

LAPPEENRANTA UNIVERSITY OF TECHNOLOGY

School of Business and Management

Master's in International Marketing Management

SKEMA BUSINESS SCHOOL

Master of Science in International Marketing and Business Development

Qixia Yu

**DEVELOPING A CUSTOMER BEHAVIOUR ANALYSIS FOR INTERNATIONAL
CRUISE COMPANY OPERATING IN CHINA MARKET**

Master's thesis, 2016

Supervisor/Examiner: Professor Olli Kuivalainen (LUT)
Professor Peter Spier (SKEMA)

ABSTRACT

Author	Qixia Yu
Title	Developing a customer behaviour analysis for international cruise company operating in China market
Faculty	LUT School of Business and Management & SKEMA Business School
Major	International Marketing Management & International Marketing and Business Development
Year	2016
Master's Thesis	Lappeenranta University of Technology & SKEMA Business School 100 pages, 11 figures, 16 tables and 2 appendices
Examiners	Professor Olli Kuivalainen (LUT) Professor Peter Spier (SKEMA)
Keywords	Customer Behaviour, Cruise Industry, Market Segmentation, Motivation

For the international cruise companies operating in China market, it is crucial to know who would be the potential passengers and what kinds of the demographic characteristics and demands they have in order to group the right profitable segments. The cruise motivation is a critical psychographic factor of consumer behaviour. The purpose of this study is to recognise what are the main motivations for the potential Chinese passenger to take the cruise, in this way to make the segmentation and also to discern what are the different demands for various customer segments in cruise travelling.

The theoretical study of this research mainly comprises three parts, namely, the customer behaviour, market segmentation as well as market targeting. The empirical research of this study used the quantitative research method. The questionnaire was developed in English and translated into simplified Chinese. The collection of 300 mainland Chinese citizens answered the questionnaire and thus separating them into two parts based on their motivation, namely, the "Potential passenger" and the "Non-passenger". After doing the cluster analysis, the findings indicate that there were two distinct sub-groups, namely, the high and medium motivated potential passengers with their unique characteristics in relation to their demographic characteristics and cruise behavioural preferences. Meanwhile, the reasons why the people do not wish to take the cruise are also illustrated. Finally, there are the practical suggestions for the international cruise companies to target the profitable potential passenger segments.

ACKNOWLEDGEMENTS

First of all, I feel proud of being one number of the Lappeenranta University of Technology where gave me lots of new insights of the international marketing area. Also, I would like to thank the both Lappeenranta University of Technology and SKEMA Business School for selecting me as the member of double degree student which made my master's studies more colourful in both Finland and France.

Second, I would like to deliver my greatest appreciation to my first supervisor Professor Olli Kuivalainen from LUT, who gave me tremendous contributions with patience to my thesis and always gave me rapid feedback so that I could move smoothly to finish my thesis within the challenge time frame. Also, I would like to thank my second supervisor Professor Peter Spier from SKEMA who gave me a warm welcome in SKEMA and also offered me lots of effective suggestions during my stay in France and continuous supports after I backed to Finland.

Third, I would like to thank everyone who did my questionnaire and especially to my friends and family members who did the pilot test and gave me lots of valuable contributions. In addition, I feel grateful to all the professors who taught me in LUT and SKEMA and to all the people I met in Finland and France in the past two years. Especially to my friend, Anna Heikkurinen, you meant to me more than being my student tutor.

Lastly, to my dear family members, it was you who gave me endless love, supports and encouragements throughout my life. I love you all. You are everything.

Lappeenranta, Finland

August 28th, 2016

Qixia Yu

TABLE OF CONTENTS

1 INTRODUCTION	8
1.1 The Background of the Research	8
1.2 The Goal of the Research	9
1.3 The Research Problems.....	9
1.4 Preliminary Literature Review	10
1.5 Theoretical Framework	11
1.6 Definitions of Key Concepts	14
1.7 Delimitations	15
1.8 Research Methodology.....	16
1.9 Structure of Thesis	17
2 LITERATURE REVIEW	19
2.1 Customer Behaviour	19
2.1.1 Customer motivation	19
2.1.2 Customer decision-making in B2C field.....	23
2.1.3 Factors influencing on customers' decision-making and customer behaviour	25
2.1.4 Customer behaviour in China	27
2.2 Market Segmentation	28
2.2.1 Segmenting methods	29
2.2.2 Segmentation of the cruise customers	30
2.2.3 Keeping the customer loyalty and transforming the current non-user into user.....	34
2.3 Market Targeting.....	35
2.3.1 Examining the market segments.....	35
2.3.2 Choosing the market targeting strategy	36
2.3.3 The importance of using market targeting in cruise marketing	38
3. CURRENT SITUATION FOR GLOBAL CRUISE INDUSTRY OPERATING IN CHINA. 39	
3.1 Global Cruise Industry Overview	39
3.2 Cruise Industry in China.....	42
4. THE RESEARCH METHODOLOGY	44
4.1 Quantitative Research Method.....	44
4.2 Quantitative Data Collection	45
4.2.1 Quantitative survey	45
4.2.2 The questionnaire	47
4.3 Validity and Reliability	51
5. DATA ANALYSIS & RESULT	57
5.1 Descriptive Statistics.....	57
5.2 Cluster Analysis with Independent Sample T-test and Chi-Square Test	60
6. DISCUSSION & CONCLUSION	69

6.1 Conclusion.....	69
6.2 Theoretical Contributions	72
6.3 Managerial Implications.....	73
6.4 Limitations and Suggestions for Further Research.....	75
REFERENCES.....	78
APPENDICES	93
Appendix 1: Sample Questionnaire in Chinese and English.....	93
Appendix 2: Final Cluster Centres.....	100

FIGURES

Figure 1. Theoretical framework.....	14
Figure 2. The structure of the research.....	18
Figure 3. Key factors motivating Hong Kong cruise passengers.....	22
Figure 4. The list of pull and push factors in cruise motivation studies.....	22
Figure 5. The SPR model.....	23
Figure 6. The consumer decision-making process.....	25
Figure 7. Factors influencing behaviour.....	26
Figure 8. Key consumer expenditures/investments.....	31
Figure 9. Global source markets by cruise passengers.....	40
Figure 10. The market shares of the 2015 global cruise business revenue	41
Figure 11. Asia cruise trend 2014.....	43

TABLES

Table 1. Questionnaire items.....	48
Table 2. KMO and Bartlett's test.....	52
Table 3. Total variance explained.....	53
Table 4. Rotated component matrix.....	53
Table 5. The push and pull factors of the potential cruise passenger's motivation.....	54
Table 6. Reliability statistics.....	56
Table 7. Demographics profile of the respondents.....	58
Table 8. The negative motivation of the non-users.....	60
Table 9. Cruise passenger segmentation based on cluster analysis—demographics.....	62
Table 10. Cruise passenger segmentation based on cluster analysis—travel motivators... 	64
Table 11. Cruise passenger segmentation based on cluster analysis—cruise plan.....	65
Table 12. Cruise passenger segmentation based on cluster analysis—marketing channels.....	66
Table 13. Cruise passenger segmentation based on cluster analysis—budget for the cruise trip.....	67
Table 14. Trip preference of the respondents.....	68
Table 15. Travel frequency * willingness cross tabulation.....	68
Table 16. The brief conclusion of the two identified groups.....	70

1 INTRODUCTION

The introduction section explains the driving reason for the research. This part illustrates the background of this investigation, research problem and objectives, preliminary literature review, theoretical framework, key definitions of concepts, delimitations, research method as well as the structure of the thesis.

1.1 The Background of the Research

Standing on twenty-first century the second decade, the cruise industry in European countries has come to maturity. With China's economy growing steadily into the world leading position, it is also an excellent opportunity for developing the Chinese cruise economy. As the international cruise market is moving eastward, China aims to become one of the world's major cruise markets where the foreign cruise companies are competing to snatch this emerging market. The enormous potential economic benefits bringing by cruise economy has been recognised and accepted by the Chinese customers gradually. According to UK's Daily Mail, it estimated that shortly, three in four of the cruise customer would be Chinese (Smith & Howard 2015).

Taking Shanghai as an example, accelerating the functional promotion of Shanghai International Shipping Centre is one of the key tasks during the China's 12th Five-Year Plan Phase. Meanwhile, the expansion of the cruise business and cruise economy has been included in the government's plan outline. The cruise industry will become one of the supporting forces to establish the Shanghai International Shipping Centre (SISI 2013). After years of putting efforts, Shanghai has become increasingly important as the cruise tourism destination and distribution centre. Since international cruise companies such as Carnival Cruise Group, Royal

Caribbean Group entering into the Chinese market, their market shares are steadily growing, especially in the Southern China. Although such above-mentioned foreign cruise companies have become the benchmarks in China cruise market, their process of achieving such success has not all been smooth sailing, such as in developing the marketing strategy or meeting the Chinese customer's satisfaction all experienced the exploration and adaption period. The foreign cruises voyage is increasing in China market continuously while the customer satisfaction is also rising which means the cruise market in China has great potential.

1.2 The Goal of the Research

Since the Chinese cruise economy has just started less than ten years ago, the current domestic and foreign research related to the cruise economy are still rare. Most publications concentrated on cruise port construction plan, cruise tourism market development as well as cruise marketing strategies standing on the cruise company's and government's perspective. This essay stands on the customer's perspective, focusing on the Chinese potential cruise tourists' characteristics and demands, customer behaviour, motivations, purchasing habits, market segmentation, market targeting as well as aiming to add knowledge on this scope. The analysis provides the theoretical guidance for international cruise companies operating in China as well as can be seen as the reference to other domestic or international cruise companies who are willing to enter into China's cruise market for the long run. Meanwhile, to illustrate in a more particular field, this research only focuses on investigating prospective passengers, which combines the theoretical with practical, enhancing the functional significance of this thesis.

1.3 The Research Problems

The primary intention of this thesis is to provide a framework for an international cruise company to develop a comprehensive potential customer behaviour analysis operating in China market. This study's aim is to figure out what are the main motivations for the potential Chinese cruise passengers, namely, why they would choose the cruise to travel instead of other types touring methods. In this way to make the segmentation and also to figure out what are the various demands for different target customer segments by generations for cruise travelling. Also to identify the difference and find out who is the most important groups of people to target. Thus offering and reflecting on the cruise company for practical implementation suggestions.

To fill in these gaps, the main research question is proposed to solve the following problem:

Main RQ: Explain how to understand the customer behaviour of potential segments for international cruise company operating in China market?

The three related sub-research questions can be propositioned as follows:

RQ 1: Who are the potential customers and what are the customer segments (segmentation)?

RQ 2: How to target the different customer segments (targeting)?

RQ 3: What are the customer behaviour and needs of the target customers?

1.4 Preliminary Literature Review

Market segmentation can be regarded as principal elements of consumer behaviour because customers have more or less similar products demands and desire within the segment (Lantos 2011). Market segmentation involves diverse groups including socio-demographics, geographic, psychographic and behavioural (Solomon 2010). Thus, it is important to recognise the difference in the different market. The ability to exploit the market segments support the

consumer or user satisfaction positively and help to situate in the more secure market position which benefits the overall stability in long-term (Smith 1995, 65).

After segmenting the customers into groups according to their similar demands, and reacting to the marketing stimuli, it is crucial for the manager to choose the right segments to target. The market targeting strategies include the undifferentiated, differentiated and concentrated (niche) marketing strategies (Hollensen 2010, 300).

The people's behaviour could be biological impacted outside of conscious thought through "instinctive forces" or "drives" (Arnold & Silvester 2005). The customer could be aware of all the presented consumption choices, having the ability to rank each substitute appropriately and be available to select the optimal course of action (Schiffman & Kanuk 2007). There are five steps for forming the customer behaviour: demands arousal, information exploration, assessment (perception and preference), buying and post-purchase (Enache 2011, 43). In the recent studies, the research of consumer behaviour has been transformed from exploring the people's purchase reason into consumption behaviour (Blythe 2008). According to Schiffman and Kanuk (1997), consumer behaviour concentrates on how people decide to use their existing capitals (namely, time, money, effort) on daily usage.

1.5 Theoretical Framework

The rings of the theoretical framework represent the contexts of the thesis. The thesis focuses on the international cruise company in Chinese B2C (Business-to-customer) industry context. Thus, the theoretical framework of this research is established on the investigation of the previous works of literature in the fields of the customer behaviour, market segmentation and market targeting along with the key concepts used in this project. Figure 1 demonstrates the theoretical framework of this study.

To successfully understand and predict the buying behaviour of Chinese cruise customers, the study generates three dimensions' evaluation, namely, customer behaviour, market segmentation and market targeting. All of these three theories have an impact on the final recognising new customer purchasing behaviour successfully.

The customer behaviour consists of customer motivation, the new client decision-making process in B2C field in the process of before purchase to make the decision to buy, the factors influencing on customers' decision-making process and the customer behaviour in China. It is critical to recognise the customer motivations and satisfaction which are beneficial to the marketers to forecast and formulate the marketing mode and succeed in the business (Dann 1981). Meanwhile, the potential customers experience a procedure to make the final purchasing decision, namely, getting the "stimulus" from the outside environment, then accepting the "process" from the organism (i.e. physiological) and finally reflecting on their "response" to their final action (Hollensen 2010, 110-112). Commanding the exact timing of identifying the new customer decision-making process is important for the market operators (Hollensen 2010, 107). Also, the factors like "loyalty", "familiarity", and "social influences" could impact on the individual's purchasing decision making (Petrick et al. 2007).

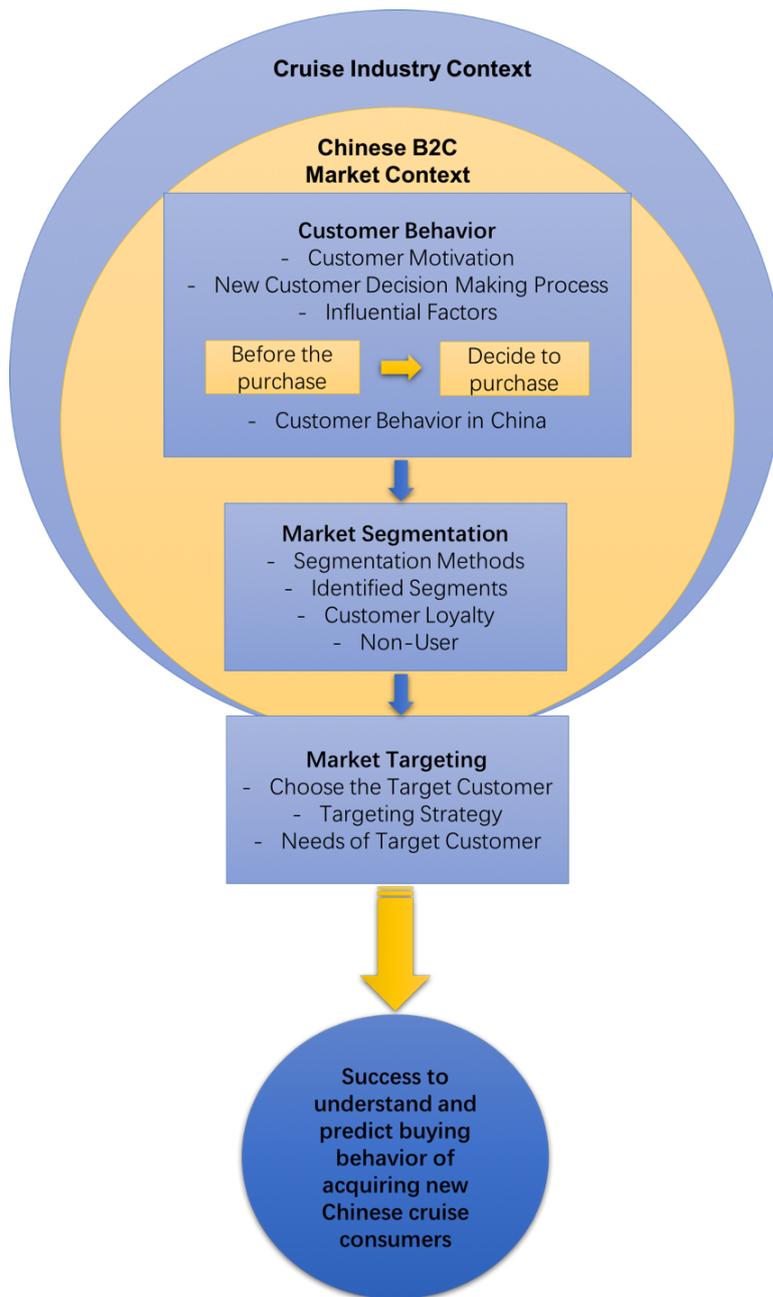
The market segmentation encompasses the demographic characteristics, segmentation methods, identified segments of the Chinese cruise line passengers and the importance of keeping the customer loyalty and transforming the current non-customer into the cruise passenger. Market segmentation helps the organisation to divide large, varied markets into minor segments which enable the organisation to satisfy customer's unique needs more directly with products and service (Kotler et al. 2005, 391). The market segmentation consists of several variables, including the "socio-demographic", "behaviouristic", "psychographic" and "benefits sought" (Hollensen 2010, 289). Among them, the psychographic segmentation method is the most common way to examine the variables (Dolnicar 2006) such as motivations (i.e. Bieger &

Laesser 2002), customer preference (i.e. González & Bello 2002) and benefit (i.e. Molera & Albaladejo 2007).

The market targeting involves choosing the right target customer according to the segments, the use of the target strategy and find the demands of the target customer. After the different market groups have been identified, the company should select which market segments they are going to catch, namely, target (Kotler & Armstrong 2012, 201). Meanwhile, the company should consider whether there are strong competitors, substitute products, strong bargaining power of buyers as well as the strong power of suppliers which can have an influence on the lessen attractiveness of the segments (Kotler & Armstrong 2012, 201).

The theoretical framework of the study illustrates the factors which need to be considered by the marketer during the process of doing consumer research in the Chinese market.

Figure 1. Theoretical framework



1.6 Definitions of Key Concepts

Customer behaviour.

The study processes encompass the investigate process of choosing, buying, using and deploying of the products, services, thoughts or capabilities by the individuals, groups or

organisations to fulfil their desires as well as demands (Solomon et al. 2006a, 27). The behaviour presented by the customer during the process of seeking products or services, buying, consuming, assessing, and placing and the company should anticipate if it could fulfil such customer demands (Schiffman & Kanuk 2010, 3).

Market segmentation.

Market segmentation can be regarded as an integral element of customer behaviour. The customers can be segmented into several groups, involving usage product goals, demographics factors (i.e. age cohort & gender) and psychographics (i.e. psychological & lifestyle). The new appearance of relationship marketing and resource-based marketing emphasises that the marketer should notice the different customer segments in their separate desires and demands (Solomon et al. 2006b, 27).

Market targeting.

After the customer segments have been divided, market targeting is the process of picking up one or several from the above-defined market segments and then designing products and marketing campaigns which are matched to each subdivision. (Hollensen 2010, 300).

Cruise tourism.

All kinds of the oceanic-based journey fare paid by customers onboard in a cruise ship whose initial usage is to carry passengers (Wild & Dearing 2000, 319).

1.7 Delimitations

First of all, this thesis is in the context of consumer-driven behaviour analysis which comprises of finding the customer segmentation and using the right targeting strategies. However, the practical marketing strategy analysis is not included.

Only the potential cruise customer is involved in this study scope because it intends to explore what are the factors motivate the prospective customer to go on a cruise. Even though the existing customer could have more first-hand experience on cruising and could figure out the improvement area according to their experience, it would be harder to merge both groups together, and eventually, the existing group is not discussed in this research.

The source of data and information used for the cruise industry and the market comes from the secondary data, which has the limitation of the information scope and is not as latest as from inside the company. However, the report published by the corporation has the high authenticity.

The web-based questionnaire is faced with the people who use the internet. This might cause the bias for the group who does not use the Internet frequently, such as the older people. However, the older people themselves is one of the large groups of cruise potential customers. This kind of investigation and research method usually cannot have the more direct effect compared to the interview. Also, the web-based questionnaire has the difficulty in verifying each interviewee's real identity which might influence the result.

Referring to the empirical study, this research only involves in the Business-to-Customer (B2C) aspects, whereas the Business-to-Business (B2B) area is not touched. The B2B field also includes lots of opportunities, such as MICE (meetings, incentives, conferences and exhibitions) cruise tourism.

1.8 Research Methodology

The study used quantitative research method through doing a survey via the questionnaire to examine the potential Chinese customer behaviour in cruise travelling.

To learn about the Chinese customer behaviour, investigate and illustrate the cruise customer segments, target the market as well as do the consumer research, this study collected empirical data from the potential cruise customer through a web-based survey. The platform for the survey was the website - wenjuan.com: <https://www.wenjuan.com/>. This is a Chinese professional questionnaire website in the Chinese language, and it has also already been examined by 10 000 well-known brands or companies (wenjuan 2016). The survey was originally made in English and translated into Chinese for launch. The questionnaire included the following enquiring factors, basic demographic background, travel experience as well as the respondent's knowledge and opinion about cruise travelling. The survey collected 300 valid responses. At last, the software IBM Statistical Product and Service Solutions (SPSS) was used for the descriptive analysis, factors analysis, cluster analysis, independent sample T-test as well as Chi-Square test. This research aimed to make the segmentations and what are the real motivation which arouses their willingness to be a cruise traveller. The detailed description of data coding and interpretation is conducted in Chapter 4.

1.9 Structure of Thesis

In the second chapter, customer behaviour, market segmentation, and market targeting will be reviewed and analysed as the literature review. The third section will investigate the current condition of the international cruise industry, and its present operating situation in China. Chapter four will explain the usage of research method. Chapter five will provide the data analyses. In chapter six, the conclusion, limitations and the advice for future research will be provided. The structure of thesis displays in Figure 2.

Figure 2. The structure of the research

Developing a Customer Behaviour Analysis for International Cruise Company Operating in China Market

Chapter 1	• Introduction
Chapter 2	• Literature Review: Customer Behaviour, Market Segmentation & Market Targeting
Chapter 3	• The Current Situation for Global Cruise Industry Operating in China
Chapter 4	• The Research Methodology
Chapter 5	• Data Analysis & Results
Chapter 6	• Discussion & Conclusion

2 LITERATURE REVIEW

There are lots of theoretical perspectives that could be applied to the customer behaviour analysis. In this theoretical literature review part, customer behaviour, market segmentation, and market targeting are exemplified respectively. This literature review aims to offer the latter empirical study with the theoretical support.

2.1 Customer Behaviour

The investigation of the customer behaviour is examined as a crucial aspect when evaluating tourism industry development (Ahola 2011). In the following parts, the customer motivation is discussed firstly and follows the customer decision making in B2C area. Then, the influencing factors on customers' decision making are examined along with the analysis of customer behaviour. Lastly, the Chinese customer behaviour from the aspect of Chinese tradition culture is illustrated.

2.1.1 Customer motivation

The definition of motivation is the specific implicit demand which pushes the people to accomplish a particular movement to achieve their contentment (Moutinho 2000; Fan et al. 2015, 464). In the area of "psychology", "sociology", "consumer behaviour" as well as "tourism", motivation as the subject has been studied a lot (Hung & Petrick 2011, 386). The motivation theories such as Hull's learning theory (1943 & 1952), Maslow's hierarchy of needs (1943 & 1954), Lewin's expectancy-value theories (1938), and Bettman's goal-directed behaviour (1979) has been established (Hung & Petrick 2011, 386).

It is important to recognise the customer motivations, destination choices, service quality, and satisfaction which all contribute to marketers' forecast and formulate the following travel modes and succeed in tourism marketing (Dann 1981). One of the primary travel motivation is the tourist's personality since people have different levels of novelty-seeking (Plog 1974 & 2001). Linked the hierarchy of needs from Maslow to traveller's voyage stimulus, Pearce and Caltabiano (1983) argued that people who travel frequently usually go to achieve the advanced requirements (i.e., self-actualization) comparing to individuals who travel less. According to Mayo & Jarvis (1981), meeting the natural (i.e. nutrition, environment & well-being) as well as mental (i.e. exploration & leisure) requirements can motivate people to travel (Fan et al. 2015, 464). Seek-escaping tourism model indicated that when people join the recreational activities which could help them to get satisfaction through seeking (intrinsic rewards) or escaping (from daily repeated surroundings) (Iso-Ahola 1982). Also, pursuing relaxation, social interaction, knowledge simulations, escaping from the daily routines, prestige, self-evaluation, novelty as well as education are all the stimulates moving people to travel (Crompton 1979; Ryan 1997). The above-mentioned theories explain that the primary travel motivations for tourists are realising particular needs and wants.

In addition to people's basic requests and desires, the push and pull theories help to understand an individual's motivation towards travelling. According to Baloglu & Uysal (1996, 32), there existed a correlation between the pull and push motivations, and the former was the attractive factors helping people make a decision to specified destination after the people make the decision to travel whereas the latter one was related to socio-psychological drivers. Crompton (1979) recognised two "cultural" motivations, namely, pull factors, "novelty" and "education" as well as seven socio-psychological motivations, namely, push factors, involving: "escape from a perceived mundane environment", "exploration and evaluation of self", "relaxation", "prestige", "regression", "enhancement of kinship relationships", and "facilitation of social interaction" (Josiam et al. 2009, 82). Regarding the Chinese tourists' overall incentive, Zhang

and Lam (1999) initiated that there are pull and push factors which differ based on the people's ages, gender, income as well as travel frequency.

Currently, there are few literature reviews about recognising the cruise tourist's motivation, especially limited about the mainland Chinese cruise passenger's motivation. However, identifying the visitor's travelling motivation, service quality as well as their satisfaction level were essential for cruise marketer (Josiam et al. 2009; Qu & Ping 1999). Josiam et al. (2009) identified two pull motivators and five push factors motivating cruise passengers in North America and the details are concluded in Figure 4 (Fan & Hsu 2014; Fan et al. 2015, 471).

Presently, there are already some motivation studies about the Hong Kong residents and Taiwanese which are related to the Mainland Chinese passenger geographically. In Qu and Ping (1999)'s study about Hong Kong passenger's motivations, it showed getaway from routine lifecycle, societal crowd, and attractive nature and landscape were the main factors (Fan et al. 2015, 466). Figure 3 below displays the main motivational factors for the Hong Kong cruise tourists. For the Taiwan market, according to Lu (2001), five push motivations and five pull motivations were recognised (Figure 4) (Fan et al. 2015, 466). In the direction of cultural-historical, Fu et al. (2010) and Fan et al. (2015, 466) initiated that Chinese linked water to the leisure activity as the concept of "life", "flow and energy", "purity", "freshness", as well as "a natural state of being" and such symbols impacted on travellers' stimulus which could be concluded the seven push aspects as well as five pull aspects (Figure 4) (Fu et al. 2010; Fan et al. 2015, 466).

Figure 3. Key factors motivating Hong Kong cruise passengers (Qu & Ping 1999, 241; Josiam 2010, 83)

Motivation factors (In Order)	Ratio (%)
1. Escape from routine life	36.4
2. Social gathering	26.4
3. Beautiful environment and scenery	12.1
4. Cultural understanding	7.6
5. Social status	6.9
6. Business purpose	5.5
7. Health and exercise	3.6
8. Self-discovery	1.5
Total	100.0

Figure 4. The list of pull and push factors in cruise motivation studies (Josiam et al. 2009; Lu 2001; Fu et al. 2010; Fan et al. 2015, 466)

Cruise Tourism Motivations		
	Pull Factors	Push Factors
North American market (Josiam et al. 2009)	<ol style="list-style-type: none"> 1. Media influence 2. People influence 	<ol style="list-style-type: none"> 1. Discovery 2. Enjoyment 3. <i>Social/esteem need</i> 4. <i>Escape</i> 5. Family time
Taiwan market (Lu, 2001)	<ol style="list-style-type: none"> 1. National environment and safety 2. Entertainment and sport recreation 3. Nature and wildness 4. Learning opportunity 5. Modernity and facilities 	<ol style="list-style-type: none"> 1. Lifelong learning 2. <i>Escape</i> and relaxation 3. Adventure 4. Belonging 5. <i>Status seeking</i>
Chinese market: in the cultural-historical direction (Fu et al. 2010 & Fan et al. 2015, 466)	<ol style="list-style-type: none"> 1. Openness 2. Freedom 3. Beautiful scenery 4. Cultural attributes 5. Entertainment 	<ol style="list-style-type: none"> 1. Spiritual purification 2. Moral enlightenment 3. Relaxation and refreshment 4. <i>Escaping</i> 5. <i>Social gathering</i> 6. Family happiness 7. Cultural discovery

2.1.2 Customer decision-making in B2C field

The market comprises of all the potential customers having specific demands and desires who would engage in the change to meet their needs. The timing that the market formed is when the potential customers' requirements are supported by their purchasing power (Hollensen 2010, 107).

The SPR model (Figure 5) displays the procedure for company promotes the products to adapt the customer's awareness and to influence on their making buying decision result. With the outside environment "stimulus", including the elements culture, social incentives, reference group and marketing mix, the individual acquires the knowledge and raise the attention of the products. Meanwhile, the firm uses the marketing program to achieve its objectives. Then, the "process" involving the psychological, physiological as well as perceptions and feelings, refers to the influential factor into the process of customers' internal stages. Lastly, customers reflect on the changes in the attitudes, buying behaviour and final actual buying action. The client could keep using this product longer while they also have the possibility that would switch the brand to other companies (Hollensen 2010, 110-112).

Figure 5. The SPR model (Hollensen 2010, 111)

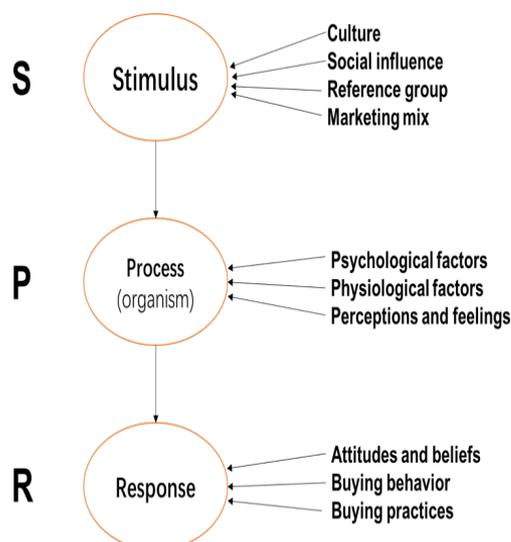
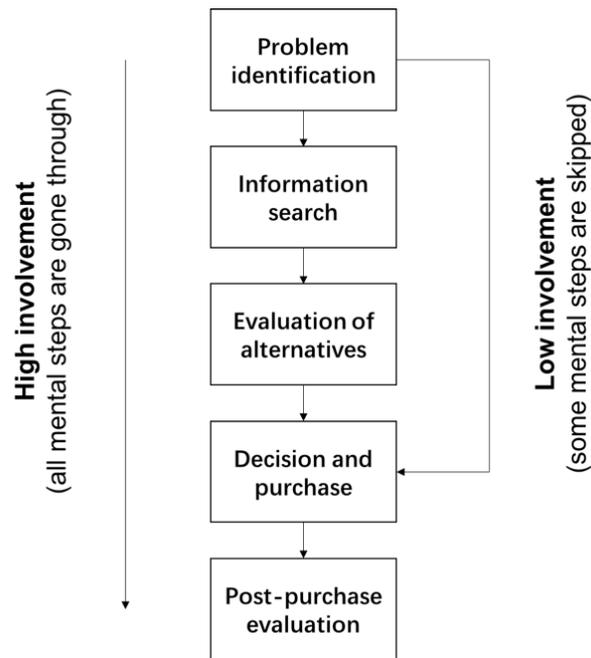


Figure 6 lists the five steps for consumer decision-making process along with a procedure explaining how customer involves in the high involvement purchase. The individual's unsatisfied desires and demands can be the driven factors for the Step 1 - "Problem Identification". The gap individual has between the current situation and the desired status positively impacting on the needs. After recognising the problem, the customer comes to the Step 2 for searching the related information from the experience which could be taken advantage by themselves usage. The information could be obtained from various sectors, including a private source (i.e. family, friends), a commercial source (i.e. media advertising, salespersons) as well as a public source (i.e. travel agencies, government agencies). However, especially for the cruises where service is hard to standardise and difficult to evaluate comparing to regular product consumption and the final result is that the service is assessed after purchase. In Step 3, the customer comes to evaluate the alternatives. They often evaluate in two procedures. First, choosing the familiar products and brands. Second, acquiring the knowledge from cost, performance, social and availability characteristic when comparing with other brands. Finally, the customer makes the buying decision, which usually happens before the actual purchase action. Their decision could also be interfered by the product being out of stock (no rooms in the cruise) or the special offer (there will be a better choice for the similar cruise if your voyage could be a bit later). Step 5 is the "post-purchase evaluation". After purchasing, the customer gains the experience and builds the satisfaction or disappointing attitude. This is also a critical timing for building the brand loyalty without a lot of costs in customer relationship management (Hollensen 2010, 113-116).

Figure 6. The consumer decision-making process (Hollensen 2010, 114)



2.1.3 Factors influencing on customers’ decision-making and customer behaviour

According to Maslow (1943, 371) the motivation theory was not equal with behaviour theory. The motivations were only one of the factors in behaviour. However, the behaviour was always being motivated along with being determined biologically, culturally as well as situationally.

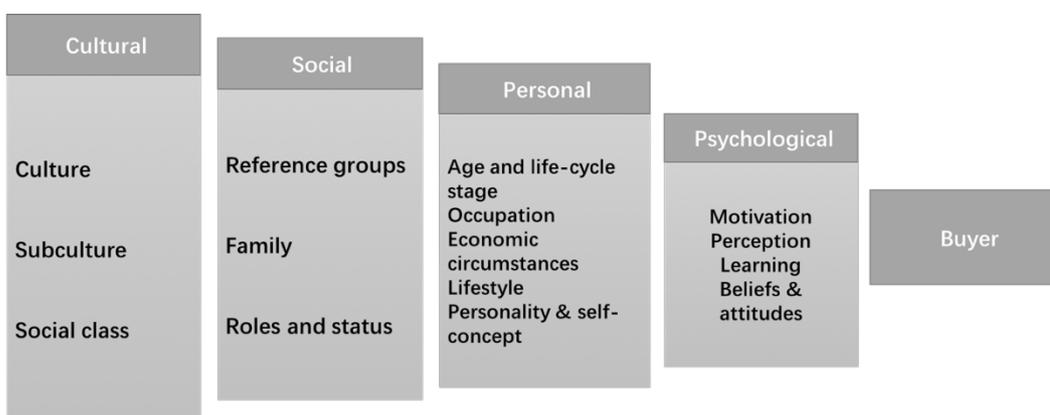
The consumer’s psychological elements include needs, perception, memory and attitudes could impact on their decision-making process. Meanwhile, the demographics, lifestyle and culture, impacting on such psychological factors which could be viewed as the segments have been discussed more in the “2.2 Market segmentation” (Hollensen 2010, 117). Based on Maslow (1943)’s five levels hierarchy of needs from the “*physiological*”, “*safety*”, “*belonging*”, “*esteem*” to “*self-actualization*” which explained that only when people’s basic demands have been fulfilled, they would consider leisure and entertainment. In Pearce’s research (1982), he adapted hierarchy of needs theory from Maslow into the tourists’ motivation and performance from collecting the tourist experience data. Pearce indicated it was the opportunity to realise

one's self-actualization, belonging, and physiological needs (listed from the importance level) which attracted the tourists to holiday destinations while the safety aspect was considered the as the tourist motivation avoidance feature.

The perception describes the choosing, organising and understanding information procedure for the consumer. The individual acquires the information for a new product from the media or reference group which arise the attention, then to compare the alternative, and eventually to remembers and memorises. The consumer forms the habits to access the alternative brands and make the buying decision when they fully acquire the information. The customer's memory during the purchasing decision can be divided in two ways, namely, short-term and long-term memory. People always use the information they have gained before or from experience. The shorter one is easily be replaced by new information while the long-term memory could stay in one's mind for several years until it is replaced by interference information. Lastly is the attitudes factor. Attitudes can be seen as the customer preferences for people's feeling positively or negatively about the product. (Hollensen 2010, 118-119).

According to Kotler et al. (2005), the consumer's purchase could be impacted by "cultural", "social", "personal" and "psychological" features (Figure 7). It will be hard to control all of these factors by marketers; however, they should carefully consider them.

Figure 7. Factors influencing behaviour (Kotler et al. 2005, 256)



There are also factors which affect cruise passengers' decision-making process. In Petrick et al. (2007)'s study, the main factors, namely, "loyalty", "familiarity", and "social influences" impacted on people to choose a cruise vacation or not (Hung & Petrick 2011, 387). However, the choice set model (Crompton 1992) showed how individuals narrowed down their desirable destinations and thus making the last selection, cannot be adapted to the process of making cruising decisions (Crompton & Ankomah 1993). In a Taiwanese cruise passenger decision-making process study, Juan and Chen (2012, 485) found that *journey expense* and *the length of the trip* occupied the most important aspects which affected individual's final decisions during the planning their journey.

Regarding factors influencing customer behaviour in cruise study, in Petrick's research (2004b) he found that factors including *quality*, *value*, and *satisfaction* were related to forecasting the cruise passenger's behavioural aims. It has been found that the factors influencing individual's cruise behavioural intentions involve the *expense sensitive* (Petrick 2005), "*critical incidents*" (Petrick et al. 2006) as well as *the cruise tourism image* (Park 2006) (Lebrun 2015).

2.1.4 Customer behaviour in China

It is the challenge to analyse China's whole customer behaviour because of the fact that China has a vast region area and complex local culture in different provinces from north to south. People from the west have an entirely different personality and living habits from the people from east mostly because of the high development in coastland comparing the inland people living in rural areas. Thus, this part of Chinese customer's buying behaviour is focusing on the coastal area in mainland China.

According to Sparks and Pan (2009), the population in China was growing in affluence and for the outbound travel, more people had the willingness and ability to pay for the luxury tourism experiences. It has been estimated that traveller from China would grow to 100 million in the

year 2020 (World Tourism Organisation 2003). In the 2014 China Consumption Trends by MEC, it revealed that the ordinary standardised and services could not meet the satisfaction of Chinese customers. People prefer to have the *individuality* and will not just be a mass follower. Meanwhile, western lifestyle used to be followed blindly by Chinese, however, now people came to appreciate the combination of both the Chinese and Western cultures (MEC 2014, 22, 33).

The characteristic for Chinese people buying behaviour includes collectivist nature with the high-valued of word-of-mouth (trust information seeking from friends or family members), deep concept of household, “Mianzi” (let other people think they are rich and have the good taste). The Chinese’s collectivist nature meant that social influences could affect to customer's behavioural intentions (Luo 2009, 28-29). According to Spark & Pan (2009), Chinese tourists valued high from the closed people (i.e. relatives and friends) as well as from the trustworthy travel agency suggestions which could positively impact on their final decision to their journey. According to Tse (2009, 139), as Chinese tourists were becoming maturity and more people were pursuing the high quality. However, price sensitive was still the main characteristic for most of the Chinese. Meanwhile, for the generation from 1979, namely the only child generation, they showed more individualism and less price-sensitive (Luo 2009, 28-29).

2.2 Market Segmentation

The individual buyer constitutes the markets. Their desires, incomes, locations, buying attitudes and purchasing decision could differ from one to the other. In the 1950s, Wendell R. Smith developed the market segmentation (Smith 1956). Market segmentation helps the organisation to divide large, varied markets into minor segments which enable the organisation to reach customer's unique needs more directly with products and service (Kotler et al. 2005, 391). In this part, the segmentation model in cruise market will be illustrated. This chapter intends to recognise the market segmentation process, providing information on different market

segments in the categories of family, couple and silver market as well as the related consumer behaviour in these groups. Meanwhile, the importance of keeping customer loyalty and transforming the current non-user into customer will be illustrated.

2.2.1 Segmenting methods

To find the group of customers the company wants and separated from the whole market, segmentation is a necessary initial process. According to the previously studies, there are different kinds of the segmenting methods.

According to Hollensen (2010, 287), the two most used methods are the “top-down method” as well as the “bottom-up method”. The former method begins from all potential customers and identifies their related characteristic variables for subdividing from the whole market. The bottom-up method begins from the bottom, namely, identifying an ordinary potential customer and then adding the customer with similar characteristics into this subgroup. In the bottom-up method, when finding the potential customer without any of the previous found features, then a new segment is built which forms the process of construction segments. After that, according to the different variables (i.e. sociodemographic, behaviouristic, psychographic, benefits sought, geographic, demographic, psychographic, behavioural, occasions, benefits, etc.) for segmentation in B2C market.

In the choose of the variables, there are *the simple variable method, multiple variable method and dominant variable method*. According to the results of the marketing research, selecting the most important factor impacting on consumer demands as segmentation variables and thus building the market segmentation is the simple variable method. The multiple variable method is similar to the first one but is to choose two or more elements influencing on consumer demand as a standard and thus forming the market segmentation. The dominant variable method is when there are multiple factors impacting on market segment selection, the way to find the consumer's

features and determining the dominant factor and then combine with other factors to determine the market segments (Shi 2005).

2.2.2 Segmentation of the cruise customers

The market segmentation consists of several variables, including the “*socio-demographic*” (i.e. “age”, “gender”, “geography”, “family life cycle”, “income”, “occupation”, “education” and “social status”), “*behaviouristic*” (i.e. “media”, “habits”, “experience” and “loyalty”), “*psychographic*” (i.e. “lifestyle” and “personality”) and “*benefits sought*” (i.e. “product features” and “price/service”) (Hollensen 2010, 289).

Dolnicar (2006) indicated that three-quarters of the entire data-driven tourism studies used the psychographic segmentation method examining variables such as motivations (i.e. Bieger & Laesser 2002), customer preference (i.e. González & Bello 2002) and benefits (i.e. Molera & Albaladejo 2007) to make the cluster.

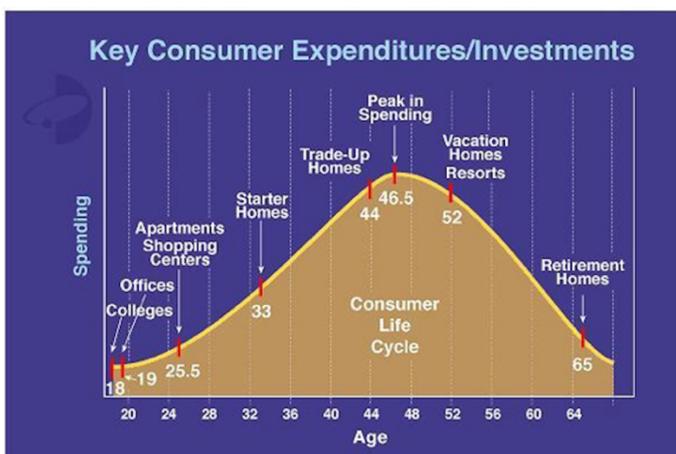
Demographic segmentation contributes to classify the different groups of people have what kind of similar tendency and preferences through their separate demographic factors which involve age, gender, family composition, living area, occupation, income level as well as educational level (Fan et al. 201, 462). In the previous research, the study of travel demographic factors has already been studied and explored a lot. For the food choice, according to Mak et al. (2012), demographic characteristics vary the consumers toward luxury restaurants. Usually, the middle- and high-income group put the value on the luxury restaurants comparing to the low-income populations. For the transportation selection, Le-Klähn et al. (2014, 159) argued that trip duration, the aim of the voyage, the difference in age groups as well as the traveller’s easy way to approach the public transport at their residence place impacted on people’s choice. Also, the tourists’ different demographic factors, such as gender, age, region, income level,

educational background, social class differ the destination image (Beerli & Martín 2004) and the online booking and searching channel selection (Qi et al. 2013).

Howell (2012, 29) indicated that using age cohorts as a segment in marketing contributed to focus on the target market for a product or service. When the group of consumers has the similar age groups, marketers are easy to identify them and can provide the related products, distribution and communications methods to a significant coverage of possible clients who would react to similar behaviour. The age cohorts enable the efficiency in marketing both for marketers and consumers benefit (Schewe & Meredith 2004, 52). The age cohort segmentation contributes to design the marketing strategies including the advertising and promotion successfully to the best-targeted market (Howell 2012, 30).

Durden (2010) describes what different age consumers could mainly afford during their lifetime cycle (Figure 8). At age 46.5, individual reach the peak in spending, the age when they have already afforded for the house, children have grown up, and the family comes to stable and mature. After that, children start to leave home and family spending declines. Significantly, at the age of 52, the individual has the largest willingness for the vacation, resorts consumption. The market should seize the opportunity to catch every stage that the customer has the biggest demands during the whole process of their life (Durden 2010).

Figure 8. Key consumer expenditures/investments (Durden 2010)



The life-cycle segmentation also can be used by the company for market segmentation. Such segmentation method could identify the customer's changing desires in the different stages in their life with providing the targeting products or marketing approaches (Kotler et al. 2005, 400). The family life-cycle describes the development for a family from its beginning to its end. In the different stage, family's purchasing needs are varied as well. This forms the difference in expenditure structure. For example, the young married couples both in working, and they do not have the plan to have the child, namely, double-income no children are often wealthy. These groups of people can be seen as a major market for purchasing luxury goods, cars and seeking for vacations (Weiss 2000).

According to Hobson (1993), who separated the cruise market segments to four groupings, namely, *mass, middle, luxury and the speciality market*. Mass market mainly serves lower-middle social class in larger cruise ship delivering various activities and restaurant choices. The middle market focuses on upper-middle class. Most of the customers and cruise ships are in this is the main market area. Luxury market targets at the lower-upper and upper-upper societal classes with the relatively high staff-passenger percentage who offers the excellent services. Speciality market aims at adventurism customers (niche market) with high-class smaller ships and large yachts (Hobson 1993).

However, such current studies are more focused on the cruise existing customers instead of discovering the motivational factors across the potential cruise passenger. At the same time, the literature regarding the Mainland Chinese passenger's demographics is still rare since the market is immaturity. There are the researches about the Hong Kong and Taiwan market which are similar to the mainland China. Studies showed that the passengers from Hong Kong and Taiwan market had the characteristic that they were in middle-aged, or older age group and they owned high consumption power (Josiam et al. 2009; Qu & Ping 1999). Regarding the cruise customer in Taiwan, the male and female had the different customer satisfaction level (Josiam et al. 2009). According to Royal Caribbean International (2013), Chinese passenger

has the demographic characteristic that they are in the young middle-class group with high education background (Sun et al. 2014).

In the Chinese cruise market, according to age, the potential customers can be divided into three groups, namely the family market, the honeymoon market and the silver market (Zhou & Shi 2013, 56). According to Zhou (2013, 115), the research illustrated that Chinese cruise tourists age ratio. For the passengers before 25 years old account for almost 13%, 26-35 occupy 20%, 36-45 account for approximately 30%, 46-55 represent nearly 23% and the customers older than 56 occupy nearly 14%. The result showed that age group between 36-45 accounted was the largest segment. This sort of consumers is relatively stable income level and relatively strong ability to accept new things since they live in the new century. 46-55 age group customers are more than 56 years old for Chinese passengers (Zhou 2013, 115).

Family-focused segment. The cruise market in the family segment has always been a popular choice. The parents can take their children together during travel in a relatively safe environment. The family target cruise has lots of activities for children while there are also many children playing together in their peer age. More cruise lines have recognised the potential and opportunity in family cruise market, the cabin's accommodation has been improved as well as the on-board quality for youth clubs and entertainment (cruise adviser 2015). The Chinese have the strong family concept in its traditional culture while the Chinese demographic structure makes them differ from the traditional EU and US markets, namely, younger and more family-oriented. According to UK's Daily Mail's interview data, nearly 70 per cent of Chinese families being interviewed said taking a cruise could be a feasible travelling method (Smith & Howard 2015).

Couple-focused segment. The couple-focused cruise market is usually for the wedding, new-married and second-marriage honeymoon vacation as a romantic vacation preference. According to Cruise Lines International Association (CLIA), second-marriage couples are the targeting largest couple-focused customer group regarding 40 percent travel agencies

(Lauderdale 2007). According to the survey, more than half of responded agents argued that Generation X (28 to 42 years old) are the leading source of honeymoon and wedding cruise passengers currently whereas Generation Yers (27 years old and below) represented a quarter of the entire honeymoon and wedding industry (Lauderdale 2007). Regarding the website China.org.cn (2002), the Chinese couple thought that holding a wedding ceremony and honeymoon at sea was different to the traditional wedding banquet or the honeymoon tour which was nothing special. The new couple can take wedding photo, and the maturity couple can celebrate the wedding anniversary in cruise.

Silver-focused segment. The silver market is for the elders who are older than 60. These people have already backed to home thus owning lots of free periods. These people can be treated as one of the highest would-be cruise passenger segments (Zhou & Shi 2013, 56). Meanwhile, the elders have relatively sufficient time, and they do not have lots of economy pressures since their children have grown up. However, their consumption habits form the ability to accept new things relatively low comparing to the 36-45 group. They have the limited information to participate in the cruise tourism by themselves (Zhou 2013, 115). Thus, in addition to family-and-couple-focused market segments, the silver market potential should never be ignored.

2.2.3 Keeping the customer loyalty and transforming the current non-user into user

Keeping customer retention or making new customer acquisition has always been a hot topic considered by the company. According to Daly (2002, 85), the costs are ten times higher to acquire a new consumer than to maintain an existing customer. According to the CLIA (2011, 66), the existing cruise customers have the 77% interest to take the cruise trip again; besides, 54% of them have the plan for cruising in the following three years. This emphasis on the importance of keeping customer retention and fostering the client's loyalty. Loyal cruise passengers have the high possibility to revisit the cruise in the future and the willingness to deliver the word-of-mouth. (Petrick 2004a, 463).

It is reported that less than 0.6% Chinese vacation tourists chose to cruise in 2014 (Bachman 2015). This knocks on the importance for cruise company to transform the current non-users into the cruise passenger. According to Park (2006, iii), in cruise market, the current non-user refers to holiday travellers who use different kinds of entertainment modes instead of cruising and in the past five years they have not experienced cruising or have never cruised. Meanwhile, according to Park & Petrick (2009, 290), comparing to the current passenger, the current non-passenger used to have higher negative opinions for taking a cruise voyage. Such non-passengers hold the view that cruise travel has lots of negative images, such as many stranger people nearby, limited personal space and unsafe. By solving these problems, it is possible to penetrate into the current non-passenger market.

2.3 Market Targeting

Market targeting refers to the organisation intends to satisfy a group of consumer who has the similar demands and personality (Corey 1991; Kotler & Armstrong 2012, 201). After the different market groups have been identified, the company should select which market segments they are going to target (Ries & Trout 2001). In this subsection, the objective is to explain how to evaluate the market segments as well as to know which market targeting strategy should use by the company.

2.3.1 Examining the market segments

According to Kotler and Armstrong (2012, 201), there are three factors which are the necessity for the company to consider and analyse when examining the different identified segments, namely, the capacity and the growing potential of the segment, the structural attractiveness of the segment, and firm goals and assets. It is important to analyse, forecast and thus targeting

the “right” size and growth since usually the red-ocean segmentation is attractive, but it is also the most competitive segment (Kotler & Armstrong 2012, 201). Regarding Moutinho (2011, 131), there are three factors when the market operator is deciding the numbers of the segments and selecting which segments to target, namely, market size and growth potential, segment attractiveness as well as the own group’s goals and capitals. According to Lilien et al. (2007), there are three evaluation standards of segments attractiveness, namely, market size and growth potential, competitiveness inside the segments and with other segments, capacity and exterior threats as well as the profitability. The profitability is the principal area when considering to choose the segments. With the use of the Michael Porter’s (1979) five-force model, namely, “threat of new entrants”, “threat of substitutes”, “supplier power”, “buyer power” as well as the “existing rivalry”, contributes to examine the segment profitability and to achieve the long-term attractiveness to the aiming targeting group (Kotler & Armstrong 2012, 201).

The selected segments should meet the company’s long-term objectives, and the company should offer superior value and resources to win competitors in such segment while at the same time, the targeted segments should not contradict the corporation’s plan (Kotler & Keller 2009). In this aspect, the coverage of the market is the other crucial issues considered by the organisation. There are five patterns of market coverage, namely, “single segment concentration”, “selective specialisation”, “product specialisation”, “market specialisation” as well as the “full market coverage” (Lilien & Rangaswamy 2003; Moutinho 2011, 131-132).

2.3.2 Choosing the market targeting strategy

There are different targeting strategies that can help the manager to cover the market. Three of them are commonly used, namely, undifferentiated, differentiated and concentrated marketing strategies which are the target in the scale from targeting broadly to targeting narrowing (Dibb & Simkin 1996; Katzenstein 1986; Kotler & Armstrong 2004, 201).

The undifferentiated (mass) marketing strategy focuses on mass marketing offering only one particular product to target the whole marketplace as well as neglect the variances among such market segments. Meanwhile, this approach concentrates on the most common demands, characteristics among all the potential customer and serve them without the difference. However, offering a particular product to meet all the necessities of all customers is still hard to realise. Meanwhile, it is more difficult for such companies to compete with focused competitors (Kotler & Armstrong 2004, 201-202).

The differentiated (segmented) marketing strategy also called segmented marketing strategy. Like its name, when a company aims to serve multiple market segments, it develops the separate products or brands for each group. In this way, the marketer is on its way to obtaining a stronger position, increase market shares and earn more sales in each of its market segment comparing to use a mass marketing strategy. On the other side, the company should trade-off the costs and profits since the differentiated strategy employ the higher costs (i.e. multiple advertising, promotion channels) than the undifferentiated coverage strategy (Kotler & Armstrong 2004, 202).

The third strategy called concentrated (niche) marketing strategy. Instead of focusing on acquiring the large market share, this strategy is absorbed in small segments and the niche market. This strategy is especially attractive when the marketer has the limited resources. In the concentrated strategy, the firm can be more profitable while under the higher risks since if the company relied on segments fail in the market which brings the bring massive damage. This explains that many companies are willing to diversify in several market segments (Kotler & Armstrong 2004, 202-204).

For the market operators, it is an essential task to choose among the above-mentioned targeting strategies which are in line with the organisation's strategic plan. Regarding Moutinho (2011, 129-130), there are four steps to choose the targeting strategy, namely, "maintain niches in the product market", "keep niche among customers/organisations", "assess target segment

substitutes” and lastly “choose a targeting strategy”. Meanwhile, there are several factors should be taken into account when considering the use of the targeting strategies, involving the product life-cycle, consumers’ value desires, industry situation, the capitals and potentials of the organisation as well as the competitive advantage (Lilien & Rangaswamy 2007).

2.3.3 The importance of using market targeting in cruise marketing

According to CLIA (2008)’s market research, the target market for the potential cruise customers is individuals over 25 years old whose average whole family income more than \$40,000 in the worldwide. Meanwhile, whatever the market penetration or the passenger volumes, all presenting an increasing tendency which means more and more people are aware of cruising as a method of travelling (CLIA 2008). Recently, the luxury cruise market witnesses a growing trend in this segment where the total market profit of luxury cruises was \$29.4 million in 2011 with the capability of carrying 19 million passengers. To be defined as the luxury cruise, each passenger’s spending must be higher than \$350 per day. Travelling with the cruise in people’s mind are often regards as the wealthy lifestyle where cruise passengers can also show off to their friends and families (Hwang & Han 2014).

Using the market targeting strategy in this thesis helps to illustrate which market the cruise company have to target currently to obtain the long-term profit. The market targeting strategy eventually guides cruise company to focus on the identified segments and thus helping to set the related marketing strategy. Meanwhile, it is clear to see when a cruise company is targeting at a new segment, what are the dissimilar demands that vary from the different segments. Finally, the market targeting theory and strategies help to examine the compatibility of new, current and previously identified segments.

3. CURRENT SITUATION FOR GLOBAL CRUISE INDUSTRY OPERATING IN CHINA

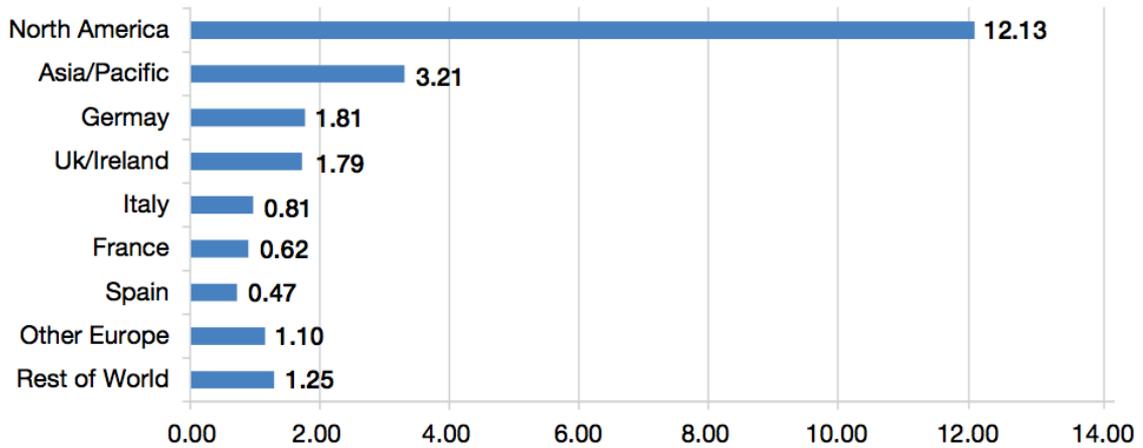
The cruise industry was originally from the western country and then was introduced to China market. Understanding the background of the cruise industry, as well as its current operating situation in China market, contribute to identifying the local market's characteristics and offering the knowledge to the empirical study.

3.1 Global Cruise Industry Overview

According to the CLIA, during 2004 to 2014, the margin of cruise trips was 20-percent higher than the traditional land-based vacations counted on a global range. What's more, the whole cruise market current only represents two percent ratio of the overall tourism business with the top satisfaction percentages which means it has the long-term growth potential. Statistics have been counted that in the year 2015, 23.2 million individuals chose on ocean cruises worldwide which witnessed a 4-percent increase comparing the year 2014. From the Figure 9, we can see that North America market was the biggest source of cruise passengers in the world, which was nearly four times more than the following fast-growing Asia/Pacific market in 2015. CLIA predicted that in the year 2016, there would be a total number of 24.2 million passengers choose cruises to travel globally (CLIA 2016).

Among the increasing cruise passengers, the emerging markets play a crucial role in it. Between the year 2014 to 2015, Asia witnessed 24 percent growth in the ocean cruise market which was also the fastest growing year from the history carrying the cruise tourists more than 2 million individuals (CLIA 2016).

Figure 9. Global source markets by cruise passengers (CLIA Europe 2016, 14)

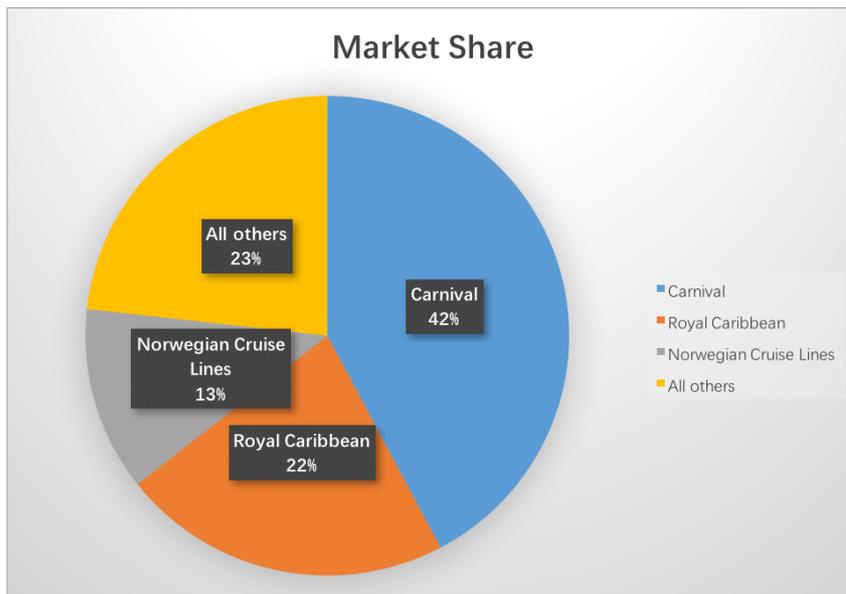


Note: Asia/Pacific includes all of Asia (except the Middle East) and Australia, New Zealand and the South Pacific.

The Carnival Corporation & PLC (CCL) and the Royal Caribbean (RCL) comprise the leading market representing around 64% of the entire cruise industry market share worldwide (Statista 2016). The Figure 10 clearly displays that more than 40 percent of the industry revenue are occupied by the Carnival group which means Carnival is the major player in cruise industry worldwide. The CCL holds ten cruise trademarks (e.g. Carnival, Costa, AISA, Holland America, etc.) while the RCL has the five brands involving the Royal Caribbean, Pullmantur, Azamara, Celebrity as well as the Croisières de France (Cruise Market Watch 2016).

The above-mentioned cruise companies offered the cruise route in most part around the world offering the customer a variety of destinations to select, including the North America, European countries, Central and South America, Asia and Pacific as well as Africa. Among them, Europe and the Caribbean are the most favourable passengers' destination. The different cruise brand has its various target and market position, such as budget, contemporary, premium, luxury, and niche which shows the cruise could cover all age groups and different socioeconomic status groups to join the cruise trip (Gorham & Rice 2007).

Figure 10. The market shares of the 2015 global cruise business revenue (Statista 2016)



The distribution channel is also changing through the years. Regarding cruise voyages reservation channels, fifty years ago, almost 90% were booked through cruise tours. 30 years later, nearly 95% cruise passengers booked via travel agents and CLIA. Now, with the development of the technology, 80% of the cruise orders are reserved online and travel agencies. Also, it is predicted that such directly booking method will continue to grow (Teye & Leclerc 1998 & 2003; Ward 2006).

According to CLIA's study, the average age of the North America's cruise passengers was 49. On average, the passenger earned \$114 000 as the annual household income and among all the passengers, one-third of them earned \$100 000-\$199 000 per year. 72% percent of them were employed, and more than 20 percent were in the retirement situation. 69 percent of the passenger have the college education level and for the martial status showed 84 percent were married. The cruise cost and destination are the most important factors that influenced them on the cruise line selection. Regarding the distribution channels, the Internet is the best way to find the good price while the traditional travel agencies can offer the excellent services (CLIA 2015a, 6-7).

3.2 Cruise Industry in China

China as the cruise industry emerging market has developed around ten years since the concept of cruise trip entered to the people's life. In 2006, the arriving of Costa cruise Allegra in Shanghai could be seen as the symbol of the beginning of China's cruise industry (Xu 2016, 37). To accelerate the cruise industry, the constructing of infrastructures such as cruise ports and terminals are in its progress over the country (Sun et al. 2014, 72). China will build 12 cruise ports before the year 2030. In the geographically from the north China to the south area, they are "Dalian", "Tianjin", "Qingdao", "Yantai", "Shanghai", "Ningbo-Zhoushan", "Xiamen", "Shenzhen", "Guangzhou", "Sanya", "Haikou" and "Beigang" (Xu 2016, 39).

China has become the essential profitable market by many international cruise companies (Fan & Hsu 2014, 523). The travel agencies mainly offer the destinations according to the geographical and the duration of the trip. It can be listed as "the Caribbean (eleven to fifteen days)", "the Mediterranean (ten days)", "Southeast Asia (six to eight days)", "Antarctica and South America (twenty days)", and "the Middle East (ten days)" (Fan & Hsu 2014, 523). There are the connected air routes around the mainland China's big cities to the cruise port destination cities or harbours in the foreign countries (Fan & Hsu 2014, 523).

According to the research by Gorham and Rice (2007), the different cruise has its theme and design which indicated that one cruise cannot fit all kinds of customer's demands. This means that the Westerners might have the different cruise preferences and motivations comparing to the Mainland China's passengers (Fan & Hsu 2014, 523).

Currently, there is a comparatively small but showing a growing tendency that the middle-class group has the largest potential to become cruise passengers once they consider such eye-catching means of the trip a status symbol (Wei 2004). From the view of the Asia market, Mainland China has been in the leading position regarding the passenger volume, who is more

than four times than the second passenger's source country, Singapore (CLIA 2015b). The Figure 11 below indicates the whole Asia cruise trend in 2014.

Figure 11. Asia cruise trend 2014 (CLIA 2015b, 30)



For the current Chinese cruise passenger's demographic information, this field is still limited since the infancy of this industry. According to Qu and Ping's (1999) research, the cruise tourists from Hong Kong has the demographic characteristic that the age group between 18 and 44 years old are the main consumer with the occupation background of white-collar social level earning \$2560 monthly, namely, \$30,720 annual income. Also, there was a research done by Royal Caribbean International (RCI) in 2013. The age group between 23 to 55 years are the main passenger group, and more than half of all cruise passengers had the college degree with a monthly income over RMB 14,000, namely, RMB 168,000 annual income (around \$25,082 in the exchange rate 1RMB=\$0.1493) (RCI 2013). In conclusion, the Chinese cruise passengers are young people with high academic level, and they are the middle-class consumer (RCI 2013).

4. THE RESEARCH METHODOLOGY

According to Silverman (2013), the research methodology explains the investigation methods, statistics testing, assortment and the explain why this methodology was chosen. Therefore, this chapter will start from discussing the research method, why and how to use this the selected research method. Then, it will move on to introduce the data source collection. Finally, the reliability and validity of this research will be illustrated.

4.1 Quantitative Research Method

When the research requires quantifying to data, the quantitative research method is primary approach used by the investigator. A quantitative research method encompasses the statistical method to design and analyse the data (Williams 2007, 66). When using the tools like surveying and making experimentation, the quantitative research method is selected since it builds upon the current theories (Leedy & Ormrod 2001). Building the empirical model is quantitative study approach (Creswell, 2003). Since each research is independent of the different investigator, the data aims to measure reality (Williams 2007, 66). What the quantitative research analysis' result can help discover the uncovered data into the collected one which is primarily linked to the different buyer behaviour from various market segments and how to target such different segments (Williams 2007, 66).

Since this research aims to unveil who are the potential cruise customer in China, what are the motivations behind them and to examine what the different target customer segments have the different demands and purchasing habits for cruise travelling and thus to develop a comprehensive customer research for international cruise companies operating in China market. The quantitative research method used in this research since it helps to seek precise measurement, quantify, to find the cluster and variance which aims to help this study obtain the

accurate and specific data. In the end, such method could offer the prediction and the causal explanation (ACAPS 2012, 12).

The research approach in this quantitative study is the non-experimental descriptive research as the reasoning method (McMillan 2000). The descriptive research style is a fundamental study process that tests current existed the condition. Descriptive research helps to identify the characteristics of a certain phenomenon founded on an observational base (Williams 2007).

4.2 Quantitative Data Collection

Doing a survey is one of the main methods of collecting the quantitative empirical data. The questionnaire contributes to collect the primary data for analysing the respondents through a quantitative methodology. Since the study collected from 300 mainland Chinese potential cruise passengers, the accurate rate was improved. From the designed questionnaire, the respondents expressed their view through ticking the options which contributed to uncovering their overall insights (Saunders et al. 2003).

4.2.1 Quantitative survey

To collect data from people about their basic information, their point of view and their actions, at the same time, when the researcher cannot observe directly for his/her research fields, the survey is the best tool to fulfil this needs. A survey usually designed and made by the investigator himself/herself in the form of a questionnaire (Balnaves & Caputi 2001). In this research, respondents answered one “pre-screen” question and 22 close-ended formal questions in the dimensions of their demographics background, motivations, customer preference and behaviour characteristics. The questions were answered and collected via the Internet. The questions were designed in structured. To achieve a structured data collection for the further

analysis, strict-arranged items were questioned in a pre-determined queue. If respondents know the study objective, the research is regarded as the direct approach. If they don't know, the investigation is the indirect one. The former one refers to the respondents can see the research aim clearly from the questionnaire. This questionnaire indicated the aim of it clearly to the respondents and thus it could be recognised as the direct approach. All of the options were fixed-alternatives in the questionnaire. The respondents chose their desirable answers from the predetermined answering alternatives.

Since the questionnaire were designed to have the limited options, the collected primary data could be regarded as trustworthy. Results' variation could reduce by using fixed-response questions because of the possible different opinions existed among respondents (Malhotra 2004). The fixed-response questions help to confirm the investigator has larger possibility to collect the wanted data from all the respondents in a set range (Kumar 1996) which contribute to the code, analyse and interpret such data in the final stage. Disadvantages of using the survey include that interviewees may not be willing to response the entire survey truly and thus not presenting the investigator all the required data. This refusal usually happens when the respondent consider the asked items are related to their privacy. Closed questions and pre-set alternatives can also interfere the respondents' mind-sets and viewpoints (Malhotra 2004). Since the questionnaire designers listed the items and options that come to their mind by themselves, the investigator bias also exists (Kumar 1996). Doing a survey is the most frequently used primary data collected method even if disadvantages indeed exist. The most important thing is to consider the asked questions and options carefully when designing a survey (Malhotra 2004).

According to Kumar (1996), it is crucial to consider how to place the right order of all the questions since it impacts on if the possible respondents have the willingness to answer this high-quality questionnaire. The questionnaire in this research followed a logical movement based upon the research purposes. Because this logical approach maintained the respondents' curiosities and thus leading them into a more in-depth items.

To successfully collect data and do the investigation in the further steps, the quality design in the questionnaire can be seen as fundamental work since the respondents cannot re-visit the questionnaire after they submit it. Each question should be designed to match the researcher's aim to collect what kind of the data is going to be analysed. The response rate, the reliability, and the validity are all impacted by the design of the questionnaire (Saunders et al. 2003).

4.2.2 The questionnaire

The questionnaire constituted three parts, namely, the demographics background, cruise travel motivations and the customer preference. All of the replies were collected anonymously. The collection of this survey was during the 3rd August to 4th August 2016. The questionnaire was developed in the website: wenjuan.com (<https://www.wenjuan.com/>) and then spread the questionnaire link by the author. The sample was collected through the wenjuan.com by means of the We-chat QR-code and Internet address. Since this research is focusing on the potential Chinese cruise passengers' customer behaviour analysis, thus, this survey was firstly made in English version and then converted to simplified Chinese version by the author herself. To follow Kumar's (1996) recommendation, this questionnaire uses straightforward and everyday local language for the final launched version which could reduce misunderstanding and collect enough data back. Finally, a sample size of 300 respondents successfully finished the questionnaire with the average submitting time of four minutes and ten seconds and these data was used for the analyse.

In the end, the questionnaire included one "pre-screening" item and 22 all closed items were delivered to respondents. The more detailed questionnaire involves the questions and their related options in English and Chinese bilingual version are placed in Appendix 1. The following Table 1 lists the measurement areas, its related questions and the scaling formats.

Table 1. Questionnaire items

Measurement	Questions (Items)	Format	References
Demographics	Q1. Gender	Single	- Fan, et al. 2015, 469 - Josiam et al. 2012, 86
	Q2. Age	Choice	
	Q3. Family composition	(SC)	
	Q4. Highest level of education		
	Q5. Employment status		
	Q6. Current location		
	Q7. Total household annual income (RMB)		
Motivation	Q10. The willingness to take the cruise	SC	- Fan et al. 2015, 466 - Fu et al. 2010 - Josiam et al. 2009 - Lu 2001
	Q11. Positive: The reasons to try cruise travel (Push & Pull)	Likert	
	Q12. Negative: The reasons not to take cruise		
Customer Preference & Behaviour	Q8. Travel frequency	SC	- Cai & Shi 2013, 179-181 - CLIA 2015c, 20-22
	Q9. The preference of the leisure activity	Likert	
	Q13. The possible cruising plans in the future	Likert	
	Q14. The possible budget to pay for the cruise travel	SC	
	Q15. The possible period to take the cruise	Likert	
	Q16. The respondent's preferred cruise duration in days		
	Q17. The channels from where the respondent currently receive the cruise routes and price information		
	Q18. The channels from where the respondent would like to receive the cruise routes and price information in the future		
	Q19. The preferred channels to reserve the cruise ticket		
	Q20. When planning the cruise trip, how the following factors affect the respondent's choice		
	Q21. The cruise routes which the respondent likes or wants to participate		
	Q22. The importance of entertainment and facilities on cruise		

To know the details about the respondents, the first part of this survey from “Q1” to “Q7” involved seven items of respondents’ basic demographics background, including their gender,

age, family structure, education level, employment status, current location and total household income. To measure the demographics characteristic, seven items were adapted and constructed by author according to Fan et al. (2015, 469) and Josiam et al. (2012, 86). All of these seven items used single choice options.

To make the market segmentation and cluster analysis based on motivation, the second part (“Q10” to “Q12”) involved the three items about the motivation. Since the people would have the willingness to take the cruise or they don’t wish to take, both the positive and the negative motivation questions were offered. The respondents who chose “Yes” for “Q10 Are you willing to travel with the cruise?” would turn to “Q11 You are willing to try the cruise because” and then moving on the following items whereas the respondents who chose “No” for “Q10” showing they had no interest towards becoming a cruise, the questionnaire would automatically turn to “Q12 You do not wish to take cruise because” and ended there. The options in motivations were adapted by author according to the previous literature studies (Fan et al. 2015, 466; Fu et al. 2010; Josiam et al. 2009; Lu 2001) regarding the Chapter 2.2.1 Customer Motivation. Both positive and negative motivation options used the five-point Likert-type scale anchored by “1 (Strongly Disagree)” through “3 (Neither agree or disagree)”, to “5 (Strongly Agree)”.

The third part of the questionnaire (“Q8” to “Q9” and “Q13” to “Q22”) aimed to know the customer preference and customer behaviour. For the “Q8 How often do you travel?” and “Q9 What kinds of the leisure activity you would like to choose”, all the respondents would answer aiming to know these non-passengers travel preference while for the question “Q13” to “Q22” were only for the respondents who had the motivation to become the potential cruise passenger assessing by “Q10”. The questions included single choice option for “Q8 How often do you travel?” and “Q14 How much are you willing to pay for the cruise travel? (RMB/person)”. The remaining questions used the five-point Likert scale to interval data intended to identify the potential customer’s future cruise plan (Q13), their preferred cruise vacation time (Q15), their preferred cruise trip length (Q16), their current cruise information received channels (Q17),

their preferred future cruise information received channels (Q18), their preferred reservation channels (Q19), the influential factors for their cruise trip decision-making (Q20), their preferred cruise routes (Q21) and the importance of on-board entertainment and facilities regarding them (Q22). To empirically test the customer cruise preference, twelve items were adapted and developed by author regarding the earlier investigations (Cai & Shi 2013, 179-181; CLIA 2015c, 20-22).

Before sending the formal questionnaire link, to evaluate its quality, the author did the pilot test to make sure this questionnaire could be understood by the different age people easily and smoothly. The author asked ten mainland Chinese to participate and gave feedback which contributed to the further successful data collection and data analysis. Their average finishing time was around 4 minutes. Five of them were done face-to-face while the other five were done online. Their average age was 40 years old. These ten pre-test data were not calculated to the final analysis.

After finishing the pilot test, the questionnaire was modified for several times regarding the pre-testers' advice. Their suggestions included, for example, the questionnaire should figure out and explain more clearly in the options, i.e. in "Q6 Your current location is", after the option "East China", the author should list which regions were included in East China, namely, adding "Shanghai, Jiangsu, Zhejiang, Shandong, Anhui" into the option. And similarly, in "Q19 Your preferred channels to reserve the cruise ticket", the researcher should add the "(i.e. Singapore, Thailand)" after the "Southeast Asia routes" which aimed to make the respondents clear what they were going to choose and thus increasing the reliability.

IBM SPSS Statistics Version 22 was used in the data calculation. This study includes the following statistical methods, namely, descriptive statistics, factor analysis, cluster analysis, independent sample T-test and Chi-Square test. The more detailed description and use of these statistical methods could be found in Chapter 5.

4.3 Validity and Reliability

In the quantitative research, investigator always attempts to classify phenomena into common groups that can be adapted to all the topics (Winter 2000). However, it is important to confirm if the result of this survey is believable, namely, the reality and the validity of an instrument (Salkind 1997). After collecting the questionnaire's data, this research will use the statistical method, namely, SPSS software to examine and analyse the questionnaire's validity and reliability.

Validity explains whether the findings of the investigation truly represent what it aims to examine or to what extent the study outcomes are reliable (Golafshani 2003). Validity is to describe to what extent the results match the existing phenomenon. Validity also examines if the results are matched what they are designed to be (Saunders et al. 2003). This survey's construction was developed at greatest carefulness to achieve the higher validity.

The external validity is called generalizability. The external validity refers to the research's outcomes (i.e. descriptive, experimental) can be adapted to the similar situation. This means the design of research's questionnaire should make sure the research results are generalised. It indicated that the results could be equally applied to other related research settings, for example, the relevant cruise customer behaviour research in a specific city in China (Saunders et al. 2003). In this Chinese potential cruise passenger behaviour research only focused on the international ocean cruise industry and would not include the local Chinese cruise companies and river cruise companies.

Validity is to measure the effectiveness if a comprehensive evaluation system could accurately reflect the purpose of the item evaluation. It refers to the measurement tool can measure the degree of correctness of items characteristics. The higher the validity, which means that the measurement results can display its characteristics, on the contrary, the validity will be lower (Carmines & Zeller 1979). The analysis used the exploratory factor analysis (EFA) to check all

items' construct validity. Before test the validity, it should be examined whether the items could be used to do the factor analysis; thus the KMO and Bartlett values should be examined first. When Bartlett's test significant level is less than 0.05, and the KMO value is greater than 0.05, indicating that it is suitable for factor analysis. Usually, when KMO value is greater than 0.9 indicating it will be very suitable for factor analysis, 0.8 represents suitable, 0.7 represents normal, 0.6 represents less suitable, and less than 0.5 indicates extremely unsuitable (Carmines & Zeller 1979). From the Table 2, the Kaiser-Meyer-Olkin value was 0.923>0.70, and the significance level of Bartlett's test was 0.000, indicating that the questionnaire was suitable for factor analysis, and the questionnaire was well-constructed.

Table 2. KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.923
Bartlett's Test of Sphericity	Approx. Chi-Square	2613.451
	df	91
	Sig.	0.000

The Factor analysis tool could contribute to reducing the dimensions and simplify the various data. According to Hair et al. (2006), after finishing the factor analysis, the various numbers of variables could be classified to limited subsets which are called factors. To identify the positive motivation groups, the author used the Exploratory Factor Analysis to analysis the factor loading between the items and thus reducing the dimensions from many variables. Factor analysis in this research helped to recognise motivational constructs as the basis for the following market cluster analysis.

In the factor analysis, the Principal Factor Analysis was used to extract common factors with eigenvalues greater than 1, and using the Orthogonal (Varimax) for factor rotation, thus screening the factors to build the formal questionnaire. The exploratory factor analysis extracted two common factors, namely, two components, whose eigenvalues were greater than 1. From the Table 3 "Total Variance Explained", the results showed: the cumulative variance of these

two factors was 68.126%, greater than 60%, indicating that the validity of the questionnaire was good. Factor 1 explained 60.245% of the total variance; Factor 2 interpreted 7.881% of the total variance.

Table 3. Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.434	60.245	60.245	8.434	60.245	60.245	4.990	35.640	35.640
2	1.103	7.881	68.126	1.103	7.881	68.126	4.548	32.485	68.126

Extraction Method: Principal Component Analysis

The exploratory factor analysis extracted the two common factors and regarding the result showed in Table 4 that there were two components in the positive motivation variables, among them, there were eight factors in component 1 explaining to 60.245% of the total variance and six factors belonged to component 2 interpretation of 7.881% of the total variance. All of these 14 variables were made by the factor analysis, and the results were matched to the previously theories studies, namely, “Push” and “Pull” motivation theories respectively (e.g. Josiam et al. 2009; Lu 2001; Fu et al. 2010; Fan et al. 2015, 466). Therefore, the component 1 and component 2 were named for “Push Motivations” and “Pull Motivations” respectively. The details factor loading results could be seen in Table 5.

Table 4. Rotated component matrix^a

	Component	
	1	2
Q11_A6	.855	
Q11_A4	.785	
Q11_A2	.732	
Q11_A3	.730	
Q11_A1	.695	

Q11_A5	.647	
Q11_A7	.639	
Q11_A14	.558	
Q11_A11		.851
Q11_A13		.826
Q11_A12		.775
Q11_A10		.736
Q11_A8		.693
Q11_A9		.571

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser

Normalization.

a. Rotation converged in 3 iterations.

Table 5. The push and pull factors of the potential cruise passenger's motivation

Variables	Factor loading
Push	
Convenience for travelling with family members	0.855
No need to move the luggage after arriving the destinations	0.785
Reduce stress	0.732
No need to consider own travel plan and arrange the entire route	0.730
Relax and stay away from the fast pace of daily life	0.695
Have chance to visit several locations by one cruise	0.647
Accompany with my family or friends who want to cruise	0.639
Enjoy the cuisine and buffet	0.558
Pull	
Enjoy on-board performances	0.851
Meet new friends	0.826
Try on-board varieties of activities and facilities	0.775
Enjoy the new travel style	0.736
Honeymoon trip	0.693
Have opportunity to publish pictures on social networking sites	0.571

According to Joppe (2000, 1), reliability refers to the research outcomes could be examined over time showing the stability characteristic with representing the entire research target group and the reliability of the research instrument means if the other researcher uses the same methodology, the comparable outcomes could be proved again (Golafshani 2003, 598). According to Kirk and Miller (1986), there are three types of reliability in quantitative study method, namely, the “degree of consistency of results”, “the stability over time”, and “the similarity within a given time period”. Regarding Salkind (1997), the research reliability means the reliable test or measure of behaviour can be examined repeatedly and will obtain the same outcome from the past to the upcoming research.

All of the 300 respondents of this survey were from mainland China, however, more than two-thirds of them (N=213) lived in East China and the rest of them (N=87) were from the other regions of China. East China is the coastal area of China where people are easier to approach the ports and also this area’s economy and living standard are in the leading position around the China. This is the result that the sample data result cannot represent the entire Chinese’s cruise preference but have a significant representative effect on the East China citizens. Since this quantitative study used the questionnaires method and was delivered the link to several channels (i.e. mobile application We-chat, the Internet) meaning the data collected from interviewees living in the different areas of China during the questionnaire delivery period, this approach helped to improve the reliability. It can be verified that if the similar questionnaire were delivered again, there would have high possibility to obtain a comparable outcome. What’s more, the questionnaire is designed in English first and discussed between the supervisors and researcher to increase the academic reliability, after that the questionnaire was translated into Chinese to hand out. Also, from the beginning of the questionnaire, it has made the commitment that was only using this questionnaire for academic research, and all the data were collected anonymously which helped to decrease the respondents’ worry about their privacy leakage during the reply process, and they could tell the truth and ideas freely. Meanwhile, to make sure that all the respondents have never taken the cruise before, there was a ‘pre-screening’ Question 0: “Have you ever been on a cruise?”. If the respondents answered

“Yes”, the questionnaire would end whereas if they answered “No”, the questionnaire would progress to the Question 1. This screen question action could confirm the reliability.

This study used Reliability Analysis in SPSS to test the internal coefficient consistency in the questionnaire. The reliability test indicators, namely, Cronbach's α coefficient can verify if there were the high internal consistency between the items. It is generally accepted that reliability coefficient should range between 0 and 1. If the scale's reliability coefficient above 0.9 indicates that the reliability of the scale is excellent; if Cronbach's α is between 0.8 and 0.9, representing the reliability of the scale is acceptable; if the Cronbach's α is between 0.7 to 0.8, indicating that some of the items in the scale need to be revised; if the Cronbach's α below 0.7, showing that some items in the scale should be rejected (Nunnally 1978; Wortzel 1979).

Table 6. Reliability statistics

Variable	Cronbach's Alpha	N of Items
Push Motivations	0.971	8
Pull Motivations	0.958	6
Total Table	0.858	14

As can be seen from the Table 6, the Cronbach's α coefficient of the component 1, namely, “Push Motivations”, was 0.971 which was greater than 0.9 and it involved eight items, indicating an excellent reliability of scale 1. Meanwhile, the Cronbach's α coefficient of the component 2, namely, “Pull Motivations”, was 0.958 which was greater than 0.9 and it involved six items, indicating an excellent reliability of scale 2. The Cronbach's α coefficient of the overall scale was 0.858 which was greater than 0.8, and it involved 14 items, indicating an acceptable reliability of the overall scale. This represented that the questionnaire had high credibility, as well as the high internal consistency and high stability. There was no need to do the revision, and there was no item would be rejected which could fully meet the requirements of this investigation.

5. DATA ANALYSIS & RESULT

In this chapter, the researcher will examine the collected data, using SPSS statistical software to do the descriptive analysis, cluster analysis, independent sample T-test as well as Chi-Square test in the subsections.

5.1 Descriptive Statistics

The author used the convenience sample method to collect the data, namely, select the sample regarding the principle of random sampling method, which is the easiest way to access the individuals, saves time and reduces costs for the investigator but it is the least strict technique (Barlett et al. 2001). The research's validity had been examined in case of affecting the deviation of the date quality.

The descriptive analyses were used to obtain an overview of demographics and socio-economics information of the respondents. The research objects of this survey were the Chinese outbound potential cruise passengers, a total number of 300 questionnaires were returned; excluding invalid questionnaires, there were 300 valid questionnaires, indicating the effective rate was 100%. After doing the pre-screening question "Q0 Have you ever been on a cruise?", all of the 300 respondents chose "No" which meant they were qualified to start the following questions. From all the 300 respondents, females were 3% more than males. 70% of all respondents were aged between 23 to 45 years old, and over 50% of the respondents were married. More than 90% of the respondents obtained the college degree or higher and more than 80% of them were employed, self-employed or work at home. 80% of them lived in the East China and North China. More than 50% of the respondents had the total annual household income between RMB 200,000 yuan and RMB 599,999 yuan. The "Question 10 Have you ever

take the cruise before” separated all the respondents into two groups, namely, the 228 “Potential passenger” group and the 78 “Non-passenger” group. The demographics details of all respondents, including the potential cruise passengers and non-user, can be found in Table 7.

Table 7. Demographics profile of the respondents

Demographics	All respondents		Potential passenger		Non-passenger		Chi-Square between potential & non-passenger
	N=300	Valid%	N=228	Valid%	N=72	Valid%	
Gender							
Female	159	53.0	114	50	45	62.5	3.432
Male	141	47.0	114	50	27	37.5	
Age							
0-22	12	4.0	10	4.4	2	2.8	10.267*
23-30	110	36.7	73	32.0	37	51.4	
31-45	100	33.3	82	36.0	18	25.0	
46-60	64	21.3	50	21.9	14	19.4	
over 60	14	4.7	13	5.7	1	1.4	
Family structure							
Single	44	14.7	32	14.0	12	16.7	10.656
Single and live with parents	15	5.0	8	3.5	7	9.7	
Married without children	85	28.3	68	29.8	17	23.6	
Married with young children	38	12.7	26	11.4	12	16.7	
Married with older children	40	13.3	28	12.3	12	16.7	
Three generations	76	25.3	64	28.1	12	16.7	
Divorce	2	0.7	2	0.9	0	0	
Highest level of education							
Junior high school and below	4	1.3	1	0.4	3	4.2	9.542*
Senior High school	25	8.3	16	7.0	9	12.5	
College	72	24.0	57	25.0	15	20.8	
Undergraduate	125	41.7	100	43.9	25	34.7	
Graduate and above	74	24.7	54	23.7	20	27.8	
Employment status							
Student	37	12.3	27	11.8	10	13.9	4.267
Full-time work	191	63.7	141	61.8	50	69.4	
Part-time work	25	8.3	22	9.6	3	4.2	
Self-employed	25	8.3	21	9.2	4	5.6	
Unemployment	2	0.7	2	0.9	0	0	
Work at home	5	1.7	4	1.8	1	1.4	
Retirement	15	5.0	11	4.8	4	5.6	

Current location							
East China	213	71.0	158	69.3	55	76.4	5.422
North China	27	9.0	20	8.8	7	9.7	
South China	23	7.7	20	8.8	3	4.2	
Central China	11	3.7	8	3.5	3	4.2	
Northwest China	10	3.3	7	3.1	3	4.2	
Northeast China	9	3.0	9	3.9	0	0	
Southwest China	7	2.3	6	2.6	1	1.4	
Total household annual income (RMB)							
0-50,000	17	5.7	12	5.3	5	6.9	17.702*
50,000-99,999	50	16.7	30	13.2	20	27.8	
100,000-149,999	36	12.0	25	11.0	11	15.3	
150,000-199,999	34	11.3	24	10.5	10	13.9	
200,000-249,999	55	18.3	43	18.9	12	16.7	
250,000-299,999	56	18.7	48	21.1	8	11.1	
300,000-599,999	40	13.3	37	16.2	3	4.2	
600,000 and above	12	4.0	9	3.9	3	4.2	

Note.*** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

Using the chi-square analysis to examine between the demographics variables and whether the respondents are the potential user or not. From the Chi-square test's result, the chi-square value in the Table 7 showed that, the age group, level of education and the annual household income linked to the potential passenger and non-passenger were 10.267, 9.542 and 17.702 respectively, and their corresponding p-values were less than 0.05 indicating a relatively low irrelevant probability of variables which meant it had reached statistical significance. The results demonstrated the whether the Chinese outbound consumers are the "potential passenger" or the "non-passenger" has the significance relationship to the demographic variables, namely, the age group, level of education and the annual household income.

To find the dominating negative motivations of the 72 non-passengers, the descriptive statistical analysis was done. The options of the "Q 12 You do not wish to take cruise because" used the 5-point Likert scale from "strongly disagree" to "strongly agree" in 1-5 point score, where the minimum value was 1 and the maximum value was 5; therefore to use the medium value 3 as

the standard, finding that in addition to the two negative motivations, “No desirable cruise route” and “Language barrier after boarding”, were less than 3 points, all the mean value of other factors such as “Seasickness” were more than 3 points. Especially the mean value for the “Cruise days are quite long” and “Limited travelling time on the shore” had reached more than 4 points which indicating that the negative motivations strongly agreed by the non-passenger were “Cruise days are quite long” and “Limited travelling time on the shore”. And for reasons like “Safety”, “Seasickness”, “Limited food choices” showed the agreed attitude. However, they expressed the disagree to the reasons “No desirable cruise route” and “Language barrier after boarding”. Therefore, the main reasons why this group of 72 people did not want to take a cruise were “Cruise days are quite long” and “Limited travelling time on the shore”, followed by “Safety”, “Seasickness” and “Limited food choices” (Table 8).

Table 8. The negative motivation of the non-passengers

	N	Minimum	Maximum	Mean	Std. Deviation
Seasickness	72	1	5	3.10	1.165
No desirable cruise route	72	1	5	2.99	1.132
Language barrier after boarding	72	1	5	2.32	1.208
Safety	72	1	5	3.36	1.356
Limited food choices	72	1	5	3.10	1.323
Limited travelling time on the shore	72	1	5	4.08	1.148
Cruise days are quite long	72	1	5	4.18	1.092
Valid N (listwise)	72				

5.2 Cluster Analysis with Independent Sample T-test and Chi-Square Test

To identify the groups of the people pursuing a similar demand in a similar demographics group, the use of the cluster analysis played a basic role to group the large numbers of the empirical data to do the market segments and further analysis.

To find the best potential customer segment for the international cruise company to target, the SPSS cluster analysis would be used. After the respondents answered the “V10. The willingness to travel with the cruise”, the “Yes” and “No” response can separate them into two groups. Namely, the people would like to take the cruise, and the other parts who do not consider to take the cruise own what kind of characteristics respectively. Also, it will be obvious to find the demographic factors difference between the groups.

Since the “Potential passenger” group had 228 respondents, the K-means cluster analysis would be used. In this research, the K-means cluster analysis method used for finding the reasons why such group of respondents had the willingness to take the cruise. The sub-group was divided according to the “Q11 You are willing to try the cruise because”, namely, the potential passenger group’s (N=228) motivation items, which meant this was the motivation-based sub-group segment. After doing the K-means cluster analysis, two sub-groups named “Highly-motivator” and “Medium-motivator” were formed, combined with their demographic variables to do the Chi-square test. The results of the final cluster centres could be found in Appendix 2. According to the Table 9, the “highly-motivator” group accounted for 140 individuals, representing 61.4% of the total number of the respondents who had the willing to take the cruise, at the same time, the “medium-motivator” group accounted for 88 respondents, representing the total number of 38.6% among “Potential passengers”. From the Chi-square test’s result, the chi-square value in the Table 9 showed that, the age group, the family structure, the employment status, and the annual household income linked to the cruise travel motivation were 24.239, 21.974, 22.842, 17.864 respectively, and their corresponding p-values were less than 0.05 indicating a relatively low irrelevant probability of variables which meant it had reached statistical significance. In conclusion, the results illustrated the potential Chinese outbound cruise consumers were “Highly-motivator” or “Medium-motivator” and there was the

significant relationship between the two defined sub-groups and the demographic variables, namely, the age group, the family structure, the employment status, and the annual household income.

Table 9. Cruise passenger segmentation based on cluster analysis—demographics

Demographics	Highly-motivator		Medium-motivator		Chi-Square
	N=140	Valid%(61.4)	N=88	Valid%(38.6)	
Gender					
Female	69	60.5	45	39.5	0.74
Male	71	47.0	43	37.7	
Age					
0-22	6	80.0	2	20.0	24.239***
23-30	29	39.7	44	60.3	
31-45	59	72.0	23	28.0	
46-60	32	64.0	18	36.0	
over 60	12	92.3	1	7.7	
Family structure					
Single	11	34.4	21	65.6	21.974**
Single and live with parents	5	62.5	3	37.5	
Married without children	46	67.6	22	32.4	
Married with young children	22	84.6	4	15.4	
Married with older children	12	42.9	16	57.1	
Three generations	43	67.2	21	32.8	
Divorce	1	50.0	1	50.0	
Highest level of education					
Junior high school and below	0	0.0	1	100.0	6.831
Senior High school	9	56.2	7	43.8	
College	42	73.7	15	26.3	
Undergraduate	60	60.0	40	40.0	
Graduate and above	29	53.7	25	46.3	
Employment status					
Student	9	33.3	18	66.7	22.842**
Full-time work	82	58.2	59	41.8	
Part-time work	20	90.9	2	9.1	
Self-employed	16	9.1	5	23.8	
Unemployment	1	50.0	1	50.0	
Work at home	4	100.0	0	0.0	
Retirement	8	72.7	3	27.3	

Current location					
East China	89	56.3	69	43.7	10.079
North China	16	80.0	4	20.0	
South China	14	70.0	6	30.0	
Central China	5	62.5	3	37.5	
Northwest China	3	42.9	4	57.1	
Northeast China	7	77.8	2	22.2	
Southwest China	6	100.0	0	2.6	
Total household annual income (RMB)					
0-50,000	6	50.0	6	50.0	17.864*
50,000-99,999	12	40.0	18	60.0	
100,000-149,999	10	40.0	15	60.0	
150,000-199,999	15	62.5	9	37.5	
200,000-249,999	28	65.1	15	34.9	
250,000-299,999	37	77.1	11	22.9	
300,000-599,999	26	70.3	11	29.7	
600,000 and above	6	66.7	3	33.3	

*Note.**** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

According to the positive motivations to segment the group of the potential Chinese cruise consumers (N=228) into two sub-groups, namely, formed “highly-motivator” group and “medium-motivator” group. Using these two different motivator categories as the grouping variable, the purpose was to find the exact reasons why these respondents had the potential willingness to try the cruise. Namely, using the positive cruise motivations to do the independent samples T-test. According to the Table 10, we can see that the motivations of the two groups of potential cruise passengers had a significant difference (p-value less than 0.001). The mean score of all the cruise motivations in “highly-motivator” (including Push and Pull factors) was significantly higher than the mean score of “medium-motivator”, indicating that the cruising motivation of “highly-motivator” was significantly higher than “medium-motivator”. It illustrated that comparing to “medium-motivator”, “highly-motivator” were more likely to be the real potential cruise customer. It also confirmed the validity of the above cluster analysis.

Table 10. Cruise passenger segmentation based on cluster analysis—travel motivators

	Highly- motivator Mean Score	Medium- motivator Mean Score	T Value
Push Motivations			
Convenience for travelling with family members	4.94	3.82	12.150***
No need to move the luggage after arriving the destinations	4.94	3.73	11.797***
Reduce stress	4.86	3.53	13.882***
No need to consider own travel plan and arrange the entire route	4.91	3.56	12.489***
Relax and stay away from the fast pace of daily life	4.89	3.81	11.032***
Have chance to visit several locations by one cruise	4.85	3.33	16.044***
Accompany with my family or friends who want to cruise	4.92	3.62	12.606***
Enjoy the cuisine and buffet	4.94	3.70	12.013***
Pull Motivations			
Enjoy on-board performances	4.85	2.98	15.421***
Meet new friends	4.69	2.76	15.034***
Try on-board varieties of activities and facilities	4.93	3.20	16.195***
Enjoy the new travel style	4.88	3.24	16.224***
Honeymoon trip	4.04	2.67	8.116***
Have opportunity to publish pictures on social networking sites	4.79	2.90	15.180***

Note. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

According to the positive motivations to segment the group of the potential Chinese cruise consumers (N=228) into two sub-groups, namely, formed “highly-motivator” and “medium-motivator”. Using these two different motivator categories as the grouping variable, the independent samples T-test contributed to investigating their cruise preference selection. According to the Table 11, we can see that all the items in “the possible cruise plan in the future”, “the possible period to take the cruise”, and “the preferred cruise duration in days” for two different sub-groups of motivators were significant differences (p-value less than 0.001). The mean scores for the “highly-motivator” were significantly higher than the mean score of the “medium-motivator”, indicating that “highly-motivator” had the cruise interests significantly higher than “medium-motivator”. It also indicated that comparing to “medium-motivator”, “highly-motivator” was more likely to be true cruise potential consumers.

Table 11. Cruise passenger segmentation based on cluster analysis--cruise plan

	Highly- motivator Mean Score	Medium- motivator Mean Score	T Value
Your possible cruising plans in the future			
I am interested in cruise	4.71	3.76	9.969***
I would probably take the cruise trip in the future	4.61	3.76	8.141***
I plan to take the cruise within three years	4.69	3.50	10.120***
I would recommend the cruise travel to my friends and family	4.49	3.28	10.740***
You may take the cruise during			
Winter, summer vacation	3.44	3.07	2.171*
Spring Festival, National Day holiday	2.19	2.73	-3.385**
Paid vacation	4.76	3.81	6.883***
Unpaid leave	3.24	2.17	5.443***
Select the number of days cruise			
1-3	1.44	2.43	-6.263***
4-6	4.17	3.49	4.417***
7-9	4.49	3.01	9.407***
10-15	3.61	2.32	6.433***
More than 15 days	2.67	1.62	5.576***
The cruise routes you like or want to participate			
Southeast Asia routes (i.e. Singapore, Thailand)	3.03	3.05	-0.108
Japan and South Korea route (Visa free)	4.08	3.52	3.766***
Mediterranean route (i.e. Italy, Greece)	4.71	3.69	7.102***
Caribbean routes (i.e. U.S., Mexico)	4.42	3.17	7.682***
Polar routes (i.e. the South Pole)	2.94	2.81	0.658

Note. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

Using two different categories of motivators as the grouping variable, the independent sample T-test helped to find the China outbound potential cruise consumers' preferred marketing channels. According to the Table 12, in addition to "Price" and "Network (i.e. Free Wi-Fi)", the other options all had the significant differences (p-value less than 0.001) between the two sub-groups, indicating that the "Price" and "Network" were the areas where the "Potential passengers" concerned. There were no significant differences in the "highly-motivator" and "medium-motivator". For the other marketing items, the mean scores of the "highly-motivator" were significantly higher than the mean score of "medium-motivator", indicating that the degree of endorsement and concern in these marketing aspects where the "highly-motivator" was significantly higher than the "medium-motivator".

Table 12. Cruise passenger segmentation based on cluster analysis—marketing channels

	Highly- motivator Mean Score	Medium- motivator Mean Score	T Value
The channels from where you currently receive the cruise routes			
Relatives and friends	3.72	2.94	5.867***
Internet	4.28	3.59	4.873***
Physical travel agency	3.79	2.69	6.681***
TV advertisement	3.86	2.49	9.699***
Travel Exhibition	3.76	1.95	13.273***
The channels from where you would like to receive the cruise routes and price information in the future			
Relatives and friends	3.92	3.28	4.830***
Internet	4.43	3.88	4.266***
Physical travel agency	3.78	2.81	6.208***
TV advertisement	3.98	2.75	8.533***
Travel Exhibition	3.97	2.28	11.973***
Your preferred channels to reserve the cruise ticket			
The cruise company's official sites	3.98	3.72	1.884
Traditional travel agencies (physical stores)	3.84	3.19	4.287***
The online travel agencies (i.e. Ctrip)	4.70	3.59	8.424***
How the following factors affect your choice			
Price	3.59	3.69	-0.712
Destination	4.84	3.91	8.351***
Length of travel time	4.67	3.68	9.054***
Chamber and facilities	4.83	3.72	10.446***
Cruise brand	4.86	3.73	9.935***
Overall security	4.95	4.42	5.429***
Place of boarding	4.82	3.49	10.684***
World-of-mouth	4.94	4.39	5.878***
The importance of entertainment and facilities for you on cruise			
Network (i.e. Free Wi-Fi)	4.82	4.51	3.197**
Shopping (i.e. Duty-free shop)	4.64	3.57	8.437***
Food (i.e. Exotic Restaurants, Bar)	4.93	4.23	6.699***
Sports (i.e. Swimming Pool, Climbing Wall, Golf, Gym)	4.89	3.45	10.639***
Entertainment (i.e. Cinema, Casino, Parental children's activity centre)	4.91	3.94	7.883***

Note. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

According to motivation factors to segment the Chinese potential cruise consumer as “highly-motivator” and “medium-motivator”, the Chi-Square test examined how much they were

willing to pay for the cruise trip. From the Table 13, the consumers' willingness to spend on a cruise and its relation to their motivation data resulted in the Chi-Square value was 47.306 and the corresponding p-value was less than 0.001, indicating an extremely low unrelated probability of variables, reached statistical significance. The results illustrated that there existed the significant relationship between the potential Chinese outbound cruise consumers, namely, "highly-motivator" or "medium-motivator" and their willingness to pay for the cruise trip. The "Highly-motivator" group was willing to pay more for the cruise trip than the "medium-motivator" group.

Table 13. Cruise passenger segmentation based on cluster analysis—budget for the cruise trip

Budget for the cruise travel	Highly-motivator		Medium-motivator		Chi-Square
	N=140	Valid%(61.4)	N=88	Valid%(38.6)	
0-5,000	6	15.4	33	84.6	47.306***
5,001-10,000	59	62.8	35	37.2	
10,001-19,999	58	78.4	16	21.6	
20,000-49,999	17	81.0	4	19.0	

Note. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

Using the willingness to travel aboard with a cruise as grouping variables, the Table 14 listed the result of the independent sample T-test according to the "Trip preference of the respondents". It was clear to see that in addition to the "Travelling by car" and "Land-based vacation", there were significant differences between the potential passenger and the non-passenger (p-value less than 0.05). In the "Cruise" variable, the mean score of "Potential passenger" was significantly higher than the "Non-passenger", proving respondents' interest toward cruise for the people who had the willingness to take the cruise was significantly higher than the respondents who did not wish to take the cruise. This showed that comparing to the 72 "Non-passenger" group, the 228 "Potential passenger" group preferred "Cruise", "Camping", "Land-based vacation", "All-inclusive resorts" and "Resort incomplete package". The 72 "Non-passenger" group supported the "Land-based vacation", "Travelling by car" and "All-inclusive resorts" as their preferred trip style.

Table 14. Trip preference of the respondents

Variable	Potential passenger(N=228)		Non-passenger (N=72)		T Value
	Mean	Std.Deviation	Mean	Std.Deviation	
Leisure activity preference					
Cruise	4.19	0.965	2.74	1.222	10.441***
Camping	2.99	1.220	2.64	1.248	2.214*
Travelling by car	4.25	1.059	4.04	1.168	1.419
Land-based tour	2.95	1.135	2.42	1.196	3.350**
Land-based vacation	4.25	0.977	4.25	1.160	0.000
All-inclusive resorts	4.10	1.294	3.51	1.424	3.250**
Resort incomplete package	3.05	1.589	2.58	1.319	2.270*

Note. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

After doing the cross tabulation analysis between the willingness and the travel frequency, the Chi-square value was 8.715 and all of its corresponded p-value were less than 0.05, indicating that the relevant of the variables had reached significance and showed the statistically significant (Table 15). The results suggested that there existed the significant relationship between the willingness of the respondents to take the cruise and the travel frequency. The travel frequency for the “Potential passenger” was significantly higher than the “Non-passenger”, namely, the travel frequency of the 228 “Potential passenger” was significantly higher than 72 “Non-passenger”.

Table 15. Travel frequency * willingness cross tabulation

Travel frequency	Potential passenger		Non-passenger		Chi-Square
	N=228	Valid%(76.0)	N=72	Valid%(24.0)	
Never	4	44.4	5	55.6	8.715*
Once a year	91	75.8	29	24.2	
Twice a year	69	84.1	13	15.9	
Several times a year	64	71.9	25	28.1	

Note. *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

6. DISCUSSION & CONCLUSION

The last chapter will involve the conclusion, the research's theoretical contributions, managerial implications as well as limitations and further research suggestions.

6.1 Conclusion

The identified motivation factors combined with the demographics characteristics were examined for the K-means cluster analysis, and eventually, it formed two individual sub-groups, namely, highly-motivated potential passengers (highly-motivators) and medium-motivated potential passengers (medium-motivators). The brief conclusion of these two segments can be found in Table 16 below.

Sub-group 1— Highly-motivator. Highly-motivated potential cruise passengers are made up of people from 31 years old and above with high-income level who are either working or retired. Their family structures are mainly either married or three generations. This segment occupies 60% of the overall grouping sample size. The primary push motivations for them are “Convenience for travelling with family members”, “No need to move the luggage after arriving the destinations” and “Enjoy the cuisine and buffet” while the main pull motivations for them are “Try on-board varieties of activities and facilities”, “Enjoy the new travel style” and “Enjoy on-board performances”. They preferred to take the cruise on their paid-leave for a seven to nine days’ trip. Their desired routes were “Mediterranean route (i.e. Italy, Greece)”, “Caribbean routes (i.e. U.S., Mexico)” and “Japan and South Korea route (Visa free)” with the willingness to pay around RMB 5,001 to 19,999. They have a high willingness to take the cruise in three years. This group of potential customers is currently receiving the cruise-related information from the “Internet”, “TV advertisement” and “Physical travel agency”, to target

them in the future, the best information channels would be to keep using “Internet” and “TV advertisement” while adding “Travel Exhibition” and enhancing the word-of-mouth power from “Relatives and friends”. They preferred to book the cruise tickets on the “online travel agencies (i.e. Ctrip)”. The advertisement to target on them should be emphasis on the “Overall security”, “World-of-mouth” and “Cruise brand” with detailed information about the food selections and the on-board entertainment facilities (i.e. Cinema, Casino, Parental children's activity centre).

Sub-group 2—Medium-motivator. Medium-motivated potential cruise passengers are mainly young generation between 23 to 30 years old with less purchasing power who are either students or full-time workers. Their family structure is primarily either single or married without children. Around 40% of the identified grouping sample belongs to this segment. The main push motivations for them are “Convenience for travelling with family members” and “Relax and stay away from the fast pace of daily life” while the main pull motivations for them are “Enjoy the new travel style” and “Try on-board varieties of activities and facilities”. They preferred to take the cruise either on paid-vacation or the winter, summer vacation for a four to six days’ trip. Their desired routes included “Mediterranean route” and “Japan and South Korea route” with the willingness to pay less than RMB 10,000. They are interested in cruise travel and will consider to go on a cruise in the future. This group of potential customers is currently receiving the cruise-related information from the “Internet” and “Relatives and friends”, to target them in the future, the same information channels would be the best. They preferred to book the cruise ticket on the “cruise company's official sites”. The advertisement to target on them should emphasise the “Price”, “Destination” with a detailed introduction about the on-board network connection and the food selection.

Table 16. The Brief Conclusion of the Two Identified Groups

	Highly-motivator (61.4%)	Medium-motivator (38.6%)
Age	31 years old and above	23 to 30 years old

Income level	Higher	Lower
Employment status	Working/ retired	Students/ full-time workers
Family structures	Married/ three generations	Single/married without children
Push motivations	<ul style="list-style-type: none"> - Convenience for travelling with family members - No need to move the luggage after arriving the destinations - Enjoy the cuisine and buffet 	<ul style="list-style-type: none"> - Convenience for travelling with family members - Relax and stay away from the fast pace of daily life
Pull motivations	<ul style="list-style-type: none"> - Try on-board varieties of activities and facilities - Enjoy the new travel style - Enjoy on-board performances 	<ul style="list-style-type: none"> - Enjoy the new travel style - Try on-board varieties of activities and facilities
Time	<ul style="list-style-type: none"> - Paid- vacation - Seven to nine days 	<ul style="list-style-type: none"> - Paid-vacation/ winter, summer vacation - Four to six days
Destinations	<ul style="list-style-type: none"> - Mediterranean - Caribbean - Japan and South Korea 	<ul style="list-style-type: none"> - Mediterranean - Japan and South Korea
Budget	RMB 5,001 to 19,999	Less than RMB 10,000
Three years' cruise plan	High	Medium
Preferred marketing channels	<ul style="list-style-type: none"> - Internet - TV advertisement - Travel Exhibition - Relatives and friends 	<ul style="list-style-type: none"> - Internet - Relatives and friends
Preferred distribution channels	Online travel agencies	Cruise company's official site
Marketing area	<ul style="list-style-type: none"> - Security - World-of-mouth - Cruise brand - Food selections - Entertainment facilities 	<ul style="list-style-type: none"> - Price - Destination - Network connection - Food selection

Non-passenger. There were 300 respondents who answered the questionnaire and among them, 72 were not interested in cruise travel. This group is regarded as the “Non-passenger”. It represented 24% of whole sample size. These people are around 23 to 45 years’ old who are

mainly full-time workers. They are less-educated and less-earning than the potential passenger group. The family structure is mainly married without children. The main reasons why the respondents do not wish to take the cruise are “Cruise days are quite long” and “Limited travelling time on the shore”. Comparing to take the cruise, they prefer to take the “Land-based vacation”, “Travelling by car” and the “All-inclusive resorts”. They travelled less comparing to the potential cruise passenger group.

6.2 Theoretical Contributions

This study illustrates that with the base of the motivation influential factors, the potential cruise passengers can be divided into the highly (61.4%) and medium (38.6%) motivator sub-groups with the unique characteristics by the K-means cluster method which is in line with the Josiam et al. (2012, 93) who suggested that using the cluster segmentation method was the best way to recognise the major variances between the categories for demographic characteristics, cruise passenger motivations, and customer behavioural factors. Making the segmentation with the use of motivation-based construct in this study also in line with the previous studies that three-quarters of the entire data-driven tourism studies used the psychographic segmentation method examining variables (Dolnicar 2006) such as motivations (i.e. Bieger & Laesser 2002), customer preference (i.e. González & Bello 2002) and benefits (i.e. Molera & Albaladejo 2007) to make the segments.

Regarding the main push motivations for highly-motivator group, namely, “Convenience for travelling with family members”, “No need to move the luggage after arriving the destinations” and “Enjoy the cuisine and buffet” and for medium-motivator group, namely, “Convenience for travelling with family members” and “Relax and stay away from the fast pace of daily life” can be concluded to pursue “relaxation” and “family happiness”. At the same time, the main pull motivations for two sub-groups involving the “Try on-board varieties of activities and

facilities”, “Enjoy the new travel style” and “Enjoy on-board performances” which are related to “Entertainment”, “Novelty”. These results are consistent with the tourists’ cruise motivation studies cited earlier (Crompton 1979; Josiam et al. 2009; Lu 2001; Fu et al. 2010; Fan et al. 2015, 466). For the highly-motivator, the “Word-of-mouth” is one of the influential factor influencing on their final cruise decision which is in line with the Chinese’s collectivist nature (Luo 2009, 28-29) and perceived value highly from the closed people (i.e. relatives and friends) (Spark & Pan 2009). This “Word-of-mouth” characteristic also reflects on the “preferred marketing channel” where receive the cruise information from the potential cruise passenger’s “Relatives and friends” is regarded as one of the critical channels. Meanwhile, “Internet” and “TV advertisement” as the “media” have the strongest influence on the both groups which is in line with the media plays an important role in the traveller’s decision making (Kau & Lim 2005). For the medium-motivator, namely, the younger group which has less income and less budget to pay for the cruise, they are sensitive to the “Price”. This is consistent with the several previous studies, where “expense sensitive” is one of the main characteristics for the cruise passenger traveller (Petrick 2005; Juan & Chen 2012, 485). For the “Non-passenger” group, regarding their primary negative cruise motivations, namely, “Cruise days are quite long” and “Limited travelling time on the shore” are related to the “Time”. This is consistent with a Taiwanese cruise passenger decision-making process study, the length of the trip is one of the most important aspects which affected individual’s final decisions during the planning their journey (Juan & Chen 2012, 485).

6.3 Managerial Implications

This research investigated the characteristics of the Chinese outbound potential passengers and non-passengers, and made the segments for the potential passenger group according to their motivations as well as examined their behavioural preferences. The results helped the international cruise companies and the travel agencies to know more about “local”, namely,

find the real potential segments and could target them more accurately to meet the potential passengers' demands. This will be a win-win situation for the customers to have a better future cruise experience and for the cruise companies to expand their revenues. The main managerial findings can be concluded as follows.

- More than two-thirds of the respondents have never tried cruise before but have the motivation to take the cruise in the future. It is important for the cruise operators, the travel agencies and the destination travel organisations to “educate” the potential passenger more about the cruise product information, namely, build the awareness of cruise travel to add to their attraction. The best marketing channel would be “Internet”, thus, the use of the Chinese local social media channels (i.e. Weibo, WeChat) and travel forms (i.e. Qyer.com, Lvmama.com) could attract the potential passengers. Concerning the crucial marketing aspects, the variance of food selections, the use of the network as well entertainment facilities are the areas where the potential passengers care most.
- It is important to transfer the “Non-passenger” to the potential passenger since this group accounted for nearly one-third of the total sample size. The non-passengers are mainly the people who are in the rise of their working life and complain about the long cruise days and limited on shore time. Also, they have the limited budget towards travelling. Comparing to take the cruise, they prefer to take the “Land-based vacation”, “Travelling by car” and the “All-inclusive resorts”. The cruise companies could develop more nearby single destination routes, decrease the cruise ticket price and adjust the cruise days shorter as well as to increase more on shore days.
- For the potential segments, namely, the highly-motivator and medium motivator, the most profitable segment to target would be the highly-motivator. The most attractive route according to the potential passengers is Mediterranean, followed by Caribbean and Japan and South Korea. Their preferred seven to nine days' cruise length during their paid-leave. While for the medium-motivators, since these respondents are younger, and lots of them are students, they would like to have a four to six days' cruise trip during their summer

and winter vacation. The cruise companies could take advantage of the pricing strategy to do the sales promotion (e.g., maintaining the usual selling price one month before the winter/summer vacation and start the discount season during the summer/winter vacation) to attract potential consumers' attention.

- Since the strongest motivation for the both groups is the “Convenience for travelling with family members”, in this way, more family-targeted cruise packages could be developed by the cruise companies as well as the related on-board facilities and services. However, it is interesting to find that the weakest motivation for both groups is the “Honeymoon trip”, which means the cruise is still not an ideal choice among the newlyweds. The cruise companies could attend more wedding expos to let the new couple arouse their interest to have their honeymoon on-board. At the same time, the decorate of the chamber and the related “new marriage” surprise should be considered by the cruise companies and to eventually form the “word-of-mouth” among the people.
- For the cruise ticket reservation channels, the respondents preferred the online channels comparing to the traditional physical travel agencies. The travel agencies should emphasise on the advantage of the face-to-face communication. The online channels have saved the rental costs but should offer the excellent customer service in case of the build of “unreliable” image and spread fast through the Internet.

6.4 Limitations and Suggestions for Further Research

Due to the limited research time and research level, this study has the following limitations:

First, the data of this study was collected online using convenience sampling method through the We-chat mobile application QR-code and the internet link. From the result, it showed the over 60 years old respondents are in a very limited number. According to the previous study (Zhou & Shi 2013, 56; Zhou 2013, 115), older people are also a big group of the potential cruise

customers, but this limitation fact should be considered, and there could be more studies approach to the elder segments and collect this group's data.

Second, this research only collected 300 respondents and among them, 228 respondents were the potential passengers while 72 of them were the non-passenger. According to Dolnicar (2002), for the study making the market segmentation, if the researcher could select the data format as well as the variables category number carefully, this could result in the enhancement of the final segmentation quality and accuracy. Since this study analysed the positive and negative factors for the motivation, this research's 300 sample size is not as large as ideal.

Third, the scaling formats in this self-conducted questionnaire comprise the single choice and the Likert scale, and all of them were designed closed-ended which has the limitation that the respondents cannot express their feelings. The "others" option could be added, also with the open questions may ask. The qualitative study method with the face-to-face interview is the other option to obtain empirical data with valuable insights.

Fourth, this research used the motivation-based construct to find the potential passenger segments and their cruise behavioural preference. However, according to Maslow (1943, 371), motivation theory was not equal with behaviour theory. The motivations were only one of the factors in behaviour. The further studies could include other behaviour factors such as "cultural", "social" or "personal" (Kotler et al. 2005) in the cruise customer behaviour analysis.

Fifth, the study used the one-component motivation-based structure, to build the "pull" and "push" motivations according to the previously studies proved the motivation is a two-dimensional construct (e.g. Baloglu & Uysal 1996; Crompton 1979; Fan & Hsu 2014; Josiam et al. 2009). However, usually, the other researches use the multi-item construct to reduce the several items and thus forming the dimensions (Gardner et al. 1998). The future research should consider using mostly Likert-scaled items regarding each theory with at least three to four items

to build the dimension which could be build multi-item measures, such as exploratory factor analysis, Cronbach alpha and summated scales effectively.

Regarding the further research area, the author has the following suggestions:

First, this study only focused on the cruise customer behaviour analysis in China market. It would be different in other countries for this market segmentation. Especially comparing the developed market to the developing market since people have the different demographics background and motivation towards cruise travel. Also, there could be some studies comparing the Chinese market to the other Asia market, such as Japan and Singapore, according to the regional gaps in cruise preference to find the similarities and differences.

Second, since the author has no link to the cruise company and thus cannot get the internal data from the cruise company, and this is the reason why this research has not focused on a particular company. Instead of studying the cruise industry from “outside”, to study from “inside” through cooperating with the travel agencies or a cruise company using the qualitative research method could be more meaningful for the cruise company.

Third, to find out the potential cruise passenger segments is the main aim of this research, the further study could analyse the existing passenger customer behaviour and examine their customer loyalty. The existing passengers’ motivation could have further exploration. Also, since there are still lots of the non-users with their negative motivations choosing not to cruise, how to transfer them to the passenger is a critical direction for the cruise company to consider.

Fourth, the “cruise” in this research only refers to the “ocean cruise”, the “river cruise” market could have the further investigation. Also, the marketing analysis could be the further study direction to combine with the customer behaviour.

REFERENCES

ACAPS. (2012) Qualitative and Quantitative Research Techniques for Humanitarian Needs Assessment. 1-14. [online document]. [Accessed 5 March 2016]. Available at <http://www.acaps.org/img/documents/q-qualitative-and-quantitative-research.pdf>

Ahola, A. (2011) Creating a consumer-driven business model for the cruise line industry: Case Royal Caribbean Cruise Lines Ltd.

Arnold, J., & Silvester, J. (2005) Work psychology: Understanding human behaviour in the workplace. Pearson Education.

Bachman, J. (2015) The Cruise Industry's Grand Plan to Win Chinese Travelers. Bloomberg Business. [online document]. [Accessed 27 October 2015]. Available at <http://www.bloomberg.com/news/articles/2015-03-20/the-cruise-industry-s-grand-plan-to-win-chinese-travelers>

Balnaves, M., & Caputi, P. (2001) Introduction to Quantitative Research Methods. London, UK: SAGE Publications Ltd.

Baloglu, S., & Uysal, M. (1996) Market segments of push and pull motivations: A canonical correlation approach. *International Journal of Contemporary Hospitality Management*, 8(3), 32-38.

Barlett, J. E., Kotrlik, J. W., & Higgins, C. C. (2001) Organizational research: Determining appropriate sample size in survey research. *Information technology, learning, and performance journal*, 19(1), 43.

Beerli, A., & Martín, J. D. (2004) Tourists' characteristics and the perceived image of tourist destinations: A quantitative analysis-A case study of Lanzarote, Spain. *Tourism Management*, 25(5), 623–636.

Bettman, J. R. (1979) An information processing theory of consumer choice. Reading, MA: Addison-Wesley Publishing Company.

Bieger, T., & Laesser, C. (2002) Market segmentation by motivation: The case of Switzerland. *Journal of Travel research*, 41(1), 68-76.

Blythe, J. (2008) Consumer behaviour. Cengage Learning EMEA.

Cai, E., & Shi, J. (2013) Study of Shanghai cruise tourism product development strategy based on the balance of supply and demand. *International Journal of Business and Social Science*, 4(10), 175-183.

Carmines, E. G., & Zeller, R. A. (1979) Reliability and validity assessment (Vol. 17). Sage publications.

China.org.cn. (2002) Mainland couples like honeymoon cruise at SuperStar Leo. [online document]. [Accessed 27 October 2015]. Available at <http://www.china.org.cn/english/Life/51631.htm>

CLIA. (2008) CLIA Releases 2008 Cruise Market Profile Study. [online document]. [Accessed 4 March 2016]. Available at <http://www.cruising.org/about-the-industry/press-room/press-releases/cliareleases-2008-cruise-market-profile-study>

CLIA. (2011) 2011 Cruise Market Profile Study. [online document]. [Accessed 28 October 2015]. Available at <http://www.cruising.org/docs/default-source/market-research/2011-market-profile-study.pdf#sthash.vuJSmYzv.dpuf>

CLIA. (2015a) CLIA Consumer Profile 2014. [online document]. [Accessed 19 July 2016]. Available at http://www.cruising.org/docs/default-source/research/clia_naconsumerprofile_2014.pdf

CLIA. (2015b) Asia Cruise Trends 2014 Edition. [online document]. [Accessed 19 July 2016]. Available at http://www.cruising.org/docs/default-source/research/asiacruisetrends_2014_finalreport-4.pdf?sfvrsn=2

CLIA. (2015c) 2015 Cruise Industry Outlook. Cruising to New Horizons and Offering Travelers More. [online document]. [Accessed 19 July 2016]. Available at <http://www.cruising.org/docs/default-source/research/2015-cruise-industry-outlook.pdf>

CLIA. (2016) Cruise Lines International Association Releases Official 2015 Global Passenger Numbers and Increases 2016 Projections. Press Releases. [online document]. [Accessed 19 July 2016]. Available at <http://www.cruising.org/about-the-industry/press-room/press-releases/cruise-lines-international-association-releases-official-2015-global-passenger-numbers-and-increases-2016-projections>

CLIA Europe. (2016) Contribution of Cruise Tourism to the Economies of Europe 2015 Edition. [online document]. [Accessed 19 July 2016]. Available at <http://www.cruising.org/docs/default-source/research/contribution-of-cruise-tourism-to-the-economies-of-europe-2015.pdf>

Corey R. (1991) Marketing strategy-an overview. In Strategic Marketing Management, Dolan R (ed.). Harvard Business School Press: Boston, MA; 60-89.

Creswell, J. (2003) *Research design: Qualitative, quantitative and mixed methods approaches* (2nd ed.). Thousand Oaks, CA: SAGE Publications.

Crompton, J. L. (1979) Motivations for pleasure vacation. *Annals of tourism research*, 6(4), 408-424.

Crompton, J. L. (1992) Structure of destination choice sets. *Annals of Tourism Research*, 19(3), 420-434.

Crompton, J. L., & Ankomah, P. K. (1993) Choice set propositions in destination decisions. *Annals of Tourism Research*, 20(3), 461-476.

Cruise adviser. (2015) Family. Family cruises. [online document]. [Accessed 27 October 2015]. Available at <http://cruise-adviser.com/category/family/>

Cruise Market Watch. (2016) 2015 World Wide Market Share. Market Share. [online document]. [Accessed 19 July 2016]. Available at <http://www.cruisemarketwatch.com/market-share/>

Daly, J. L. (2002) *Pricing for profitability: activity-based pricing for competitive advantage* (Vol. 11). John Wiley & Sons. ISBN 0471221597

Dann, G. M. (1981) Tourist motivation an appraisal. *Annals of tourism research*, 8(2), 187-219.

Dibb, S., & Simkin, L. (1996) *The marketing planning workbook: effective marketing for marketing managers*. Cengage Learning EMEA.

Dolnicar, S. (2002) A Review of Data-Driven Market Segmentation in Tourism. *Journal of Travel and Tourism Marketing*, 12(1), 1-22.

Dolnicar, S. (2006) Data-driven Market Segmentation in Tourism—Approaches, Changes Over Two Decades and Development Potential.

Doole, I., & Lowe, R. (2008) International marketing strategy: analysis, development and implementation. 5th Edition. Cengage Learning EMEA.

Durden, T. (2010) Guest Post: Primer #5: The Role of Demographics In Canada's Coming Housing Bust. ZeroHedge. [online document]. [Accessed 26 October 2015]. Available at <http://www.zerohedge.com/article/guest-post-primer-5-role-demographics-canada%E2%80%99s-coming-housing-bust>

Enache, I. C. (2011) Customer Behaviour and student satisfaction. Bulletin of the Transilvania University of Braşov. Vol, 4(53). No. 2 – 2011. Series V.

Fan, D.X., Hsu, C.H. (2014) Potential Mainland Chinese Cruise Travelers' Expectations, Motivations, and Intentions, *Journal of Travel & Tourism Marketing*, 31(4), 522-535.

Fan, D. X., Qiu, H., Hsu, C. H., & Liu, Z. G. (2015) Comparing Motivations and Intentions of Potential Cruise Passengers from Different Demographic Groups: The Case of China. *Journal of China Tourism Research*, 11(4), 461-480.

Fu, X., Huang, J., & Cai, L. A. (2010) Chinese Cruise Tourists' Motivations-A Cultural-Historical Perspective. *Education Across The Waters: Expanding The Boundries Of Tourism And Hospitality*, 40.

Gardner, D. G., Cummings, L. L., Dunham, R. B., & Pierce, J. L. (1998) Single-item versus multiple-item measurement scales: An empirical comparison. *Educational and Psychological Measurement*, 58(6), 898-915.

Golafshani, N. (2003) Understanding Reliability and Validity in Qualitative Research. *The Qualitative Report*, 8 (4), 597-606.

Gorham, G., & Rice, S. (2007) *Travel perspectives: A guide to becoming a travel professional*. New York: Delmar Thomson Learning.

Gonzalez, A. M., & Bello, L. (2002) The construct “lifestyle” in market segmentation: The behaviour of tourist consumers. *European journal of marketing*, 36(1/2), 51-85.

Hair Jr Joseph, F., Bush Robert, P., & Ortinau David, J. (2006) *Marketing Research: Within a Changing Information Environment*.

Hobson, J. P. (1993) Analysis of the US cruise line industry. *Tourism Management*, 14(6), 453-462.

Hollensen, S. (2010) *Marketing Management. A Relationship Approach. Second Edition*. FT Prentice Hall.

Howell, R. (2012) Market segmentation: the importance of age cohorts. *The Neumann Business Review*, 21-30.

Hung, K., & Petrick, J. F. (2011) Why do you cruise? Exploring the motivations for taking cruise holidays, and the construction of a cruising motivation scale. *Tourism Management*, 32(2), 386-393.

Huitt, W., Hummel, J., & Kaeck, D. (1999) Internal and external validity: General Issues. [online document]. [Accessed 6 March 2016]. Available at <http://www.edpsycinteractive.org/topics/intro/valdgn.html>

Hull, C. L. (1943) Principles of behaviour. New York, NY: Appleton-Century Crofts.

Hull, C. L. (1952) A behaviour system. New Haven: Yale University Press.

Hwang, J., & Han, H. (2014) Examining strategies for maximizing and utilizing brand prestige in the luxury cruise industry. *Tourism Management*, 40, 244-259.

Iso-Ahola, S. E. (1982) Toward a social psychological theory of tourism motivation: A rejoinder. *Annals of Tourism Research*, 9(2), 256–262.

Joppe, M. (2000) The Research Process. *The Quantitative Report Journal*, 8(4), 597-607.

Josiam, B. M., Huang, T. Y., Spears, D. L., Kennon, L., & Bahulkar, G. A. (2009) Understanding Ethnic Chinese Travelers on North American Cruise Tours: Motivations, Perceptions, and Satisfaction of Cruisers: 研究华人旅客参加北美邮轮旅游的动机、感知和满意度. *Journal of China Tourism Research*, 5(1), 77-101.

Juan, P. J., & Chen, H. M. (2012) Taiwanese cruise tourist behaviour during different phases of experience. *International Journal of Tourism Research*, 14(5), 485-494.

Katzenstein, H. (1986) Direct Marketing, Ed. Charles E. Merrill Publishing Company, Columbus

Kau, A. K., & Lim, P. S. (2005) Clustering of Chinese tourists to Singapore: An analysis of their motivations, values, and satisfaction. *International Journal of Tourism Research*, 7(4–5), 231–248.

Kirk, J., & Miller, M. L. (1986) Reliability and validity in qualitative research. Beverly Hills: Sage Publications.

Kotler, P., & Armstrong, G. (2012) Principles of marketing. 14 Edition. Pearson education.

Kotler, P., & Keller, K. L. (2009). Marketing management. 13 Edition. New Jersey: Pearson Prentice Hall.

Kotler, P., Wong, V., Saunders, J. & Armstrong, G. (2005) Principles of marketing. Fourth European Edition. Pearson Education.

Kumar, R. (1999) Research Methodology. London, UK: SAGE Publications Ltd.

Lantos, G. P. (2011) Consumer behaviour in action: Real-life applications for marketing managers. New York: ME Sharpe.

Lauderdale, F. (2007) Agent Survey: Changing Lifestyle Demographics. CLIA. [online document]. [Accessed 27 October 2015]. Available at <http://www.cruising.org/about-the-industry/press-room/press-releases/agent-survey-changing-lifestyle-demographics>

Lebrun, A. M. (2015) Representation of cruise: Cruisers and noncruisers cross views. *International Journal of Tourism Research*, 17(5), 511-520.

Leedy, P. & Ormrod, J. (2001) Practical research: Planning and design (7th ed.). Upper Saddle River, NJ: Merrill Prentice Hall. Thousand Oaks: SAGE Publications.

Le-Klähn, D. T., Gerike, R., & Hall, C. M. (2014) Visitor users vs. non-users of public transport: The case of Munich, Germany. *Journal of Destination Marketing & Management*, 3(3), 152–161.

Lewin, K. (1938) *The conceptual representation and the measurement of psychological forces*. Durham, NC: Duke University Press.

Lilien, G., & Rangaswamy, A. (2003) *Marketing Engineering, Computer Assisted Marketing. Analysis and Planning*. New Jersey: Prentice Hall.

Lilien, G., Rangaswamy, A., & De Bruyn, A. (2007). *Principles of Marketing Engineering*. England: Oxford.

Lu, C. (2001) *The study of tourism motivation and experience of the cruise-ship tours: A case study of the Berlitz evaluated 4-star cruise-ships*. Unpublished master's thesis. Chinese Culture University, Taiwan.

Luo, Y. (2009) Analysis of culture and buyer behaviour in Chinese market. *Asian Culture and History*, 1(1), 25-30.

Mak, A. H. N., Lumbers, M., Eves, A., & Chang, R. C. Y. (2012) Factors influencing tourist food consumption. *International Journal of Hospitality Management*, 31(3), 928–936.

Malhotra, K. N. (2004) *Marketing Research (4th ed.)*. New Jersey, US: Pearson Education, Inc.

Maslow, A. H. (1943) A theory of human motivation. *Psychological review*, 50(4), 370-396.

Maslow, A. H. (1954) *Motivation and personality*. New York: Harper and Row.

Mayo, E. J., & Jarvis, L. P. (1981) *The psychology of leisure travel: Effective marketing and selling of travel services*. Boston, MA: CBI Publishing Company.

McMillan, J. H. (2000) *Educational research: Fundamentals for the consumer* (4th ed.). White Plains, NY: Addison Wesley Longman, Inc.

MEC. (2014) *China Consumption Trends*. 1-36. [online document]. [Accessed 22 October 2015]. Available at http://www.wpp.com/~media/reading-room/consumer-insights/mec_china_trends2014.pdf

Molera, L., & Albaladejo, I. P. (2007) Profiling segments of tourists in rural areas of South-Eastern Spain. *Tourism Management*, 28(3), 757-767.

Moutinho, L. (2000) *Strategic management in tourism*. New York, NY: CABI Publishing.

Moutinho, L. (2011) *Strategic management in tourism*. CABI Publishing.

Nunnally, J. C. (1978). *Psychometric theory*, 2nd ed. New York: McGraw-Hill.

Park, S. Y. (2006) *Tapping the invisible market: The case of the cruise industry* (Doctoral dissertation, Texas A&M University).

Park, S. Y., & Petrick, J. F. (2009) Examining current non-customers: A cruise vacation case. *Journal of Vacation Marketing*, 15(3), 275.

Pearce, P.L. (1982) *The social psychology of tourist behaviour*. Oxford: Pergamon.

- Pearce, P. L., & Caltabiano, M. L. (1983) Inferring travel motivation from travellers' experiences. *Journal of Travel Research*, 22(2), 16-20.
- Petrick, J. F. (2004a) Are loyal visitors desired visitors?. *Tourism Management*, 25(4), 463-470.
- Petrick, J. F. (2004b) The roles of quality, value, and satisfaction in predicting cruise passengers' behavioral intentions. *Journal of travel research*, 42(4), 397-407.
- Petrick, J. F. (2005) Segmenting cruise passengers with price sensitivity. *Tourism Management*, 26(5), 753-762.
- Petrick, J. F., Tonner, C., & Quinn, C. (2006) The utilization of critical incident technique to examine cruise passengers' repurchase intentions. *Journal of Travel Research*, 44(3), 273-280.
- Petrick, J. F., Li, X., & Park, S. Y. (2007) Cruise passengers' decision-making processes. *Journal of Travel & Tourism Marketing*, 23(1), 1-14.
- Plog, S. C. (1974) Why destination areas rise and fall in popularity. *Cornell hotel and restaurant administration quarterly*, 14(4), 55-58.
- Plog, S. (2001) Why destination areas rise and fall in popularity. *Cornell Hospitality Quarterly*, 42(3), 13.
- Porter, M. E. (1979) How competitive forces shape strategy. *Harvard Business Review*, 57(2), 137-145.
- Qi, S., Law, R., & Buhalis, D. (2013) Who booked five-star hotels in Macau? A study of hotel guests' online booking intention. *Journal of Hospitality & Tourism Management*, 20, 76-83.

- Qu, H., & Ping, E. W. Y. (1999) A service performance model of Hong Kong cruise travelers' motivation factors and satisfaction. *Tourism Management*, 20(2), 237-244.
- Ries, A. & Trout, J. (2001) *The marketing classic positioning. The battle for your mind*. New York: McGraw-Hill Companies, Inc.
- Royal Caribbean International (RCI). (2013) The Chinese cruise market profile study. In: Presented to the 8th China Cruise Shipping & International Cruise Expo, Shanghai, China, 15–17 November 2013.
- Ryan, C. (1997) *The tourist experience: a new introduction*. Cassell plc.
- Salkind, N. J. (1997) *Exploring Research*. (3rd Ed.). New Jersey, Upper Saddle River, Prentice Hall, Inc.
- Saunders, M. Lewis, P. & Thornhill, A. (2003) *Research Methods for Business Students*. 3.ed. Es-sex: Pearson Educated Limited
- Schewe, C. D., & Meredith, G. (2004) Segmenting global markets by generational cohorts: determining motivations by age. *Journal of Consumer Behaviour*, 4(1), 51-63.
- Schiffman, L.G & Kanuk, L.L. (1997) *Consumer Behaviour*. 6th Edition. Prentice Hall. 446
- Schiffman, L. G. & Kanuk, L.L. (2007) *Consumer Behaviour*. 9th Edition. New Jersey: Prentice Hall.
- Silverman, D. (2013) *Doing qualitative research: A practical handbook*. SAGE Publications Limited.

SISI. (2013) Research on promotion mechanism for Shanghai international shipping center construction. Shanghai International Shipping Institute (SISI) [online document]. [Accessed 25 January 2016]. Available at <http://en.sisi-smu.org/index.php?c=article&id=11479>

Smith, O. & Howard, S. (2015) China plots domination of the global cruise market. The Telegraph. [online document]. [Accessed 25 September 2015]. Available at http://www.telegraph.co.uk/travel/cruises/cruise-news/11455210/China-plots-domination-of-the-global-cruise-market.html#disqus_thread

Shi, J. (2005) The research and inspiration from the organisational marketing's organisation market segmentation. *Modern marketing: Academy Edition* (5).

Smith, W. R. (1956) Product differentiation and market segmentation as alternative marketing strategies. *The Journal of Marketing*, 21(1), 3-8.

Smith, W. R. (1995) Product differentiation and market segmentation as alternative marketing strategies. *Marketing Management*, 4(3), 63-65

Solomon, M.R, Bamossy, G., Askegaard, S and Hogg, M.K (2006) *Consumer Behaviour. A European Perspective*. Third edition. Harlow: Prentice Hall.

Solomon, M. R. (2010) *Consumer behaviour: buying, having, and being*. 9th Edition. Prentice Hall.

Sparks, B., & Pan, G. W. (2009) Chinese outbound tourists: Understanding their attitudes, constraints and use of information sources. *Tourism Management*, 30(4), 483-494.

Sun, X. D., Feng, X. G., & Gauri, D. K. (2014) The cruise industry in China: Efforts, progress and challenges. *International Journal of Hospitality Management*, 42, 71–84.

Statista. (2016) Market share of cruise industry revenue worldwide in 2015, by company. [online document]. [Accessed 19 July 2016]. Available at <http://www.statista.com/statistics/204517/cruise-industry-market-share-worldwide-excluding-north-america/>

Teye, V. B., & Leclerc, D. (1998) Product and service delivery satisfaction among North American cruise passengers. *Tourism Management*, 19(2), 153-160.

Teye, V., & Leclerc, D. (2003) The white Caucasian and ethnic minority cruise markets: Some motivational perspectives. *Journal of Vacation Marketing*, 9(3), 227-242.

Tse, S. M. (2009) Forces shaping the trends and patterns of China's outbound international tourist flows. PhD thesis, Southern Cross University, Lismore, NSW.

Ward, D. (2006) Complete Guide to Cruising & Cruise Ships 2007. Berlitz Publishing. 16 edition.

Wild, P., & Dearing, J. (2000) Development of and prospects for cruising in Europe. *Maritime Policy & Management*, 27(4), 315-333.

Williams, C. (2007) Research Methods. *Journal of Business & Economics Research (JBER)*, 5(3), 65-72.

Winter, G. (2000) A comparative discussion of the notion of validity in qualitative and quantitative research. *The Qualitative Report*, 4(3&4). [online document]. [Accessed 6 March 2016]. Available at <http://www.nova.edu/ssss/QR/QR4-3/winter.html>

Wei, X. (2004) China's cruise liner market is small but hopeful. *SinoCast China Business Daily News*, 1.

Weiss, M. J. (2000) The demographic investor, *American Demographics*. [online document]. [Accessed 2 November 2015]. Available at <http://adage.com/article/american-demographics/demographic-investor/43473/>

Wenjuan.com. (2016) Homepage. [online document]. [Accessed 16 June 2016]. Available at <https://www.wenjuan.com/>

World Tourism Organisation. (2003) *Chinese outbound tourism*. Madrid.

Wortzel, R. (1979) *Multivariate analysis*. New Jersey: Prentice Hall.

Xu, K. (2016) China's cruise industry: progress, challenges and outlook. *Maritime Affairs: Journal of the National Maritime Foundation of India*, 12(1), 38-45.

Zhang, Q. H., & Lam, T. (1999) An analysis of Mainland Chinese visitors' motivations to visit Hong Kong. *Tourism Management*, 20(5), 587-594.

Zhou, H. (2013) Analysis of Differences between Chinese and Foreign Consumer Behaviour. *International Journal of Business and Social Science*, 4(14), 115-119.

Zhou, H., & Shi, J. (2013) The Exploration of Cruise Tourism Development in the Silver Market. *Business and Management Research*, 2(4), 56-60.

APPENDICES

Appendix 1: Sample Questionnaire in Chinese and English

中国潜在出境邮轮旅客消费者行为调查

Chinese outbound potential cruise passengers' customer behaviour survey

欢迎参加本次问卷调查，本次答题将耗时四分钟，感谢您的配合！这份调研是关于中国潜在邮轮旅客旅游需求，目的在于理解您的邮轮旅行期望，经验以及建议，为了使您在未来的邮轮旅行中，获得更高的质量和满意。同时，数据采用匿名收集方法并且仅用在学术研究上。

Thank you for taking up your time around four minutes to fill in this questionnaire! This research is about uncovering the cruise travel demand from the potential Chinese tourists, aiming at understanding your cruise travel expectation, to make your future cruise experience higher quality and satisfaction. Also, the data will be collected as anonymous and only used for the academic research.

0、您曾经搭乘过邮轮吗？

Have you ever been on a cruise?

- 有/Yes
- 没有/No

1、您的性别：

Your gender:

- 女性/Female
- 男性/Male

2、您的年龄：

Your age:

- 22 岁及以下/22 years old and younger

- 23 到 30 岁/23-30 years old
- 31 到 45 岁/31-45 years old
- 46 到 60 岁/46-60 years old
- 60 岁以上/over 60 years old

3、 您的家庭组成是：

Your family structure is:

- 单身/Single
- 单身且与父母同住/Single and live with parents
- 已婚无孩/Married without children
- 已婚有年幼的孩子/Married with young children
- 已婚有较大的孩子/Married with older children
- 三代同堂/Three generations
- 离婚/Divorce

4、 您的教育程度是：

Your highest level of education is:

- 初中及以下/Junior high school and below
- 高中/Senior High school
- 大学专科/College
- 大学本科/Undergraduate
- 硕士研究生及以上/Graduate and above

5、 您的工作状态是：

Your employment status is:

- 学生/Student
- 全职工作/Full-time work
- 兼职工作/Part-time work
- 个体经营/Self-employed
- 失业/Unemployment
- 在家工作/Work at home
- 退休/Retirement

6、您所在的地区是：_____。

Your location is: _____.

- 华东地区：上海，江苏，浙江，山东，安徽/ East China: Shanghai, Jiangsu, Zhejiang, Shandong, Anhui
- 华北地区：北京，天津，河北，山西，内蒙古/ North China: Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia
- 华南地区：广东，广西，海南，福建/ South China: Guangdong, Guangxi, Hainan, Fujian
- 华中地区：湖北，湖南，河南，江西/ Central China: Hubei, Hunan, Henan, Jiangxi
- 西北地区：陕西，甘肃，新疆，青海，宁夏/ Northwest China: Shaanxi, Gansu, Xinjiang, Qinghai, Ningxia
- 东北地区：辽宁，吉林，黑龙江/ Northeast China: Liaoning, Jilin, Heilongjiang
- 西南地区：四川，重庆，贵州，云南，西藏/ Southwest China: Sichuan, Chongqing, Guizhou, Yunnan, Tibet

7、家庭年收入是_____元（人民币）。

Total household annual income is _____ yuan (RMB).

- 低于 50,000/Less than 50,000
- 50,000-99,999
- 100,000-149,999
- 150,000-199,999
- 200,000-249,999
- 250,000-299,999
- 300,000-599,999
- 600,000 及以上/600,000 and above

8、您平均多久旅行一次？

How often do you travel?

- 从不/Never
- 一年一次/Once a year
- 一年两次/ Twice a year
- 一年多次/Several times a year

9、您愿意选择以下哪种出游方式（1=没有兴趣，3=一般，5=非常感兴趣）：

What kinds of the leisure activity you would like to choose (1=Not at all interested, 3=Somewhat interested , 5=Very interested):

- 邮轮/Cruise
- 野营/Camping
- 自驾游/Travelling by car
- 陆上旅行团/Land-based tour
- 陆上自由行/Land-based vacation
- 度假村全包/All-inclusive resorts
- 度假村不全包/Resort incomplete package

10、您愿意搭乘邮轮出游吗？

Are you willing to travel with the cruise?

- 愿意/Yes
- 不愿意/No

11、您愿意尝试邮轮旅游的原因是（1=强烈反对，3=中立，5=强烈赞同）：

You are willing to try the cruise because (1=Strongly disagree, 3=Neither agree or disagree, 5=Strongly agree):

- 放松并远离日常生活的快节奏/Relax and stay away from the fast pace of daily life
- 减少压力/ Reduce stress
- 不用自己考虑计划和行程/No need to consider own travel plan and arrange the entire route
- 到达目的地，不需要搬行李/No need to move the luggage after arriving the destinations
- 一次游览几个地方/Have chance to visit several locations by one cruise
- 家庭旅游便捷/ Convenience for travelling with family members
- 陪同家人朋友前往/Accompany with my family or friends who want to cruise
- 蜜月旅行/Honeymoon trip
- 有机会在社交网站发布动态/ Have opportunity to publish pictures on social networking sites
- 享受新的旅游方式/Enjoy the new travel style
- 享受船上娱乐表演/Enjoy on-board performances
- 尝试船上娱乐设施/Try on-board varieties of activities and facilities
- 认识新朋友/ Meet new friends
- 享受美食和自助餐/Enjoy the cuisine and buffet

12、您不愿意搭乘的理由是（1=强烈反对，3=中立，5=强烈赞同）：

You do not wish to take cruise because (1=Strongly disagree, 3=Neither agree or disagree, 5=Strongly agree):

- 晕船/Seasickness
- 没有满意的目的地/No desirable cruise route
- 登船以后的语言障碍/Language barrier after boarding
- 安全性/Safety
- 食物选择有限/Limited food choices
- 上岸旅游时间有限/Limited travelling time on the shore
- 巡航时间较长/Cruise days are quite long

13、您未来参加邮轮的可能性（1=强烈反对，3=中立，5=强烈同意）：

Please indicate your possible cruising plans in the future (1= Strongly disagree, 3=Neither agree or disagree, 5=Strongly agree):

- 我对邮轮旅行有兴趣/I am interested in cruise
- 我未来可能会搭乘邮轮旅行/I would probably take the cruise trip in the future
- 我计划在三年内乘邮轮旅行/I plan to take the cruise within three years
- 我会把邮轮旅行推荐给朋友和家人/I would recommend the cruise travel to my friends and family

14、您愿意为邮轮旅游支付多少费用？（人民币 / 每人）

How much are you willing to pay for the cruise travel? (RMB/person)

- 0-5,000
- 5,001-10,000
- 10,001-19,999
- 20,000-49,999
- 多于 5 万元/More than 50,000

15、您可能搭乘邮轮的时间是（1=不会考虑，3=一般，5=非常感兴趣）：

You may take the cruise during (1= Would not consider, 3= Might or might not consider, 5= Definitely consider):

- 寒暑假/ Winter, summer vacation
- 春节、国庆节长假/ Spring Festival, National Day holiday
- 带薪休假/ Paid vacation

- 无薪休假/ Unpaid leave

16、您会选择邮轮旅行时间的天数是（1=不会考虑，3=一般，5=最有可能）：

Please choose your preferred cruise duration in days (1= Would not consider, 3= Might or might not consider, 5= Definitely consider):

- 1-3
- 4-6
- 7-9
- 10-15
- 多于 15 天/More than 15 days

17、您现在获得邮轮路线、价格信息的渠道（1=从来没有，3=一般，5=主要来源）：

The channels from where you currently receive the cruise routes and price information are (1=Never, 3=Sometimes, 5=Always):

- 亲戚、朋友/Relatives and friends
- 网络（如社交媒体，旅游论坛，邮轮公司官网）/Internet (i.e. social media, travel forms, the cruise company' s official sites)
- 旅行社/Physical travel agency
- 电视广告/TV advertisement
- 旅游展会/Travel Exhibition

18、您未来希望获得邮轮路线、价格信息的渠道（1=不会考虑，3=一般，5=强烈赞同）：

The channels from where you would like to receive the cruise routes and price information in the future (1= Would not consider, 3= Might or might not consider, 5= Definitely consider):

- 亲戚朋友/Relatives and friends
- 网络（如社交媒体，旅游论坛，邮轮公司官网）/Internet (i.e. Social media, travel forms, the cruise company' s official sites)
- 旅行社/Physical travel agency
- 电视广告/TV advertisement
- 旅游展会/Travel Exhibition

19、您偏爱如何购买邮轮船票（1=不会考虑，3=一般，5=强烈赞同）：

Please choose your preferred channels to reserve the cruise ticket (1= Would not consider, 3= Might or might not consider, 5= Definitely consider):

- 邮轮公司官方网站/ The cruise company's official sites
- 旅行社 (实体店) / Traditional travel agencies (physical stores)
- 网上旅行社 (如: 携程) /The online travel agencies (i.e. Ctrip)

20、当您计划邮轮旅行时，以下因素如何影响您的选择 (1=不会影响，3=一般，5=强烈影响):

When planning your cruise trip, how the following factors affect your choice (1= No affect , 3=Neutral, 5=Major affect):

- 价格/Price
- 目的地/Destination
- 旅行时间长度/Length of travel time
- 房间和设施/Chamber and facilities
- 邮轮品牌/Cruise brand
- 整体安全/Overall security
- 登船地点/Place of boarding
- 口碑/World-of-mouth

21、您喜欢的或者想参与的邮轮路线是 (1=毫无兴趣，3=一般，5=非常有兴趣):

Please indicate the cruise routes you like or want to participate (1=Not at all interested, 3=Somewhat interested , 5=Very interested):

- 东南亚线路 (如新加坡，泰国) /Southeast Asia routes (i.e. Singapore, Thailand)
- 日本韩国线路 (免签证) /Japan and South Korea route (Visa free)
- 地中海线路 (如意大利，希腊) /Mediterranean route (i.e. Italy, Greece)
- 加勒比线路 (如美国，墨西哥) /Caribbean routes (i.e. U.S., Mexico)
- 极地线路 (如南极) /Polar routes (i.e. the South Pole)

22、您认为在邮轮上设施的重要性为 (1=毫无意义，3=一般，5=必不可少):

The importance of entertainment and facilities for you on cruise (1=Not at all important, 3=Neutral, 5=Extremely important):

- 网络 (如免费无线网络) /Network (i.e. Free Wi-Fi)
- 购物 (如免税店) /Shopping (i.e. Duty-free shop)
- 餐饮 (如异国风味的餐厅，酒吧) /Food (i.e. Exotic Restaurants, Bar)
- 运动 (如游泳，攀岩，高尔夫，健身房) /Sports (i.e. Swimming Pool, Climbing Wall, Golf, Gym)
- 娱乐 (如电影院，赌场，亲子活动中心) /Entertainment (i.e. Cinema, Casino, Parental children's activity centre)

Appendix 2: Final Cluster Centres

Final Cluster Centres

	Cluster	
	1	2
Q11_A1 Relax and stay away from the fast pace of daily life	5	4
Q11_A2 Reduce stress	5	4
Q11_A3 No need to consider own travel plan and arrange the entire route	5	4
Q11_A4 Have chance to visit several locations by one cruise	5	4
Q11_A5 Convenience for travelling with family members	5	3
Q11_A6 Accompany with my family or friends who want to cruise	5	4
Q11_A7 Honeymoon trip	5	4
Q11_A8 Have opportunity to publish pictures on social networking sites	4	3
Q11_A9 Enjoy the new travel style	5	3
Q11_A10 Enjoy on-board performances	5	3
Q11_A11 Try on-board varieties of activities and facilities	5	3
Q11_A12 Try on-board varieties of activities and facilities	5	3
Q11_A13 Meet new friends	5	3
Q11_A14 Enjoy the cuisine and buffet	5	4