



Ritz-Carlton Is Building the Anti-Cruise Ship

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Want to cash in your SPG and Marriott points for a yacht cruise? That may soon be possible, as Ritz-Carlton, Marriott International Inc.'s flagship luxury brand, announced a seafaring expansion Thursday.

As part of the newly minted Ritz-Carlton Yacht Collection, the five-star hotel brand will launch three small, ultra-luxury ships with laid-back itineraries and spacious, open-concept design schemes that flip the traditional cruise experience on its head. The maiden vessel will pull out of the shipyard late in 2019, with bookings opening next May marking the first time that a hotel company hits the high seas.

You have to diversify your business, Ritz-Carlton Chief Executive Hervé Humler told Bloomberg during an exclusive preview. After successful expansions into branded residences and six-star resorts (which Ritz-Carlton operates under its ultra-premium Reserve emblem), Humler says there were ample data to support a cruise venture. One key statistic, he says, is that the cruise sector has expanded by an average of 8.5 percent each year since 1981. For all that rise in demand, there have been few new ships on the ultra-premium spectrum.

This, combined with company-supplied data claiming that 400,000 Ritz-Carlton guests are cruisers, means there's both a built-in customer base and a solid marketing opportunity at play. We only need 12,000 passengers to fill up a ship [each year], so if we don't exceed [capacity], we'll be pretty close to it.

So how will Humler compete with established ultra-luxury players such as Crystal Cruises, Seabourn, Silversea, and Regent Seven Seas? By building the anti-cruise ship, he says with an emphasis on space, privacy, and flexibility—something he's worked to perfect over the course of 12 years.