

Graeme Aymer investigates the resurgence of floating hotels as cruising takes on Club 18-30

The shipping report

If you were asked on one of those psychometric tests to find the opposite of a Club 18-30 holiday, choose 'cruise'. Your rationale for such a selection would be beyond the obvious: yes Club 18-30 is aimed at, well, people aged 18-30, with a reputation for indulging in the sorts of scandalous activities that would keep the Daily Mail in copy for at least six, highly-outraged months. And sure cruise line passengers are often a little older, a little wiser, a little closer to blue rinse and false teeth than Wella Shockwave and gold teeth.

However, there is more to it than that. For, while Club 18-30 struggles to draw in anything like the 100,000 revellers it did during its heyday at the start of the decade, cruise liners can barely keep up with demand.

In 1993, around 250,000 Britons took a cruise. By 2005, that number had hit 1.08 million. This year, 1.25 million are expected to take to rivers and the high seas. By 2008, the Passenger Sailing Association reckons that number could be as high as 1.5 million, while Carnival UK managing director David Dingle thinks that, should capacity increase fast enough, that number could even hit two million as early as 2010. Furthermore, in 2004, the cruise line industry generated £1.24bn, but only made up about 5% of the package holiday market.

The port of Southampton handled a record number of travellers in 2005. Last year, 702,356 passengers passed through its terminals. The previous record was 689,000, set in the pre-jet age of 1955.

The reason behind the resurgence is simple. Bill Gibbons, chairman of the Passenger Sailing Association explains: "It's become a lot more mainstream and affordable. So instead of being a holiday that maybe ten years ago you aspired for or took if you won the lottery, now it is becoming a more mainstream holiday. The price has come down in real terms."

Liners are also responding to the needs of more activity-driven customers, attempting to lure families and younger, first time passengers to their ships. Royal Caribbean's communications director for the EMEA region, Paddy McGregor, said: "This year we've got a ship called Freedom of the Seas which launched in April, and it has a surf park on it, with a wave machine so you can actually go surfing. So in terms of taking the stuffiness out of cruising that's certainly where it's changed." A number of Royal Caribbean ships also feature climbing walls.

In addition, the industry manages to combine the best of air travel and hospitality, while avoiding many of the pitfalls. Gibbons said: "We can move our ships according to the seasons. So some hotels may not have any business in the winter, whereas we can move our ships from, for instance the Mediterranean to the Caribbean, or from the UK to the Caribbean between the seasons."

What does the future hold? Well, in the words of

one-time disco darling Andrea True Connection, more, more, more. Royal Caribbean is renewing its focus on Europe, and especially the UK.

Like Princess and Thomson Cruises, in 2004, Royal Caribbean International began offering their first UK specific cruises. In addition, the company is set to deploy its massive, 3,835 passenger Navigator of the Seas from Southampton in 2007, while its Voyager of the Seas will sail from Barcelona from this year, the first time the ship has been deployed in Europe. The has company has just set tongues wagging in April as Freedom of the Seas arrived in Southampton, complete with local mythologising as "taller than London's Oxo Tower and longer than 37 double-decker buses". At the time of writing, the ship was en route to New York for its official naming ceremony.

Thomson Cruises is set to double capacity, from two to four ships, while P&O has introduced the Arcadia, its first ship built specially for the UK market. The industry overall promises to grow 7% this year, but Carnival expects to far outpace this, with 14% growth. P&O Cruises expecting some 30,000 passengers aboard its so-called sampler cruises, while Carnival's Cunard brand expects an extra thousand passengers on its short cruises for 2006.

All this activity has not gone unnoticed by self-professed serial entrepreneur Stelios Haji-Ioannou.

In summer 2005, the company launched easyCruise, with a single vessel called easyCruise One. The 170-passenger capacity vessel sails the Mediterranean in the summer, and heads out to the Caribbean in the winter. What makes it different is simple. EasyGroup's director of corporate affairs, James Rothnie, said: "The ship stays in port every night so passengers can party the night away on shore if they want – in that respect easyCruise is like a floating hotel. This level of independence is unprecedented in the industry, which is why easyCruise passengers are 20 years younger than with other cruise lines."

As can be expected, luxury is non-existent, the cabins are small, and extras must be paid for. However, the cruises dispense with constraints of duration, so rather than booking a seven or 14-day cruise, you simply need to stay a minimum of two nights or a maximum of 14 days, joining the ship wherever it happens to be at the time.

Because cruise lines are essentially a premium product, it is unlikely the easyCruise will do the passenger shipping industry what cousin easyJet did to the likes of British Airways. In fact, the easyCruise phenomenon is, in many ways, welcomed by its competition. Simply put, cruise liners are still a tough sell for many holiday-seekers, but once they've been on a cruise, they tend to make repeat visits.

Gibbons said: "It's very positive. It's not going to revolutionise the cruise industry, but it's bringing younger people into the market. It's excellent."

It seems unthinkable that the cruise liner industry in the UK, or anywhere else in the world could run aground in the short- or medium-term future. Demographically, its average age group is moving closer to that of the general, ageing population (currently 54 in the UK), while the industry generates a great deal of money despite penetration being low. Furthermore, the industry enjoys a very high repeat visitor rate. In addition, the likes of Stelios (and who knows what other entrepreneurs could follow suit) look set to mop up the money set free by the ailing Club 18-30 brand (after all, some commentators have rechristened the venture 'easyShag'). To put your money on a cruise looks pretty much a 'shore' bet.

Cruising forward

The boom in passenger cruising is not restricted to the UK: across the world the industry is enjoying record amounts of visitors. In order to meet demand, some pretty big ships are in the works. The biggest include:

- "Project Genesis" (code name)

From: Royal Caribbean
Launch date: 2009
Capacity: 5,400 passengers
Will cost \$1.24bn (£717.8m) and be the largest ship ever built

- Freedom of the Seas

From: Royal Caribbean
Launch date: Summer 2006
Capacity: 3,600 passengers

- Queen Victoria

From: Carnival (Cunard)
Launch date: December 2007
Capacity: 2,014

- Concordia

From: Costa
Launch Date: July 2006
Capacity: 3,000 passengers

- Pride of Hawaii

From: Norwegian Cruise Line
Launch Date: April 2006
Capacity: 2,400 passengers

- Freedom

From: Carnival
Launch Date: February 2007
Capacity: 2,974 passengers

In comparison

- Queen Elizabeth 2

From: Carnival (Cunard)
Launch date: 1969
Capacity: 1,900 passengers