elements (Kumar, 1996). In non-probability sampling designs the selection of elements is dependent on other considerations. It is used when the researcher cannot ensure that every unit in a population has an equal chance of being selected to become a sample element (Balnaves & Caputi, 2001). It is often used when the number of elements in a population cannot be individually identified or is unknown (Kumar, 1996).
3.5.2 Quota Sampling

The quota sampling is a non-probability technique where the sample is selected from a location convenient to the researcher. Besides convenience the researcher is guided by some visible control characteristic. These can for example be age, race, sex or length (Kumar, 1996). The relevant control characteristics are identified on the basis of judgment (Malhotra, 2004). The persons conducting the study have the freedom to choose a specified number of people that fits a certain profile (John, Whitaker & Johnsson, 2006). Whenever a person at the selected (convenient) location is spotted that fulfils the control characteristics that person is asked to take part in the study. The process continues until the required quota of respondents has participated (Kumar, 1996).

The advantages with quota sampling are several. It is the least expensive way of selecting a sample and there is great convenience to the interviewers. Also it guarantees the inclusion of the type of people that the researcher wants (Kumar, 1996). Under the right conditions with tight control, discipline and guidelines, quota sampling obtains results close to those for conventional probability sampling (Malhotra, 2004). “Quota sampling is often used in market research survey” (John et al., 2006, p. 145).

Disadvantages include that the resulting sample naturally will not be a probability one since judgment is used in the process. The people that are at the most convenient location and that are the most accessible might have unique characteristics and opinions. Thus their answers might not be truly representative of the total sampling population (Kumar, 1996). There is no assurance that the sampling is representative if, for example, characteristics relevant to the problem are overlooked. Biases might also be present since the convenient locations to the researcher might correspond well with places typical of a certain type of respondents. The interviewer often goes to locations where eligible respondents are most likely to be found. They also tend to avoid asking people that look unfriendly or seem impolite etc. (Malhotra, 2004).

3.6 Response rate

The most suitable way for this type of opinion mapping research is to interview people as mentioned before with questionnaires containing the same set of questions. In order to get a high response rate the authors have chosen to not use self-administrated questionnaires but instead interviewer-administrated ones. This means that copies were handed out to people on various locations in and around Jönköping. This is usually a rather time consuming method but the response rate is usually very high (Collins & Hussey, 2003).

3.7 Selection of respondents

To interview the whole population that RCI targets in Sweden wouldn’t be an option because this population is enormous. Therefore there was a need to draw a representative sample that could be analyzed. The size of the whole population RCI targets in Sweden is hard to estimate but since RCI communicates that its cruises is for everybody, the entire population is vast.

Jönköping municipality is interesting since it does not only consist of urbanized areas, there are also rural parts just outside the largest cities (Jönköpings Kommun, 2007a). It is an administrative centre in its region where diversity and strong networks characterizes the dynamic business environment (Jönköpings Kommun, 2007b). According to Jönköping
International Business School (2007) the city has a strategic location in the heart of Sweden with relatively close proximity to the three biggest cities in Sweden, Stockholm, Gothenburg and Malmö (Jönköping Kommun, 2007c). About 30 percent or 2.8 million people of Sweden’s population lives within a radius of 170 kilometers from Jönköping (Jönköping Kommun, 2007a). These facts make Jönköping interesting to investigate and even though the results cannot be generalized on all of Sweden, but only on Jönköping municipality, the result might be representative.

According to Saunders et al. (2003), a questionnaire survey should be based on more than 30 samples. When performing administrated-interviews in a city, the most common way is to use a quota sampling method (Saunders et al., 2003). The authors chose quota sampling because in an orderly fashion compare the responses and opinions from people with different age. The quotas were also based on the entire population in Jönköping. The aim was to get the quotas to be representative to the population where the survey was performed; therefore the population distribution in the municipality of Jönköping was investigated. What was found was that the spread of people in different ages was not that significant. Because of that, the quotas were assigned accordingly and keep an even number of respondents in each group fitting the correct control characteristics sex and age.

The aim was to get about 100 respondents and since 96 was evenly divided by 6, the number of age groups that was supposed to be asked, that is exactly how many respondents who participated. RCI is focusing mainly on people in the age range 30-50, therefore it was interesting to divide the sample according to age. Six age spans where defined and these where; 26-30, 31-35, 36-40, 41-45, 46-50 and 51-55. These spans include the age spans that RCI is targeting specifically plus one five-year span above and one below. 16 respondents, eight male and eight female, were thus found within each age span adding up to a total of 96 respondents. An even quota was kept so there were exactly as many respondents within each sex and within each age span. To divide it according to sex was not really relevant to the purpose of this thesis but the aim was to get the responses to be as representative as possible, as well as not getting the result to be gender biased. In the municipality of Jönköping the people in the age range 26-55 (the total number of ages that are covered in our study) is represented to 51 percent (23839 out of 46741) of male and 49 percent (22902 out of 46741) of female residents (The Municipality of Jönköping, 2007). With the authors sample size they were unable to take this in consideration and since it is as even between the two genders as it is we used 50 percent male and 50 percent female respondents. An overview of the population in terms of age and sex is portrayed in the diagram on the next page.
In order to get such a representative sample as possible the authors performed the survey at different locations at different times. The three of them, performing the study separated and located themselves around the city. One of them was asking in the vicinity of Juneporten and Resecentrum, one at A6 shopping mall and one at Smedjegatan and Östra Storgatan. These are locations in Jönköping where the flow of people is among the greatest. The questionnaire was handed out at different times and different days and researchers rotated between the locations. The locations were covered both at weekdays and on a Saturday and also before noon, in the afternoon as well as in the evening at A6. All this was done to ensure such a representative sample as possible and to minimize the risk of leaving out a certain type of respondent.

### 3.8 Reliability, validity and generalizability

Reliability is concerned with the findings of the research, these findings can be said reliable if you or anyone else repeated the research and obtained the same result. Validity measures to what extent the research findings accurately represent what is happening in the situation; in other words, whether the data collected is a true picture of what is being studied. For example, the use of protocol analysis in a laboratory setting might be reliable because it can be replicated, but it does not give a high validity because the findings do not reflect behavior in a natural setting (Collins & Hussey, 2003).

The reliability for this thesis is strictly limited to the geographical area of Jönköping but the situation reflected here is most likely to be the same in other metropolitan areas similar to the municipality of Jönköping. The reliability was improved since the quantitative study with the questionnaires was performed on several different locations at different times of the day in Jönköping. Therefore the likelihood of a similar result is very high if the same questionnaire was handed out again.

In order to avoid misinterpretations the questionnaire was translated into Swedish. When the questionnaires were handed out, it was stated very clearly that the purpose of the study was strictly academic. This was done so that the respondents should not hesitate to answer truthfully.
Validity is as described previously concerned with how well the findings reflect the real world. It answers whether the findings really are about what they appear to be about (Saunders et al., 2003). In order to get at better validity, the formulation of the questionnaires has been performed with highest carefulness. Pilot tests were conducted to avoid getting confused respondents or misunderstandings of the questionnaire when performing the real survey. The same interviewer conducted the qualitative interviews in order to minimize the risk of misinterpretation.

Sometimes the external validity is called generalizability. A concern you must have in the design of your research is the extent to which your research results are generalized. That means whether your findings may be equally applicable to other research settings, such as other organizations within the cruise line industry and locations (Saunders et al., 2003). In the case of RCI the research will therefore not produce a theory or conclusions that are generalized to the whole cruise line industry. Since the population of this thesis is the inhabitants in the municipality of Jönköping the results will only portray exactly that. Even so the probability for similarities in other municipalities might exist. This since the targeting efforts of RCI have mostly been national based (see appendix F) and no evidence of local differences could be found.
4 Empirical findings and Analysis

This chapter presents the findings from the survey, based on the result from questionnaires as well as findings from interviews and secondary data. When it comes to the interviews, only abstracts with the most relevant findings will be found under this section. The complete interviews can be found in the appendices. The result will be presented in appropriate diagrams and will be analyzed throughout this section. This is done in order to facilitate the comprehension for the reader as well as avoid repeating material.

4.1 Market Segmentation and target marketing

Marconi (2000) defines market segmentation as:

“Dividing a large population or group into smaller groups with the same or similar characteristics”.

According to Rikke Dorum Schönborn (2007), marketing executive in the Nordic & Baltic countries, even though the largest market segments for RCI is “Dinky’s” and “Empty nesters” the target marketing has changed during the last couple of years:

“Our marketing is today more focused on families with children since we today have better opportunities to offer activities that are not only for older people” (R. Dorum Schönborn, personal communication, 2007-11-01).

The fact that there are more and more activities available onboard attracts the somewhat younger clientele in their thirties and this is a trend that is set to continue. RCI have been targeting all groups with great purchasing power. However this might be about to change since the prices of cruising is decreasing. Cruises are getting very competitive compared to conventional charter tourism (J. Josefsson, personal communication, 2007-09-26).

Royal Caribbean Internationals main target groups in the Swedish market are families, couples and individuals in the age range of 30-50 years old (Royal Caribbean International, 2007d). RCI is trying to communicate that the whole concept of cruising has changed so that it will match a family with both younger and older members (R. Dorum Schönborn, personal communication, 2007-11-01). The most significant target marketing that truly can be observed is that RCI is trying to adjust and adapt the marketing in order for it to appeal to the somewhat younger consumers (M. Johansson, personal communication, 2007-09-26). In order to reach the target market in an efficient way a company needs to find the unique characteristics, needs and wants of a particular group of consumers. According to the authors RCI has a very wide focus and are therefore not very differentiated in its marketing communication. A type of mass marketing is used where a uniform message is sent to all. This message is adjusted to fit the needs of the main target group. The unique needs and wants of this group are hard to find since the group targeted is so extensive and diverse. Therefore differentiated marketing where you tailor your communication more effectively could be advisable. However, a differentiated strategy entails higher costs than targeting the entire market with one offering (Kotler & Armstrong, 2004).

All three of our interviewees, as can be seen in the appendices, state that more and more focus is being put on adding activities onboard and to communicate this to the intended clientele. More emphasize have been directed towards keeping the guests occupied onboard. The cruise ships have in the last decennium been adjusted a lot in order to facilitate these activities (J. Josefsson, personal communication, 2007-09-26). Examples of these are surfing, snorkelling and rock climbing onboard etc. (R. Dorum Schönborn, personal communication, 2007-11-01). Youth programs tailored to children in all ages are
also increasingly on offer (Royal Caribbean International, 2007c). All this enables them to attract younger people and through that offer products to people in all ages.

What we can observe from our findings is that some of the important segmentation variables for RCI are demographic variables such as age, income, family lifecycle and size. These variables are the ones that are most commonly used by companies to differentiate customer groups (Kotler, 2000). According to Kotler (2000) income segmentation is often used within the traveling industry and this is what RCI have used in the past according to Josefsson (J. Josefsson, personal communication, 2007-09-26). However, he states that this is about to change and become a less important segmentation variable for RCI. This segmentation technique is not an expressed part of RCI’s market segmentation strategy today. Age is on the other hand a more important segmentation variable today as discussed further, later on in the analysis. Offering products to people in all ages and especially target families, individuals and couples between 30 and 50 years old is nowadays part of the expressed target market strategy.

RCI is segmenting towards families more extensively than in the past. RCI are now more attuned to the psychographic variable lifestyle and are therefore adding activities onboard suited for the somewhat younger family members. In doing this it tries to attract families in a different stage of their family lifecycle. Now the added activities etc. is an attempt to get a wider age span of passengers onboard and get younger families to bring their children as well as the children’s grand parents along.

4.2 Brand Awareness

Kapferer (1997) defines brand awareness as a measure of how many people that know what the brand stands for and of what promises the brand is communicating, in terms of products and/or services offered. According to Dørum Schönborn RCI’s brand awareness in Sweden today is rather low. This is especially true when you compare the brand awareness the company has in the neighboring country Norway. Dørum Schönborn say that this is the case due to several reasons, that the company is traded on the Oslo stock exchange, the Scandinavian head office is situated in Oslo and that the company was started in Norway is some of the reasons. Today first-time cruisers are in focus of RCI marketing efforts in Sweden (R. Dørum Schönborn, personal communication, 2007-11-01).

In order to investigate how large the aided brand awareness is the target audience was asked if it have heard about, or is familiar with a particular brand (Kapferer, 1997). In the third question in our questionnaire the authors tried to get an idea on how large the aided brand awareness is among different age groups here in Sweden.

Q3. Have you ever heard about the company Royal Caribbean International and/or do you recognize the logo to the right? (Yes or No)

The result from our questionnaire indicated that the aided brand awareness is highest in the age span 41-45. In this group 50 percent recognized the brand name or logo. The awareness within the age spans 31-40 and 46-50 where somewhat lower and ended up at 37.5 percent. The awareness was the lowest within the youngest (26-30) and oldest (51-55) age groups with an awareness of 31.3 percent. The relation between age and aided brand awareness can be found in the diagram in the next page.
The average aided brand awareness when considering all respondents from the different age groups were 37.5 percent. The pie-chart below shows the average aided brand awareness among all the ninety-six respondents of our questionnaire.

An average aided brand awareness of 37.5 percent was somewhat in line with the awareness we expected. In fact it was even a bit higher than we anticipated judging from reactions we have gotten. Still, according to Dorum Schönborn’s view, the brand awareness in Sweden is quite low (R. Dorum Schönborn, personal communication, 2007-11-01). An aspect of the result that can be regarded as something positive for RCI is that the awareness was higher within the age groups that today make up its main target group, than among the other age groups. The awareness was highest in the age groups that are in the middle of their main target group, and lowest in the spans that are just below and above of RCI’s target. We had expected the oldest age group to have a higher aided brand awareness compared to other age groups. This result can however be seen as an indication that RCI has to some extent managed to reach out better to its main target group. Still a lot of work will need to be done in order to raise the brand awareness of RCI among people in Sweden. That RCI is focusing the marketing efforts more towards first-time cruisers is one step in order to raise the brand awareness among the Swedish population.
According to Keller (1993) a company with high brand awareness has a greater chance of being selected. Kapferer (1997) has a similar view, he thinks that if the brand is not completely unknown it makes it easier to convince hesitating consumers about the product. This is good for RCI since cruising in Sweden is getting more popular and RCI has experienced an increase of 60 percent yearly during the last three years (R. Dorum Schönborn, personal communication, 2007-11-01).

The fact that the brand is not totally unknown will make it much easier to convince people to choose RCI when considering going on a cruise. Therefore it could be wise to target first-time cruisers more and make them aware of the RCI brand. To strive for top of the mind brand awareness is not always the right strategy for all companies according to Kapferer (1997), he thinks that this is dependent on which market the company operates in.

Top of the mind awareness is about measuring which brand that first comes to mind within a certain product category. Often great investments is required to reach top of the mind awareness, these investment are not always appropriate to do (Kapferer, 1997). In this particular case there might be reasons for RCI to make rather large marketing investments since it is operating in a rapidly growing industry. To be the first brand that comes into the consumers mind when it comes to cruising would be a great advantage for RCI, and give them a head start compared to its competitors. That the industry is expected to grow further in the years to come, according to Dorum Schönborn, is another reason for why it might be profitable to invest further in awareness creating marketing for RCI (R. Dorum Schönborn, personal communication, 2007-11-01).

4.3 Media vehicles

Dorum Schönborn told us that RCI is today mostly focusing on TV and newspapers when it comes to promotion of what it stands for, and in the efforts to attract new customers. This upcoming spring, RCI is planning to do a larger campaign in TV4, one of the nationwide Swedish television channels (R. Dorum Schönborn, personal communication, 2007-11-01). Johansson says that RCI previously has been doing commercials on TV (M. Johansson, personal communication, 2007-09-26). RCI also posts advertisements in newspapers here in Sweden. Major marketing efforts can be seen in appendix F. These ads often include offers with prices on cruises rather than communicating what a cruise is.

Dorum Schönborn also states that RCI is increasing the marketing efforts online and that it also sell cruises online (R. Dorum Schönborn, personal communication, 2007-11-01).

Josefsson says that RCI’s own catalogues and flyers are available and that posters are displayed in travel agencies. RCI use the agencies as a tool when it comes to marketing and are also included in the travel agencies own promotional material and brochures (J. Josefsson, personal communication, 2007-09-26).

The question the authors used to evaluate what marketing channels that have had the most impact on the targeted consumer segments was question number four:

Q4. In what context have you heard about or been in contact with the company. Mark the option that suits you best. (TV, Radio, Newspaper, Family & Friends, Acquaintance, Internet, Direct mail advertising, Travel catalogues and Brochures, Travel agencies, or Other)

This question was only answered by those respondents that crossed “yes” in question three and by doing so confirmed that they knew about RCI. The answers we got from this question showed that the variation between the different age spans was relatively
insignificant. This means that regardless of age the context where the respondents have heard about RCI was fairly the same. The different media vehicles that were mentioned most frequently by the respondents are portrayed in the pie chart below.

Figure 4-3 "Marketing channels"

The frequency of the different marketing channels was measured within the group of people with awareness. As seen above, travel catalogues and brochures (41 percent) have been the most efficient, followed by newspapers (21 percent). What also can be seen is that the family and friends group attains a level of the third most frequent answer (11 percent). Remarkable is that the importance of family and friends is larger than internet (9 percent).

Based on these facts the five biggest media will be analyzed and evaluated in the perspective of the theory in 4.2.

Television has a large reach, especially if the shows are sent on prime time in a nationwide channel like TV4 in Sweden. This media will also contribute to create a big impact on the potential customer since RCI will be able to demonstrate visually how wonderful a cruise experience can be. On the other hand this type of advertising is often according to Kotler (2003) very expensive and the performance measured in reached 1000 people per dollar might turn out to be high. Running commercials on travel channels can be sort of a micromarketing strategy where customers could be “rifled in” if they are run in conjunction with travel shows. On the other hand RCI might be after more of a “shotgun” approach by choosing TV as marketing media. It will then reach people with different backgrounds across all of Sweden by using a broad and nationwide channel.

A remarkable thing that we found out with the help of the questionnaire was that TV only accounted for 6 percent of the total awareness. Since it supposedly is a media with great impact it is surprising that it has not contributed to the brand awareness among the respondents to a greater extent. Furthermore it is therefore questionable for RCI to invest too much in this kind of media vehicle.

The Internet is a media that compared to television usually is much less expensive to use when advertising. Internet includes direct sales and is also giving the potential customers the availability to explore details concerning the product (Kotler et al, 2005). The impact is
dependent upon the curiosity of the potential customers. What can be done to increase interest is some sort of direct mailing, which has a huge drawback; it is very untrustworthy and might even be considered as annoying. In the questionnaire only 9 percent of the respondents chose Internet, as their source of awareness of RCI. This is rather low considering that many travel agencies, tour operators and cruise line companies is present online. However, for people who are aware of RCI and wants to know more or even book a cruise, Internet is a rather cost-efficient option for advertising. This even if it does not create very much awareness. Since RCI is planning to raise its marketing efforts online the awareness creating effect of online advertising might improve (R. Dorum Schönborn, personal communication, 2007-11-01). The daily Internet usage for RCI’s main target group is rather high, which increases the potential for Internet as a competitive media vehicle (Statistiska Centralbyrån, 2007). What also can be seen in the appendix is that the awareness creating effect of Internet was not higher within the younger age spans. This is somewhat peculiar since the Internet usage in the younger age groups is far higher. The Internet usage is apparently stagnating with age basically meaning that the older you are the less you tend to use Internet (Statistiska Centralbyrån, 2007).

When it comes to word-of-mouth, something this study has measured in terms of awareness created by friends/family, it showed an unexpected result of 11 percent. This factor is of course dependent upon the origin of the awareness creating media, which on the other hand cannot be measured. What can be said about word-of-mouth is that it usually has a rather high impact related to the high credibility it offers (Kotler et Al, 2005). The reach is rather low depending on the populations’ total awareness. The word-of-mouth is mostly affected indirect by increasing the performance of the other media used. However, by exceeding customer expectations and giving them positive impressions they will help spread the word.

Newspapers have a relatively large reach and in our study 21 percent became aware of RCI through them. RCI most commonly uses ads telling the reader about prices rather than providing information about the company. Advertising in newspapers can be either a more “shotgun” like macro marketing strategy or a more “rifle-in” micro marketing strategy. Macro is used in a more general section and micro when the ad is included in the traveling section of the newspaper. Depending on the size and frequency of the ad the cost-efficiency varies. The nationwide newspapers do have good credibility, which affect the campaign positively (Kotler et Al, 2005).

The largest source of awareness was according to our study travel catalogues/brochures with as much as 41 percent. These catalogues can be seen as some form of micro marketing since it is most commonly distributed to people interested in traveling that has either visited a travel agency or ordered a catalogue online. RCI issues its own catalogues/brochures as well as it is included in more general travel agencies own promotional material. Customers collecting material have thereby done an active choice and are more likely to pursue a cruise. Catalogues are usually very informative, hence great impact on the customer (Kotler et Al, 2005). A catalogue is usually something that is produced by most companies who offer all sorts of travels. This means that distributing it has a rather low cost compared to television and newspaper advertising. Its credibility is somewhat dependent upon the distributor or where it is been collected. Finally it is a rather inexpensive media that according to this study outperforms the other marketing media vehicles.
4.4 RCI segmentation variables

There are many ways to segment and divide your market into groups with consumers possessing similar characteristics. As previously stated important segmentation variables for RCI are demographic variables such as age, income, family lifecycle and size. The authors have further investigated the importance of them in the sections that follows.

4.4.1 Age

Age has become a more important segmentation variable for RCI with time. It is now pivotal in the marketing strategy. In this section various age-related data were gathered. With the help of this data the authors discussed in the following order: How prone people in different ages are to cruise, if cruises are offered to people in all ages and what age group people regard as best suited for cruising as well as what impact tourism demographics will have on cruising in the future.

4.4.1.1 Cruise consideration

Our interviewee at RCI states that the ones who today are most frequently traveling with RCI are so called “dinky’s” (which refers to couples that have a double income but no children yet) as well as so-called “empty nesters” and people over the age of 55 (R. Dorum Schönborn, personal communication, 2007-11-01). However this is, according to RCI sales manager David Malmberg, about to shift in Sweden and the demographics of the typical cruiser are changing. Royal Caribbean International is in the Swedish market focusing more and more to attract families and younger people in general to travel with them (Strandberg, 2007).

Question nine in the questionnaire helped to find out how keen the respondents were to pursue a cruise vacation.

Q9. I have considered taking a cruise on my vacation (strongly agree – 1, 2, 3, 4, 5 – strongly disagree)

The authors thought it would be interesting, in light of the reasoning above, to understand which age groups that actually are the most attracted to cruising.

The overall mean for all our respondents was 3.6, which means that there were fewer that ever had considered going on a cruise than those that have not. The people in our study had thus mostly not contemplated going on a cruise.
The most significant with the numbers in the graph is that the people belonging to the age span 51-55 are the ones definitely most positive towards cruising on their vacation. Another thing that is fascinating is that the ones belonging to the youngest age span have a more positive attitude than three out of four of the age spans that RCI specifically is targeting. The mean for the RCI target age 31-50 is 3.8, higher than for both the age spans investigated that it does not target, especially higher than for the people aged 51-55. Respondents in the age range 31-45 had a mean of 4.0 and can thus be classified as rather reluctant to cruising. The two oldest spans are the ones with the least negative attitude and the oldest age span has a mean of 2.6, which is significantly lower than all the other spans.

For some time now RCI have targeted people in the age 30-50 but according to our study the message has not really gotten through to them still. Even if the brand awareness in the intended age span is fairly good according to our questionnaire the interest in cruising is still at a lower level within the target range. RCI must not have gotten through with the message that cruising is for everyone. Even though more people within RCI’s target group are aware about them there are not so many that is considering choosing RCI for their next vacation. People within the targeted age range are aware about RCI but they still have a negative attitude towards cruising as a form of vacation.

4.4.1.2 Perception regarding the age of cruisers

What was presented in the section prior to this was how people in different ages feel about going on a cruise themselves. In this section the authors present peoples general perception about the stereotypical cruiser.

As mentioned earlier RCI’s marketing is today more focused on families with children since it today has better opportunities to offer activities that are not only for older people. This enables them to attract younger people and through that offer products to people in all ages. Dorum Schönborn says that the whole concept of cruising has changed; today it has something to offer for both young and old members of a family. That is what RCI is trying to communicate (R. Dorum Schönborn, personal communication, 2007-11-01). Furthermore she told us that even though it has a lot of older customers it is focusing more
on first-time cruisers in the present marketing efforts. She thinks that the most people in Sweden still have prejudices that cruising is only for elderly people who are wealthy (R. Dörum Schönborn, personal communication 2007-11-01). Marie Johansson has a similar view and thinks that the cruise line industry has long been associated with pensioners. Nowadays, that prejudice is something that RCI is trying to get rid of she continues (M. Johansson, personal communication, 2007-09-26).

In order to get an idea if people’s general opinion, whether RCI is offering cruises for both young and old, some questions regarding this were included in the questionnaire. The perceptions of the people within RCI’s main target group were especially interesting.

The first question that helped to analyze this was question number five. It was only answered by those respondents that crossed “yes” in question three and by doing so confirmed that they knew about RCI.

**Q5. Royal Caribbean International offer cruises to passengers in all ages. (Strongly agree - 1, 2, 3, 4, 5 – Strongly disagree).**

The result is displayed in the graph below where a high value indicates that RCI’s product offerings are not regarded to target a wide age span. A low number indicates that RCI have been successful in communicating to our respondents that cruising can be something for passengers in all ages. On the x-axis you can see our respondents divided into their respective age groups. On the y-axis are the values corresponding to the level with which the respondents concurred to the statement.

![Graph showing mean response for Royal Caribbean International offer cruises to passengers in all ages](image)

Figure 4-5 "Offering cruises to all ages"

We use 3.0 as a benchmark since that would be the mean if the responses were divided equally among the alternatives \((1+2+3+4+5)/5=3\). The average (mean) for all the age groups was 2.6. Thereby it was lower than the benchmark, which suggests that there are more people in general who consider RCI to offer cruises to a wide age range than those who do not.

As can be extracted from the diagram above people in their fifties are the one group that agrees the most with the statement that a cruise with RCI is something for passengers in all ages. This is the only age group that clearly agrees that a RCI cruise have something to offer people in all age groups. The average value 1.8 was clearly lower than among the other age groups. The two most skeptical to the statement were people in the age spans 41-
These two groups have a value higher than both the benchmark and the mean. Between 26 and 40 the variance is almost insignificant between the age spans and they all have values in close proximity to the total mean or slightly lower.

It is hard to draw any conclusive remarks regarding this but what can be said here is that RCI’s message has been received the best by one of the groups that is outside of the main target marketing scope. This might seem as somewhat unfortunate but what is good for RCI is that the total average is below the benchmark. This basically means that most of the respondents did not associate RCI's cruises with only one or a few age segments. However, the most frequent answer was by far 3.0, which can be interpreted as that the respondent neither agree nor disagree. Our interpretation of this is that people have some set ideas and prejudices regarding who goes on a cruise with RCI but they may not be as extensive as Dorum Schönborn might think. This can however be debated, even though the benchmark is 3.0 and the mean is below this value it this can still be regarded as high. RCI has for some time now tried to reach out with the message that its cruises are for people in all ages. Still only a small portion above 50 percent of the respondents that actually is aware of RCI's offerings have started to acknowledge that its cruises are directed to everybody.

To whom our respondents believe that RCI is directing the marketing offers cannot be answered only with the help of this question. To shed some further light on the matter we included another question treating people’s perception regarding age and cruising on our questionnaire. This question aimed to find out about the respondents’ general opinion regarding the ideal age suitable for cruising. More or less to whom they think that the cruise lines product offerings primarily are targeting.

**Q7. What age span does cruising suit best? (20-34, 35-49, 50-64 or 65+)**

The graph on the following page displays the responses the authors got. On the x-axis you can see our respondents divided into its respective age groups. On the vertical y-axis is percent of responses. Each bar represents one of the four alternatives to the question that collectively within each age group make up 100 percent. In the matrix below the graph you can see exactly how many percent within each of our selected age span that crossed each alternative respectively.
When you start by looking at the total results the most significant bar and numbers is definitely the bar corresponding to people aged 50-65. It shows that more than 53 percent of all ninety-six respondents felt that cruising is best suited for people aged 50-65. Furthermore, only 31.3 percent regarded cruising to be best suited for people under 50 compared to 68.7 percent who felt that the cruise lines are adapted more for people aged 50+. In total slightly more than a quarter of the respondents think that cruising is best suited for the people aged 35-50. This is an age range that closely matches RCI’s main target segment. As suspected, in accordance with what Josefsson states people below and around 30 will probably not be attracted, only 4.2 percent perceived cruising as best suited for the lowest of our age ranges (J. Josefsson, personal communication, 2007-09-26).

Out of all the age groups the youngest respondents perceive cruising to be best for the overall youngest customers. More than 55 percent of them think that cruising is best for travelers below 50. On the contrary, the two oldest groups perceive cruising as matched best with older travelers. 81.3 percent of them think that the cruising lines are mostly adapting their offerings for people aged 50+.

All age spans mainly feel that cruising is for people older than themselves. Presumably people feel too young to cruise at the moment no matter how old they are. None of the age spans within RCI’s main target perceive its own span as being best suited. However, 43.8 percent of the respondents between 41 and 45 felt that cruising was best suited for the age they were in. Still 56.2 percent of them thought that cruising would be better suited for people that are 50+. 
Together the findings from the two discussed and age related questions form a base for analysis. The questions are related to each other in that one helps us investigate if the respondents feel that RCI specifically is offering its products to some special age segments. The other questions help us understand more specifically which age segments that are regarded as the most suitable for cruising according to the respondents. Respondents were in the second question asked to ventilate their perceptions regarding age and cruising and in the first question more or less asked if they had any age prejudices regarding RCI.

The prejudices about cruising were not as strong as we believed after our initial pilot test and judging by people in our surroundings. However, the prejudices were more or less directed in the way that we imagined them to be. For example, 68.7 percent out of all respondents felt that cruising is best suited for people aged 50+ and not so much for the younger passengers that RCI is directing the marketing communication towards. The age segments that RCI is targeting were not widely regarded as the typical cruising age by our respondents. RCI is not exclusively targeting people aged 30-50 but want passengers from all ages. However, the focus has been re-directed towards them both in marketing efforts and through ship adaptations. The respondents within the targeted age span have the perception that cruising still primarily is for people aged 50+. On average almost 72 percent of them shares this opinion.

4.4.1.3 Cruising age in the future

The average age for cruising is today still about 50 years, although it is beginning to decrease according to Josefsson, sales manager at Globetrotter. He thinks that cruising will spread downwards when it comes to age, eventually there will be a more even distribution and as a consequence of this a lower average age among the passengers. Today the trend is that there are a lot more cruises sold to younger customers in their thirties (J. Josefsson, personal communication, 2007-09-26).

Johansson, communications manager at Ticket, confirms what Josefsson is saying, that the majority of the travellers are about 50 years old but the average age has decreased and it will probably continue to do so in the future as well (M. Johansson, personal communication, 2007-09-26).

All of the interviewees state that cruising will spread downward age-wise. This is mainly because RCI is trying to attract younger customers more now than it has done in the past. When judging from future prognosis, this might be a questionable strategy.

Demographic segmentation is when the market is divided into groups on the basis of variables such as age like RCI is doing (Kotler, 2000). Hall (2005) has shown that the probable key demographic factor that will affect the future of tourism is the ageing of the world’s population. In the developed world the decline in birth rate and the dramatic improvements in health care are predicted to continue leading to an ever-older population worldwide. United Nations Population Division (1998) have estimated that 20 % worldwide will be 60 years or older by 2050. What is significant and interesting with this is that in Europe and in many other developed nations this is the quota that exists today, 20% are 60 or older. This trend is set to continue and the population will be getting older and older in the developed world and according to United Nations Division for Social Policy and Development (1998) the proportion of people older than 59 might very well reach one in four or more by 2050 (Buhalis & Costa, 2006).

The trend is evident also in Sweden where the prognosis states that there will be a 55 % increase in people older than 64 by 2050. During the coming 43 years, the Swedish
population is expected to increase by 1.4 million. More than half of this growth, 0.9 million is expected to occur among people aged 65 or older (Statistiska Centralbyrån, 2007). What is significant when the populations gets older is that, in many developed countries, the age group of 65 and older are the most “leisure rich” with approximately 60 % more leisure time than the age group 35-45. Older people have more leisure time and more time for traveling. The Swedish resident’s prognoses suggest that in the next 20 years the population in the age 30-49 will only increase by 1.17 percent compared to 2007. However, in the segment that RCI is trying to move focus away, from people over the age of 50 there will be quite a dramatic increase. People between 50 and 74 will increase by approximately 11.4 percent where the most dramatic increase occurs between 65 and 74 where there will be a 29.2 percent increase (Statistiska Centralbyrån, 2007). There will thus be a quite leisure rich segment to target. This is fascinating when bearing in mind that RCI now is targeting people in the age range of 30-50 and is trying to get rid of the prejudice that there is only elderly who cruises by facilitating the somewhat younger consumers needs. Approximately 28.5 percent of the Swedish population is today within RCI’s targeted age span (Statistiska Centralbyrån, 2007). But this group of people is thus only getting smaller in comparison.

4.4.2 Income and cruise price

Since the vast majority of the world’s travelers originate from the developed countries the international tourism industry will experience significant implications. Types of tourism, such as cruising, that today are favored by older tourists will continue to grow in popularity. Leisure demanding and time-consuming tourism alternatives will be more attractive. However, with an extensive time budget tourists will need some kind of income (Buhalís & Costa, 2006). There is a big difference between being “time-rich” and “money-rich” and in the future there is likely to be an increasing division between the two. While seniors have a lot of leisure time today, working people naturally have less and for the wealthy time is even more pressured since they tend to work even more. Therefore the people that work and/or are wealthy are more and more willing to spend money to save time. Growing demands are thus created for special services and more convenience in shopping etc when traveling. So, to make up for being “time-poor” such consumers more than others wants to pay one inclusive price for transport, accommodation, activities, attractions and food etc. Bundled components will increase in demand in our time-pressured and career oriented society. In Europe especially, pressures on leisure time are likely to lead to more but shorter trips where travel planning is made easy (European Travel Commission, 2006). This is good news for the cruising lines that already today are bundling service, accommodation, transport and food to a great extent. From a Swedish viewpoint the pressured leisure time for the working population might make it difficult to fit in a cruise. The drawback here is that the travelers have to journey back and forth to the ports where the ships depart from and arrive to.

So, although the population is ageing and that it will be the dominant demographic factor affecting the future tourism trends as mentioned earlier, other factors will also be significant. If retirement tourism shall continue to keep up its prospective growth some economic progress is also required in order to maintain pension and retirement funds. Because of concerns over affordability of pensions in the future many developed countries are rising the retirement age or are at least debating to do so. With such an increase in senior citizens many retirees may have to continue to work because of the inadequacy in retirement savings. Thus the conclusion from this reasoning is that their leisure time might decrease compared to today’s retirees, alternatively they will have less income to spend in the future. Even so, an aging population will have major implications on the future tourism industry (Buhalís & Costa, 2006).
Something that is good for the money-pressured travelers is that the cruise prices are decreasing and have done so for a number of years. Some of the cruises have started to have very competitive price compared to conventional charter tourism considering that the standard and service on a cruise ship is significantly higher (J. Josefsson, personal communication, 2007-09-26). This is a view supported by Marie Johansson who says that many in the Ticket sales force selling tickets to sunny destinations have started to recommend cruises instead of conventional charters to the Mediterranean or equivalent. This is because full board and lodging often is included which in comparison can make cruises relatively inexpensive (M. Johansson, personal communication, 2007-09-26). In contrast to conventional charter trips cruises are most often all-inclusive or at least include everything except beverages. Therefore the travelers do not have to spend a lot once their destination is reached (J. Josefsson, personal communication, 2007-09-26). Johansson do not believe that prices are going to rise because many ship-owners are building new ships with more capacity hence less cost per passenger (M. Johansson, personal communication, 2007-09-26).

Cruise companies must adhere to all this and tailor cruises for both the money-rich and the leisure-rich. Judging by this reasoning RCI has a rather contradictory approach. On the one hand it lowers the prices and make sure that cruising can be afforded by a more extensive mass and that it should be seen as a competitive alternative to charter tourism. On the other hand it moves away from its traditional demographic segment, the elderly leisure-rich and start to target the more monetarily enriched but leisure pressured working population. Cruising for Swedes is time consuming since we have to travel to the departure port and back home from the port of arrival. A week is most often not enough even if you only consider a short cruise in the Caribbean.

Question eight in our questionnaire helps us understand what perceptions our population has regarding income of the typical cruiser. There have previously been some prejudices regarding this but the nature of cruising is thus changing now that prices decrease which allows a different kind of consumer to travel.

Q8. Cruises does mainly suit high-income takers (Strongly agree – 1, 2, 3, 4, 5 – Strongly disagree)

This can be analyzed together with the statistics for income in relation to age in Jönköping. Then the authors could see if people that presumably do not earn a lot still believed that there are cruising alternatives accessible for them.

On the x-axis in the graph below the individual age spans are displayed. On the y-axis is the value of the answers. The benchmark value that we use is 3.0, the value located in the middle of the scale.

The accumulated mean for all respondents on question eight was 2.7. In other words, people tend to think that cruising is for the somewhat wealthier. The answers hints that as people get older they increasingly have a tendency to perceive cruising as something for a wider range of income takers, not only the wealthy.
When comparing these findings with the income level in relation to age in Jönköping we find a somewhat similar curve. On the x-axis are the, for us, relevant ages divided into three age spans. On the y-axis is the annual income.

We can clearly see the tendency in the population that the older you get, the higher your income become. When you compare these two graphs and analyze them, the people who responded that cruises are not mainly for high-income takers are generally the ones that are older and thus earn the most in the population. This is most likely related to the respondents’ perception of money and prices. What young people perceive as expensive might not be coherent with what wealthier people consider high-priced.
The cruise prices are decreasing and have done so for a number of years” (J. Josefsson, personal communication, 2007-09-26).

Generally this message has not gone through really well. This is especially the case among the younger age groups both in and outside of RCI’s main target group. These results indicate that there might be some substance into Dorum Schönborn view that Swedes tend to have the prejudice that cruising is only for the wealthy (R. Dorum Schönborn, personal communication, 2007-11-01). The somewhat older and more affluent is not as convinced as the young but still feel that cruising is for the wealthy.

4.4.3 Family behaviour and trends

Besides income, leisure and age a change in a fourth demographic factor that is discussed below also affects the tourism and cruise line industry. That is changes in family behavior and trends. Nowadays, people tend to marry later, have children later or to a larger extent choose not to have children at all. The indication that people postpone starting a family has multiple effects on tourism. First, according to Williams & Hall (2002) a reason why they postpone family life in the first place is because more and more young people want to invest that time in longer and more intensive travel periods (Buhalis & Costa, 2006). In numerical terms the older people will continue to be important, however, one must not forget that the youth market accounts for about 20 percent of the global tourism (European Travel Commission, 2006). Another reason is, according to Hall (2002), the breakdown of the traditional nuclear family in many of the western countries. The travel patterns are very different for singles compared to couples or families (Buhalis & Costa, 2006). Growth of single-person households, rising incomes among the young as well as new social structures which favor professional and social networks all lead to more traveling among the group aged 16-35. The tourism youth market upper age limit is being pushed up from 30 to 35 because of the trends of older parenting and increased single-person households (European Travel Commission, 2006).

There are so many factors affecting the future of tourism. Migration, the cost of energy, the environment and advancing technology to name a few are all factors that surely will influence the industry. It is a very complex issue but some patterns are already clear today. Apart from what already have been mentioned we will see an ongoing development of services and products aimed at singles, single parent families and more significantly for the aged. Child-care facilities at tourist destinations and a substantial growth of infrastructure suitable for elderly are examples on this expected development (Buhalis & Costa, 2006). The youth is today and will continually increase to seek active holiday products leading to a rise in demand of various forms of action sport and adventure tourism (European Travel Commission, 2006).

Bearing this in mind RCI’s segment transition strategies are questionable. Even though the young will seek more activities it is not certain that they will go on a cruise, however the older mass that is increasing in size probably will continue to travel as long as there are options catered for them and that there is a similar crowd that they feel comfortable with.

Since RCI is targeting families it is also wise not to target the too young since people more and more tend to postpone starting a family. The youth market that accounts for about 20 percent of global tourism is not particularly interesting for RCI to pursue. We believe that there are some significant changes that need to be made if you want to attract the age span of 18 to 29 towards such a slow paced environment. Judging what Josefsson says, that cruising is not as much for singles but will continue to entice mostly couples, it is probably
wise not to target people under the age of 30 (J. Josefsson, personal communication, 2007-09-26).

The sheer complexity of predictions regarding the future of tourism makes it interesting but very hard to adjust to. RCI’s segment transition strategy is interesting when considering many of the trends stated in this section and it is also exciting to see how it views the future. Apparently RCI feel that it is important for them to rejuvenate its clientele. However, the reasons behind this we can only speculate about. It is perhaps relying on the high retention rate of customers meaning that many RCI cruisers tend to return and cruise again. It might reason as the saying goes “to catch them while they are young”.

4.5 Cruise associations

What RCI is trying to communicate and get people to associate with its cruises are; that it can be a holiday for both young and old (Royal Caribbean International, 2007e) excitement, relaxation, culture (Royal Caribbean International, 2007d), good service and quality (R. Dorum Schönborn, personal communication, 2007-11-01).

The survey we made helps us clarify how cruising really is perceived and if that view is coherent with what RCI is trying to communicate. We wanted to see if the views on cruising differed in relation to the respondent’s age, in order to see if RCI was more or less successful in communicating its message to the main target segment. What we observed was that there was only such a small and insignificant variation in responses that made it almost impossible to distinguish any difference in perception between the age spans. The authors found that the opinion and more or less justified prejudices were basically the same across the whole population. The cruise companies have thus managed to convey their message uniformly to people in all the age spans covered in the study. The total percentages of responses are displayed in the graph on the following page.
What we can observe is that the cruise line industry has managed to rather successfully communicate that the consumers will be able to relax, have a carefree vacation and receive good service.

What also easily can be observed is that the prejudice about cruising being luxurious and only for the wealthy is still present. 19 percent answered that they associate cruising with luxury. Not so strange perhaps since several other cruise line companies position themselves as more exclusive. Although, this might not be good for RCI since it has for a while now tried to convey the message that cruising is for everyone, not only for people with strong purchasing power. Other messages that have been communicated strongly by RCI specifically are quality, excitement, activities and culture. It has not been very successful in convincing people and alter their view on cruising in these areas. Culture was for example only associated with cruising by one person.

A small but not insignificant number of respondents had negative associations to cruising. We received some frequency in the responses cramped, tedious, too structured and forced social intercourse. However, since the respondents got to cross three options, the ones with a negative attitude towards cruising often marked only negative alternatives. The negative views are therefore rather clustered and not as widespread as it might seem. Approximately 10 to 15 of the respondents had more or less only negative associations. These people will probably never be persuaded to cruise no matter how RCI and other cruise lines market themselves.

The message that RCI is trying to communicate, that cruising is both for families, for young and old has not really gone through. Of course one must bear in mind that it is not only RCI that markets cruising but several other cruise lines as well. Anyhow, only 2 percent answered that they associated cruising with that it is a vacation for everyone. That
is less than the number of people that associated cruising with “forced social intercourse”, a message that not is communicated. In other words, RCI have according to our study not been that successful in delivering that message.

What RCI have been successful in doing is to communicate the message uniformly to all age groups and not only to its main target groups. The perceptions and associations varied very little. It is hard to change people’s mindset and reduce prejudices. At the same time it is difficult and time consuming to communicate change and get people to understand that not everything is as it always has been in the past. Activities and excitement are examples of two things that RCI for some time now have tried to communicate through its marketing efforts. It has not been as successful in this as expected. Still the associations with the communicated values of cruising are probably stronger than they would have been a few years ago. These values will most certainly grow stronger in the future, under the circumstances that RCI continue to target the same segments of the market.
5 Conclusion

Under this section the concluding remarks will be presented, this will be done in a logical order in regards to the research questions. It will also make it clearer for the reader to understand the fulfillment of the purpose.

- RCI is addressing a new younger and more active segment. What kind of implications does this strategy imply?

Royal Caribbean International is now targeting people in all ages but has in the last decade been focused towards people between 30 and 50 years old. This is in order to better attract the whole spectrum of travelers, retain the older and fill up with the younger and receive more bookings. Before it was mostly dinky’s and empty nesters that was cruising and income was the most important demographic segmentation variable. Now income has become a less significant segmentation variable while age and family behavior has become more important. Also the psychographic factors are considered, more specifically the active lifestyle that people have today has become an ever more important segmentation variable for RCI. With the ability to fit more activities on the ships today it might seem natural to target a more activity seeking younger clientele. However, RCI’s strategy is somewhat questionable.

Cruise prices are decreasing and have done so for a number of years and can now be afforded by a wider span of potential travelers. Especially for pensioners and older people that no longer work as much and thus have quite a low income this might enable them to meet the expenses of a cruise. The fact that cruising is time consuming is not a problem for these leisure-rich consumers that are growing proportionally in the population. However, RCI is now moving away from this growing, leisure-rich but not so affluent segment. It is instead transitioning the focus towards a younger, more money-rich and proportionally decreasing age group that is working and thus do not have as much time to spare.

Attracting more people leads to more bookings but there is a risk that RCI are pushing away its old segment, which also looks to grow stronger in the future, in order to make room for a new segment. This strategy might imply the risk of loosing the old loyal clientele. However, as long as it manages to retain customers and at the same time attract new customers with new offerings its segment transitioning is very much motivated.

- To what degree is there coherence between what RCI is communicating and peoples perception regarding cruising?

People in all ages should be able to go on a cruise and RCI wants people to associate cruising with activity, culture, excitement, good service, value for money, quality, relaxation and that it is suitable for both the young and the old. The findings indicate that people in general have positive associations about cruising but they are not necessarily the ones that RCI is trying to communicate. Even so relaxation and service are among the most frequent responses. However, activity, excitement and that cruising is suited for all ages, which it is focusing on communicating, are not common associations. The population still have some prejudices that cruising is only for elderly people and think that it is best suited for people older than 50. Interestingly all age spans mainly feel that cruising is for people older than themselves. Presumably people feel too young to cruise at the moment no matter how old they are. This is a prejudice RCI is trying to get rid of. Further, the general perceptions are that cruising is luxurious and only for the wealthy. It is good for RCI to be associated with luxury but perhaps not when it is trying to communicate that cruising is for everyone and that it is an affordable alternative to charter tours.
People tend to think that cruising is better suited for people with a somewhat higher income. What also is of interest is that the older the respondents got, the higher income they earned and therefore tended to perceive cruising less as something only suited for high income takers. RCI have uniformly come across with its message to all of the different age spans but it has however not been able to fully communicate all of the things that it stands for.

- To what extent is people aware of RCI and is it using the right media vehicles when communicating its message?

According to RCI, the brand awareness is quite low. The findings show that the average aided brand awareness was 37.5 percent. Generally higher within the age groups that today make up the main target group, than among other age groups. Since the older age group was expected to have higher aided brand awareness these findings were quite surprising. RCI have thus managed to communicate the brand better to its focus group. It has as indicated earlier, not managed to reach out well with what it wants to be associated with.

Travel catalogues and brochures have been the most awareness creating media vehicle, followed by newspapers and word of mouth. Surprisingly TV and Internet only accounted for 6 and 9 percent respectively. The daily Internet usage for RCI’s main target group is high, which increases the potential for Internet as a competitive media vehicle. TV is also going to be used more in the future which in theory is a good strategy but judging by the findings it has not contributed enough in the past to motivate new campaigns. Brochures are very informative, thus it is good for RCI that they are so awareness creating since they are mostly picked up by interested potential cruisers in the first place. That they are informative allows them to better reach out with RCI’s entire message. To reach top of the mind awareness, great investments often is required. These investments are not always appropriate. There might be reasons for RCI to make rather large marketing investments given that it is operating in a rather rapidly growing industry. It must also focus on reaching out with its message, not only create brand awareness.

- In what degree is cruising considered within the different age spans and is RCI’s new main target group perceived to be in focus of the company’s product offerings?

RCI wants to communicate that it wants all ages to be attracted to cruising. Only 31.3 percent of the respondents perceived cruising to be most suited for people under the age of 50. Conversely 68.7 percent felt that cruisers ought to be above 50 years old.

People within the targeted age range are fairly aware about RCI but they still have a rather negative attitude towards cruising as a vacation alternative. Both respondents in the youngest (26-30) and the oldest (51-55) age spans investigated were the ones that most considered to go on a cruise. This is somewhat remarkable since RCI today focus mostly on targeting the age groups in between. Whether or not people consider cruising to be an option, the all-around attitude is that people associate cruising with something positive. Even so the majority does still not consider cruising as a vacation alternative today.
6 Further Research

Further studies can be made on this subject and the authors would like to recommend a wider geographic approach where a larger and even more diverse sample is taken. Alternatively, a suggestion is to make a similar study in another part of Sweden and see how it differs from the municipality in Jönköping.

It would also be interesting to see how the brand awareness has changed after their next marketing drive. Will the brand awareness and message communicated be significantly different than what this study has shown?
References


Appendix A

Telephone interview with Jan Josefsson, Sales manager Globetrotter Stockholm, 2007-09-26

What does Royal Caribbean Internationals client base look like today?

The average age is about 50 years although is beginning to decrease. Today there are a lot more cruises sold to younger customers in their thirties. However, there are very few singles that cruise. This is because the price of a single berth is relatively a lot more expensive compared to what a double berth is per person.

Further, cruises in the Mediterranean or in the Caribbean is often popular with couples that just have gotten married, honeymooners and couples that generally wants a romantic vacation.

Who are RCIs main customers?

Travellers that want a vacation where they get the possibility to experience several different destinations during the same trip. Also, travellers that want activities for the whole family at the same time that they get a comfortable transport between the different destinations.

What kind of marketing does RCI do in Sweden?

Mainly newspaper advertising targeted towards essentially everyone. They also issue posters, flyers and catalogues that are displayed and available at travel agencies.

Is it RCI that market themselves to the end consumers or is it the travel agencies?

RCI advertises themselves in newspapers while the travel agencies have their own advertising, brochures and sales force.

Towards whom is the marketing focused, first time cruisers, elderly, families or couples etc. and why?

Every group with great purchasing power. The cruise prices are decreasing and have done so for a number of years. One reason why is because of the declining price of the US dollar that most cruise companies use to set their prices. Also, the margin per passenger is decreasing when the ships are getting larger and have a higher passenger capacity.

Also, a large part of the profit comes from sales of alcohol, beverages and other various shopping opportunities onboard.

Cruise passengers have a better overview of their total costs compared to conventional charter travelers. This is because cruises often are all-inclusive or at least include everything except beverages. In contrast, conventional charter tourists often have to spend a lot more once they have reached their destination.
Cruising is generally cheaper in the Caribbean compared to in the Mediterranean. Full board and lodging costs about SEK 500 per person per day in double berths if you exclude the flight. This is a very competitive price compared to conventional charter tourism because the standard and service on a cruise ship is significantly higher.

**Have your consumer focus/marketing changed during the last 10 years?**

The cruise ships have in the last decennium been adjusted a lot and focus has been put on onboard activities. Keeping the guests occupied onboard is important and this is what increasingly have been communicated in advertisements and marketing efforts.

**Do you have any prognoses about the future concerning type of customers, typical cruisers, price changes, bookings and the market itself?**

Cruising will spread downwards when it comes to age and there will eventually be a more even distribution and a lower average age among the passengers. Probably will it, however continue to entice mostly couples that still have a relatively strong purchasing power and high income, meaning couples at least in their thirties. Couples younger than 30 will probably not be that attracted since their purchasing power or income is not that great.

The trend in the last years is that there has been a sky rocketing growth in the cruise business and Globetrotter forecasts a continuous growth that will amount to about 50% next year. New ships will be built and RCI is predicted to expand and show figures of a significantly increased profit.

**Approximately how many booking does Globetrotter have on the Swedish market every season? Are you expecting an increased demand? In that case, why?**

Globetrotter recieved last year about 5000 cruise bookings for RCI out of a total of about 20000-25000. A continued increase in bookings is predicted.
Appendix B

Telephone interview with Marie Johansson, Communications Manager at Ticket, Värmdö, 2007-09-26

What does Royal Caribbean Internationals client base look like today?

The majority of the travellers are about 50 years old but the average age has decreased and it will probably continue to do so in the future as well. Many in the Ticket sales force selling tickets to sunny destinations have started to recommend cruises instead of conventional charters to the Mediterranean or equivalent. This is because full board and lodging is included which potentially can make cruises relatively cheap.

Who are RCIs main customers?

It varies a bit depending on what kind of cruise you are investigating. RCI focuses towards both the younger as well as the older, but mostly they target couples and families. Celebrity Cruises, that are a part of Royal Caribbean Cruises Ltd, are on the other hand targeted towards the somewhat less price sensitive customers that have a higher income and that values luxury, indulgence and extravagance. There are many couples and families travelling with RCI. The fact that there are that much activities available onboard attracts the somewhat younger clientele in their thirties.

What kind of marketing does RCI do in Sweden?

RCI have had a few television commercials where mostly younger people have been showed onboard. RCI have also tried to focus their efforts at communicating all the activities that are available onboard.

Towards whom is the marketing focused, first time cruisers, elderly, families or couples etc. and why?

The wide customer segment for cruises has made it difficult to focus directly on any one group. The only targeting you can observe is that RCI is trying to adjust and adapt their marketing in order for it to appeal to the somewhat younger consumers. The cruising industry has long been associated with pensioners. Nowadays, that prejudice is something that they are trying to get rid of.

Have your consumer focus/marketing changed during the last 10 years?

Yes, as previously stated it is more focused towards younger couples today. RCI also uses different kind of ships for different types of cruises and for different kinds of customers. In doing so they show that cruising can be a holiday for everyone.
Do you have any prognoses about the future concerning type of customers, typical cruisers, price changes, bookings and the market itself?

The cruise industry has doubled in the last three years and this development will continue with a significant growth. On the other hand, the growth will gradually start to stagnate. The tourism and travelling industry is relatively strongly influenced by the business cycle so the travelling in Sweden will not increase as much as it has been.

Approximately how many RCI bookings does Ticket have on the Swedish market every season? Are you expecting an increased demand? In that case, why?

No record, I must refer you to RCI.
Appendix C

Telephone interview with Rikke Dørum Schönborn, Marketing Executive for the Nordic countries & the Baltic region, Royal Caribbean Cruises, Oslo, 2007-11-01

What does Royal Caribbean Internationals client base look like today?

Most of the cruises target all people apart from the celebrity cruises that are customized for a more exclusive target group.

Who are RCI’s main customers?

The ones that travel with us most frequently are so called “DINKY” that means double income no kids yet, empty nesters and people above 55 years old.

What kind of marketing does RCI do in Sweden?

We do TV commercials and we are to have an upcoming campaign in January and February on channel 4 in Sweden. We are also pursuing a paper ad campaign with offers on cruises. We are also increasing our marketing efforts on Internet.

When selling cruises we have agreements with lots of different travel agencies in Sweden. All the bigger travel agency chains retail our products. We also use direct sales via phone calls and online.

As said earlier our largest segments are “Dinkies” and “empty nesters” but we are in our marketing efforts more focusing on first-time cruisers.

Most people prejudices that cruising are only for elderly people who are wealthy. Here the Norway population has less of these prejudices and the characteristic Norwegian is more reluctant to pursue a cruise.

Towards whom is the marketing focused, first time cruisers, elderly, families or couples etc. and why?

Our marketing is today more focused on families with children since we today have better opportunities to offer activities that are not only for older people. This enables us to attract younger people and through that offer products to people in all ages.

The awareness in Sweden today is rather low. Especially if you compare it to the awareness we have in Norway. This is probably related to our presence on the Oslo stock exchange and because RCI has its Scandinavian head office in Oslo. We are therefore often mentioned in financial news or papers. RCI was starter in Norway and the first owner was Norwegian. People here in Norway are also more aware about what a cruise is all about. Norway do also have a more developed cruising tradition both due to the simple fact that Norwegians cruise more abroad but also because there have been a tradition nationally to cruise between cities in Scandinavia and between fiords.
Have your consumer focus/marketing changed during the last 10 years?

The market has increased enormously both when it comes to high-end and middle-end cruising. We are trying to communicate that the whole concept of cruising has changed so that it will match a family with both younger and older members. This has been done by adding activities such as surfing, snorkeling, rock climbing onboard etc. These activities do appear more often in our marketing efforts today.

What do you believe is going to happen with the cruising market in the future? Are prices going to rise or fall?

I do not believe that prices are going to rise. That because many ship-owners are building new ships with more capacity hence less cost per passenger. The service will stay the same since the staff aboard will increase in proportion to the increase of the passengers. This will also mean that the passengers will get more space where activities can be incorporated. The risk is that people that today pursue cruises will feel less exclusive but at the same time more people can be targeted.

Approximately how many booking yearly does RCI have on the Swedish market?

That is confidential information I cannot share. There is no cruising line company who would reveal such information.

Are you expecting an increased demand and in that case why?

We are today experiencing an increase of 60 percent yearly and we have done so the last three years. I believe the growth is more exponential than linear. I am totally convinced of this especially since only a small fraction of the vacation market is captured today.

How big is your market share in the Caribbean respectively in Mediterranean Sea and who are your largest rivals there?

We have around 60 percent of the Caribbean market and approximately 40 percent in the Mediterranean Sea. The second biggest actor in the Caribbean is NCL – Norwegian Cruise Line and in the Mediterranean Sea, MSC - Mediterranean Shipping Company.

Which are your company’s core values?

We have been winning the grand travelers award three years in a row and we have a very high repurchase ratio which means that many customers are coming back if they once been on a cruise. Our core value matches well to this since they are;

- Customer satisfaction
- Activities aboard
- Good service
Do you differentiate yourselves when it comes to destinations?

We generally have the same destinations since the size of the ships limits our range of ports. On the other hand we have more ships than our rivals hence we can offer a wider range of cruises more departures, and more destinations.
Appendix D

Internet usage in Sweden 2006

Appendix E

Cruising associations in different age spans

What do you associate with cruising? (Age-span 26-30)

- Carefree: 8%
- Other: 0%
- Tediuous: 2%
- Cramped: 2%
- For young and old: 0%
- Service: 17%
- Excitement: 4%
- Relaxation: 26%
- Value for money: 0%
- Activities: 4%
- Too Structured: 4%
- Forced social intercourse: 4%
- Quality: 6%
- Luxury: 23%

What do you associate with cruising? (Age-span 31-35)

- Carefree: 15%
- Other: 2%
- Tediuous: 4%
- Cramped: 8%
- For young and old: 2%
- Service: 6%
- Excitement: 2%
- Relaxation: 20%
- Value for money: 2%
- Activities: 2%
- Culture: 0%
- Too Structured: 6%
- Forced social intercourse: 8%
- Quality: 6%
- Luxury: 17%

What do you associate with cruising? (Age-span 36-40)

- Carefree: 10%
- Other: 0%
- Tediuous: 6%
- Cramped: 2%
- For young and old: 0%
- Service: 10%
- Excitement: 6%
- Relaxation: 22%
- Value for money: 0%
- Activities: 6%
- Too Structured: 4%
- Forced social intercourse: 4%
- Quality: 2%
- Luxury: 26%

What do you associate with cruising? (Age-span 41-45)

- Carefree: 13%
- Other: 2%
- Tediuous: 4%
- Cramped: 4%
- For young and old: 0%
- Service: 10%
- Excitement: 10%
- Relaxation: 24%
- Value for money: 2%
- Activities: 4%
- Culture: 0%
- Too Structured: 0%
- Forced social intercourse: 2%
- Quality: 10%
- Luxury: 17%

What do you associate with cruising? (Age-span 46-50)

- Carefree: 17%
- Other: 5%
- Tediuous: 4%
- Cramped: 2%
- For young and old: 2%
- Service: 21%
- Excitement: 6%
- Relaxation: 21%
- Value for money: 0%
- Activities: 2%
- Too Structured: 0%
- Forced social intercourse: 0%
- Quality: 4%
- Luxury: 19%

What do you associate with cruising? (Age-span 51-55)

- Carefree: 17%
- Other: 2%
- Tediuous: 4%
- Cramped: 6%
- For young and old: 6%
- Service: 13%
- Excitement: 4%
- Relaxation: 15%
- Value for money: 4%
- Activities: 8%
- Culture: 0%
- Too Structured: 0%
- Forced social intercourse: 0%
Appendix F

E-mail correspondence with Rikke Dørum Schönborn, Marketing Executive for the Nordic countries & the Baltic region, Royal Caribbean International, Oslo, 2007-12-12

Specifically, what kind of marketing have you been doing when it comes to:

Newspaper advertising?

In newspapers we have been running offers in the format 72 mm x 100 mm as well as a few full pages mainly between January to April and September to November. Papers advertised in include: Dagens Nyheter, Svenska Dagbladet, Expressen and Aftonbladet.

Television Commercial?

We have been running a four week campaign in January to February in TV4 in 2006 as well as in TV4+ in 2007.

Radio?

Just a small co-operation with Mix Megapol during 2007

Broshures and the placement of these?

Our catalogs can be found in de most travel agencies throughout all of Sweden. They can also be ordered online at www.royalcaribbean.se

Other marketing efforts that you have been doing during the last two years?

- Magazine Ads in Allt om Resor, Hånt Extra, Se & Hör, DI Weekend (Dagens Industri), ICA Kuriren, reseguiden.se, Hårlig Hemma and Hånt Bild
- Online at some selected sites
- Travel Fairs (TUR & Senior måssan)
- Different activities in co-operation with travel agencies. We have for example a deal with Ticket to be the only cruising product that they provide
- E-newsletter for consumers
- Membership pamphlets to our Swedish guest that are members in our loyalty club. Crown & Anchor Society.
Appendix G

We are three students from Jönköping International Business School who are performing a survey, which we will use to perform our bachelor thesis.

Clarification: *What we mean with a cruise is the form of vacation where you call on several ports during a longer period of time, most commonly between a week or two typically in the Mediterranean or Caribbean. These types of cruises shouldn’t be mixed up with booze cruises and other shorter cruises that take place in the Baltic Sea for instance.*

Please mark the alternative that fits **you the best**.

**Question 1**
Mark the age span you are in

<table>
<thead>
<tr>
<th>Age</th>
<th>26-30</th>
<th>31-35</th>
<th>36-40</th>
<th>41-45</th>
<th>46-50</th>
<th>51-55</th>
</tr>
</thead>
</table>

**Question 2**
What is your sex?

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

**Question 3**
Have you ever heard about the company Royal Caribbean International and/or do you recognize the the logo to the right?

(If your answer is no to this question, please continue to question number 6)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

**Question 4**
In what context have you heard about or been in contact with the company. Mark the option that suits you best

<table>
<thead>
<tr>
<th>TV</th>
<th>Radio</th>
<th>Newspaper</th>
<th>Acquaintance</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct mail</td>
<td>Travel catalogues</td>
<td>Travel agencies</td>
<td>Brochures</td>
<td>Other</td>
</tr>
<tr>
<td>advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please specify if possible……………………………………
Question 5
Royal Caribbean International offer cruises to passengers in all ages

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

Question 6
With which three of these following words do you associate cruising?

<table>
<thead>
<tr>
<th>Quality</th>
<th>Luxury</th>
<th>Activities</th>
<th>Culture</th>
<th>Too Structured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forced social intercourse</td>
<td>Good value for money</td>
<td>Relaxation</td>
<td>Excitement</td>
<td>Service</td>
</tr>
<tr>
<td>For Yound and Old</td>
<td>Cramped</td>
<td>Tedious</td>
<td>Carefree</td>
<td>Other</td>
</tr>
</tbody>
</table>

If other, what? ……………………………

Question 7
In what age span does cruising suit best?

<table>
<thead>
<tr>
<th>20-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
</table>

Question 8
Cruises does only suit high-income takers

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

Question 9
I have considered taking a cruise on my vacation

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Strongly disagree</th>
</tr>
</thead>
</table>

Thank you for your participation!
Appendix H

Vi kommer från Internationella Handelshögskolan i Jönköping och den här undersökningen kommer att användas som en del i vår kandidatuppsats. 9 frågor. Svarstid ca 90 sekunder.

Klargörande: Vad vi menar med kryssning är den semesterformen där man åker mellan ett flertal olika hamnar under minst en vecka tid t.ex. i Medelhavet eller i Karibien m.m. Skall inte förväxlas med de så kallade Finlandskryssningar etc. i och runt Östersjön.

Vänligen kryssa över det alternativet som stämmer på er.

Fråga 1
Hur gammal är ni?

<table>
<thead>
<tr>
<th>Ålder</th>
<th>26-30</th>
<th>31-35</th>
<th>36-40</th>
<th>41-45</th>
<th>46-50</th>
<th>51-55</th>
</tr>
</thead>
</table>

Fråga 2
Är ni?

<table>
<thead>
<tr>
<th>Man</th>
<th>Kvinna</th>
</tr>
</thead>
</table>

Fråga 3
Har ni hört talas om företaget Royal Caribbean International och/eller känner igen logotypen här bredvid?
(Svarar ni nej på denna fråga fortsätt till fråga 6)

<table>
<thead>
<tr>
<th>Ja</th>
<th>Nej</th>
</tr>
</thead>
</table>

Fråga 4
I vilket sammanhang har ni i så fall hört talas om företaget och/eller kommit i kontakt med deras marknadsföring. Kryssa över ett eller flera alternativ som stämmer överens.

<table>
<thead>
<tr>
<th>Plansch</th>
<th>Tidning</th>
<th>Familj/Vänner</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resekatalog/Broshyr</td>
<td>Återförsäljare</td>
<td>TV</td>
<td>Annat</td>
</tr>
</tbody>
</table>

Om annat, var?.................................................
Fråga 5

Royal Caribbean International erbjuder kryssningar till resenärer i alla åldrar

<table>
<thead>
<tr>
<th>Instämmer Helt</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Instämmer inte alls</th>
</tr>
</thead>
</table>

Fråga 6

Med vad förknippar ni kryssning (Vänligen kryssa över tre alternativ som stämmer överens)?

<table>
<thead>
<tr>
<th>Kvalité</th>
<th>Lyx</th>
<th>Aktiviteter</th>
<th>Kultur</th>
<th>För strukturerat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umgängestvång</td>
<td>Prisvärdhet</td>
<td>Relax</td>
<td>Spänning</td>
<td>Service</td>
</tr>
<tr>
<td>För unga och gamla</td>
<td>Instängt/trånt</td>
<td>Långtråkt</td>
<td>Bekymmerslöst</td>
<td>Annat</td>
</tr>
</tbody>
</table>

Om annat, vad?……………………………

Fråga 7

I vilken ålderskategori tycker ni kryssning som semesteralternativ lämpar sig bäst?

<table>
<thead>
<tr>
<th>20-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
</table>

Fråga 8

Kryssningar lämpar sig främst för höginkomsttagare

<table>
<thead>
<tr>
<th>Instämmer Helt</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Instämmer inte alls</th>
</tr>
</thead>
</table>

Fråga 9

Jag har övervägt att åka på kryssning på min semester

<table>
<thead>
<tr>
<th>Instämmer Helt</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Instämmer inte alls</th>
</tr>
</thead>
</table>

Tack för din medverkan!