

# Cruise Pulse™ Travel Agent Panel Survey

Second Quarter 2010



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# Survey Methodology

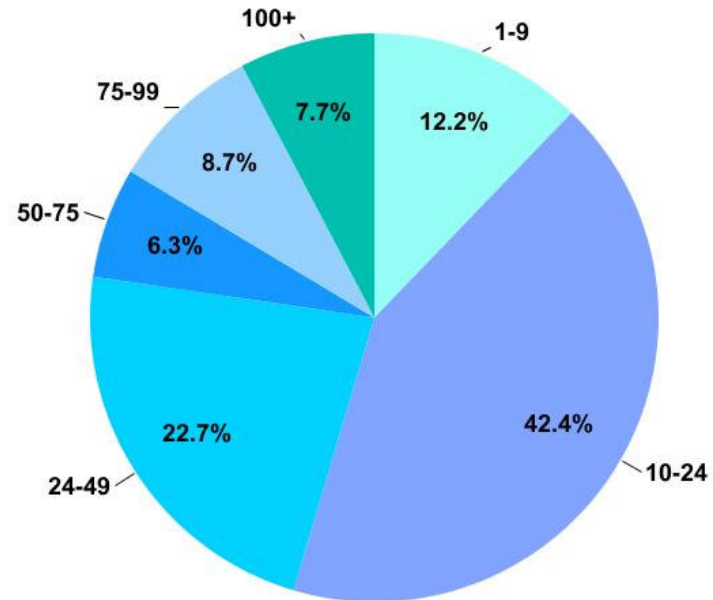
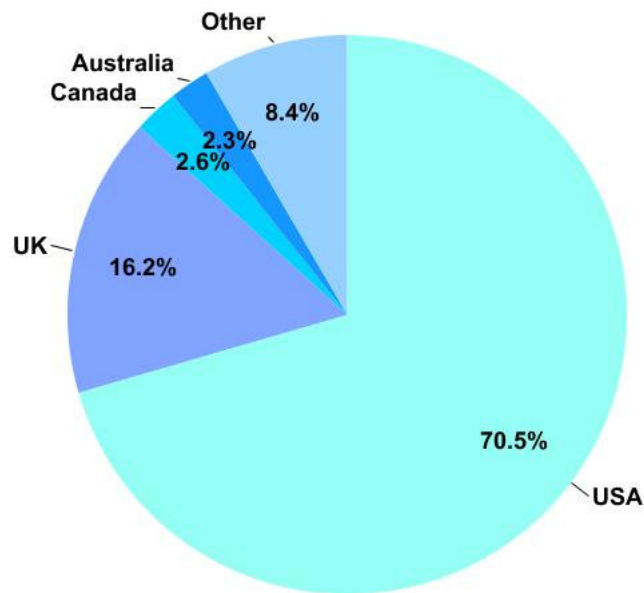
- **Why the Cruise Pulse™ Survey?** Travel agents are the front line in the cruise sales channel – accounting for up to 87% of all cruises booked.\* Their input makes it possible to "take the pulse" of what is occurring in the marketplace.
  - **The results?** If you need to know:
    - Cruise price trends
    - Cruise booking trends
    - Travel agent opinions
  - This is the 6th edition of the Cruise Pulse 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%.
  4. **Third Quarter 2009 edition**  
Data gathered Aug 25 to September 8, 2009. 349 travel agents responded. Margin of error +/- 5.2%.
  5. **Fourth Quarter 2009 edition**  
Data gathered December 1 to 11, 2009. 223 travel agents responded. Margin of error +/- 6.5%.
  6. **Second Quarter 2010 edition**  
Data gathered March 14 to June 2, 2010. 208 travel agents responded. Margin of error +/- 6.8%

\*American Society of Travel Agents

# 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.

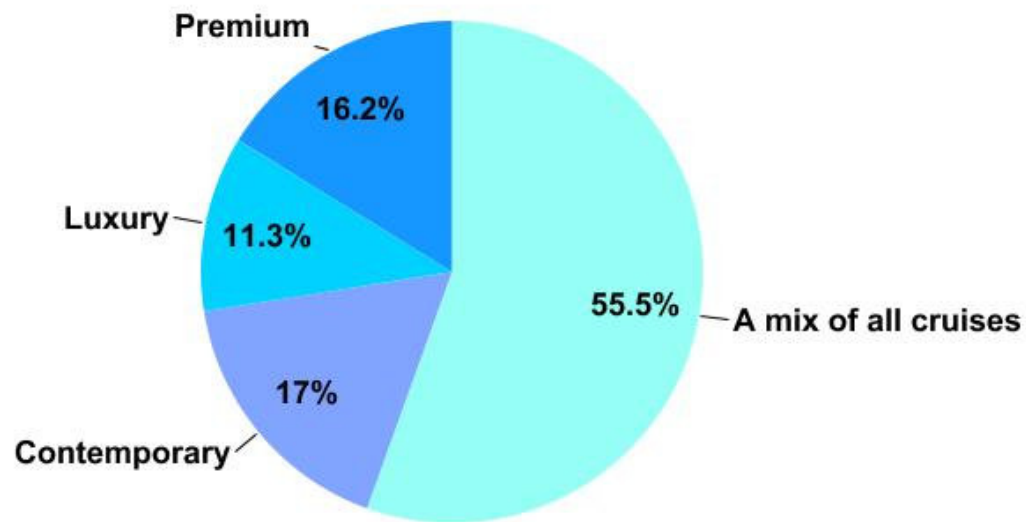
- In order to evaluate geographic representation of the results, please provide your country of primary residence.
- In a typical month, what is the total number of cruise tickets you book?



# Demographic Overview

**Top Line:** Respondents represented a variety of cruise segments.

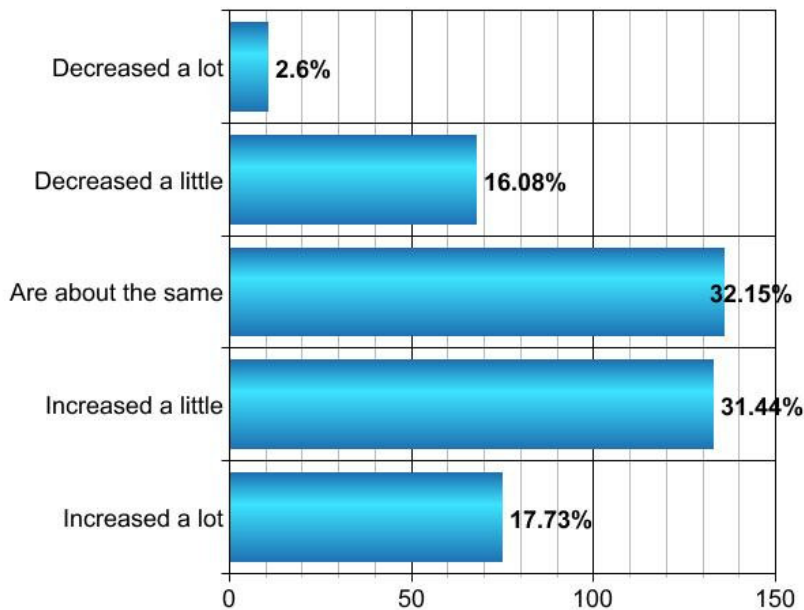
- Do you primarily book:



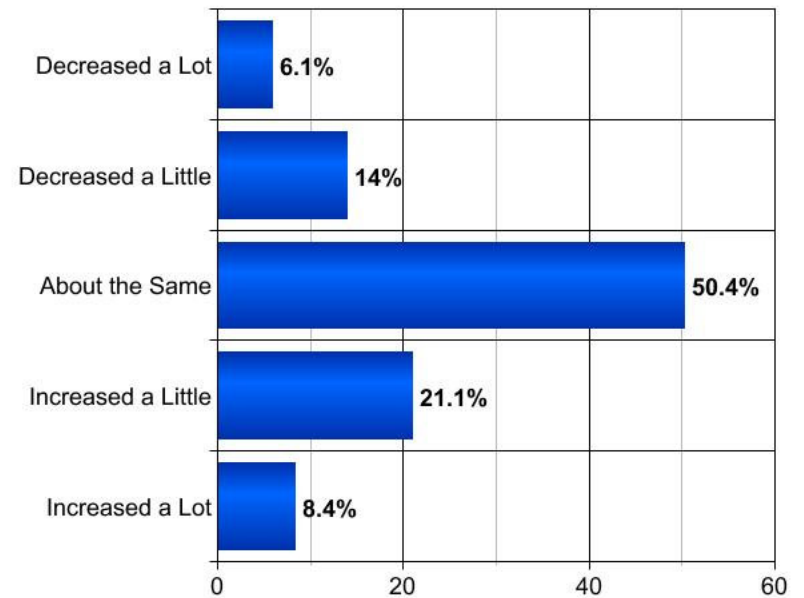
# Travel Agent Feedback

**Top Line:** In agent's opinion, direct to cruise line bookings are increasing. About one third of agents (31%) indicated they believe direct to cruise line bookings have increased a little, up 10 percentage points from the previous survey.

- Direct to cruise line bookings compared to agent bookings?



2<sup>nd</sup> Qtr. 2010

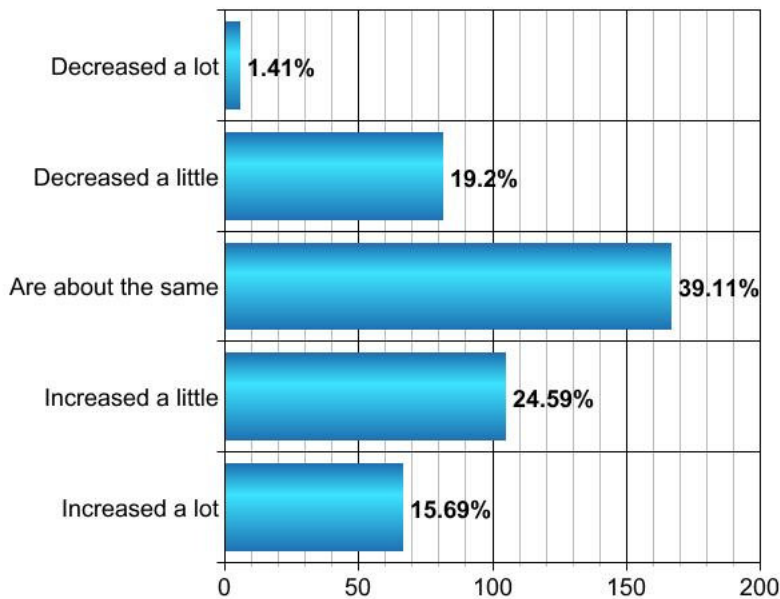


4<sup>th</sup> Qtr. 2009

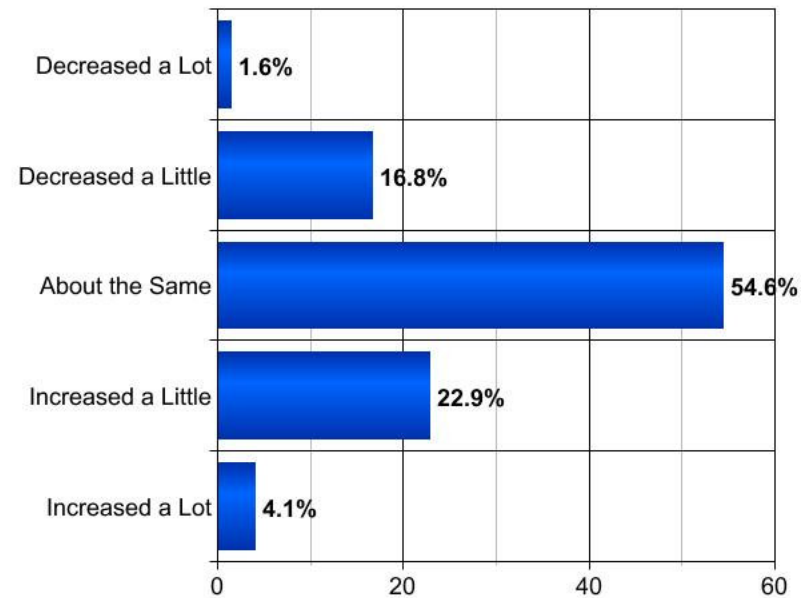
# Travel Agent Feedback

**Top Line:** Agents indicate they feel online bookings compared to in-store are increasing, with 16% saying they have increased a lot. This is up more than 10 percentage points from the previous survey.

- Online bookings compared to "in-store"?



2<sup>nd</sup> Qtr. 2010

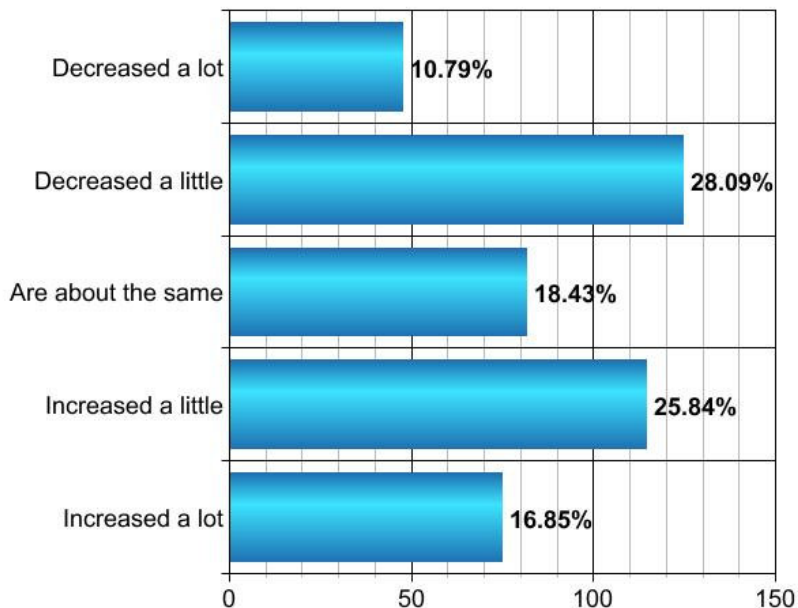


4<sup>th</sup> Qtr. 2009

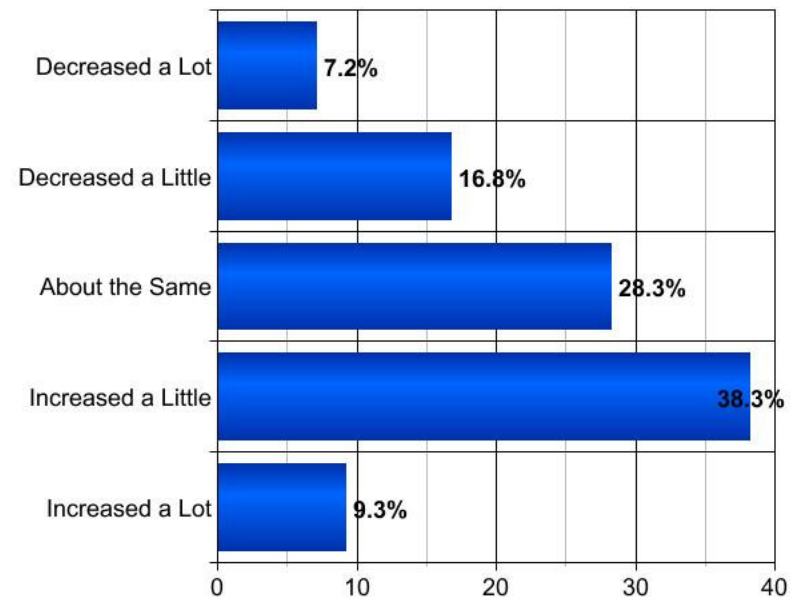
# Cruise Booking Trends

**Top Line:** The close-in booking trend is showing signs of weakening, with 28% of agents stating the booking of cruises within a 3 month time period has decreased a little. Moreover, on average close-in bookings currently make up 26% of an agencies accounts, down 4 percentage points from the previous survey.

- Over the last 30 days, have close in cruise bookings (those for departure in the next 3 months) increased or decreased compared to the previous year:



2<sup>nd</sup> Qtr. 2010

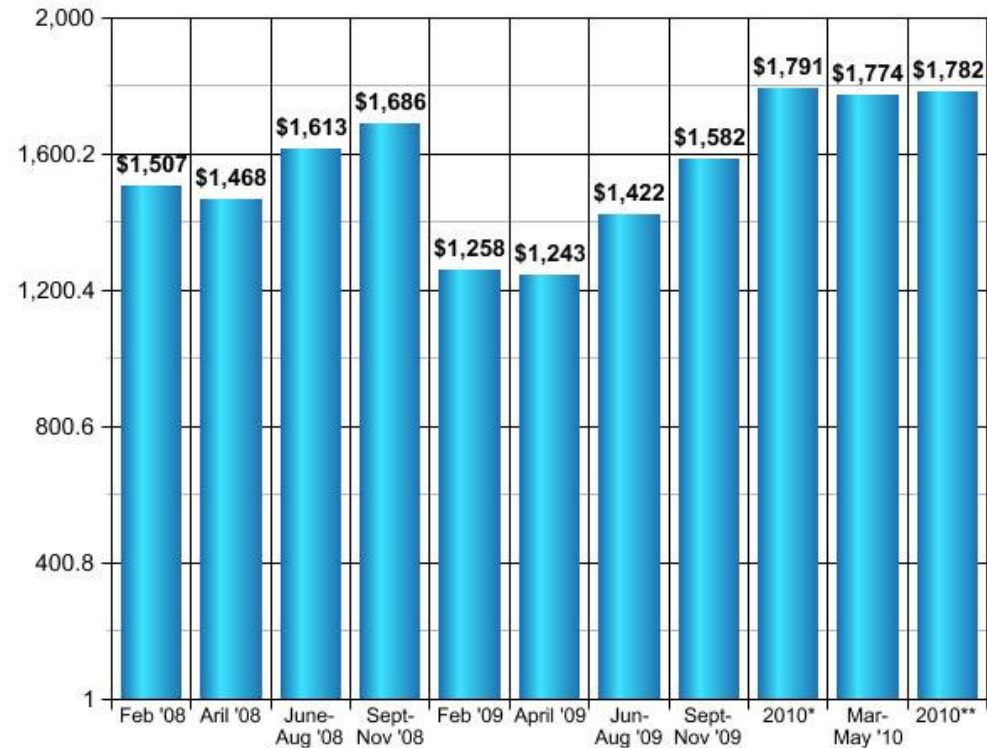


4<sup>th</sup> Qtr. 2009

# Cruise Pricing Trends

**Top Line:** Agents reported average pricing **12%** higher (\$1,774) than what agents reported in the last survey (\$1,582). This increase is consistent with what agents reported for 2010 pricing during the previous survey. Agents state cruises booked so far for the rest of 2010 are averaging \$1,781, slightly ahead of current pricing. These facts, combined with strengthening of further out bookings are validating renewed revenue stability.

- What was your average cruise price per booking (per person) (\$USD)



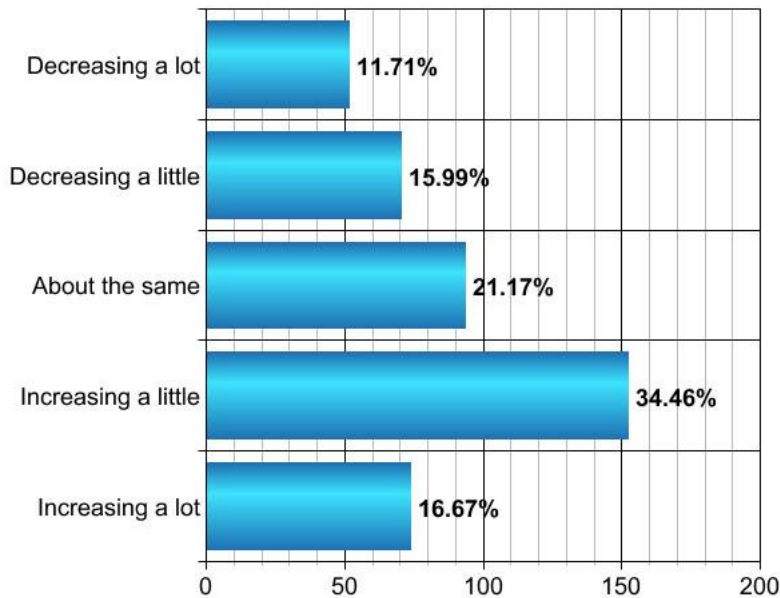
\* Pricing for cruises booked so far in 2010 (as of the Sept-Nov '09 Survey)

\*\* Pricing for cruises booked for rest of 2010 (as of the Mar-May '10 Survey)

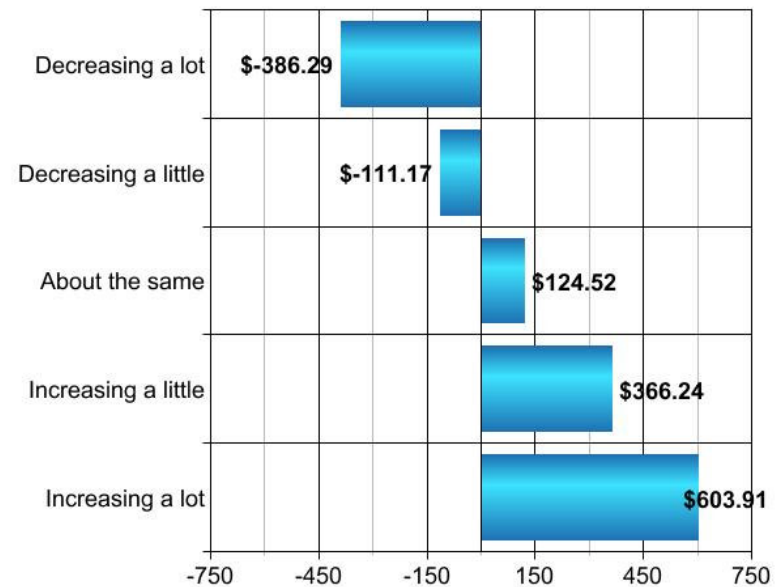
# Cruise Pricing Trends - Previous Year

**Top Line:** A total of 34% of agents indicated pricing has increased a little compared to the year prior. The graph on the right indicates the average difference in price for an average ticket in March-May 2009 vs. same period 2009.

- Did the average price per booking (per person) for cruises increase or decrease compared to last year (March through May)?



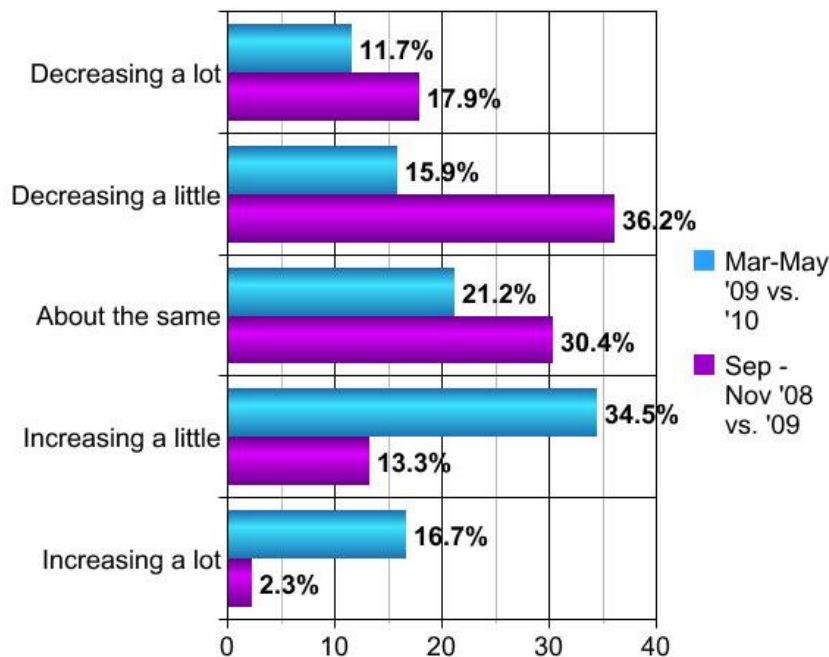
- Year over Year Change



# Cruise Pricing Trends - Previous Year

**Top Line:** One can see a dramatic shift in pricing. In Sep-Nov '09 36% of travel agents stated prices were decreasing a little vs. the year prior. In the current Mar-May 2010 period, now 35% of agents state pricing is increasing a little.

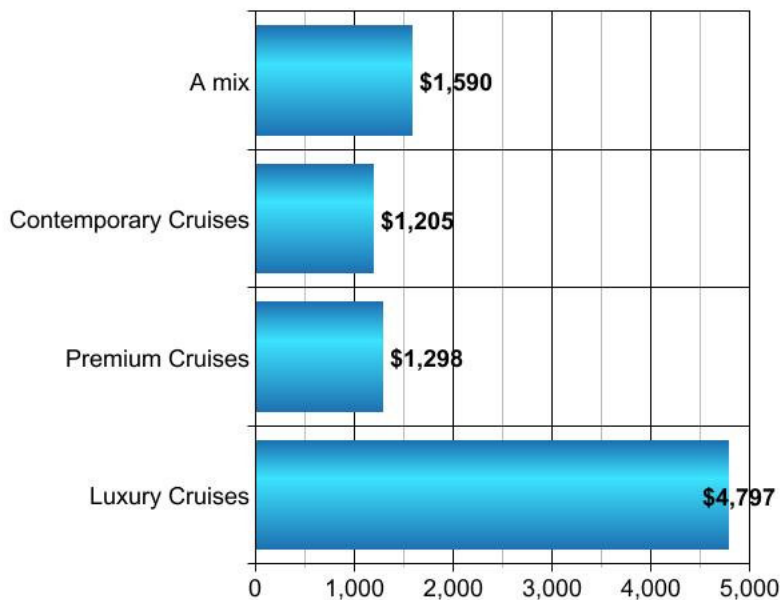
- Did the average price per booking (per person) for cruises increase or decrease compared to last year?



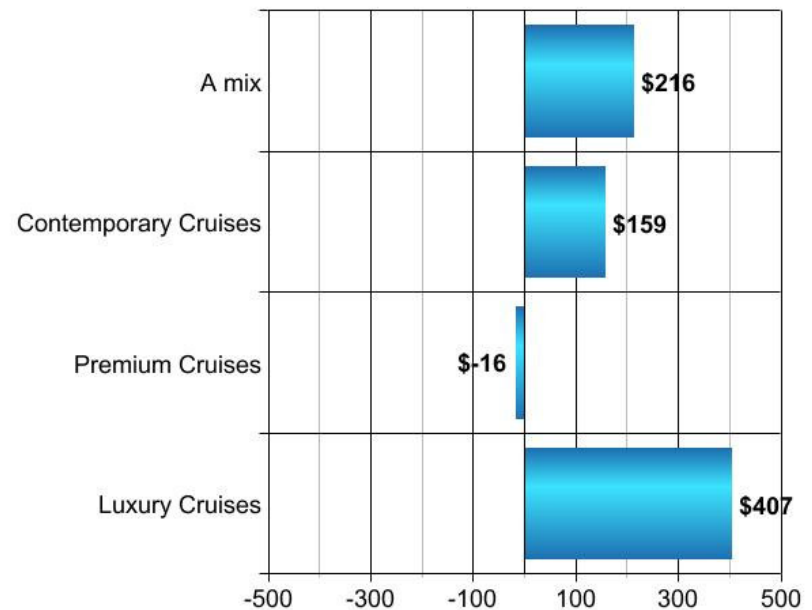
# Cruise Pricing Trends

**Top Line:** Luxury cruises are leading the way. Typically considered a leading indicator, luxury cruises are seeing the most dramatic price increases while at the same time garnering nearly 4x the revenue of the contemporary cruise counterpart.

- What was your average cruise price per booking (per person) (\$USD)



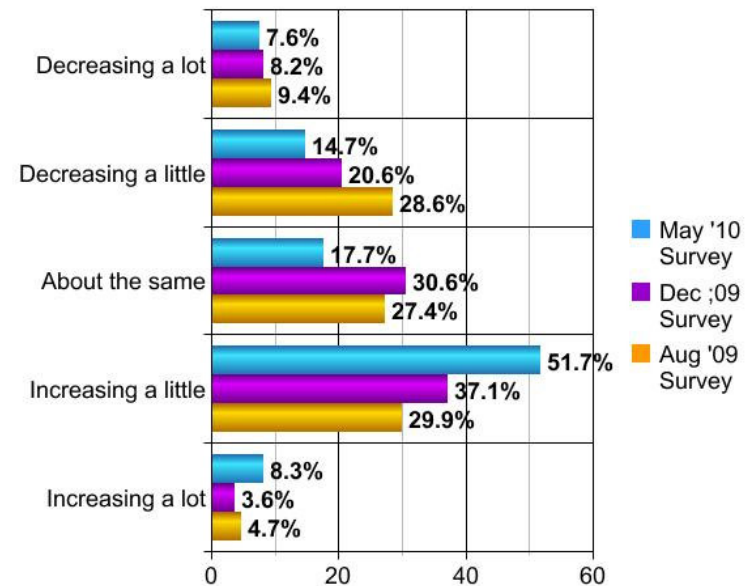
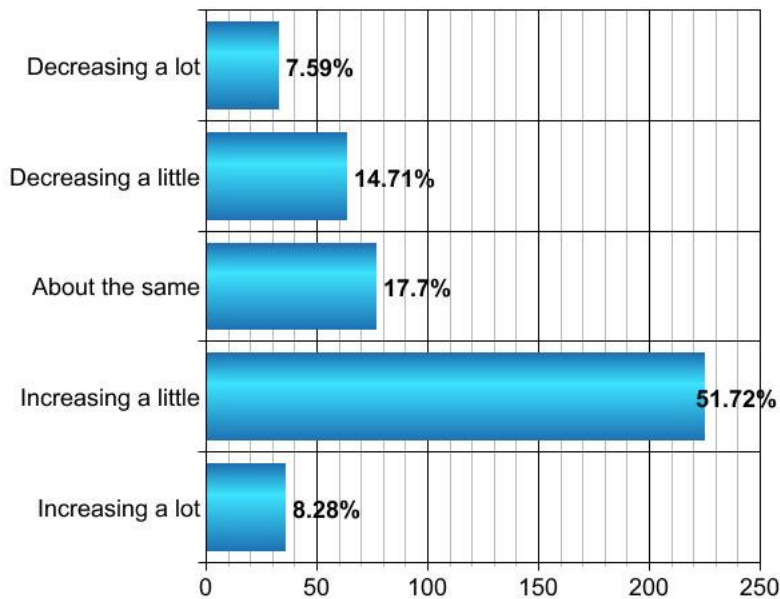
- Year over Year Change



# Cruise Pricing Trends – Rest of 2010

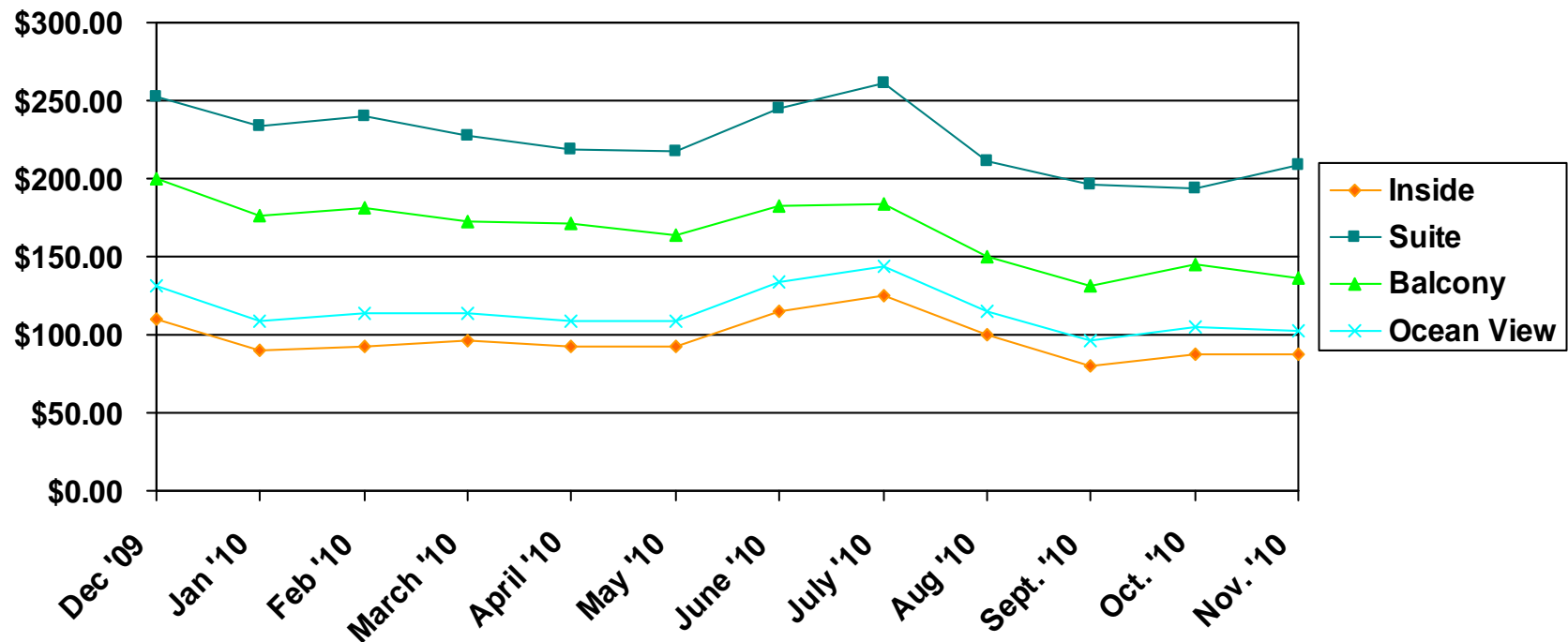
**Top Line:** Consistent with the higher average price for cruises booked in Mar-May 2010, 52% of agents stated pricing has increased a little for the rest of 2010. This is also an increase compared to the prior surveys forward looking pricing question, where 37% and 29% respectively stated pricing had increased a little.

- Are prices for sailings for the rest of 2010...



# Cruise Pricing Trends – Rest of 2010

**Top Line:** Analysis of our proprietary database of daily advertised prices for all cruises with Florida departures demonstrates the average price per day for a cruise remaining fairly flat for inside and ocean view cabins from Jan 2010 – May 2010. Prices peak in December, then resume their climb during the Summer (June and July).



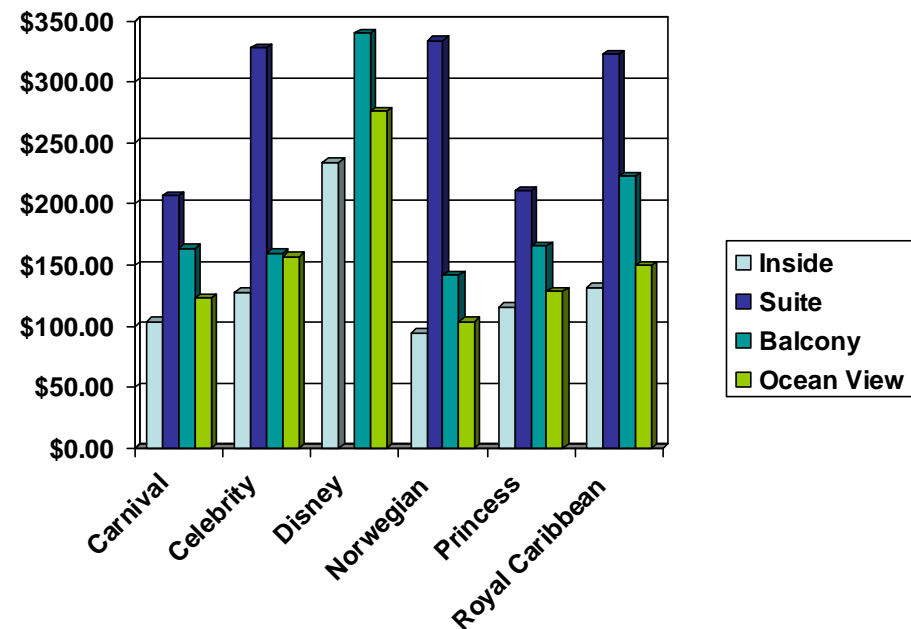
- Daily average of advertised prices during each month based on all departures from Florida, by cabin category. Dollar amounts represents the average cruise price per person per day. Data courtesy of <http://www.worldcruisewatch.com/>



# Cruise Pricing Trends – June 2010

**Top Line:** It is interesting to note the relative pricing power of the various lines. Disney garners significantly more for all cabin categories. Royal Caribbean leads the big three, followed by Carnival and Norwegian.

	Carnival	Celebrity	Disney	Norwegian	Princess	Royal Caribbean
Inside	\$ 104	\$ 128	\$ 234	\$ 95	\$ 116	\$ 132
Suite	\$ 207	\$ 328	\$ -	\$ 334	\$ 211	\$ 323
Balcony	\$ 164	\$ 160	\$ 340	\$ 142	\$ 166	\$ 223
Ocean View	\$ 123	\$ 157	\$ 276	\$ 104	\$ 129	\$ 150



- Daily average of advertised prices for June 2010 based on all departures from Florida, by cabin category. Dollar amounts represents the average cruise price per person per day. Data courtesy of <http://www.worldcruisewatch.com/>

# Cruise Pricing Trends – June 2010

**Top Line:** There are also some interesting pricing variances on an individual ship basis. For example, the Oasis is continuing to garner premium prices relative to its competitors and other ships within its own fleet. By contrast, the Dream only garners a small premium relative to its own fleet. There is little variance overall in Carnivals pricing of various ships.

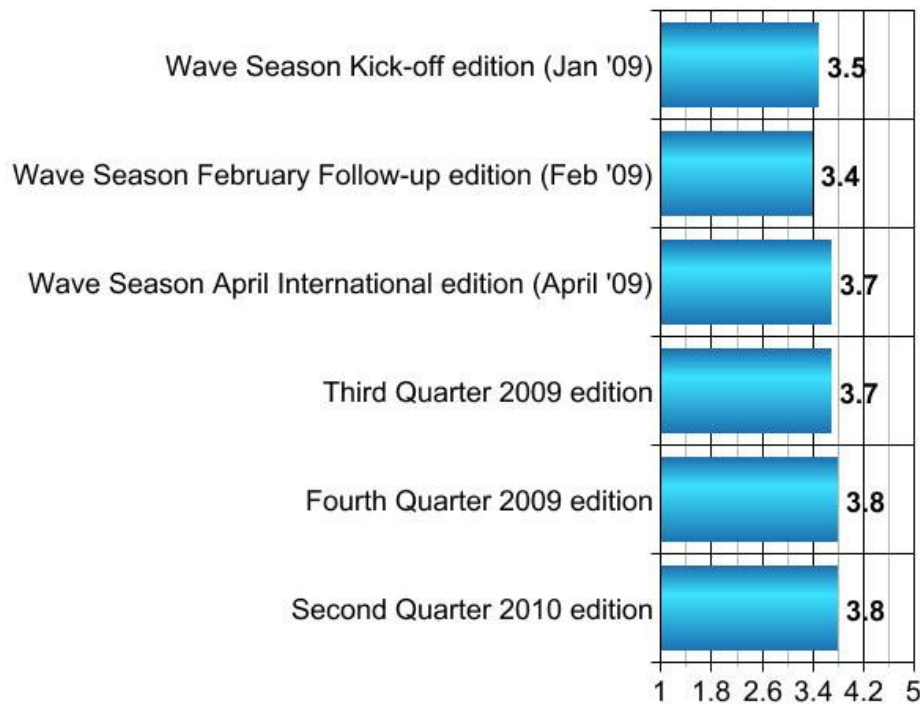
	Oasis of the Seas	Freedom of the Seas	Celebrity Solstice	Carnival Dream	Carnival Sensation	Norwegian Sky
Inside	\$ 200	\$ 136	\$ 128	\$ 118	\$ 109	\$ 95
Suite	\$ 568	\$ 272	\$ 328	\$ 259	\$ 204	\$ 334
Balcony	\$ 240	\$ 189	\$ 160	\$ 167	\$ 173	\$ 142
Ocean View	\$ 220	\$ 158	\$ 157	\$ 148	\$ 124	\$ 104

- Daily average of advertised prices for June 2010 based on all departures from Florida, by cabin category. Dollar amounts represents the average cruise price per person per day. Data courtesy of <http://www.worldcruisewatch.com/>

# Travel Agent Optimism Index

**Top Line:** On average, travel agents are optimistic. Looking ahead to next year, 72% are “slightly” or “strongly” optimistic (up from 66% the previous quarter). The 3.8 average statistically has risen slightly since 2009 lows.

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



# 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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## About Cruise Market Watch

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Cruise Market Watch is also the developer of the countdown, converse and cruise iPhone app [www.AlwaysBeCruising.com](http://www.AlwaysBeCruising.com).