

1999 U.S. CONSUMER SURVEY

Cruise Bookings

CRUISERS/AGENTS, THE RIGHT MATCH

By Fran Golden, Former Cruise Editor

Travel agents and consumers agree that agents continue to play an important role in directing clients to the right cruise line, especially when those clients are first-time cruisers.

According to the ATS survey of the U.S. cruise market, 71% of cruisers used a travel agent to make reservations for their last sailing; 11 booked directly with cruise lines, and 6% used a cruise special 800 number. And, such a small number book over the Internet that the number does not show statistically on the survey.

Agents queried separately told Travel Weekly they only lose about 1% of customers to direct bookings.

Asked about how important their recommendation is to clients when they take their first cruise, agents say their recommendation is extremely important, especially, notes one agent, in terms of matching passengers to the right ship in order to fit their individual lifestyles.

The agents said if that recommendation is on target, the client will likely book a cruise through the agency again. Agents suggested that it's important to let clients know details that won't be found in the brochure about the cruise they are considering, and that sharing tips on cruising with clients is a good way for the agent to demonstrate expertise.

Their recommendation, the agents add, is less important to those who have cruised before, but they can become invaluable to experienced cruisers by enabling these clients to keep up on changes, such as in the areas of design, food and entertainment, on specific ships.

The agents say they counteract direct booking by offering service and objective advice at the same price. One agent says he calls lines that accept bookings by his customers and lets them know they should pass the booking back to the agency. He says he does not work with Renaissance Cruises, a line that encourages consumers to book direct.

The agents say their cruise clients take a cruise about every 15 months, but more experienced cruise agents appear to be able to sell their clients on more cruises, sometimes as many as two a year.

The agents indicate that the majority of their cruise clients are couples, with only a small percentage of singles or families. Of those who do take kids along, the agents said the average age of the kids is around 10.

The agents and consumers agree that one-week cruises are the most desirable.

The consumer survey showed the most popular cruise destination continues to be the Caribbean,

IMPORTANCE OF ITEMS IN CRUISE LINE SELECTION

	PAST CRUISERS				
	PAST TOTAL 1999	PAST INTENDERS 1999	PAST NON- INTENDERS 1999	PAST TOTAL 1998	PAST TOTAL 1997
Good value for money	76%	81%	73%	74%	73%
Food quality/fine dining	58	66	51	57	65
Ship cleanliness	55	62	51	55	54
Itinerary, destinations	54	59	51	58	44
Reputation of cruise line	52	62	44	53	50
Cabin size and comfort	50	60	43	45	49
Length of cruise	49	58	42	50	45
On-board service	42	53	34	40	45
Low price	40	40	40	41	36
Large ship	38	43	34	40	41
Special rates/discounts	38	45	34	36	42
On-board entertainment	37	42	33	37	41
Hassle-free form of travel	35	44	28	37	38
Travel agent recommends	32	33	33	28	30
New, modern ships	31	39	25	30	35
Casual atmosphere	28	29	28	NA	NA
Friend/relative recommends	25	27	23	27	28
Past experience with line	23	33	16	22	20
Elegant atmosphere	20	28	13	20	26
Passengers are about my age	19	23	17	18	17
Avoiding bad hotels	18	25	12	15	16
Small ship	12	15	10	12	8
Theme of cruise	9	11	7	9	9
Adults only ship	8	10	7	6	9
Older, stately ships	7	8	6	4	7
Children's programs	6	8	4	5	4
Veranda/balcony	6	10	3	5	5
Nationality of crew	6	8	5	4	6

Source: American Traveler Survey.

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TIMING OF LAST CRUISE		
MONTHS INDEXED TO AVERAGE = 100		
	1999	1998
January	90	105
February	92	75
March	65	75
April	56	113
May	92	80
June	107	136
July	136	115
August	164	143
September	111	77
October	94	113
November	81	88
December	116	84

*Base = Those who have cruised in the past three years.
Source: American Traveler Survey.*

MOTIVATIONS FOR LEISURE TRAVEL THAT ARE IMPORTANT TO CRUISERS					
	PAST CRUISERS				
	PAST TOTAL 1999	PAST INTENDERS 1999	PAST NON- INTENDERS 1999	PAST TOTAL 1998	PAST TOTAL 1997
See and do new things/have new experiences	8.0	8.1	7.9	8.0	NA
Great chance to relax and get rid of stress	7.8	8.1	7.6	8.0	8.6
No schedules, I can do what I want when I want	7.7	7.9	7.6	7.3	7.2
Spend more time with my spouse/family	6.9	7.4	6.6	7.3	NA
I feel alive and energetic when I travel	6.8	7.3	6.5	6.9	7.1
Vacations enrich my perspective on life	6.6	7.0	6.2	6.9	6.9
Travel is an important part of my life	6.0	6.6	5.6	6.0	5.5
To gain knowledge/history of other cultures	5.8	6.0	5.7	6.0	5.8
Nice to have others serve me/wait on me	5.6	6.2	5.2	5.5	5.5
Spend more time with friends	5.2	5.3	5.2	NA	NA
Vacations are a very romantic time	5.1	5.6	4.8	5.4	5.5
Solitude and isolation	3.7	4.1	3.5	3.8	NA

*Base=A 10 point scale where 10=very important.
Source: American Traveler Survey.*

but that Alaska and Hawaii both have high growth potential.

Household income, the survey found, affects the consumer's choice of cruise line, as does the age of the traveler.

The consumer survey shows cruisers spend more on vacation than the average on leisure travel, have higher household incomes and attain higher educational achievement than other travelers. Cruise passengers also represent older age groups than other leisure travelers, and the number of cruises they take increases with age.

While consumers indicated their average spending on their most recent cruise was \$1,678 per person, the agents indicate a considerably lower average price of \$1,488. Agents say they sold one-week cruises for as low as \$500 and as high as \$3,000.

Nearly all cruisers, according to both agents and consumers, book with some sort of discount, and consumers seem to be getting the point that booking early is the best way to save.

The consumer survey found the most common discounts were early bird rates (24%), travel agent special offers (19%) and group rates (19%). Only a small percent (4%) booked last-minute offers.

The agents said they typically recommend only one or two cruise lines during a typical sale, and one or two itinerary choices.

The reasons consumers gave for choosing to cruise and the reasons agents believe their clients choose to cruise varied slightly. Consumers said they want most to see new things, gain new experiences and have a chance to relax and do what they want when they want. And first-time cruisers rank stress-relief at the top of the list.

The agents said their cruise clients' key travel motivators are to spend time with their spouse or family, and to relieve stress and relax.

Similarly, the agents and consumers themselves ranked differently what offerings are important to consumers in their choice of ship.

The consumers said good value (76%), food quality/fine dining (58%), ship cleanliness (55%) and itinerary/destination (54%) top their list.

Agents surveyed rank ship cleanliness, food, and itinerary/destination higher than good value, and also rank the recommendation of a friend or relative high in importance to their customers.

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NUMBER OF CRUISES EVER TAKEN

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
None	81%	63%	88%
Net any	20	37	12
One	10	17	7
Two	4	7	2
Three	2	5	1
4-5	2	5	1
6-7	1	1	<1
8 or more	1	2	1
Mean (incl. 0)	.57	1.12	.33

Base = Total respondents.

Source: American Traveler Survey Special Analysis for Cahners Travel Group.

Cruisers, more than any other sector in the travel industry, are most influenced by travel agents. Just under three-quarters of cruisers reserved their last sailing through a travel agent, 6% through cruise 800 numbers, 12% through a church group or other organization, 11% directly with the cruise line and virtually none made a reservation on-line.

METHOD TO MAKE RESERVATIONS FOR MOST RECENT CRUISE

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
Travel agent	71%	75%	65%
Cruise special 800#	6	6	5
Church/other group	12	10	16
Direct cruise line	11	8	14
On-line/Internet	<1	*	*

Base = Have cruised.

Source: American Traveler Survey Special Analysis for Cahners Travel Group.

AMOUNT SPENT PER PERSON ON MOST RECENT CRUISE TRIP

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
Under \$500	12%	10%	14%
\$500-999	29	26	32
\$1000-1999	30	30	31
\$2000-2999	17	20	12
\$3000-3999	6	6	6
\$4000-4999	3	5	2
\$5000-7499	2	2	3
\$7500 or more	1	1	<1
Mean (incl. 0)	\$1,678	\$1,785	\$1,533

Base = Have cruised.

Source: American Traveler Survey Special Analysis for Cahners Travel Group.

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NUMBER OF CRUISES TAKEN IN PAST 3 YEARS

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
Have never cruised	81%	63%	88%
None in the past 3 years	92	81	96
Any in the past 3 years	8	19	4
One	5	11	3
Two	2	5	1
Three	1	2	<1
4 or more	<1	1	<1
Mean (incl. 0)	.14	.35	.06

Base = Total respondents.

Source: American Traveler Survey Special Analysis for Cahners Travel Group.

Spelling great news for both agents and cruise lines, almost 70% of past cruisers who use travel agents say they plan to take another cruise, along with 58% of past cruisers who do not use travel agents.

When the total sample of cruisers and non-cruisers is viewed, more than half of all travel agent users (53%) plan to take a cruise, compared to 32% of those who do not use travel agents

CRUISE HISTORY/PLANS: HAVE CRUISED

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
No plans, have cruised in past	36%	31%	42%
Plan in next three years	40	45	32
Plan, indefinite	25	24	26

Base = Have cruised.

Source: American Traveler Survey Special Analysis for Cahners Travel Group.

CRUISE HISTORY/PLANS: TOTAL SAMPLE

TRAVEL AGENT USERS VS. NON-USERS

	TOTAL	USERS	NON-USERS
Net: no plans	62%	47%	68%
No plans, never in past	55	36	63
No plans, have cruised in past	7	11	5
Plan in next three years	18	30	13
Plan, indefinite	20	23	19

Base = Total respondents.

Source: American Traveler Survey Special Analysis for Cahners Travel Group.

CRUISE EXPERIENCE BY LENGTH OF MOST RECENT CRUISE

	PAST CRUISERS				
	PAST TOTAL 1999	PAST INTENDERS 1999	PAST NON- INTENDERS 1999	PAST TOTAL 1998	PAST TOTAL 1997
Cruise length:					
1-3 days	13%	12%	13%	16%	15%
4-5 days	25	21	27	24	24
6-8 days	49	53	47	47	49
9-12 days	7	9	6	8	8
13+ days	7	6	8	6	4
Average number of days	6.7	6.8	6.7	6.6	6.5

Source: American Traveler Survey.

How Consumers Respond to Promotions

Travel Weekly consumer survey on Consumers' Perceptions of Travel Agency Promotions, conducted by Plog Research, Inc.

This survey was designed to gauge consumer behaviors and preferences affecting the travel agency community.

Some 301 travelers were interviewed, the average age of respondents was 48, 60% were female and the average household income was \$89,000.

More than one quarter of consumers surveyed said that if they received a travel agent's special promotional offer for a cruise or an air ticket they would buy the product.

With about half of total respondents stating that they are influenced by such promotions to consider a purchase, 26% who receive an air travel or cruise promotion will put their money on the table, according to the study.

Fewer consumers receiving a travel agency promotion for a domestic or international package make the purchase, some 16% said they would buy the domestic product, 14% the international product.

Moreover, of respondents who had not been approached by an agency about special deals, an overwhelming majority, 86%, said they would consider purchasing air travel; 64% would consider a domestic package; 53% would consider a cruise, and 51% would consider an international package if they were approached.

The survey found that just 40% of travel agent users have been contacted by an agency in the past two years about a special deal or promotion.

Agencies are more likely to contact older travelers about special deals, with about 29% of respondents under 45 reporting they have been contacted compared with 46% over the age of 45.

The travel agents' most frequently used method of communication is a newsletter mailed to current and prospective clients; 58% of respondents said they were contacted this way.

Thirty-two percent were contacted by telephone; 6% by e-mail; 3% in person, and 2% by fax, the survey revealed. When asked which method of communication respondents preferred, 53% said a newsletter; 17% said a phone call, and 17% preferred e-mail that they had signed up for.

Just 43% of promotions that agent clients receive are from the agent they most frequently use, suggesting that many agents use special-deal promotions to increase their client base as well as to generate business from existing customers.

More than half of agent users who have taken trips for which they had been solicited said they spent an average of \$2,800, not including meals and shopping.

Respondents were asked to indicate agreement to a series of statements regarding agencies that inform clients about special deals vs. those that do not. A 10-point scale was used, with 10 indicating complete agreement and 1 indicating complete disagreement. Seven out of 10, or 69%, used the upper half of the scale to indicate they are more likely to purchase travel from an agency that informs them about special deals and promotions.

The survey found that frequent travelers, who took more than four trips in the last 24 months, are more likely to buy travel from an agency that informs them of special deals than are those who travel less.

Similarly, seven out of 10 respondents said agencies that inform them of special deals and promotions tend to be more customer service oriented than those that did not.

And 46% say agencies that inform clients about specials tend to be more professional.