



MSC
C R U I S E S

TEAM NAME
THE FOUR WIZARDS



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MSC CRUISES

Founded as Lauro Lines, acquired by MSC
in 1999 and later rebranded as MSC
Cruises


World's largest privately
held cruise company

Offices in 45
different
countries

Fleet of 17
cruise ships

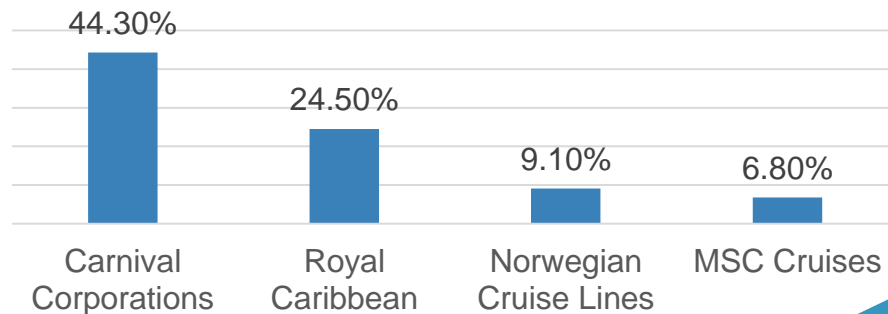
Released a ship
every year for
the last decade

No of
employees:
16,500



MARKET SHARE

Major Players



MSC Cruises aims to become the world's third largest cruise line by 2025

800% growth in passenger capacity since 2004

Set to grow its passenger capacity at an average annual rate of 9.9% over the next decade




CRUISE OVER TRADITIONAL HOLIDAY

No
transportation
logistics and
hassle of
packing
luggage

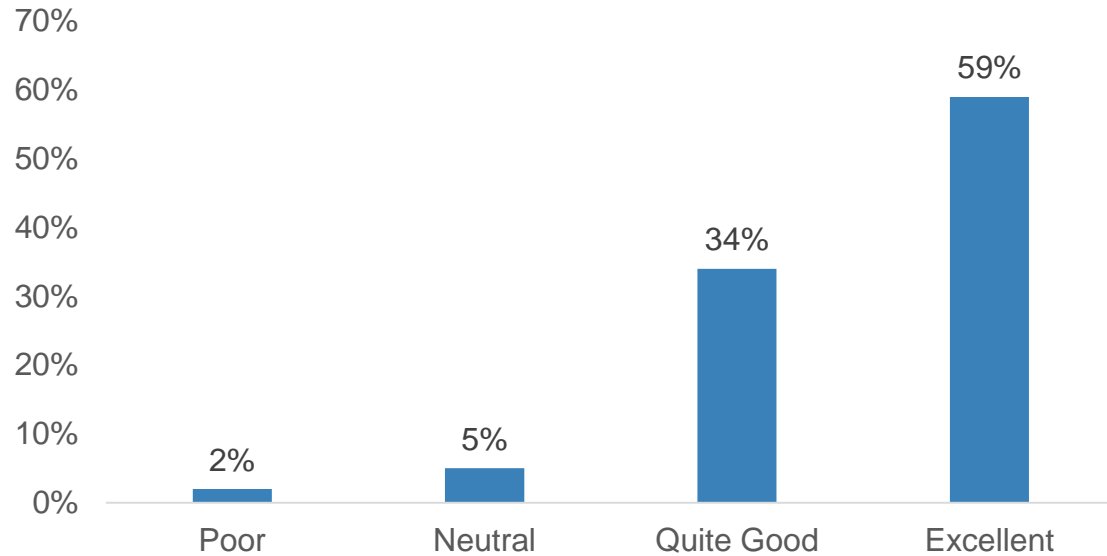
All in one
package
versus
scattered
attractions

Unique
experience
and more
customer
oriented
services



Due to the customer oriented nature, cruise industry has a very high customer satisfaction as compared to airlines or any other means

Customer Satisfaction Index



A PREMIUM PRICE FOR CRUISES

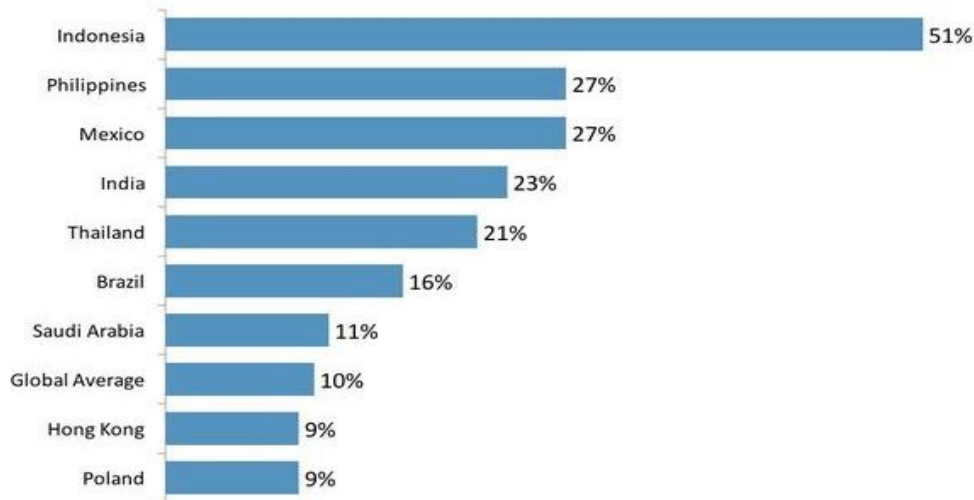
The experience, relaxation and potpourri of activities from over the globe attract customers willing to pay premium price for cruises

A part of Traditional resort holiday customers with lower budgets seek more of adventure and tourism and seldom stay in their rooms



THE INTERNET AGE

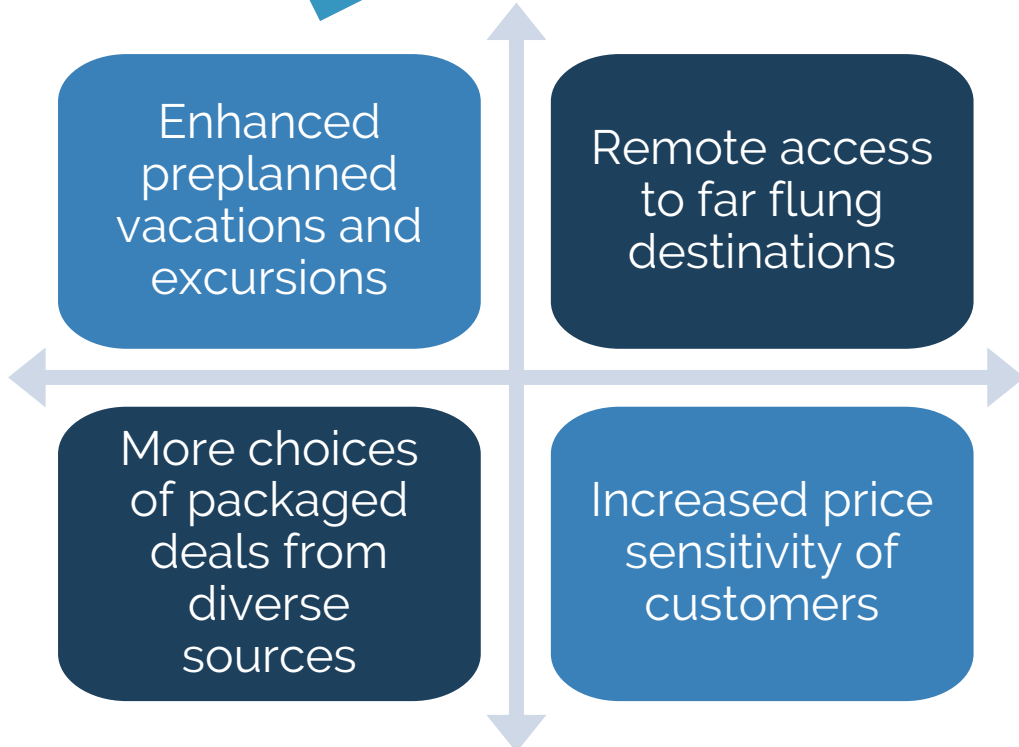

Year-over-year comparison January 2016 vs. January
2017



Global Internet Penetration Growth



TOURISM AND INTERNET



Enhanced
preplanned
vacations and
excursions

Remote access
to far flung
destinations

More choices
of packaged
deals from
diverse
sources

Increased price
sensitivity of
customers





THE PRICING STRATEGY

COMPETITOR BASED

Cruising industry is known for its low brand loyalty. With the internet penetrating deep into tourism, price sensitivity of this market has increased

MSC has more dominance in mid-range areas where facilities are not unique, thus making price a deciding factor

With the lack of a differentiating factor, MSC needs price based marketing strategy to retain its market share



THE LOW UPFRONT APPROACH



Involves adding additional charges for further services

Often used as a marketing strategy to attract price sensitive customers

Allows various packages of products and services to coexist together




STRENGTHS

**Helps to increase
both market
share and sales
volume**

- This strategy aims to bring more customers on board , which is crucial as MSC doesn't have a differentiating factor to compete with its deep pocketed peers

**Targets price
sensitive
category**

- By providing cruising opportunity at a lower basic cost, this strategy inevitably broadened MSC's customer spectrum
- 

WEAKNESSES

Misleading
upfront
prices lead
to low
customer
retention

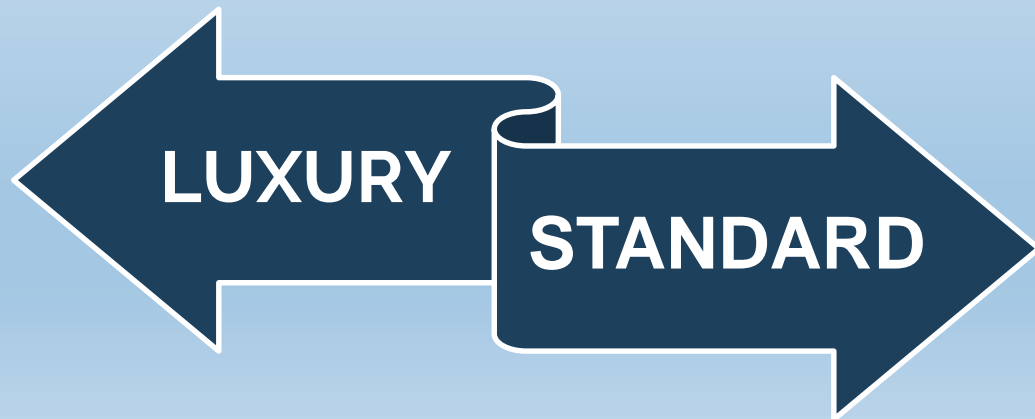
Not ideal for
the elite
customers

Doesn't
align with
the
industries'
image of a
unique
experience



A DIFFERENT APPROACH

MSC CRUISES



Luxurious



Low Price



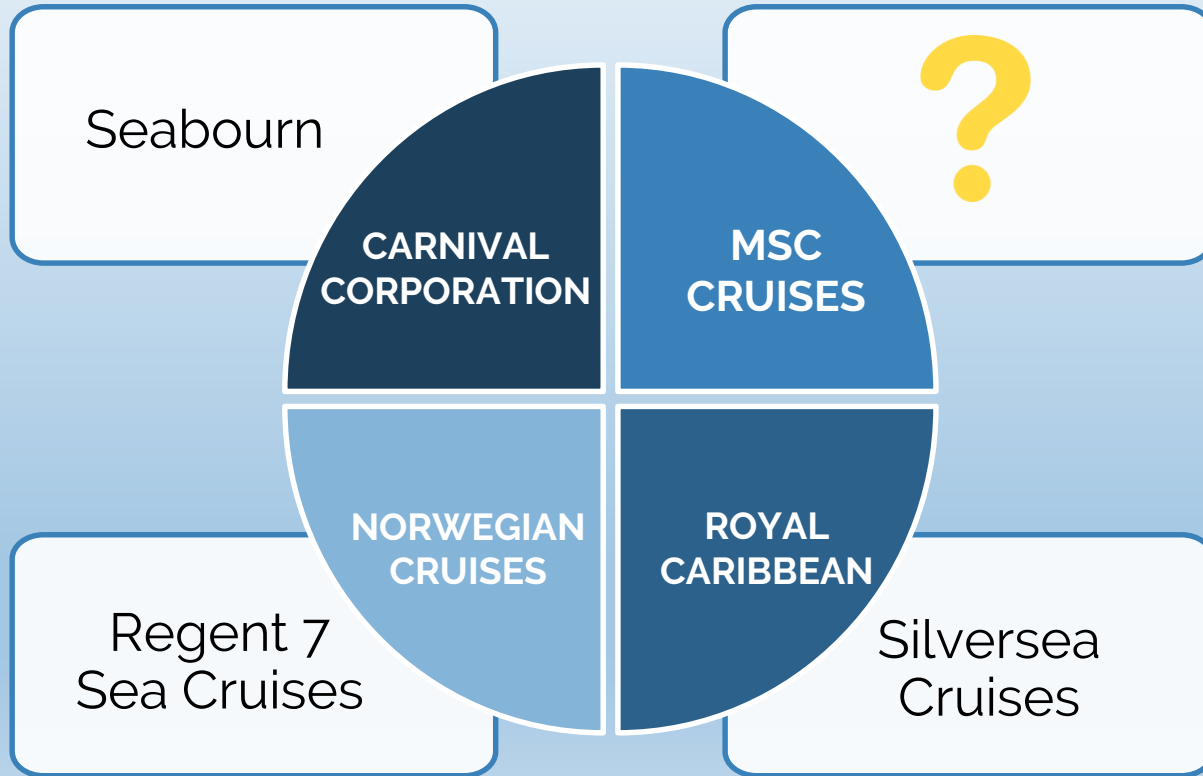
High Price



MARKET
SEGMENTATION

Family

WHAT MSC NEEDS



THE LUXURY SEGMENT

1

MSC should launch another brand targeting young people and couples

2

This segment requires extravagant facilities like adventurous activities, casinos, bars, and cafes

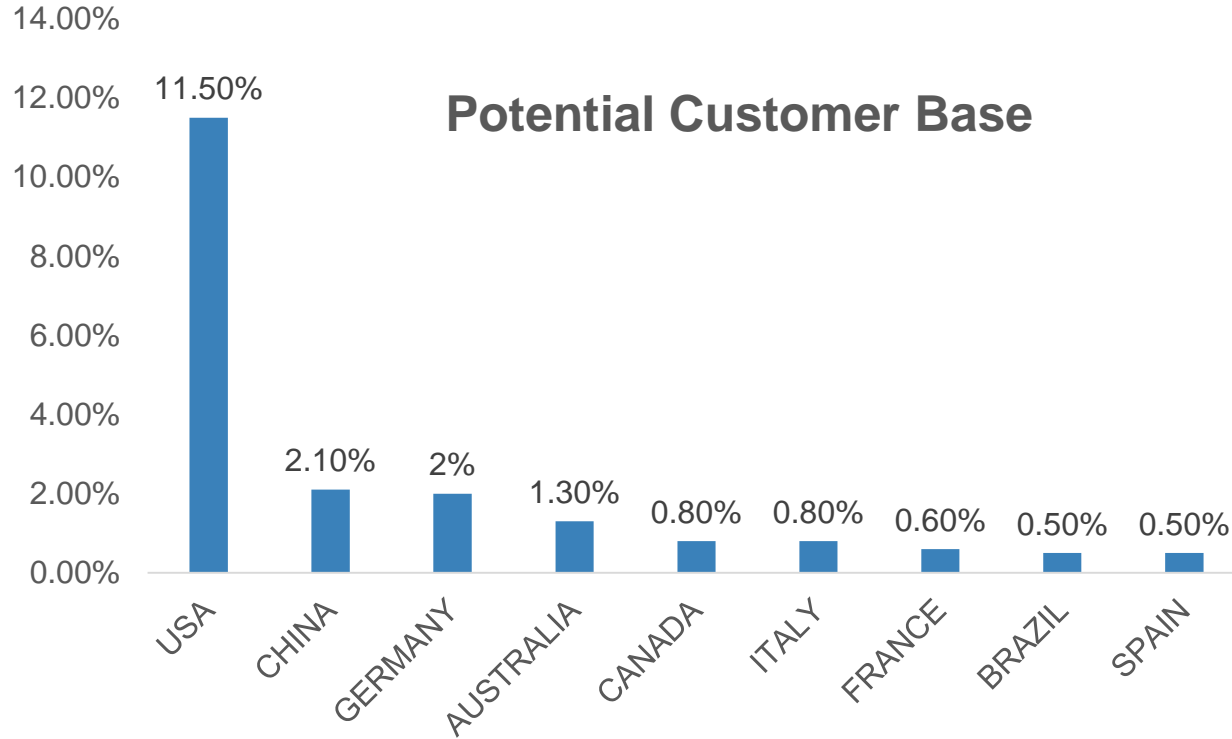
3

This will boost up overhead charges which constitute 25% of the total revenue



With United States as the largest customer base for cruising industry and MSC's shallow presence in this vast market, US can serve as the ideal target for the luxury segment of MSC

Potential Customer Base



GLOBAL PRESENCE



TARGET
MARKET

HEAVY
PRESENCE



IN A NUTSHELL



Price sensitivity in the standard segment restricts MSC to competitor based pricing strategy

The luxury segment following value based pricing will help take consumer's focus off price

Adding a premium luxury segment will diversify MSC's portfolio and increase its expedition offerings



REFERENCES

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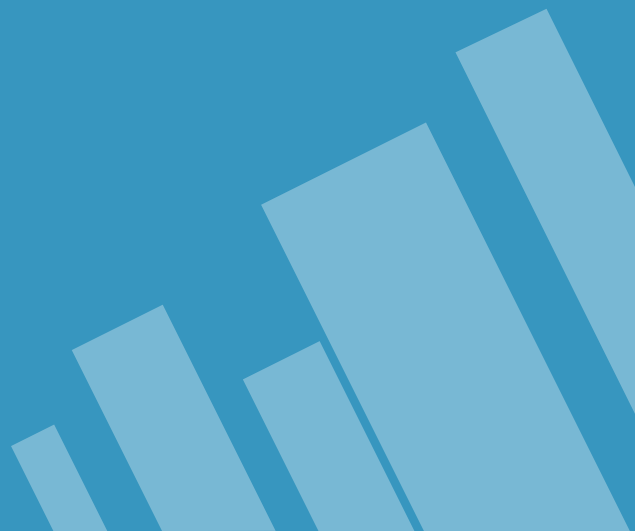
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THANK YOU !

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