



SM

A DELAWARE NORTH COMPANY



**SMALL SHIPS
NICHE MARKETS**

**BIG PRODUCTS
BIG ISSUES**



- **DELTA QUEEN STEAMBOAT COMPANY**
 - **AMERICAN QUEEN**
 - **MISSISSIPPI QUEEN**
 - **DELTA QUEEN**
 - **1000 D/O COMBINED CAPACITY**



- **HOME OFFICE NEW ORLEANS
LOUISIANA**
- **OPERATES ON CENTRAL RIVER
SYSTEMS OF THE USA AND GULF
STATES**
- **OWNED BY THE DELAWARE NORTH
COMPANY OF BUFFALO NEW YORK**



- **WE AVERAGE 90% OCCUPANCY YEAR ROUND**
- **OUR GROSS PRICE AVERAGE IS \$495 PD**
- **OUR NET PRICE AVERAGE IS \$300 PD**
- **WE ARE AMERICAN FLAG**
- **WE ARE AMERICAN OWNED AND OPERATED**



- **WE CATER TO A 65+ DEMOGRAPHIC**
- **OUR PEAK SEASONS ARE THE SPRING AND FALL**
- **WE CARRY MULTI-GENERATIONAL FAMILIES DURING THE SUMMER AND HOLIDAYS**
- **WE USE THEME CRUISING EXTENSIVELY TO FILL OFF SEASONS**

















- **Tourism and Cruising Has Changed Significantly Since September 11.**



TRENDS

- **TOURISM IN GENERAL AND ESPECIALLY CRUISING HAS COME ALL THE WAY BACK FROM THE POST 9/11 DEPRESSION**
- **ADVANCED BOOKINGS BACK TO NORMAL**
- **IMPROVED YIELDS AND LOAD FACTORS**



TRENDS

- **AMERICANS ARE TRAVELING AGAIN BUT STILL VACATIONING CLOSER TO HOME**
- **VACATIONERS FLY OUT OF ABSOLUTE NECESSITY NOT DESIRE**



- **Big Ships Used To Carry 750 Passengers.**



- **Now They Carry 750
Passengers
"On One Deck"**





Cruising In General Has Become A Mass Market Product



The Mass Market Cruise Segment Continues To Consolidate.



- **NICHE MARKET SMALL SHIP / BOAT CRUISING IS HOT TOO!**
- **RIVER CRUISING IS EXPANDING TO NEW MARKETS WORLDWIDE**
- **COASTAL CRUISING HAS GREAT POTENTIAL**
- **NEW CONSTRUCTION IS HAPPENING IN THIS SEGMENT**



**THE NEXT CONSOLIDATION WILL
COME IN THE LUXURY/DELUXE
SMALL SHIP/BOAT CRUISE
SEGMENTS**



Mass Market Cruise Industry Expansion Means Short Term Excess Cabin Inventory



**Boutique Luxury Cruise
Products
Cannot Be Marketed As Mega
Ships.**

We Are Different !!



**Niche Market Consumers
Tend To Be Better Informed
Via The Internet and Other
Sources**



**With Excess Capacity and
Last Minute Deals Always
Available The Consumer Has
No Pressure To Book Early**



Increased Last Minute Discounting By Mega Lines Does Not Help



**Encourages Excess
"Consumer Shopping."**



**Equals Wasted Time
And Overhead
For Small Cruise Lines and
Travel Agents.**



**A Problem We Can Expect
To Continue**



- **AS A SMALL OPERATOR A NICHE CRUISELINE MUST REALIZE THAT IT CANNOT CONDUCT ITS BUSINESS AS DOES THE MEGA MASS MARKET CRUISESHIP COMPANIES**



**THIS REALIZATION
AND IT'S ACCEPTANCE
IS THE FIRST AND MOST
IMPORTANT ISSUE TO EMBRACE !**



- **WE MUST MARKET OURSELVES AGAINST THE TARGET OF OUR OWN PROFITABILITY**
- **NOT AGAINST THE HABITS OR BUSINESS MODELS OF THE MASS MARKET CRUISE INDUSTRY**



- **IF WE DO NOT - THEN WE WILL BE
SETTING OURSELVES UP FOR
FAILURE**



- **WE MUST MARKET OUR INHERENT
ON BOARD PRODUCT ADVANTAGES**
 - **NO CROWDS**
 - **NO LINES**
 - **PERSONAL SERVICE**







**No Waiting
To Get On Or Off**



- **EXTENSIVE PRE AND POST PACKAGE OFFERINGS AND**
- **OFF DAY DEPARTURE AND RETURNS CAN MAKE BOOKING AIR EASIER AND A BETTER VALUE**



- **ADVANCE PURCHASE EMPHASIS IS WORKING FOR DELTA QUEEN STEAMBOAT COMPANY**
- **BY YEAR END 2004 WE HAD SOLD AND HAD DEPOSITS FOR OVER 55% OF OUR INVENTORY FOR 2005**



- **WHERE DO WE GO FROM HERE?**



- **FUTURE MARKETING
CONSIDERATIONS**



Successful Products Evolve



Here Come
"The Baby Boomers"



Baby Boomers Are Entering Their Mature and Affluent years



**The Niche Small Ship / Boat
Market Requires Evolution
Not Revolution To Serve The
Boomer**



**Boomers
Drive Different Cars**

**They Take Different
Vacations**

**They Wear Different
Clothes**



- The Small Cruise Ships of the Future Must Be Sensitive To The Changing Trends and Demographics of the Baby boomer



- **The Cadillac Example**
- **The Levis Example**



- **We will need:**
 - **New Destinations**
 - **More Active Products**
 - **New Progressive Themes**



- The Small Ship Cruiser of the Future Will Not Want Their Parents Vacation Experience



SUMMARY

- **NICHE SMALL BOAT / SHIP OPERATORS HAVE A GREAT OPPORTUNITY FOR SUCCESS AS THEIR PRIME MARKET BECOMES THE DOMINANT TRAVEL DEMOGRAPHIC IN THE IMMEDIATE FUTURE**





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