

CruisePulse™ TravelAgentPanelSurvey

ThirdQuarter2009



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Survey Methodology

- **Why the CruisePulse™ Survey?** Travel agents are the frontline in the cruise sales channel—accounting for up to 87% of all cruises booked. * Their input makes it possible to "take the pulse" of what is occurring in the marketplace.
 - **The results?** If you need to know:
 - Cruise price trends
 - Cruise booking trends
 - Travel agent opinions
 - This is the 4th edition of the CruisePulse panel surveys. Surveys are conducted quarterly to spot emerging trends and changes in consumer behavior.
 - Survey data is weighted to accurately represent cruise bookings by geography and agents' monthly cruise volume.
1. **Wave Season Kick-off edition**
Data gathered January 24 to January 30, 2009. 330 travel agents responded. Margin of error +/- 5.3%.
 2. **Wave Season February Follow-up edition**
Data gathered February 22 to March 3, 2009. 254 travel agents responded. Margin of error +/- 6.1%.
 3. **Wave Season April International edition**
Data gathered April 15 to April 22, 2009. 228 travel agents responded. Margin of error +/- 6.4%.
- **Third Quarter 2009 edition**
Data gathered August 25 to September 8, 2009. 349 travel agents responded. Margin of error +/- 5.2%.

*American Society of Travel Agents

Summary of Findings

- **Price improvement**

- Our research indicates pricing has improved 14% from early 2009 lows. North American agents report lower average prices per booking (per person per cruise) and larger price declines versus the same period year prior than their counterparts in Europe and the rest of the world.

- **Cruise bookings**

- In the North American market, cruisers have continued the 2009 trend of booking less frequently and shorter cruises.

- **Optimism increasing**

- There is evidence that pricing for 2010 sailings have improved, driven by interest in the new ship builds, more favorable pricing in the European market and with luxury lines.

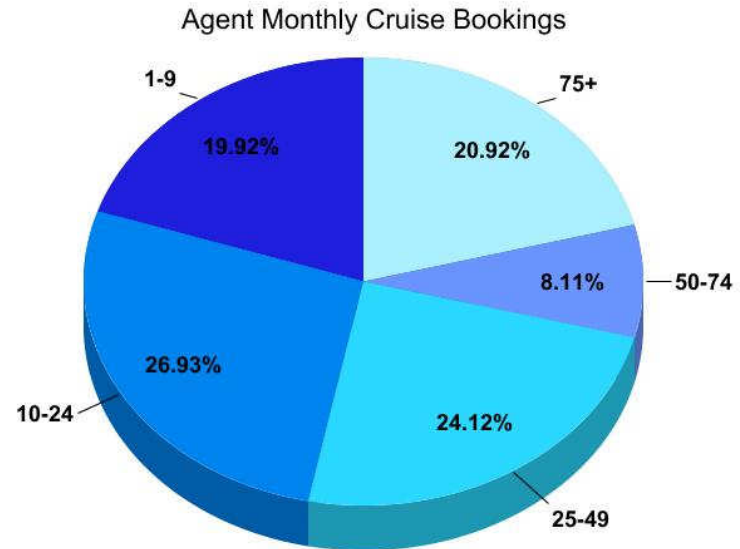
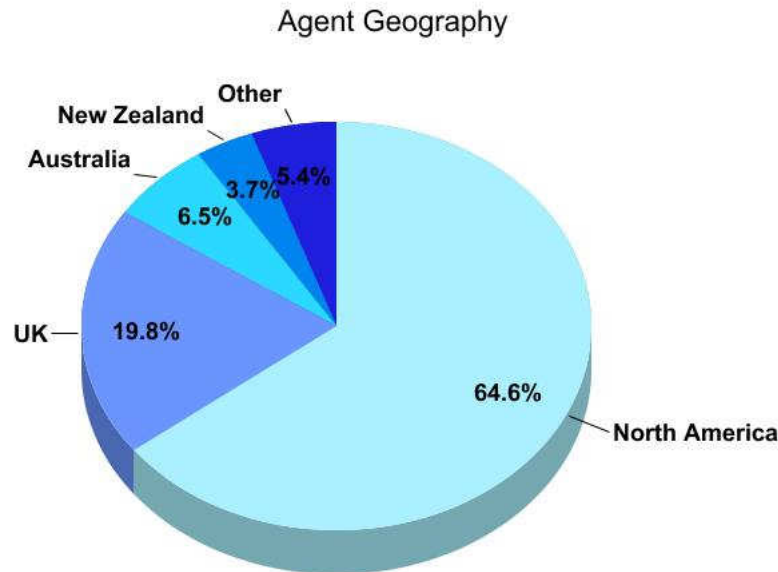
- **Consumer trends**

- There is an increasing demand for cruise insurance. Additionally, 8 out of 10 consumers are shopping around for price versus accepting their travel agents quoted price.

Demographic Overview

Top Line: Respondents represented travel agents from North America and the rest of the world as well as a variety of agency sizes.

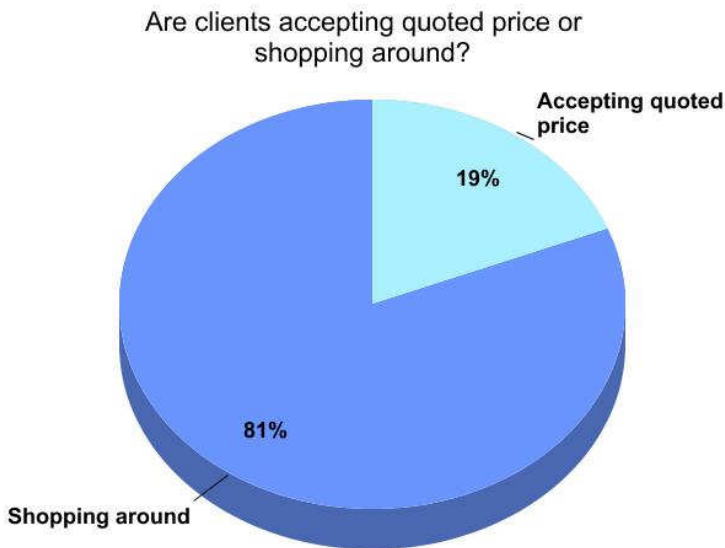
- In order to evaluate geographic representation of the results, please provide your country of primary residence.
- In a typical month, what is the total number of cruise tickets you book?



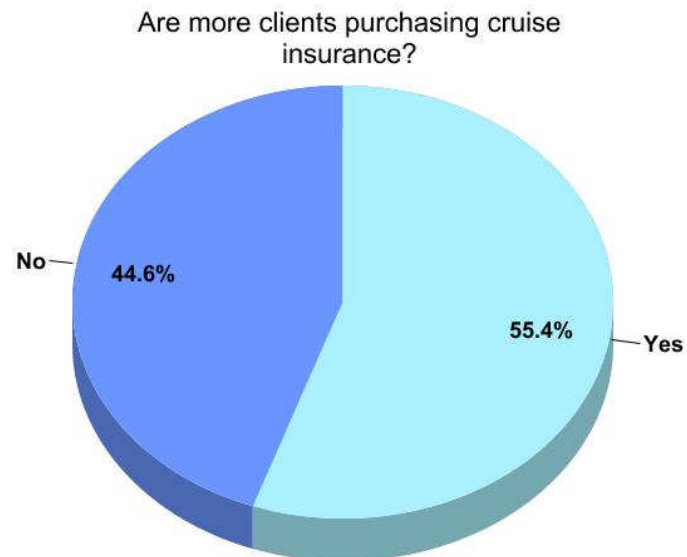
CruiseBookingTrends

Top Line: According to agents, over 8 in 10 cruise customers are not accepting quoted prices, but are shopping around. Over half indicated more clients are purchasing cruise insurance. North American agents were significantly more likely to state more clients are purchasing cruise insurance.

- Shoppingaround

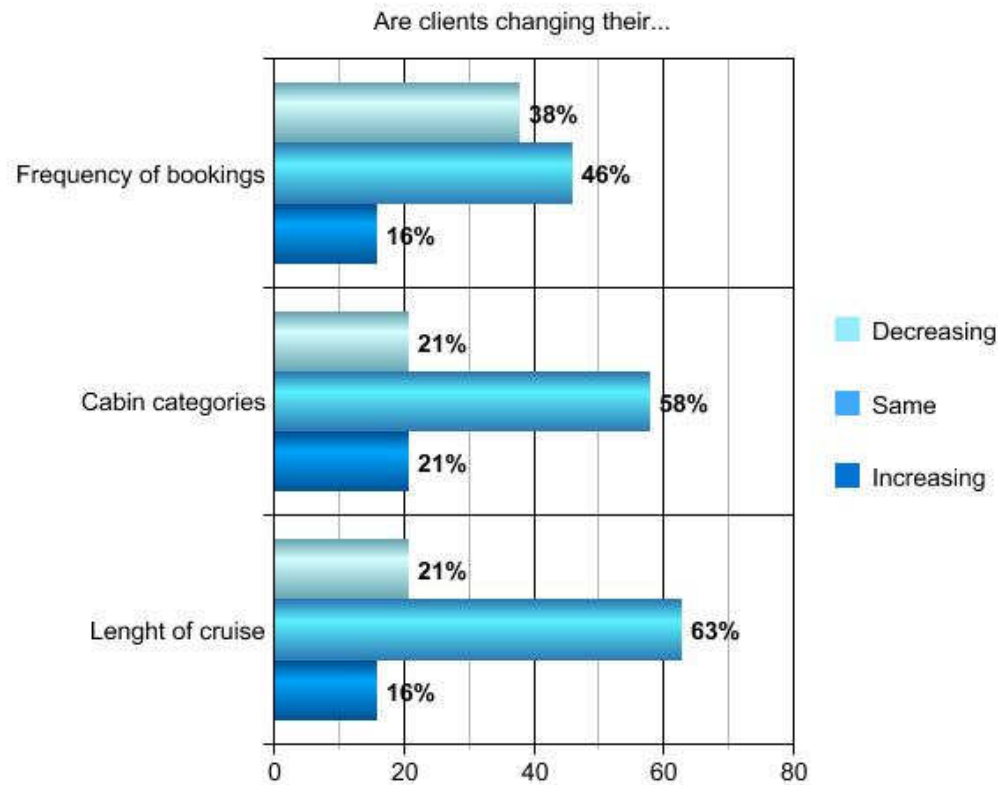


- Cruiseinsurance



CruiseBookingTrends

Top Line: Travel agents indicated there is a decrease in the frequency of clients bookings. In other words, 38% of cruisers are taking fewer cruises this year. However, the cabin categories and length of cruises are remaining about the same. North American agents were significantly more likely to indicate the frequency of clients bookings and length of cruise are decreasing.



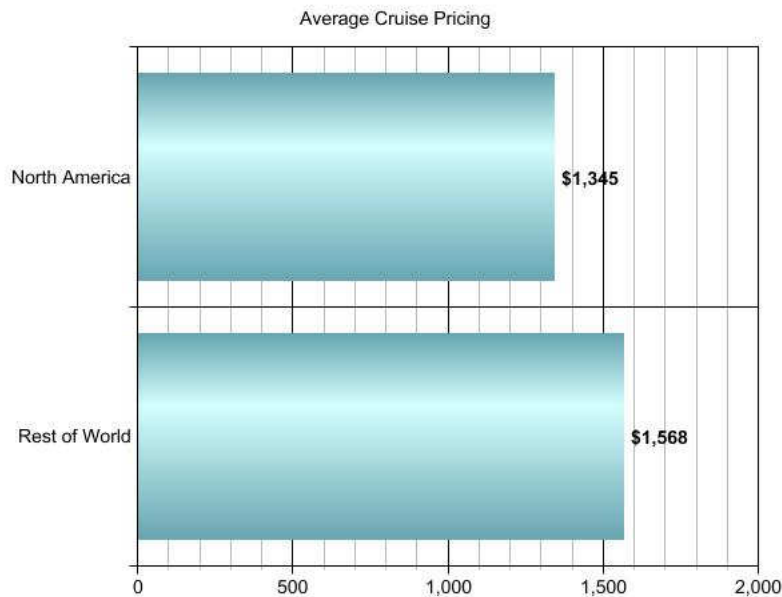
Cruise Pricing Trends

Top Line: Agents report pricing has improved **14%** (to \$1,422) from prices reported in April 2009 (\$1,243). While still remaining below the same period the previous year, it is indicative of improving ticket price performance for the cruise lines.



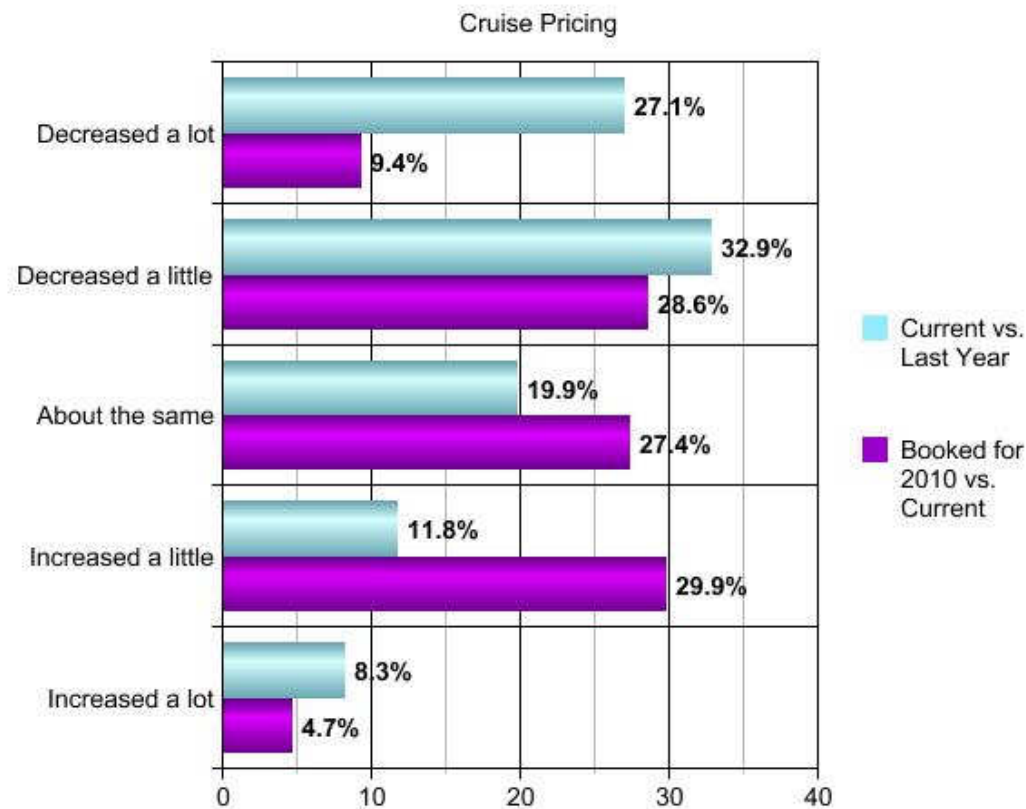
Cruise Pricing Trends

Top Line: Agents from North America report lower ticket prices compared to their counterparts in the rest of the world – likely a result of shorter duration cruises. They also reported a larger change in pricing compared to the same period the previous year.



Cruise Pricing Trends

Top Line: Looking ahead, 29.9% of agents indicate pricing for cruises already booked for 2010 has “increased a little.” In comparison, only 11.8% of agents said current prices increased a little compared to last year. This indicates relatively stronger pricing going into next year – twice the number of agents are saying prices are increasing. The North American agents were more likely to indicate pricing for 2010 has increased.



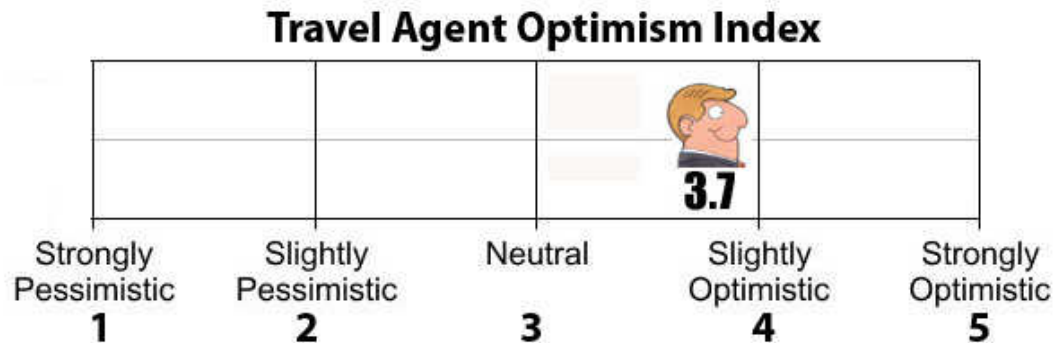
Comments from agents who indicated pricing for 2010 has increased.

- \$1407 average for 2010 so far. We have a lot of bookings on the Oasis, and Pride of America, which, of course have high rates.
- 2010 bookings are coming in from my luxury clients.
- A little more higher
- Added fees have increased prices
- Alaskan Cruises are up!
- Although rates are lower for this summer and Fall, surprisingly, I find 2010 to be high
- Avg cost is \$1422.03. Made several BIG ticket cruises causing the average to be higher than normal.
- Bookings are slowly creeping up - a small increase in consumer confidence - albeit (SMALL)
- Bookings based on new ships and peak season.
- Cruise lines are trying to raise the pricing.
- Cruise lines have increased their prices for 2010 to test the market and see what it will bare.
- I have more clients upgrading to suites
- In Aug 2009 I'm booking more 2010 sailing than 2009. They seem to be higher.
- Mainly Hapag-Lloyd, Regent and Crystal.
- Most cruise lines are not showing "special promos" for 2010 sailings YET, we all know they will be offering deals in 2010 as well as they did in 2009.
- Not as many added value such as "free air" "free shore excursions" or shipboard credit...
- Prices are better compared to 2009 BUT the commission rate is now lesser due to lower production in 2008 and 2009.
- Prices seem to be higher, even for groups.
- Pricing is beginning to rebound for 2010 due to an abundance of pent up demand.
- Rates have gone up about 10-12%, due to lesser booking in 2009, commissions are down
- Right now at last Qtr 2009, they are stupid cheap. ..so by comparison next year is much higher
- SELL MORE EUROPE AND LONGER CRUISES
- WE'RE SEEING LINES ARE HESITANT TO INCREASE RATES TOO MUCH - UNTIL THEY SEE WHERE THE ECONOMY & DEMAND ARE GOING
- We are taking increased numbers of bookings for 2010/11 at high rates, as our low end bookings are decreasing in number!
- We have had larger bookings on the books for 2010. Oceania cruises where the cost is \$6000- \$8000 each. Where mass market are booked closer in and are lower in price.
- We have more cruises booked for 2010 than we did in 2008 at this time for 2009.
- We have sold quite a bit of European cruises for 2010 at substantially higher prices than in 2009. Just hoping that the cruise lines not reduce the pricing over and over again like they did this year and allowing the client to re-book over and over

TravelAgentOptimismIndex

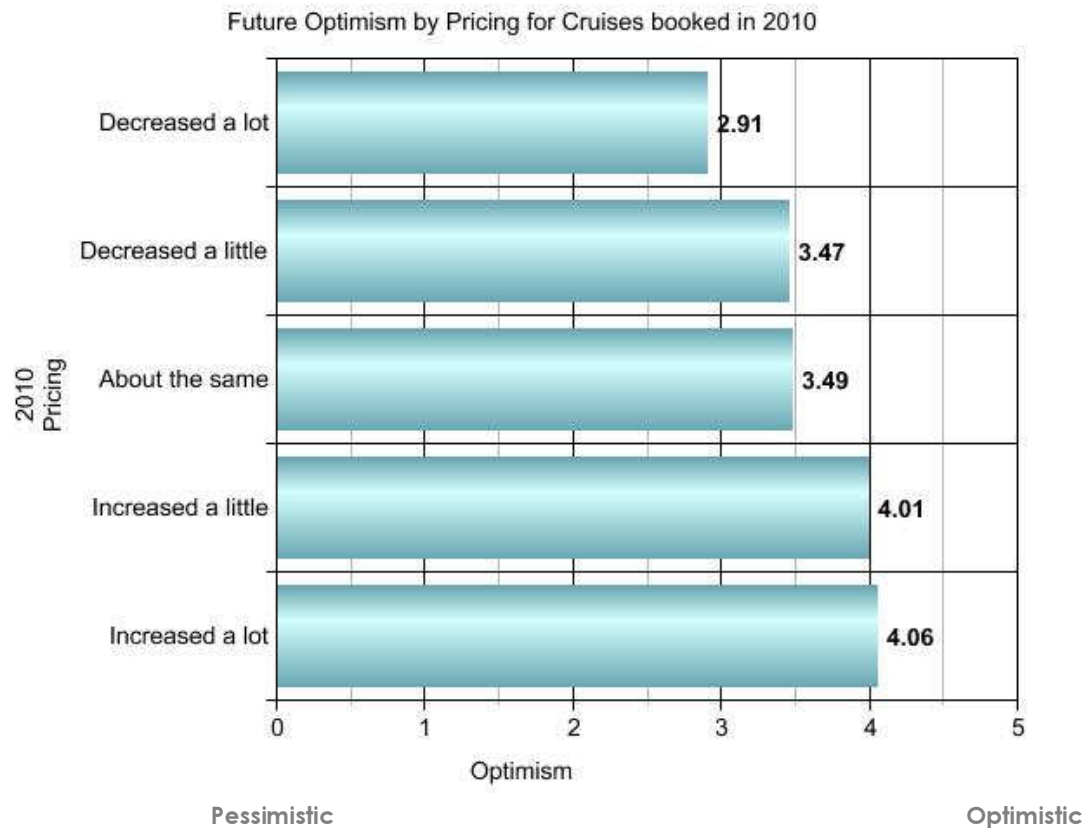
Top Line: On average, travel agents are optimistic. Looking ahead to next year, 66% are “slightly” or “strongly” optimistic. The 3.7 average is the same as the previous April survey.

- Looking out 12 months from now, are you optimistic or pessimistic cruise bookings will increase compared to how they are now?



TravelAgentOptimismIndex

Top Line: Not surprisingly, agents who indicated pricing for 2010 bookings has increased have higher levels of optimism.



Successful Offers in Stimulating Bookings

As part of the Cruise Pulse Panel survey, agents are invited to include their own questions to fellow travel agents. One of these questions was “what one offer was most successful in stimulating bookings?”: This resulted in a variety of nearly 250 responses, summarized into the main themes below (in order of most frequently mentioned).

- Lower Sale Pricing
- Onboard Credit
- Free/Discounted Air
- Early Booking Program
- Group Booking/Discounts
- Comp Shore X
- Lower Deposit
- Cabin Upgrades
- 2 for 1
- All Inclusive
- Last Minute Sales
- +50% discounts
- Kids Free
- Companion Free
- Past Guest Specials
- Upgrade Cabins
- Agent Incentives
- Cash Back
- Senior Rates

Upcoming Survey Questions

The follow-up, to be conducted in December 2009, will be adding the following questions based on agent feedback:

- Thecruiselinesareall"goinggreen"withe-docs. Howisthiseffectingyourcruise sales?
- Whichcruiselineismosttravelagentfriendly?
- Areirecttocruiselinebookingsincreasingcomparedtoagentbookings?
- Areonlinebookingscomparedincreasingcomparedto brickandmortar?

Want to Learn More?

For more information or to discuss this research and find out about adding questions of your own contact:

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