



# **FASHION IN TRAVEL RETAIL**

## **RIGHT MIX FOR RESTART**

ADRIAN PITTAWAY, MSC CRUISES



# **MSC**





**#1**

world's largest family-owned and family-run cruise line



**#3**

largest cruise company by capacity



**#1**

a global offering, ability to adapt to local tastes and preferences



**#1**

first cruise line to restart safe global operations post-pandemic



**19**

ships and up to 10 more coming into service by 2030



The sea is our life and our passion



## IN 2021 WE ACHIEVED...

- A positive **return to growth**
- We launched **2 new ships** into service, MSC Virtuosa and MSC Seashore
- By year end, we had **13 out of 19** ships back into service
- We **re-launched** into more **markets** such as USA, Caribbean, South America, South Africa, Emirates, and Northern Europe
- We have launched in **new markets** such as Saudi Arabia and UK
- We have delivered safe retailing on all restarted ships with a **re-imagined shopping experience**
- We provided our travel retail partners **real time information** about status and planning
- Exceeded expectations with very **strong performances** on fashion categories across all markets.







## LOOKING AHEAD TO 2022

- **Full fleet** of 19 ships will be in service again before summer
- **2 new ship launches** MSC WORLD EUROPA and MSC SEASCAPE in Q4
- Exclusive floating hotel partnership at **FIFA WORLD CUP – QATAR**
- Expected relaunch of international cruising in **Asia**
- **New market launches** –Summer Emirates, Turkey, Tunisia, Israel



# WINTER 2022-23 EXPECTED GLOBAL DEPLOYMENT

## 21 SHIPS IN SERVICE - 5 CONTINENTS







## FASHION CATEGORY IN CRUISE RETAIL

- CRUISE RETAIL UNIQUENESS
- FASHION IN CRUISE RETAIL
- SEASONALITY MODEL
- WHAT HAS CHANGED?



# CRUISE RETAILING BUSINESS MODEL IS OPPOSITE OF AIRPORTS



**AIRPORTS**

SPACE

TIME

GIFT

ME

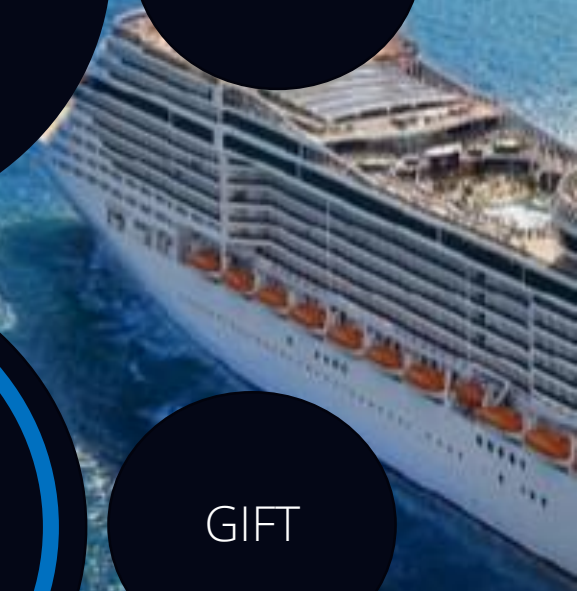
**CRUISE**

TIME

Fashion in Cruise Retail

ME

GIFT





## FASHION IN CRUISE RETAIL

- Cruise ships continually move to the best canvases and most **in-demand itineraries**
- Most ships cruise continually follow **hot weather** – summer into summer
- Guests want to buy now to **wear now** to enjoy now!
- Fashion sits as a perfect “emotional” purchase for the **different cruise moments**
  - Formal > Gala nights
  - Casual > Day excursions
  - Weather > Pool days, unpredictability
- **People buy people** > Memorable service enjoyment
- **Stories sell products** – unique, interesting, different, sustainable
- Embracing the **Unpredictable** – not following the seasons rigourously







**EXAMPLES: FASHION ACCESSORIES**





**EXAMPLES: FASHION**





**EXAMPLES: FASHION**





**EXAMPLES: ACCESSORIES**



# SEASONALITY IN CRUISE RETAIL FASHION



JAN

APR

JUL

SEP

DEC

DOWNTOWN

SPRING SUMMER

TRANSITION

AUTUMN WINTER

TRANSITION

CRUISE SHIP

TRANSITION

SPRING SUMMER

TRANSITION

SUMMER 2 (AUTUMN)

Positioning

Positioning



## FASHION IN CRUISE RETAIL – WHY?

- KEY TRENDS:
  - **Focused shoppers** - high conversion and “up-trading”
  - **Product quality** – material, story and uniqueness
  - **Product design** – colour, style and attractiveness
  - **Brand choice** – Less but better, more personality & visibility
  - **Trust & Honesty** – old stock clear-through in a transparent way, trust in cruise line
  - **New Stories** – finding new ways to sell > sustainability, endorsement, personalization, presentation
  - **Formalwear** – no more sweatpants and feel good, look great!

## FASHION IN CRUISE RETAIL - CHANGES

Restart period 2021 Vs Same period 2019

- Spend per transaction on fashion **+23%**
- Average Price per Item bought **+32%**
- Average Spend per guest **+40%**
- Category conversion **+35%**
- Greatest increase per nationality:
  - **UK**
  - **France**
  - **Italy**
  - **Belgium**
  - **Switzerland**
- Greatest growth areas:
  - **Leather Accessories**
  - **Designer Sunglasses**
  - **Formalwear**



# THE FUTURE

## CATEGORY PRIORITIES:

- **SHOWCASING FASHION RETAILING AT SEA** – TIME, SERVICE, RELEVANCE, UNIQUENESS
- ALL CRUISE SHIPS BACK IN OPERATION = MORE **REGULAR PRODUCT SEASONALITY** & BUYING PREDICTABILITY
- CONTINUED FOCUS ON **QUALITY OVER QUANTITY**
- UNIQUENESS, PERSONALIZATION & SUSTAINABILITY
- **THE PERSONAL TOUCH** – KEEPING FOCUS ON PERSONAL TRUST, INTEGRITY AND HONESTY
- MORE **CONSIDERED BRAND CHOICES**







MSC

THANK YOU!