

# Cruise Pulse™ Travel Agent Panel Survey

Third Quarter 2010



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# Survey Methodology

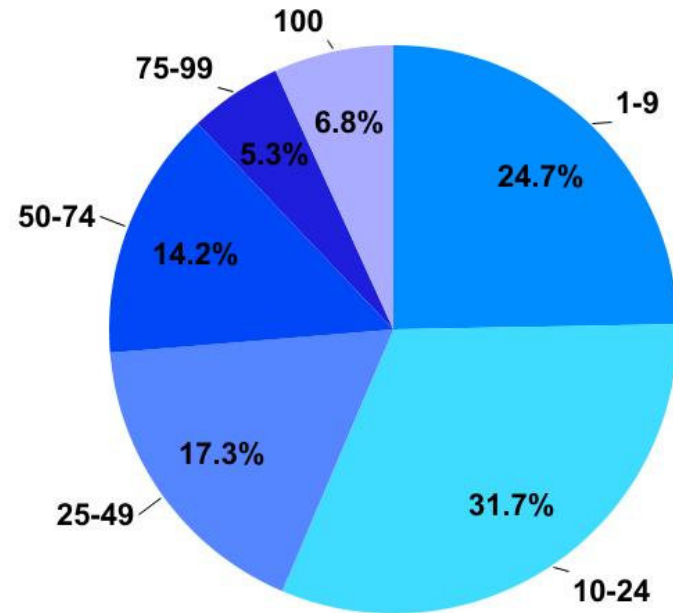
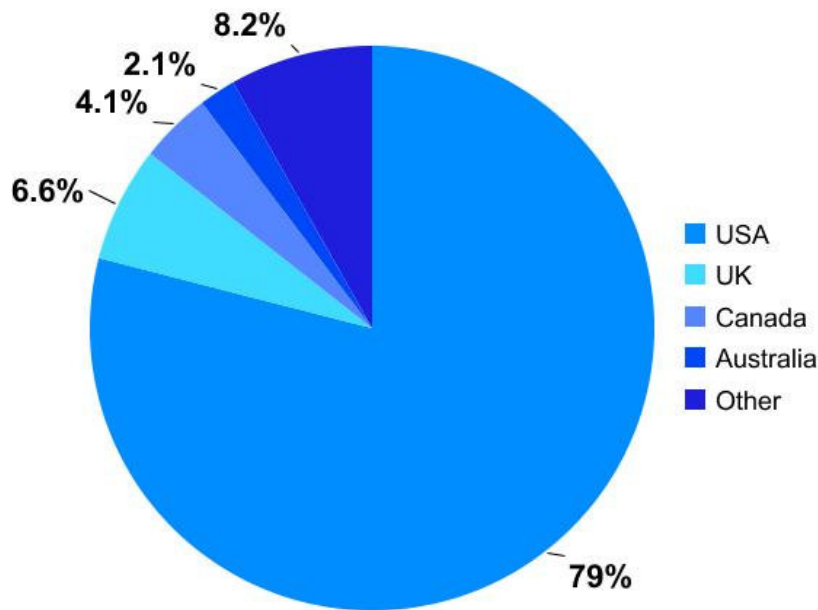
- **Why the Cruise Pulse™ Survey?** Travel agents are the front line in the cruise sales channel – accounting for up to 87% of all cruises booked.\* Their input makes it possible to "take the pulse" of what is occurring in the marketplace.
  - **The results?** If you need to know:
    - Cruise price trends
    - Cruise booking trends
    - Travel agent opinions
  - This is the 7th 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%.
  7. **Third Quarter 2010 edition**  
Data gathered August 25 to September 3, 2010. 224 travel agents responded. Margin of error +/- 6.5%.

\*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.

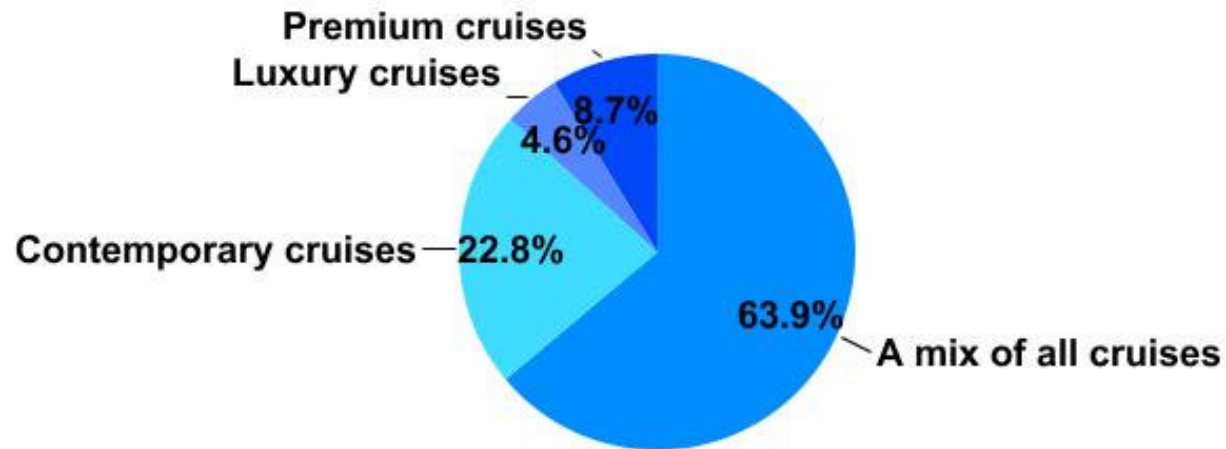
- In order to evaluate geographic representation of the results, please provide your country of primary residence.
- In a typical month, what is the total number of cruise tickets you book?



# Demographic Overview

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

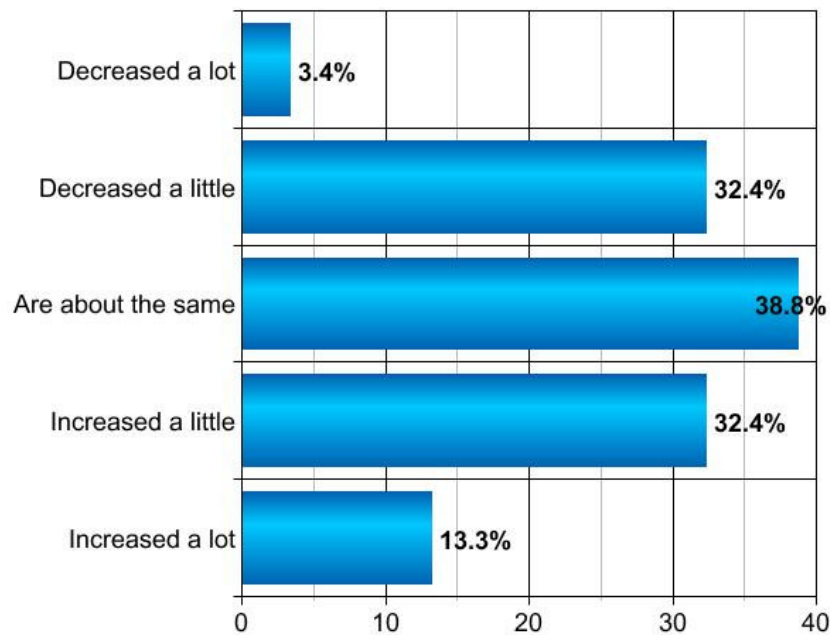
- Do you primarily book:



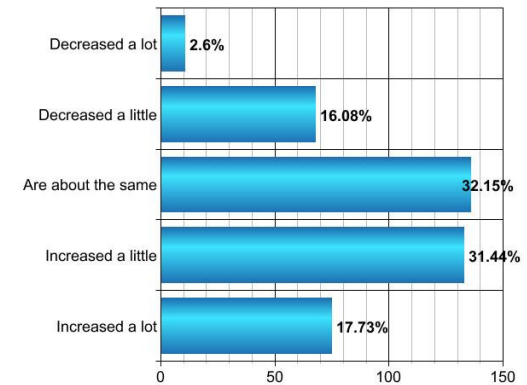
# Travel Agent Feedback

**Top Line:** In agent's opinion, direct to cruise line bookings are increasing. About one third of agents (32%) indicated they believe direct to cruise line bookings have increased a little, stable from the previous survey.

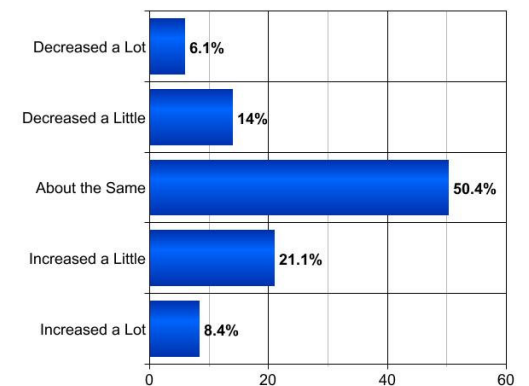
- Direct to cruise line bookings compared to agent bookings?



3<sup>rd</sup> Qtr. 2010



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

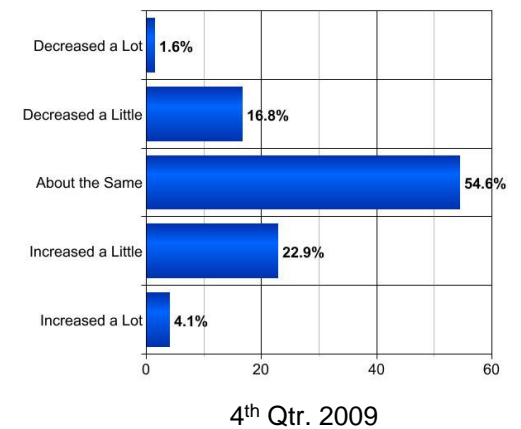
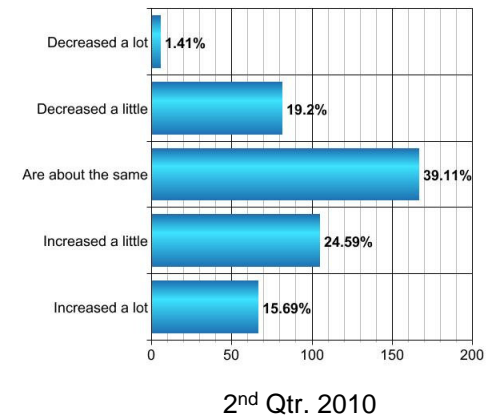
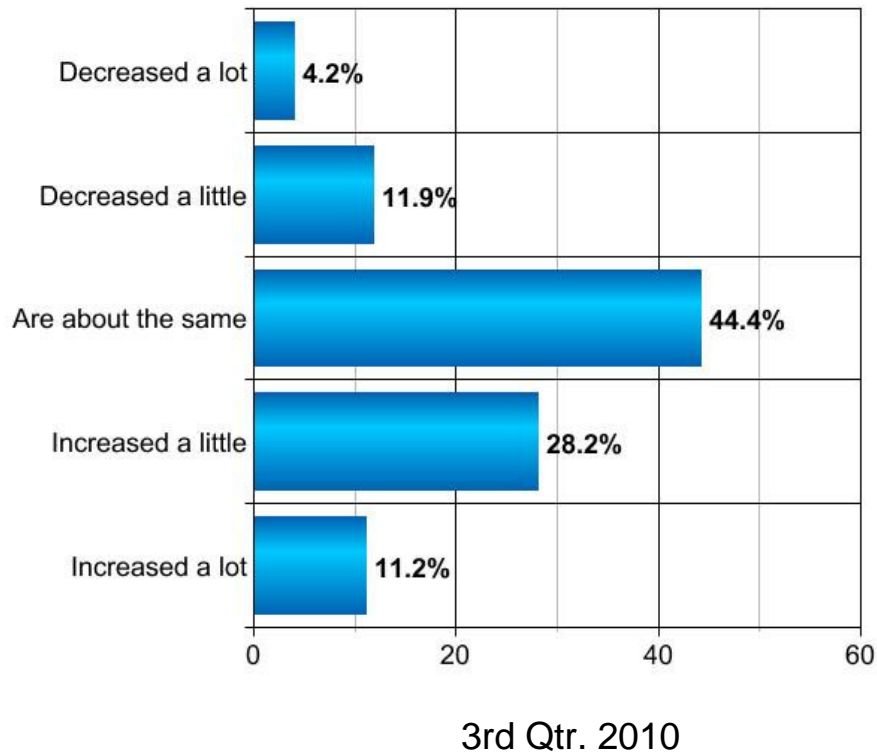


4<sup>th</sup> Qtr. 2009

# Travel Agent Feedback

**Top Line:** Agents indicate they feel online bookings compared to in-store are increasing, with 39.4% saying they have increased a little or a lot – also consistent with last quarter’s survey.

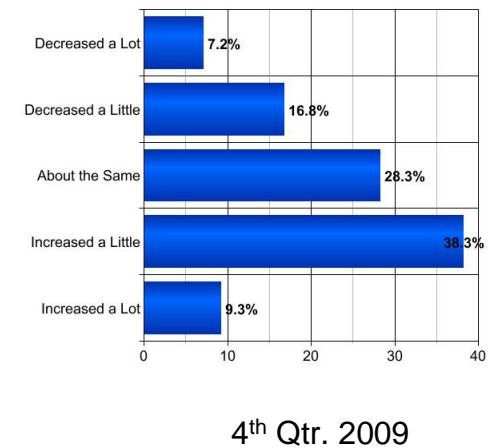
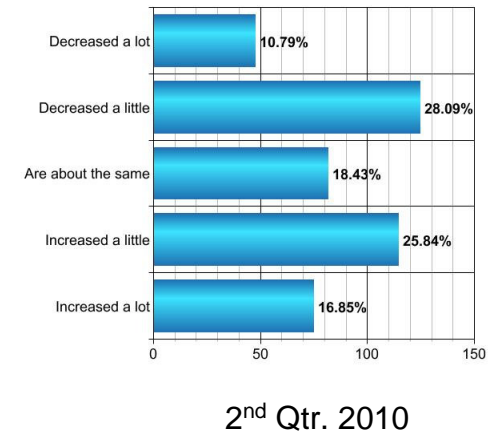
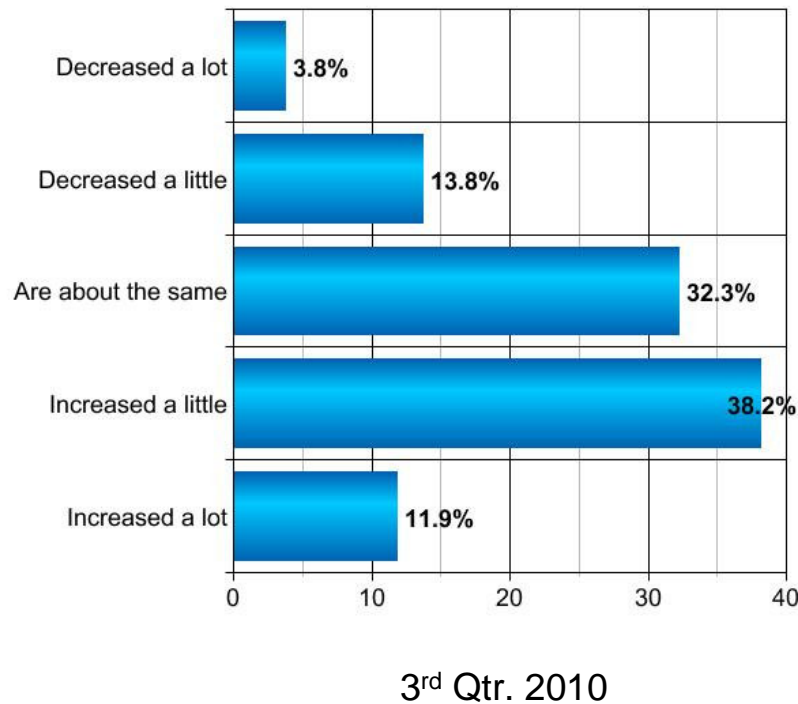
- Online bookings compared to "in-store"?



# Cruise Booking Trends

**Top Line:** The close-in booking trend shows signs of increasing again, with 50% of agents stating the booking of cruises within a 3 month time period has increased a little or a lot. Moreover, on average close-in bookings currently make up 28% of an agent's accounts, up 2 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:



# Cruise Pricing Trends

**Top Line:** Agents reported average pricing **20%** lower (\$1,406) than what agents reported in the last survey (\$1,774). Agents state cruises booked so far for the rest of 2010 are averaging \$1,465, which is lower than the \$1,781 for rest of 2010 reported last quarter. These facts, combined with strengthening of close in bookings are validating a renewed decline in cruise prices – although slightly ahead of 2009 prices are still tracking below 2008 levels.

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



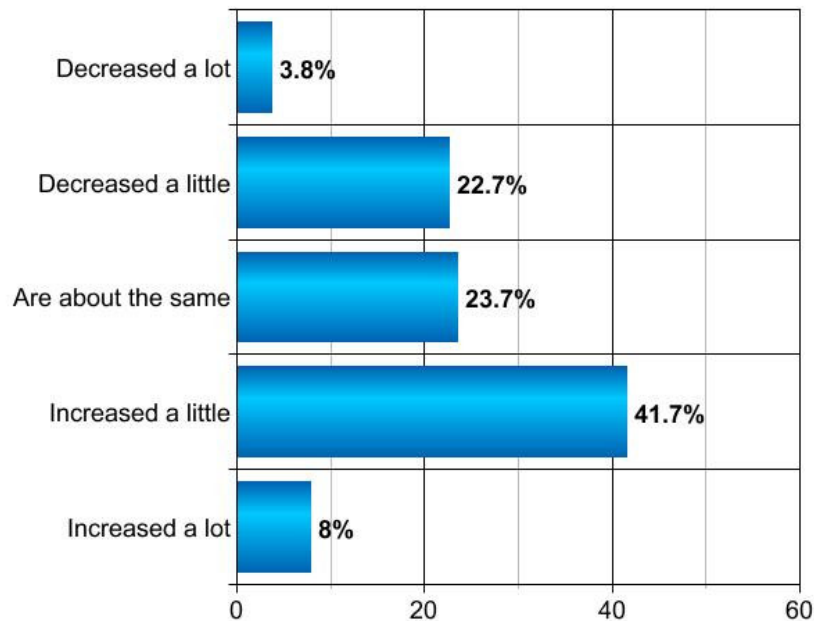
\* June-Aug 09 asked in 2009 vs. June-Aug 09 asked in 2010 as "last year."

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

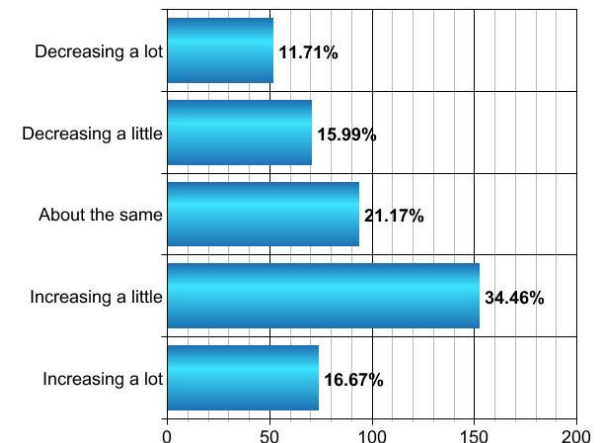
# Cruise Pricing Trends - Previous Year

**Top Line:** A total of 41.7% of agents indicated pricing has increased a little compared to the year prior. The graph on the left indicates the responses for the June-Aug 2010 period. The graph on the right are the results of the same question last quarter. Note a higher percentage of agents this quarter said prices decreased a little, and a lower percentage stated they increased a lot.

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



June-August 2010

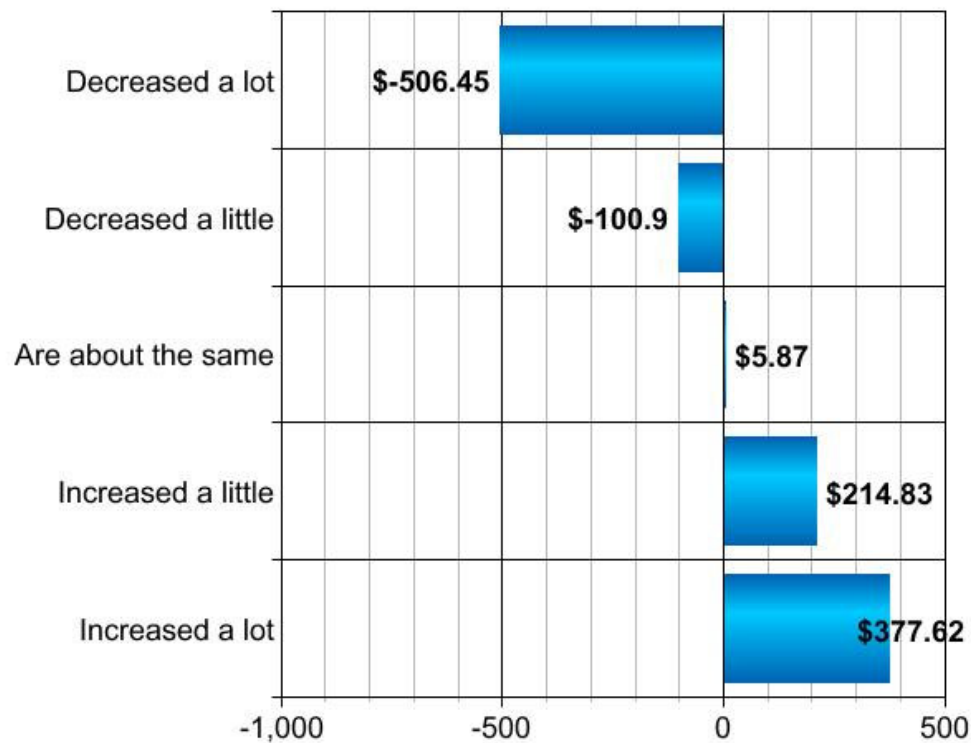


March-May 2010

# Cruise Pricing Trends - Previous Year

**Top Line:** The graph below indicates the average difference in price for an average ticket in June-Aug 2010 vs. the same period 2009. Price changes are broken down based on if the agent stated prices are decreasing or increasing.

- Year over Year Change



# Cruise Pricing Trends

**Top Line:** The gains in luxury cruises seen last quarter appear to have subsided. Typically considered a leading indicator, luxury cruises are now reporting declines versus the same period last year (other cruise types report slight increases).

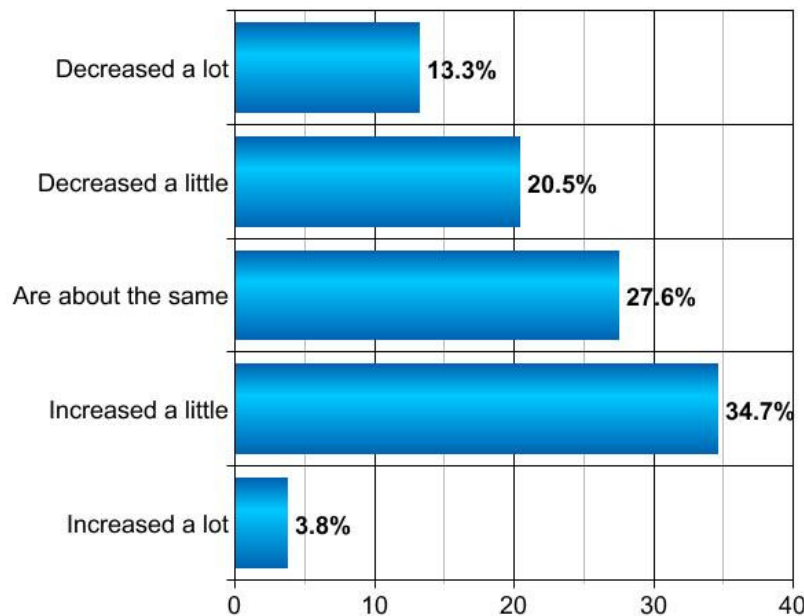
- What was your average cruise price per booking (per person) (\$USD)

|                           | June, July and August of 2009 | June, July and August 2010? | Rest of 2010? |
|---------------------------|-------------------------------|-----------------------------|---------------|
| A mix of all of the above | \$ 1,285.31                   | \$ 1,404.00                 | \$ 1,474.66   |
| Contemporary cruises      | \$ 798.40                     | \$ 876.63                   | \$ 922.45     |
| Luxury cruises            | \$ 4,386.46                   | \$ 4,038.21                 | \$ 4,357.00   |
| Premium cruises           | \$ 1,213.66                   | \$ 1,278.82                 | \$ 1,218.50   |

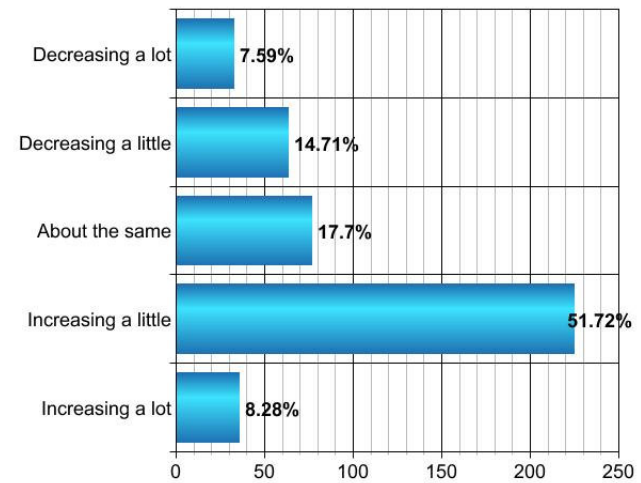
# Cruise Pricing Trends – Rest of 2010

**Top Line:** Despite the numerical averages for cruise prices for the rest of 2010 on the previous slide indicating a slight uptick, 33% of agents stated pricing has decreased a little or a lot for the rest of 2010. This is an increase compared to the same question the prior quarter when just 21% indicated pricing for the rest of 2010 was decreasing a little or a lot.

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



June-August 2010



March-May 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 has declined from what was offered in February to what was offered in August for the same departure dates.

|               | <u>Departure</u> | <u>Inside</u> | <u>Ocean</u> | <u>Balcony</u> |
|---------------|------------------|---------------|--------------|----------------|
| Best February | September        | \$ 70.49      | \$ 87.95     | \$ 124.14      |
|               | October          | \$ 76.08      | \$ 91.04     | \$ 141.11      |
|               | November         | \$ 84.67      | \$ 103.23    | \$ 151.05      |
|               | December         | \$ 108.19     | \$ 133.25    | \$ 199.22      |
| Best August   | September        | \$ 73.20      | \$ 70.03     | \$ 110.74      |
|               | October          | \$ 73.37      | \$ 83.90     | \$ 122.23      |
|               | November         | \$ 71.87      | \$ 86.31     | \$ 123.38      |
|               | December         | \$ 94.06      | \$ 108.91    | \$ 146.73      |
| Change (+/-)  | September        | \$ 2.71       | \$ (17.92)   | \$ (13.39)     |
|               | October          | \$ (2.71)     | \$ (7.14)    | \$ (18.88)     |
|               | November         | \$ (12.80)    | \$ (16.91)   | \$ (27.67)     |
|               | December         | \$ (14.12)    | \$ (24.34)   | \$ (52.49)     |

- 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 – Rest of 2010

**Top Line:** A deeper look at the same data by cruise line shows Carnival has maintained the most consistent pricing from its February to August in its offerings for September, October, November and December departure dates.

|                 | Departure | Offered in February 2010 |          |          |          | Offered in August 2010 |          |          |          | Difference (+/-) |           |           |            |
|-----------------|-----------|--------------------------|----------|----------|----------|------------------------|----------|----------|----------|------------------|-----------|-----------|------------|
|                 |           | Inside                   | Ocean    | Balcony  | Suite    | Inside                 | Ocean    | Balcony  | Suite    | Inside           | Ocean     | Balcony   | Suite      |
| Carnival        | September | \$ 56.1                  | \$ 70.1  | \$ 100.0 | \$ 141.7 | \$ 68.2                | \$ 58.8  | \$ 97.2  | \$ 123.1 | \$ 12.1          | \$ (11.3) | \$ (2.8)  | \$ (18.6)  |
|                 | October   | \$ 57.4                  | \$ 72.4  | \$ 100.9 | \$ 144.4 | \$ 64.8                | \$ 71.0  | \$ 109.8 | \$ 146.8 | \$ 7.4           | \$ (1.4)  | \$ 8.9    | \$ 2.4     |
|                 | November  | \$ 61.4                  | \$ 76.8  | \$ 106.7 | \$ 149.2 | \$ 64.5                | \$ 76.2  | \$ 116.7 | \$ 152.1 | \$ 3.1           | \$ (0.6)  | \$ 10.1   | \$ 3.0     |
|                 | December  | \$ 79.5                  | \$ 97.3  | \$ 132.9 | \$ 179.0 | \$ 77.6                | \$ 90.7  | \$ 133.8 | \$ 176.3 | \$ (1.9)         | \$ (6.6)  | \$ 0.9    | \$ (2.7)   |
| Celebrity       | September | \$ 85.6                  | \$ 108.8 | \$ 108.8 | \$ 285.6 | \$ 80.2                | \$ 87.4  | \$ 98.1  | \$ 174.9 | \$ (5.4)         | \$ (21.4) | \$ (10.7) | \$ (110.7) |
|                 | October   | \$ 85.6                  | \$ 120.7 | \$ 126.1 | \$ 257.0 | \$ 83.2                | \$ 89.8  | \$ 102.3 | \$ 220.1 | \$ (2.4)         | \$ (31.0) | \$ (23.8) | \$ (36.9)  |
|                 | November  | \$ 100.9                 | \$ 119.6 | \$ 134.8 | \$ 244.4 | \$ 78.8                | \$ 96.0  | \$ 115.4 | \$ 196.8 | \$ (22.1)        | \$ (23.5) | \$ (19.4) | \$ (47.6)  |
|                 | December  | \$ 128.2                 | \$ 151.6 | \$ 171.4 | \$ 347.2 | \$ 109.1               | \$ 130.7 | \$ 146.9 | \$ 287.7 | \$ (19.1)        | \$ (21.0) | \$ (24.5) | \$ (59.5)  |
| Norwegian       | September | \$ 64.1                  | \$ 93.2  | \$ 112.2 | \$ 315.6 | \$ 77.4                | \$ 99.1  | \$ 108.9 | \$ 359.5 | \$ 13.4          | \$ 5.9    | \$ (3.3)  | \$ 44.0    |
|                 | October   | \$ 68.3                  | \$ 95.1  | \$ 116.1 | \$ 257.3 | \$ 75.2                | \$ 99.0  | \$ 117.3 | \$ 183.2 | \$ 6.8           | \$ 4.0    | \$ 1.2    | \$ (74.1)  |
|                 | November  | \$ 68.1                  | \$ 89.6  | \$ 114.4 | \$ 205.2 | \$ 69.5                | \$ 88.5  | \$ 114.3 | \$ 155.4 | \$ 1.4           | \$ (1.1)  | \$ (0.1)  | \$ (49.8)  |
|                 | December  | \$ 93.7                  | \$ 117.8 | \$ 147.5 | \$ 241.5 | \$ 93.6                | \$ 111.1 | \$ 134.7 | \$ 170.0 | \$ (0.1)         | \$ (6.7)  | \$ (12.8) | \$ (71.5)  |
| Princess        | September | \$ 85.8                  | \$ 100.0 | \$ 138.8 | \$ 168.8 | \$ 66.1                | \$ 63.6  | \$ 81.6  | \$ 134.3 | \$ (19.7)        | \$ (36.4) | \$ (57.3) | \$ (34.5)  |
|                 | October   | \$ 96.5                  | \$ 110.8 | \$ 146.1 | \$ 175.5 | \$ 69.4                | \$ 71.2  | \$ 103.9 | \$ 112.2 | \$ (27.1)        | \$ (39.7) | \$ (42.2) | \$ (63.3)  |
|                 | November  | \$ 95.8                  | \$ 110.0 | \$ 143.6 | \$ 173.3 | \$ 72.7                | \$ 80.9  | \$ 111.8 | \$ 138.7 | \$ (23.1)        | \$ (29.1) | \$ (31.8) | \$ (34.6)  |
|                 | December  | \$ 133.8                 | \$ 155.9 | \$ 191.5 | \$ 225.4 | \$ 104.1               | \$ 116.2 | \$ 153.0 | \$ 167.5 | \$ (29.7)        | \$ (39.7) | \$ (38.5) | \$ (57.9)  |
| Royal Caribbean | September | \$ 78.0                  | \$ 89.9  | \$ 146.7 | \$ 205.3 | \$ 71.7                | \$ 64.9  | \$ 124.1 | \$ 152.2 | \$ (6.3)         | \$ (25.0) | \$ (22.6) | \$ (53.0)  |
|                 | October   | \$ 86.7                  | \$ 79.8  | \$ 146.2 | \$ 190.9 | \$ 77.1                | \$ 91.0  | \$ 134.4 | \$ 157.8 | \$ (9.6)         | \$ 11.1   | \$ (11.8) | \$ (33.1)  |
|                 | November  | \$ 87.7                  | \$ 104.6 | \$ 152.5 | \$ 203.1 | \$ 83.5                | \$ 97.8  | \$ 158.0 | \$ 207.3 | \$ (4.2)         | \$ (6.8)  | \$ 5.5    | \$ 4.2     |
|                 | December  | \$ 110.6                 | \$ 136.9 | \$ 200.7 | \$ 281.4 | \$ 118.0               | \$ 135.4 | \$ 188.3 | \$ 208.9 | \$ 7.3           | \$ (1.4)  | \$ (12.3) | \$ (72.4)  |

- 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/>

# 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

Cruise Market Watch covers cruise industry marketing, technology and research from its website [www.CruiseMarketWatch.com](http://www.CruiseMarketWatch.com).



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