



2014

NORTH AMERICAN

CRUISE MARKET PROFILE

Report
January 2015



ABOUT CRUISE LINES INTERNATIONAL ASSOCIATION



Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association with representation in North and South America, Europe, Asia and Australasia.

CLIA represents the interests of cruise lines and travel agents before regulatory and legislative policy makers. CLIA is also engaged in travel agent training, research, and marketing communications to promote the value and desirability of cruise holiday vacations.

CLIA's Executive Partner program includes the industry's leading providers of supplies and services that help cruise lines provide a safe, environmentally-friendly and enjoyable holiday vacation experience for millions of passengers every year.

For more information on CLIA, the cruise industry, and CLIA-member cruise lines and travel agencies, visit www.cruising.org.

**2014 North American Cruise Market Profile
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TABLE OF CONTENTS

04

List of Figures
List of Tables

05

Introduction
and Methodology

06

Key Highlights

08

The North American
Cruise Traveler

09

Demographics

09

Attitudes
and Beliefs

11

Characteristics
of Last Cruise

13

Future Intent
to Cruise

15

Purchase
Process

LIST OF FIGURES

Figure 1

**Age Distribution
of Cruise Travelers**

Figure 2

**Income Distribution
of Cruise Travelers**

Figure 3

Cruise Vacation Beliefs

Figure 4

**Ranking of Best
Vacation Type**

Figure 5

**Cruise Value vs.
Land Vacation**

Figure 6

**Benefits of Cruise vs.
Other Vacations**

Figure 7

**Cruising as a Source
for Future Trips**

Figure 8

Repeat Cruise

Figure 9

Length of Cruise

Figure 10

Travel Party Size

Figure 11

Total Trip Spending

Figure 12

**Cruise Vacation
Satisfaction Rating**

Figure 13

Cruise Recommendation

Figure 14

**Interest in Cruising
in Three Years**

Figure 15

Timing of Next Cruise

Figure 16

Length of Next Cruise

Figure 17

**Destinations
for Next Cruise**

Figure 18

Appeal of Ship Size

Figure 19

**Appeal of Onboard
Atmosphere**

Figure 20

**Planning & Booking
Horizon for Last Cruise**

Figure 21

Travel Agent Assistance

Figure 22

**Factors Influencing
Cruise Selection**

Figure 23

Importance of Amenities

Figure 24

Travel Agent Satisfaction

Figure 25

**Ratings of Distribution
Channel with Best Service
and Price**

LIST OF TABLES

Table 1

**Demographics
of Cruise Travelers**

Table 2

**Cruise Travel
Party Composition**

Table 3

**Cruise Vacation
Spending**

INTRODUCTION AND METHODOLOGY



This report shares information on cruise travelers from the North American market, specifically travelers from the United States and Canada. In partnership with market research firm TNS, and cruise industry consultancy Bob Sharak & Associates, Cruise Lines International Association (CLIA) conducted a survey among past cruisers to understand more about the cruise traveler and their cruise experience.

Drawn from the TNS panel of more than 1 million households, an online survey was conducted between August 12 and 26, 2014 which collected cruise and travel opinion data among 1,600 U.S. and Canadian residents.

This report presents data on the target cruise traveler over the age of 25 with an annual household income of more than \$40,000. Quotas were set to ensure equal participation among key subcategories. In general, the cruise traveler profile represents the typical buyer that took a cruise vacation in the past and does not represent the entire resident population.

KEY HIGHLIGHTS

- Cruise travelers do not necessarily conform to a strict profile. While the average age of the cruise traveler was 49, they were spread across the age spectrum with one-quarter falling equally in the 30-39, 50-59, and 60-74 age cohorts.
- Similarly, income earned by one-third of cruise travelers was from \$100,000 - \$199,000 annually, with another 28 percent from \$60,000 - \$69,000. On average, the annual household income earned by cruisers was \$114,000.
- The vast majority of cruise travelers were employed (72 percent) and 21 percent enjoyed their cruise vacation during retirement. Other demographic characteristics common among most cruisers was a college education (69 percent) and another 84 percent that were married.
- The prevailing beliefs about cruise vacations among past cruisers was that a **cruise should be taken often while still mixing it up** and enjoying a land-based vacation – held by 34 percent of cruisers. Another **18 percent strictly prefer cruise vacations over other types** and want to cruise as often as they can.
- A cruise outperformed other vacations, according to past cruisers. **The cruise vacation was ranked highest as the best overall vacation.** The majority of cruisers (69 percent) believed it to be a better value over land-based vacations.
- The **greatest benefit cruisers derived from their cruise vacation was the ability to see several destinations in one trip.** In fact, 42 percent of cruisers later returned to a destination first visited during their cruise vacation.



- With a desire to cruise often, 62 percent of cruisers have taken multiple cruises, 3.8 on average. Still, **cruising is not only for the experienced; new cruisers accounted for 38 percent of cruise travelers.**
- With an average cruise length of 7.3 days, cruise travelers were likely to travel in pairs, accounting for 53 percent of cruisers, or with a larger group of 5 or more, representing 20 percent of cruisers with an average party size of 3.8 people. Cruisers were most often accompanied by a spouse (80 percent) and more than one-quarter traveled with children.

- Cruisers spent an average of \$2,200 per person on their last cruise where \$1,635 was allocated to the fare, \$565 for onboard and shore expenses, and \$524 for airfare – among the 62 percent that flew to their port.
- The desire to “cruise often” is also reflected in cruisers’ satisfaction where **89 percent of cruisers gave their cruise vacation experience strong satisfaction ratings. Another 84 percent would recommend cruising to friends.**
- With favorable beliefs and satisfaction toward cruising, the **intent to take another cruise is strong; 86 percent of cruisers planned to take another cruise** in the next three years.
- When weighing cruise vacation options, cruisers placed **cost and destination as top factors in their selection.** They also placed entertainment and stateroom accommodations as important amenities on their ship.
- Navigating through the cruise options, planning and booking, the **majority of cruisers opted for travel agent guidance throughout the purchase process.** Sixty-seven percent of cruisers used travel agents for planning and slightly more (70 percent) used them to book the cruise. **The experience was favorable; 64 percent of cruisers gave strong satisfaction ratings to their agent.**
- When comparing all distribution channels cruise travelers have used, they believed the best pricing was found through the online channel. **Yet, travel agents ranked first in service, followed closely by the cruise line itself.**



THE NORTH AMERICAN CRUISE TRAVELER



Cruise travelers come from all walks of life, holding a variety of tastes, preferences and attitudes about how they desire to craft their vacations. To assert that a cruise traveler fits a very specific profile would not only be bold, but false. The following summary of the cruise traveler segment does not attempt to generalize the more than 20 million cruise travelers; instead, it points out characteristics common across the variety of cruise travelers and highlights areas of differentiation.

It is appropriate to use a persona to describe cruisers as the loyal customer on a quest to explore. 'Loyal' because a prevailing sentiment among cruisers is their desire to change vacations up, by enjoying land-based vacations, but returning to cruising often. And they come back - an average of 3.8 cruises taken among cruisers as a proof point. A 'quest to explore', as even with the lure of ship features like onboard entertainment and balcony staterooms, the leading benefit cruisers derive from cruising is the ability to see many destinations on one trip. Destinations many visit again.

The following overview shares more detail and variety to understand cruise travelers in North America, specifically from the U.S. and Canada.

Demographics: Cruisers Are Not All the Same

Cruise travelers come from across the age spectrum. On average, cruise travelers were 49 years of age (Table 1), yet one-quarter each were spread between the ages of 30-39, 50-59, and 60-74. Also, with an average household income of \$114,000, one-third of cruise travelers earned from \$100,000-\$199,000 and 28 percent earned from \$60,000-\$69,000, annually (Figure 1). On the higher end of the earning spectrum, nine percent of cruiser households earned over \$200,000, annually (Figure 2).

Most cruise travelers were employed (72 percent) and 21 percent were in retirement. Another demographic characteristic found among most cruisers was a college education (including post graduate) among 69 percent of cruisers as well as 84 percent who were married (Table 1).

Figure 1. Age Distribution of Cruise Travelers

% of Cruisers, 2014

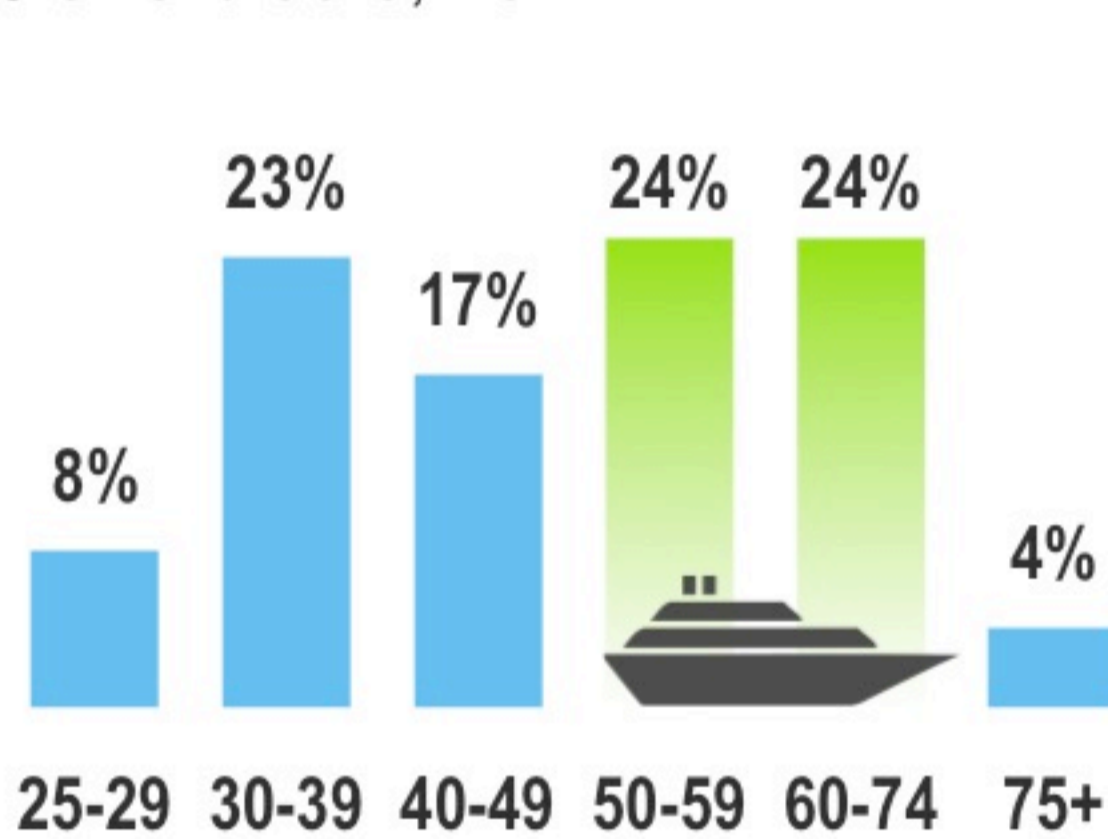


Figure 2. Income Distribution of Cruise Travelers

% of Cruisers, 2014

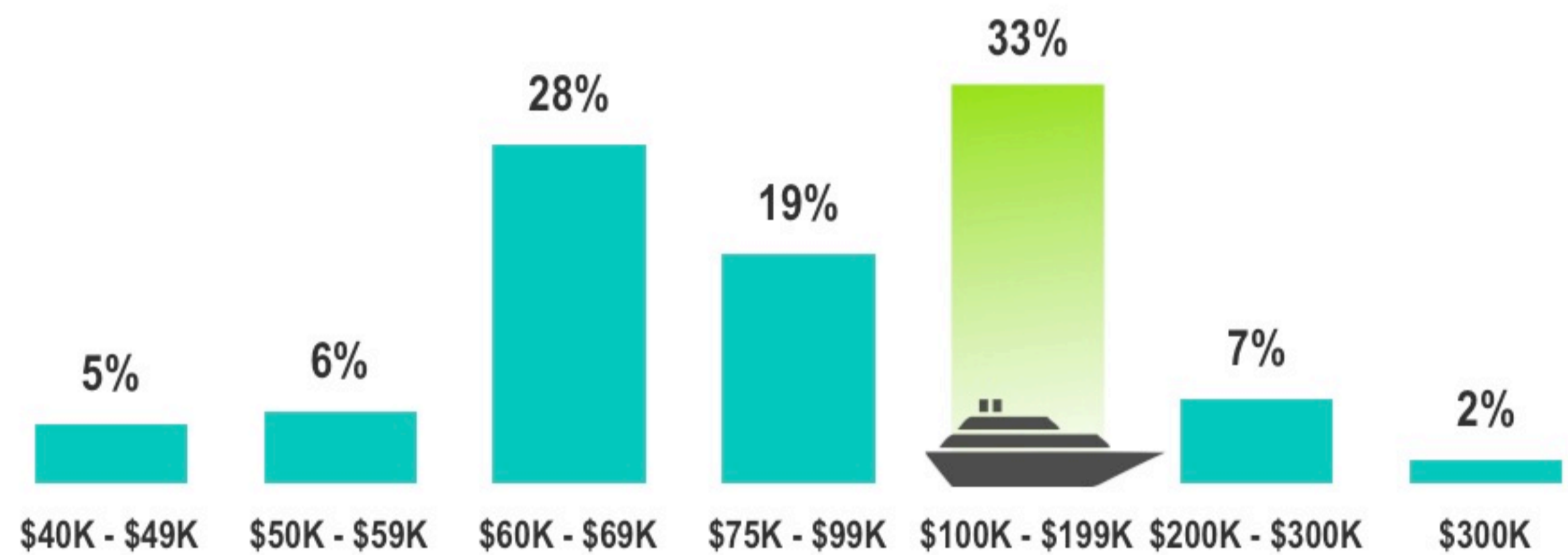







Table 1. Demographics of Cruise Travelers

% of Cruisers, 2014

 Average Age	49 Years
 Average Household Income	\$114,000
 Employment Status	Employed 72% Retired 21% Not Employed 7%
 College/Post College Education	69%
 Married	84%

Attitudes and Beliefs: Mix It Up!

Cruise travelers held a variety of beliefs and attitudes toward cruise vacations. The leading belief was the desire to change it up; 34 percent of cruisers wanted to cruise often, yet they still believed in taking other types of vacations as well. Others, 28 percent, enjoyed cruising but elect to do it less frequently and opt for other types of vacations. There is also a contingent of cruisers, 18 percent, which strictly preferred cruise vacations over other vacations and cruise as much as they can. A smaller share of cruisers viewed a cruise as a once or twice in a lifetime event (Figure 3).

When reflecting on past vacations of all forms, cruisers by far ranked their cruise vacation well over other types with 42 percent saying a cruise vacation was the best overall vacation (Figure 4). Similarly, the majority of cruisers, 69 percent, believed cruise vacations were a better value over a land-based vacation (Figure 5).

Figure 3. Cruise Vacation Beliefs

% of Cruisers, 2014

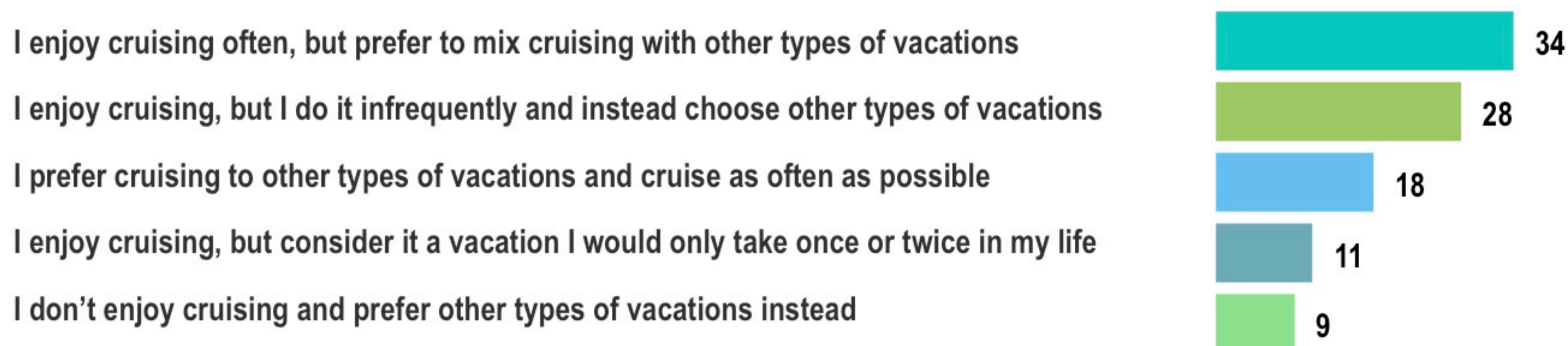
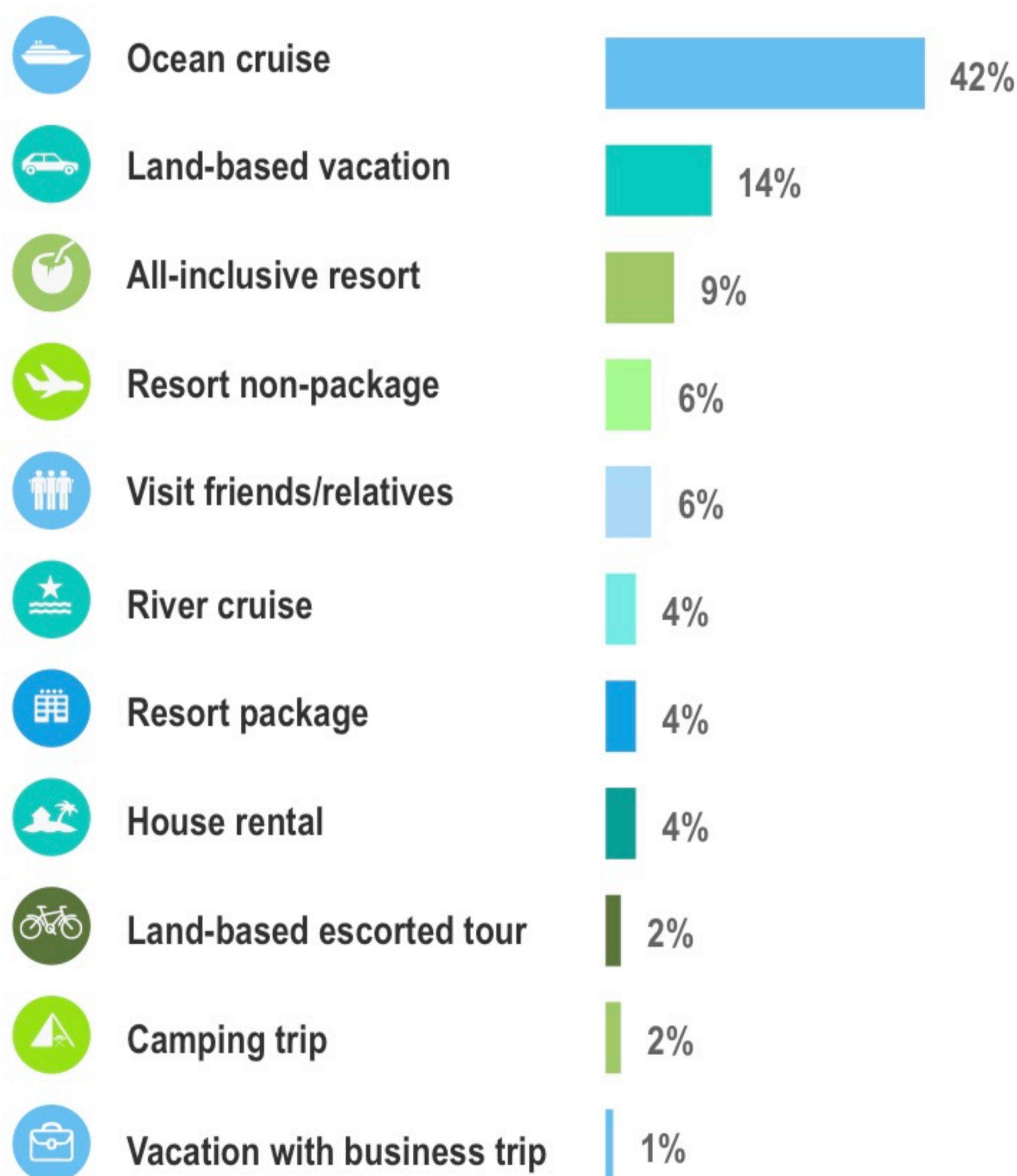


Figure 4. Ranking of Best Vacation Type

% of Cruisers, 2014



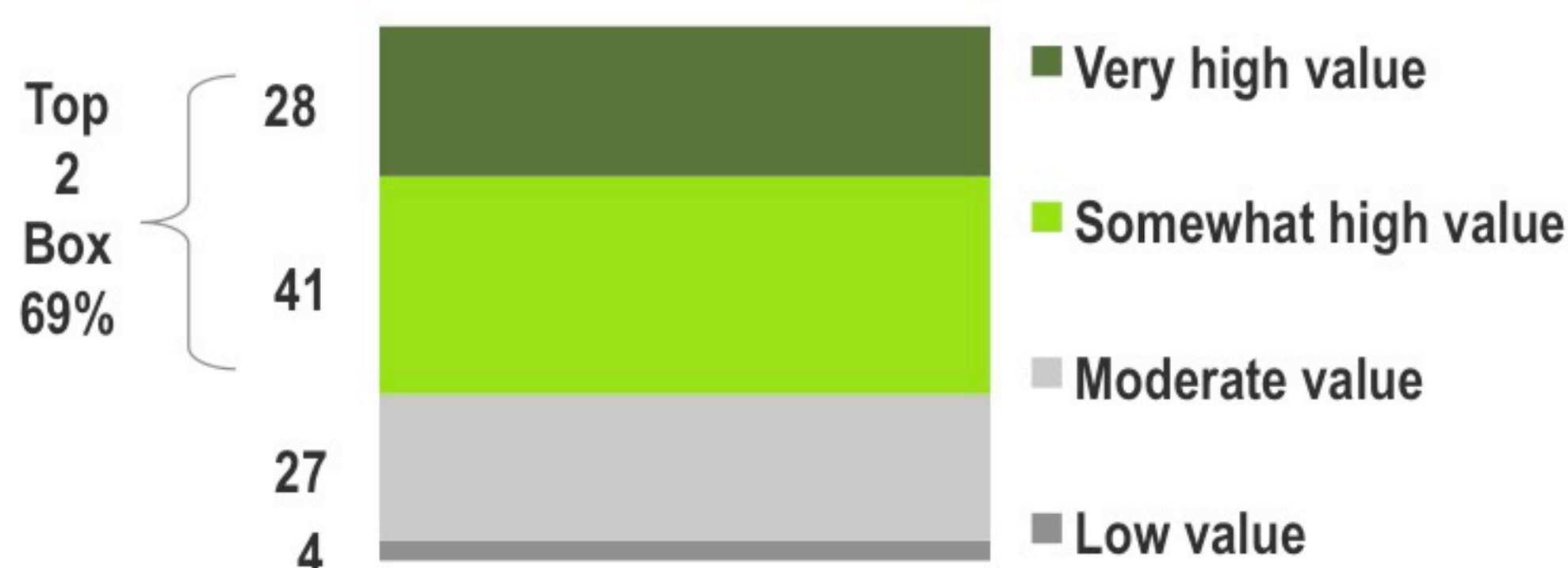
There were a variety of benefits cruisers derived from their cruise vacation. First and foremost was the ability to visit several destinations in one trip. In fact, 85 percent of cruisers agreed that cruising was a good way to sample a destination; 59 percent agreed it was also a good way to explore a place to visit later. To support that belief, 42 percent of cruisers stated they returned to visit a destination after their cruise. Another 45 percent of cruisers extended their cruise vacation to visit the port city of their embarkation (Figures 6 & 7).

Other leading benefits included the ability to escape, ease of travel, and entertainment. Sixty percent of cruisers agreed that a cruise was a better way than other vacations to relax, get away from it all, and pamper oneself. Over half of cruisers believed a cruise was more luxurious and a means to make oneself feel special.

Many cruisers also found cruising provided more ease over other vacations. Nearly 60 percent found their cruise vacation was easy to plan and arrange and was hassle-free.

Figure 5. Cruise Value vs. Land Vacation

% of Cruisers, 2014



Cruisers also found the cruise vacation provided better entertainment opportunities over other vacation types. Fifty-nine percent agreed that cruise vacations had high quality entertainment and over half believed there were a variety of activities and their cruise vacation was unique and different. From cultural learning experiences (40 percent) to activities for children (38 percent), and sports activities (27 percent), over half of cruisers believed that cruising offered something for everyone (Figure 6).

Figure 6. Benefits of Cruise vs. Other Vacations

% of Cruisers, 2014

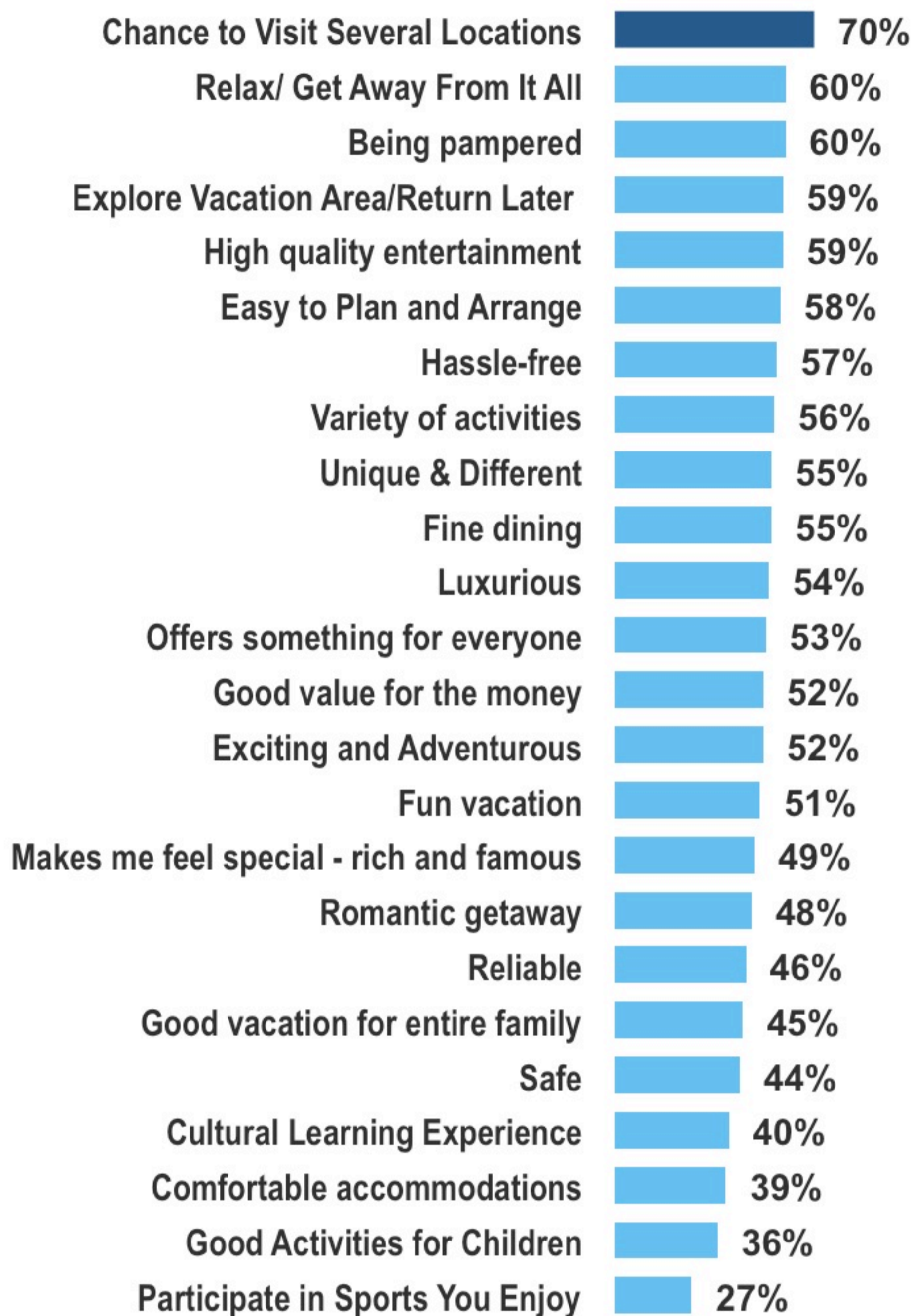
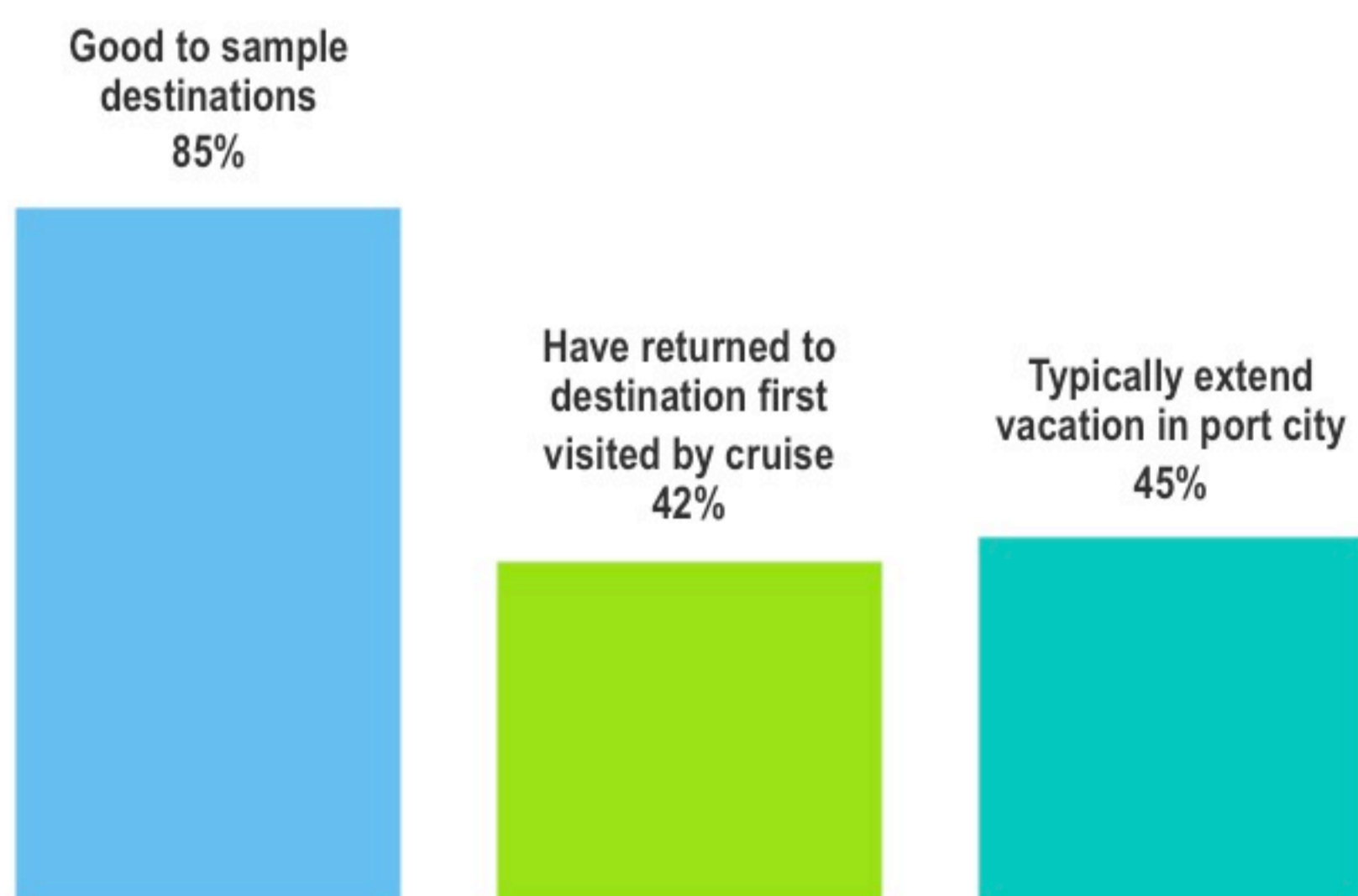


Figure 7. Cruising as a Source for Future Trips

% of Cruisers, 2014



Characteristics of Last Cruise

A Getaway For Two – or “Come Along!”

Cruise travelers crafted their cruise vacation in a variety of manners, resulting in a positive experience.

There were many experienced cruise travelers yet there was a strong share that was new to cruising. Sixty-two percent of cruisers have taken multiple cruises, 3.8 on average, leaving 38 percent of cruisers that experienced a cruise for the first time (Figure 8).

Length of Cruise

When evaluating the last cruise taken, the average cruise length lasted 7.3 days. While the majority of cruisers (53 percent) took a cruise between 6-8 days, over one-quarter (28 percent) took a short getaway between 3-5 days. Some also took a longer duration cruise with 16 percent cruising between 9-15 days and a smaller share (3 percent) taking an extended trip of over 16 days (Figure 9).

Travel Party

Travel parties varied among cruisers. Half of cruisers traveled in pairs yet 20 percent traveled with larger parties of five or more. On average, the cruise travel party size was 3.8 (Figure 10).

Cruisers also traveled with a variety of people. Eighty percent of cruisers traveled with a spouse on their last cruise and over one-quarter (27 percent) traveled with children under 18 years of age. Another likely companion among 20 percent of cruisers was a family member outside the household (Table 2).

Travel Spending

Cruisers allocated travel spending across the cruise fare, onboard and shore expenses, and airfare – when electing to fly. On average, cruisers spent \$2,200 per person on their last cruise (Table 3). Yet, cruisers elected to take cruise vacations across many price points. Nearly 20 percent spent between \$500-999 per person on the last cruise, where another 18 percent spent between \$1,000-\$1,499 and \$2,000-\$2,999, alike (Figure 11).

The average cruise fare paid on the last cruise was \$1,635 with an additional \$565 spent onboard and onshore. Among those that flew to their cruise (62 percent), \$524 was the average airfare paid (Table 3).

Figure 8. Repeat Cruise

% of Cruisers, 2014

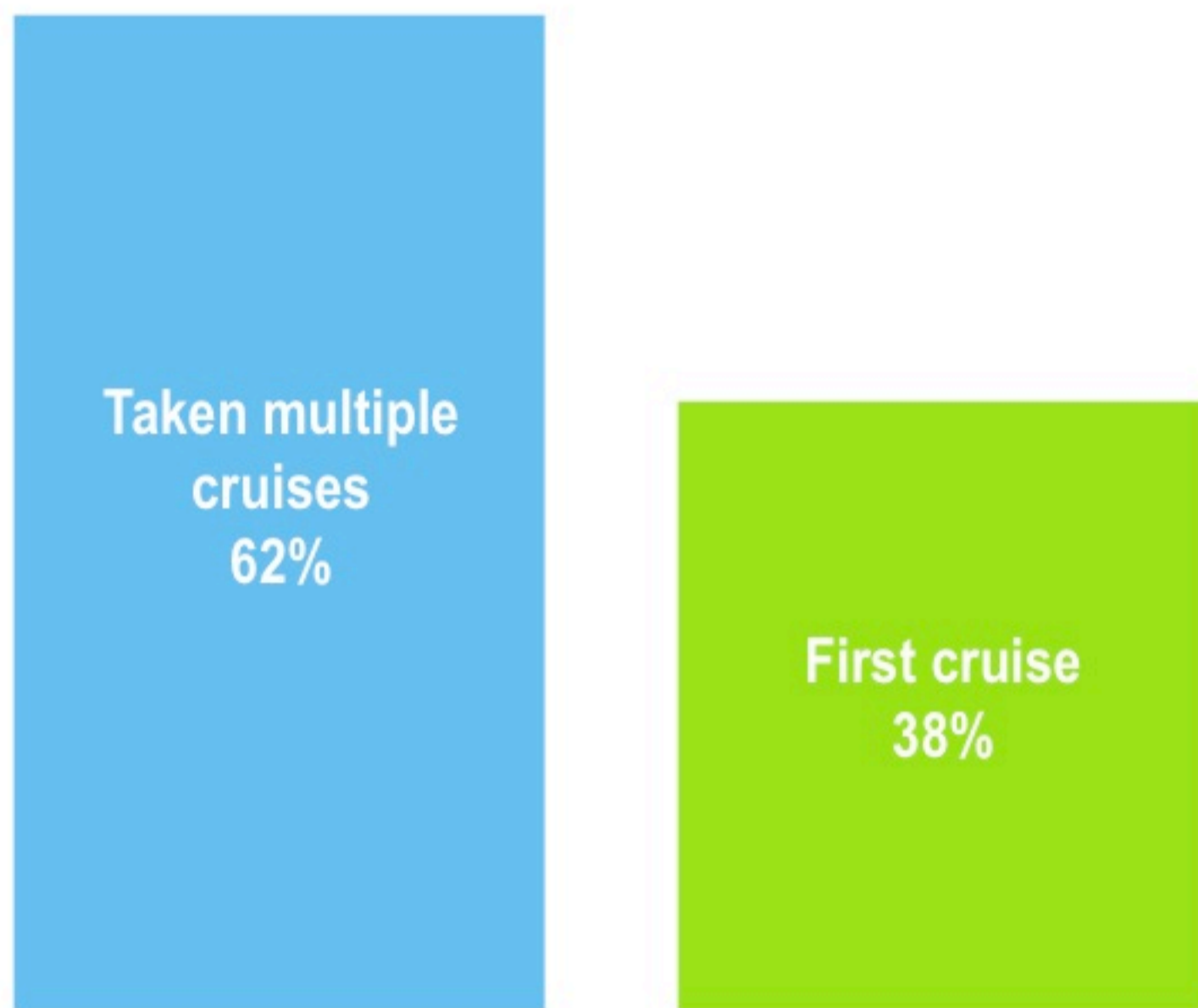


Figure 9. Length of Cruise

% of Cruisers, 2014

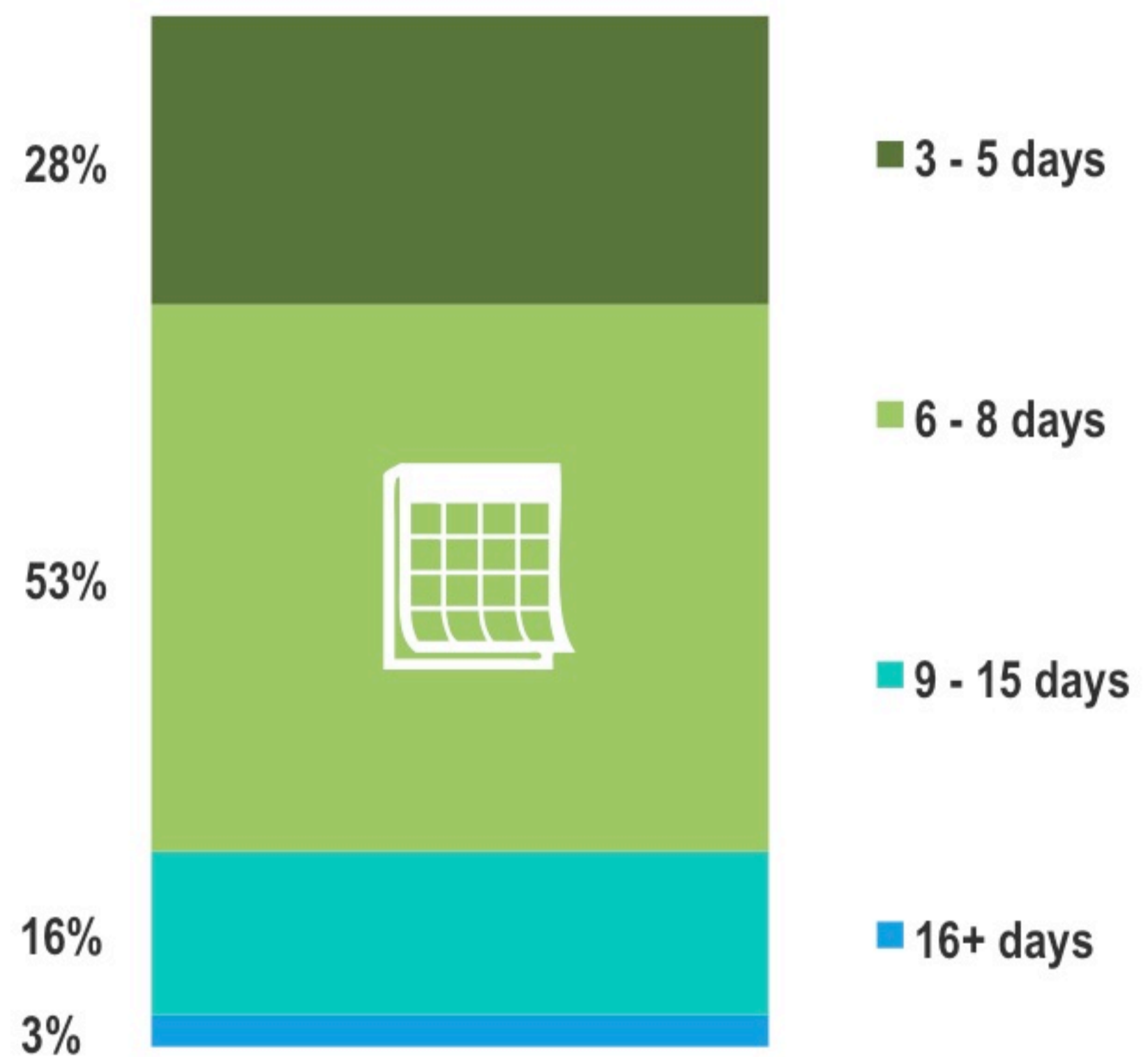


Figure 10. Travel Party Size

% of Cruisers, 2014

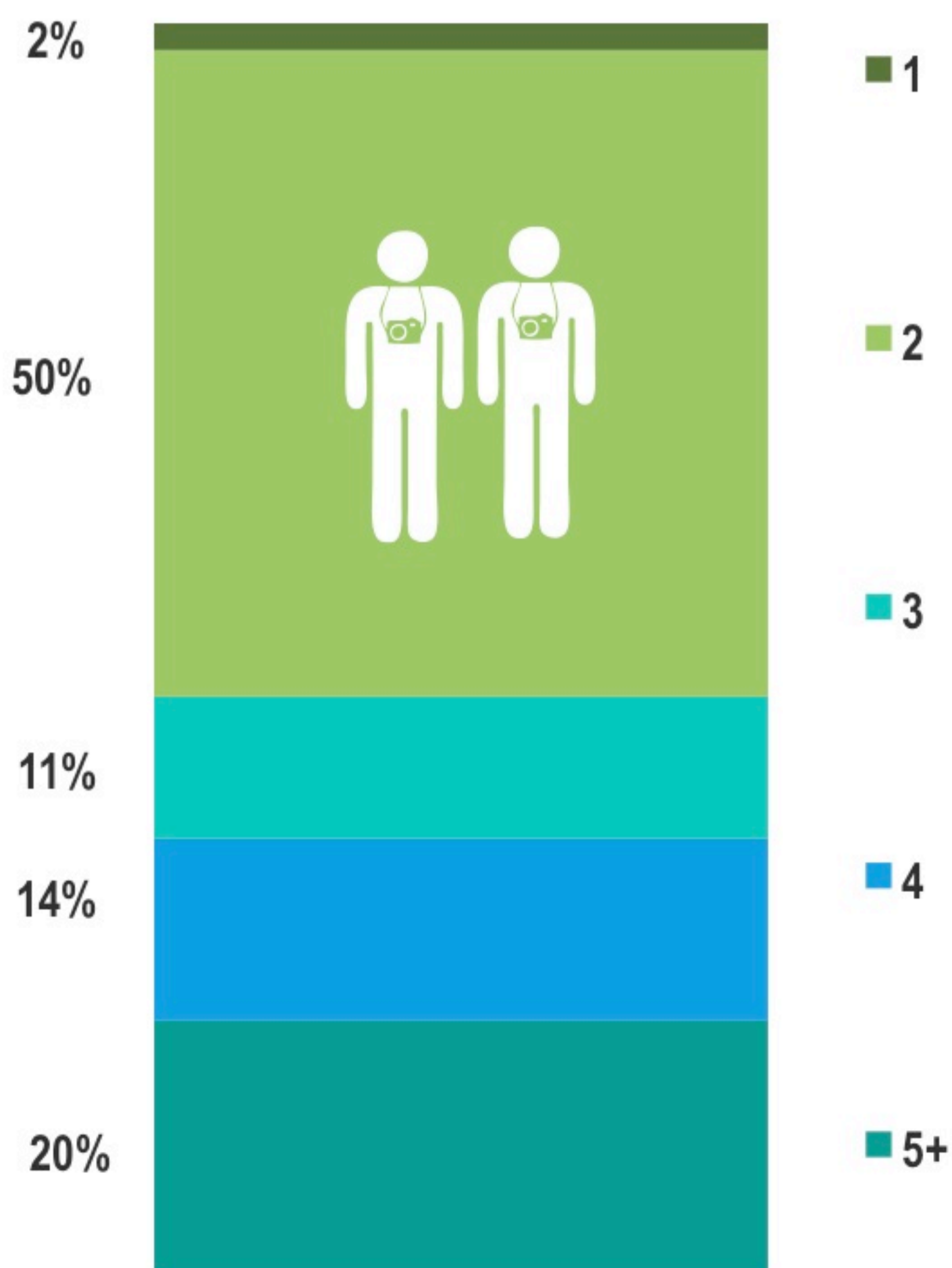


Table 2. Cruise Travel Party Composition

% of Cruisers, 2014

Spouse	80%
Partner/Companion	7%
Children Under 18	27%
Under 2	4%
2-5	9%
6-12	16%
13-17	13%
Adult Children	10%
Other Family Members	19%
Friends	17%
Members of an Organization or Group	<1%

Figure 11. Total Trip Spending

% of Cruisers, 2014

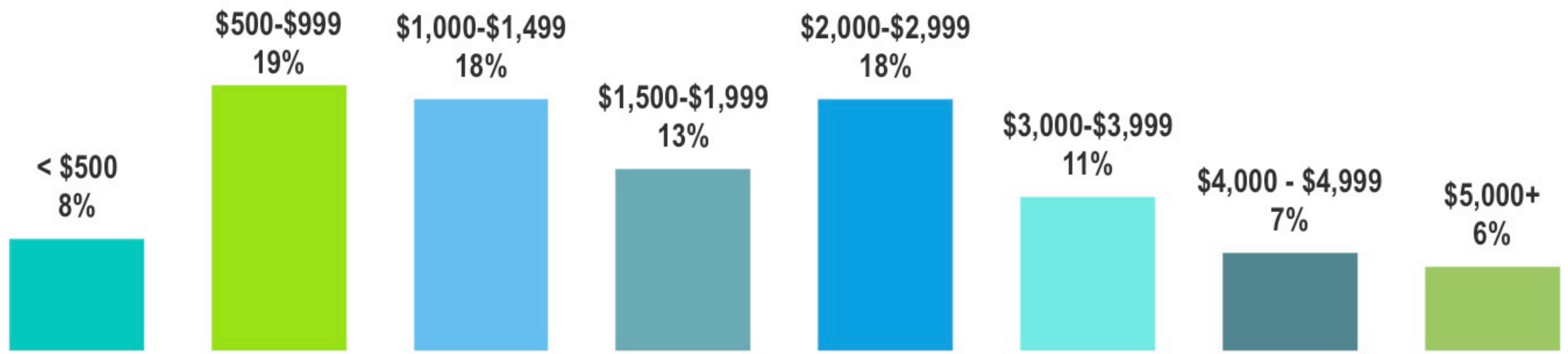


Table 3. Cruise Vacation Spending

Average Mean, 2014






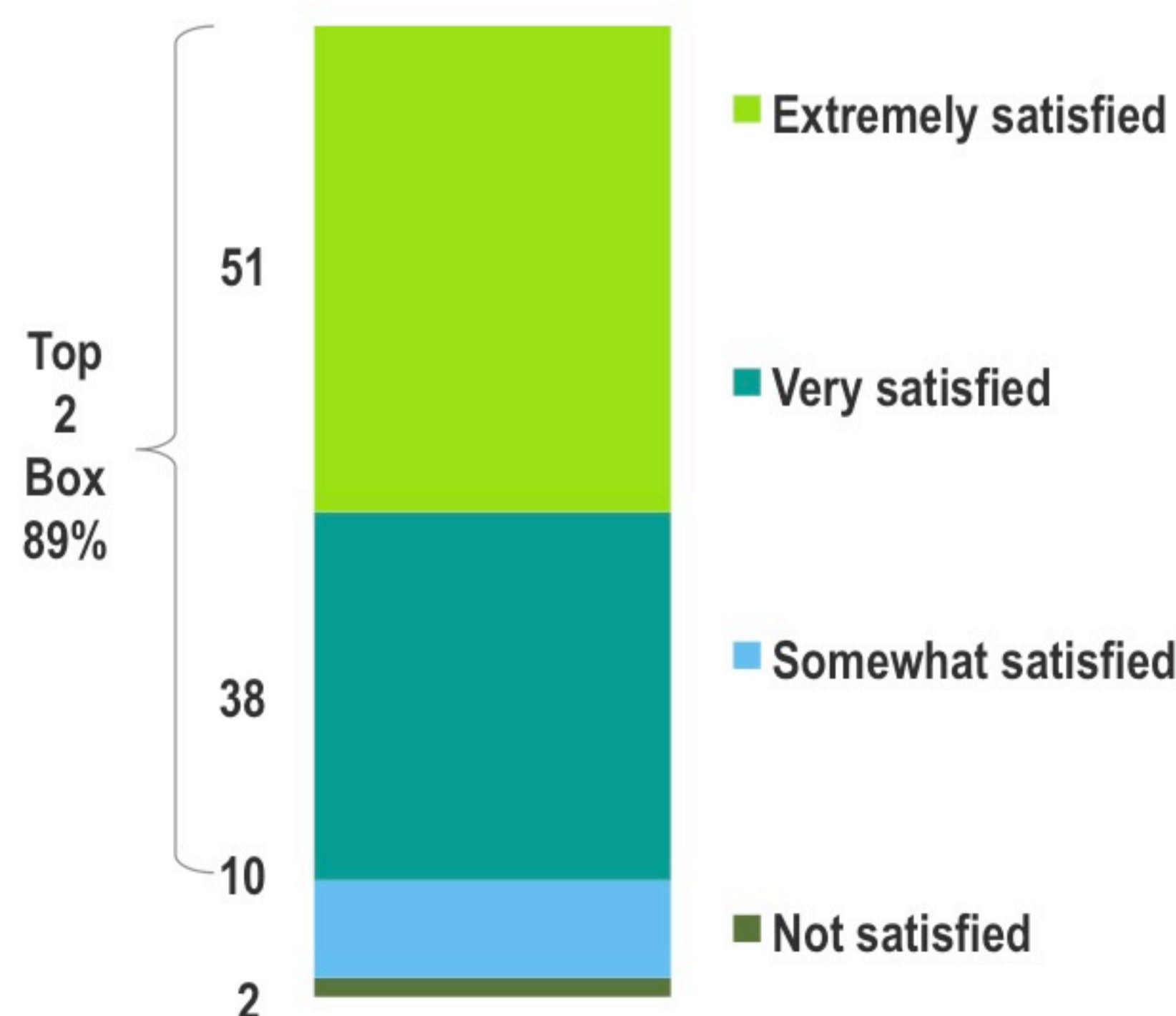
 Total cost per person	\$2,200
 Cruise fare	\$1,635
 Onboard and shore expenses	\$565
 Airfare	\$524
 % flew	62%

Figure 12. Cruise Vacation Satisfaction Rating

% of Cruisers, 2014



Satisfaction

Past cruisers rated their cruise experience well. The majority of cruisers, 89 percent, were satisfied with their cruise vacation and over half (51 percent) stated they were 'extremely satisfied' (Figure 12).

The positive experience was also worth sharing and cruisers were likely to recommend. Eighty-four percent of cruisers indicated they would recommend cruising to friends and another 83 percent would recommend to family members.

Cruisers also kept their co-workers in mind as 79 percent of cruisers would recommend cruising in their workplace (Figure 13).

Future Intent To Cruise: The Loyal Customer Continues Their Quest

Given the favorable beliefs toward cruising – where 34 percent of cruisers believed cruises should be taken often and satisfaction was high among another 89 percent – the intent to take another cruise was strong as 86 percent of cruisers planned to take another cruise in the next three years. Among those that were interested in cruising again, 78 percent were interested in an ocean cruise and 59 percent planned to take a river cruise (Figure 14).

Their next cruise is not a distant fantasy as most cruisers (60 percent) were interested in taking another cruise in six months to two years. One-quarter were even more optimistic and planned to cruise again within the next six months (Figure 15).

Figure 13. Cruise Recommendation

% of Cruisers, 2014

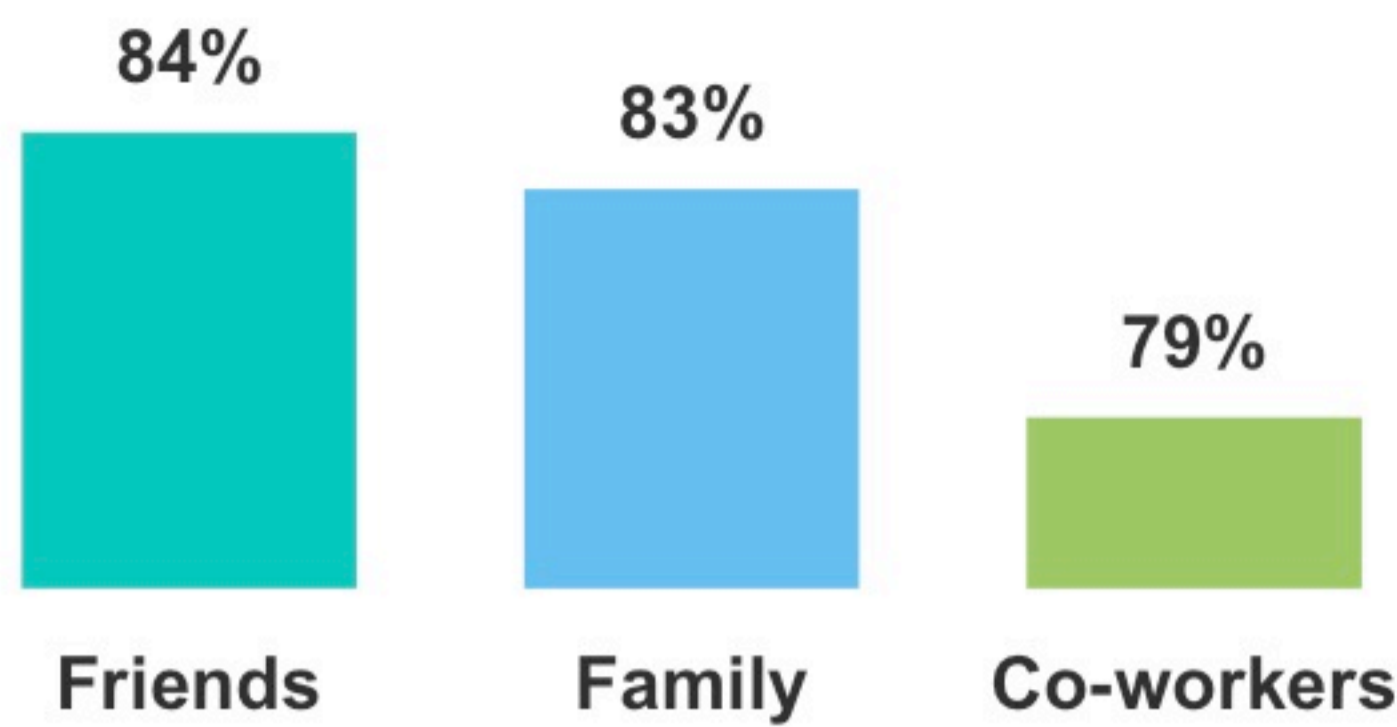


Figure 14. Interest in Cruising in Three Years

% of Cruisers, 2014

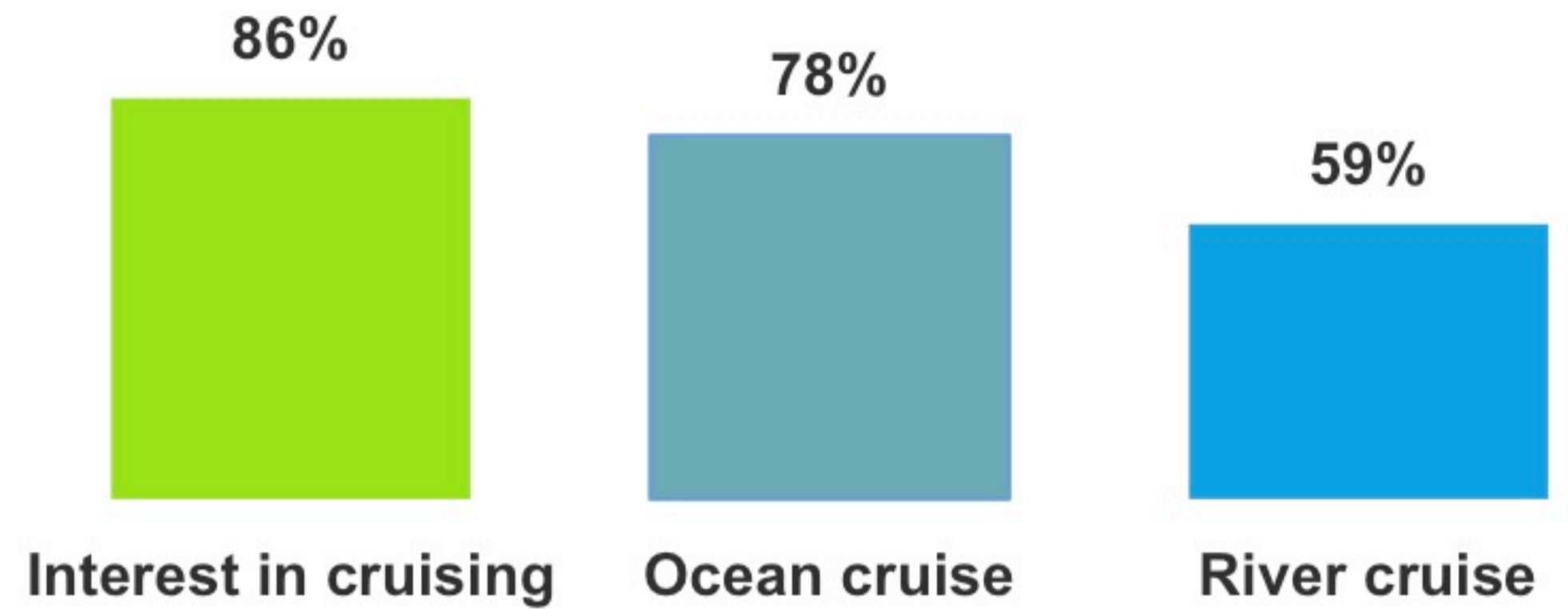


Figure 15. Timing of Next Cruise

% of Cruisers, 2014

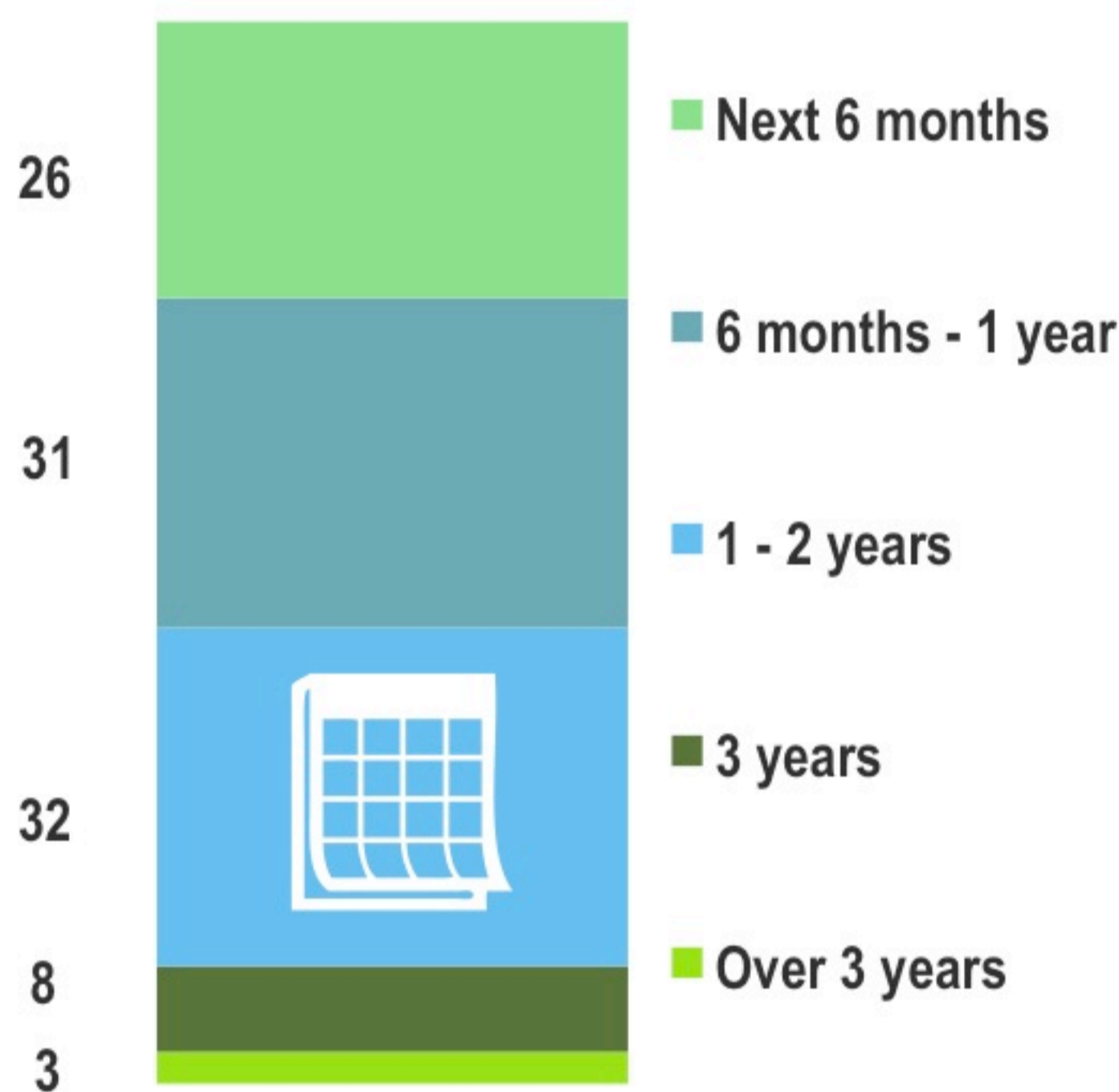
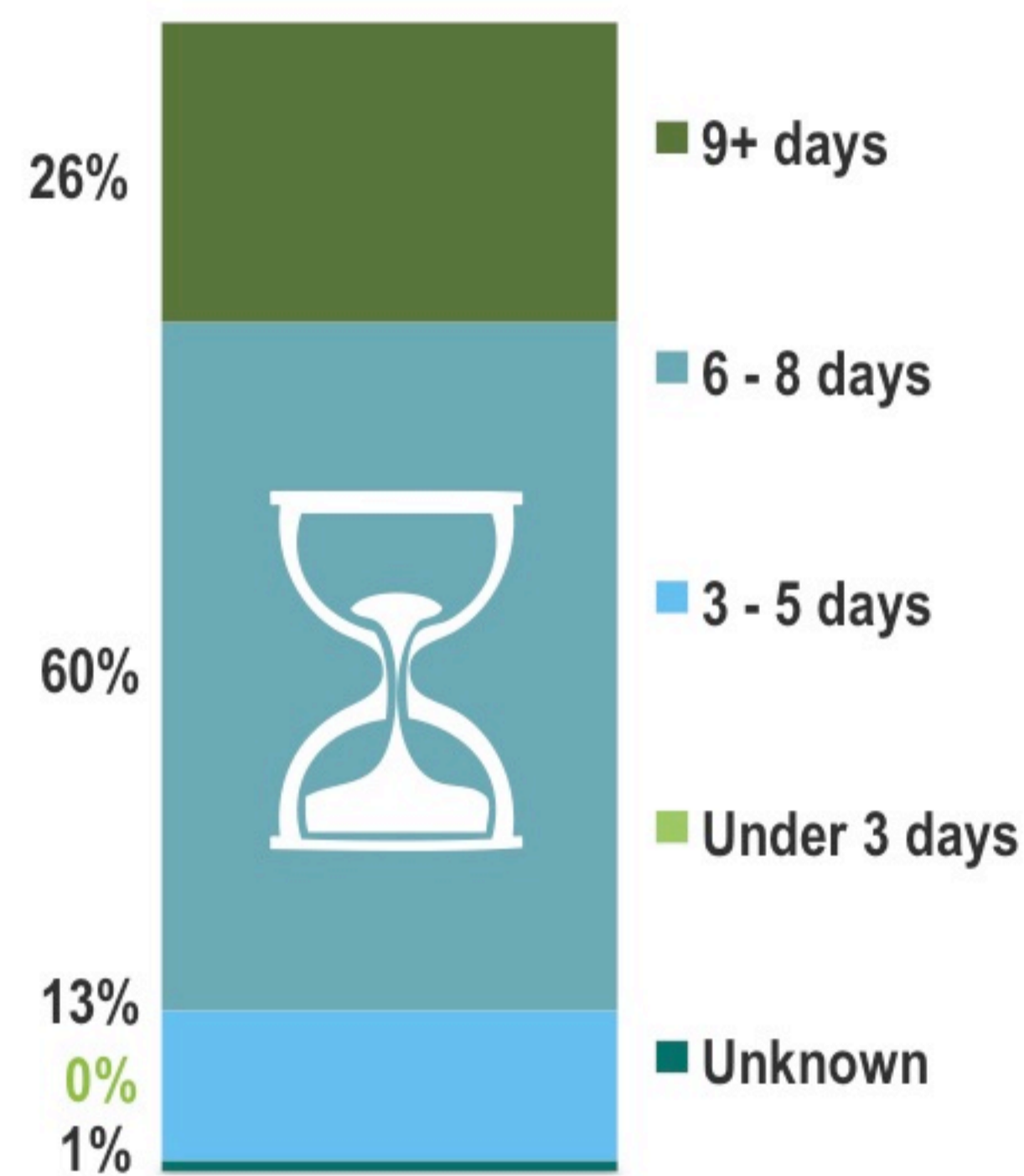


Figure 16. Length of Next Cruise

% of Cruisers, 2014



These same cruise prospects were interested in taking longer cruises where 60 percent stated they would like to sail between 6-8 days and one-quarter over nine days. A smaller share, 13 percent, looked forward to a short getaway of 3-5 days. On average, cruisers wanted their next cruise to last 8.1 days (Figure 16).

Cruisers were interested in traveling to a variety of destinations with the majority being nearby locations. The Caribbean and Eastern Mexico were the leading destinations which 32 percent of cruisers planned to cruise next. The Bahamas and Alaska followed with 20 percent of cruisers who planned to cruise the regions. Hawaii and Northern and Western Europe rounded out the top five destinations (Figure 17).

These experienced cruise prospects were also attracted to a variety of ships. Most (64 percent) had a strong appeal for large ships followed by 43 percent who preferred a medium-sized ship. Over one-third were also attracted to the very large, mega ships. There was also a cohort that indicated they would enjoy the more intimate experience with 17 percent attracted to smaller ships and 12 percent a yacht (Figure 18).

Many cruisers were attracted to a less formal ship atmosphere. The majority, 70 percent, found the casual elegance aura appealing and 65 percent liked a cruise to be strictly casual. Still, one-third liked a country club atmosphere and 20 percent found a strictly formal atmosphere appealing (Figure 19).

Figure 17. Destinations for Next Cruise

% of Cruisers, 2014

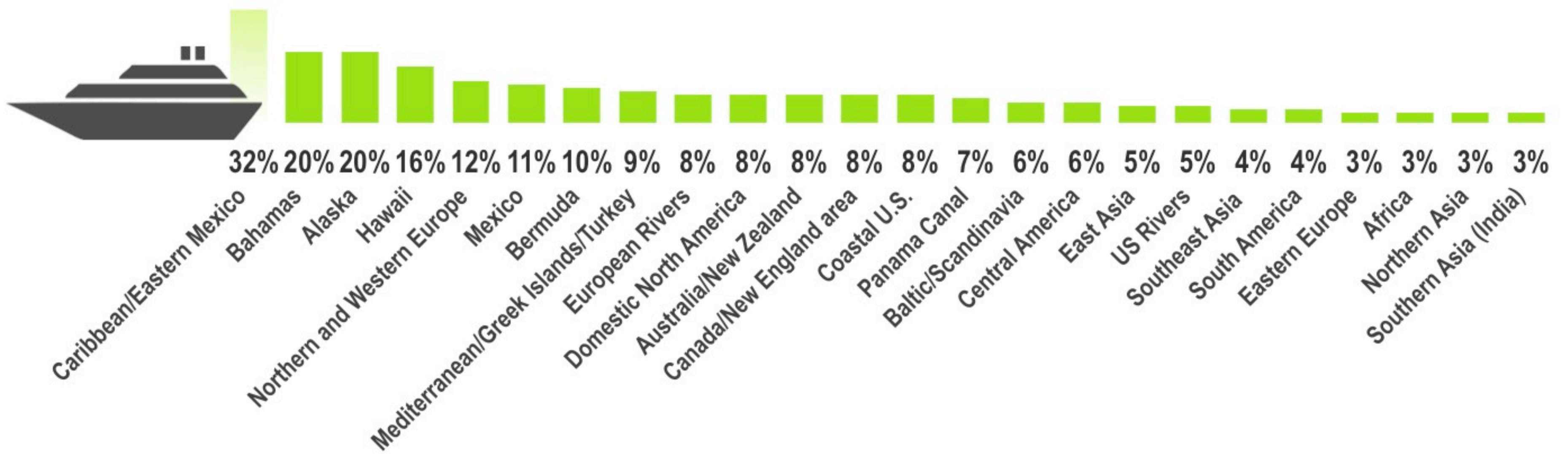


Figure 18. Appeal of Ship Size

% of Cruisers, 2014

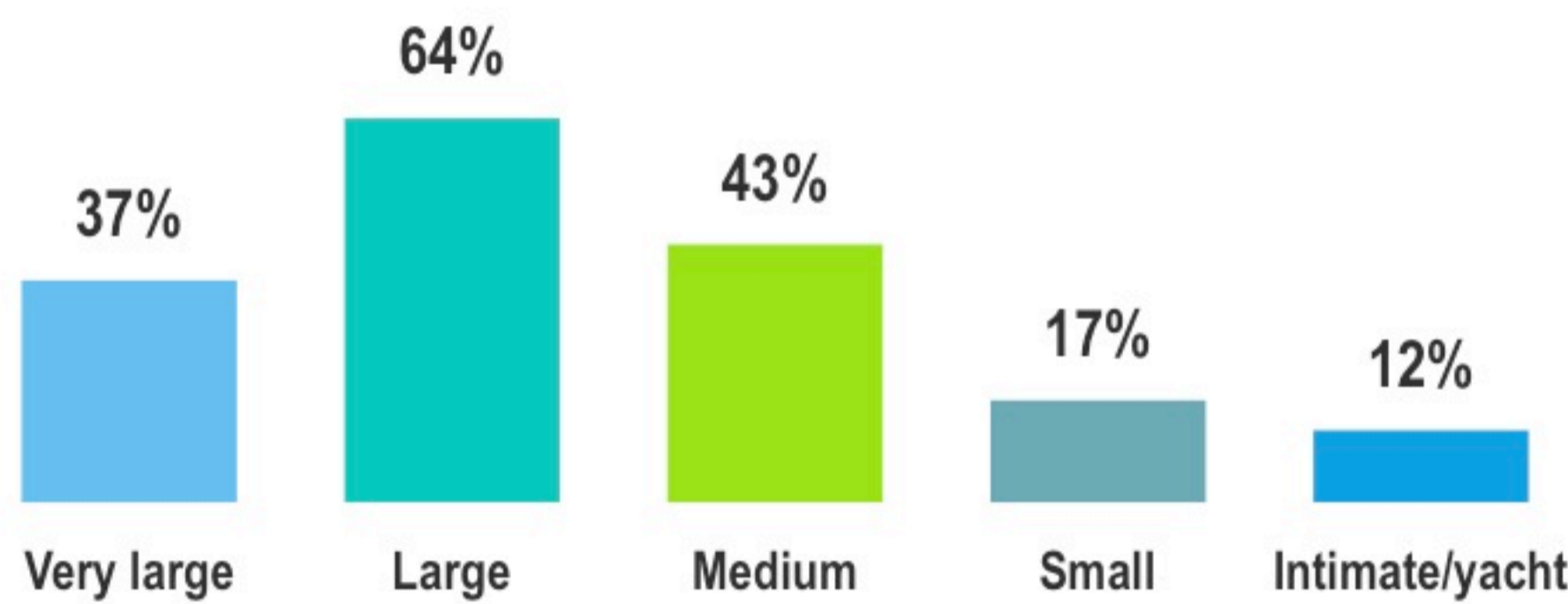
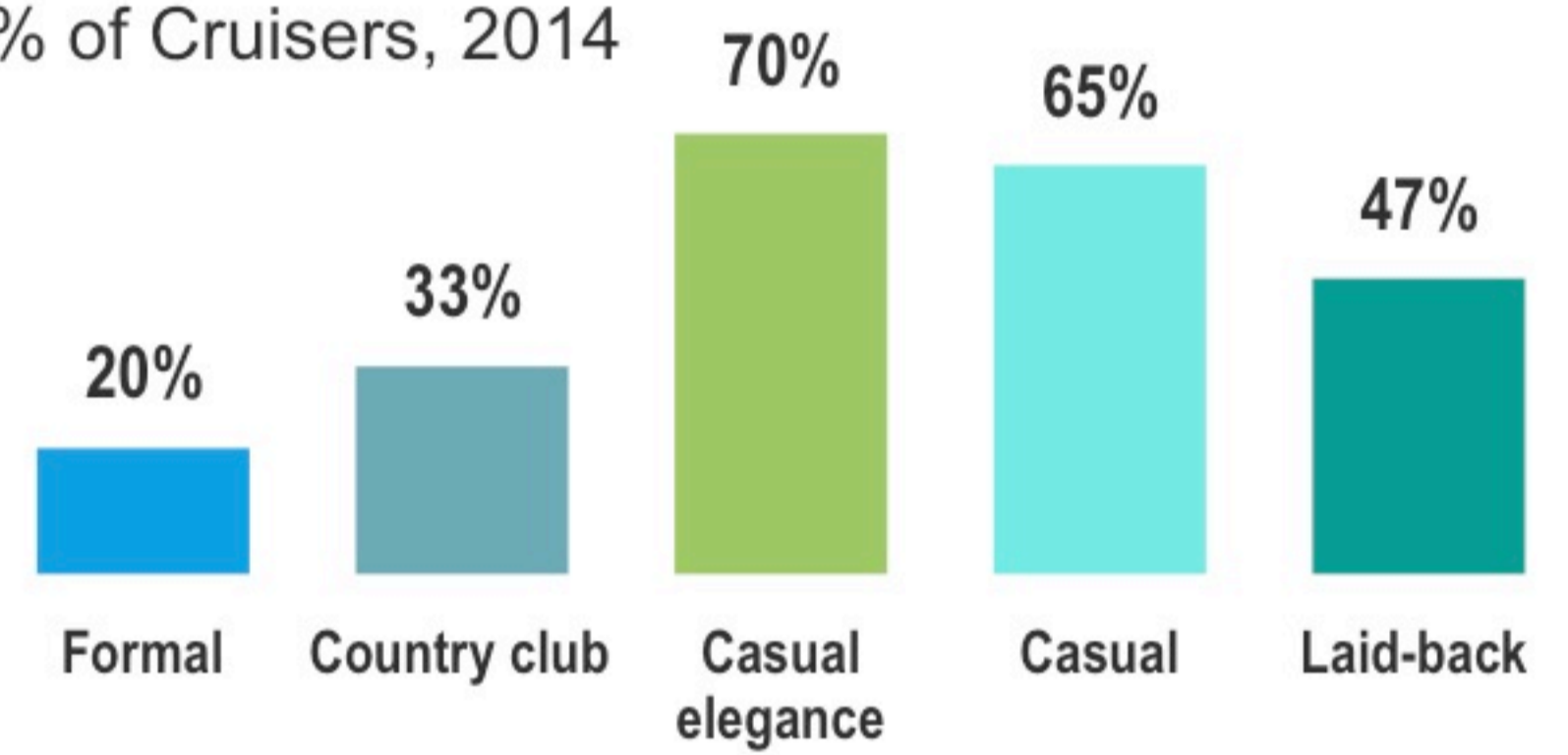


Figure 19. Appeal of Onboard Atmosphere

% of Cruisers, 2014



Purchase Process: From Planning to Booking, the Travel Agent is by Their Side

When planning and booking their last cruise, cruisers had a variety of planning sources and cruise experiences to consider.

For their last cruise, most cruisers (38 percent) began planning their cruise vacation 4-6 months in advance. One-quarter of cruisers started planning as early as 7-12 months in advance while another 25 percent planned-as little as 1-3 months before their cruise. The booking window for most cruisers (37 percent) happened in the 4-6 month timeframe while another 34 percent waited to book until 1-3 months in advance of their cruise (Figure 20).

The majority of cruise travelers opted for travel-agent assisted planning and booking of their cruise vacation. In terms of cruise vacation planning, 67 percent of cruisers used a travel agent and 70 percent worked with their agent to secure and book the cruise (Figure 21).

Figure 20. Planning & Booking Horizon of Last Cruise

% of Cruisers, 2014

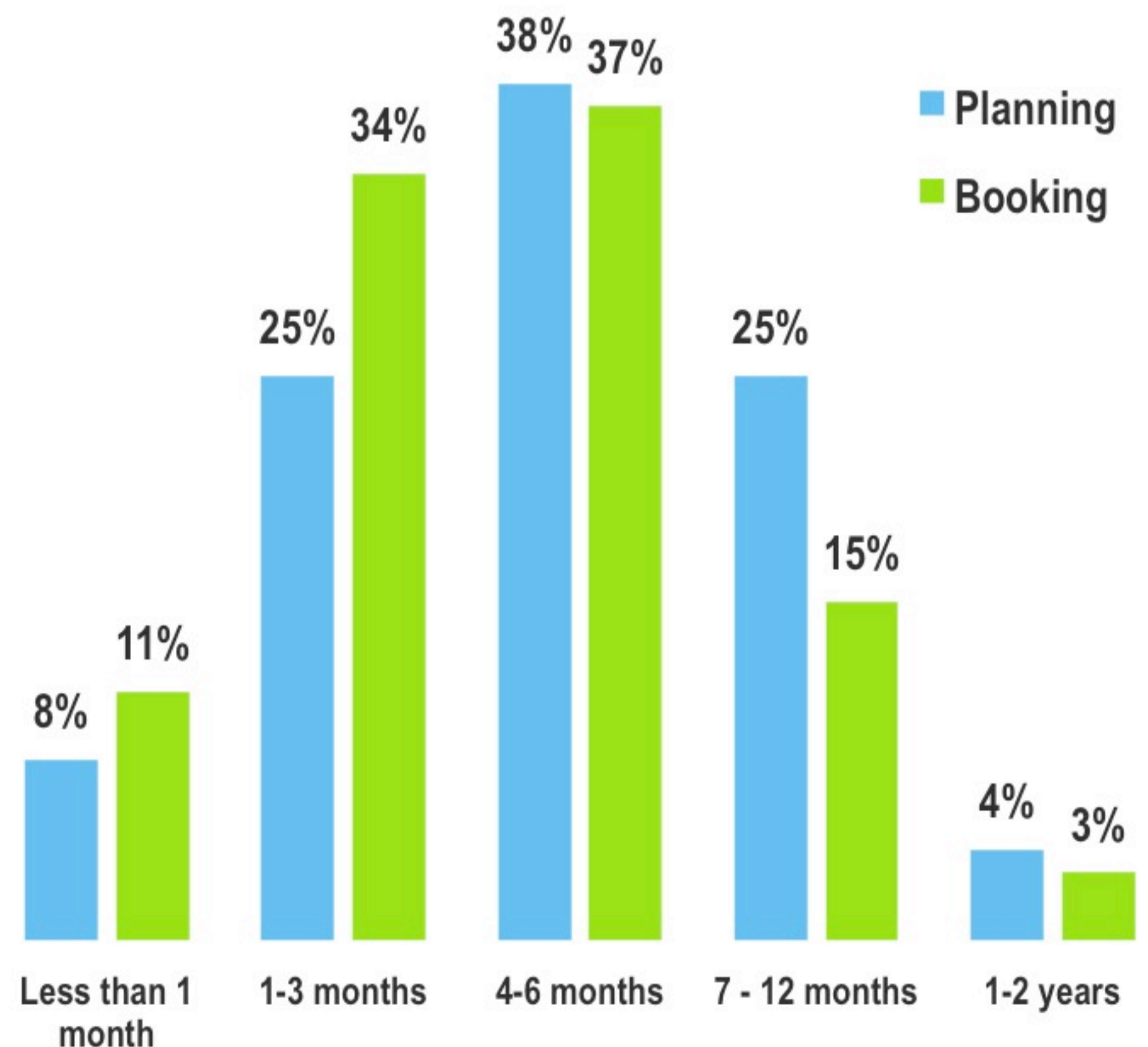
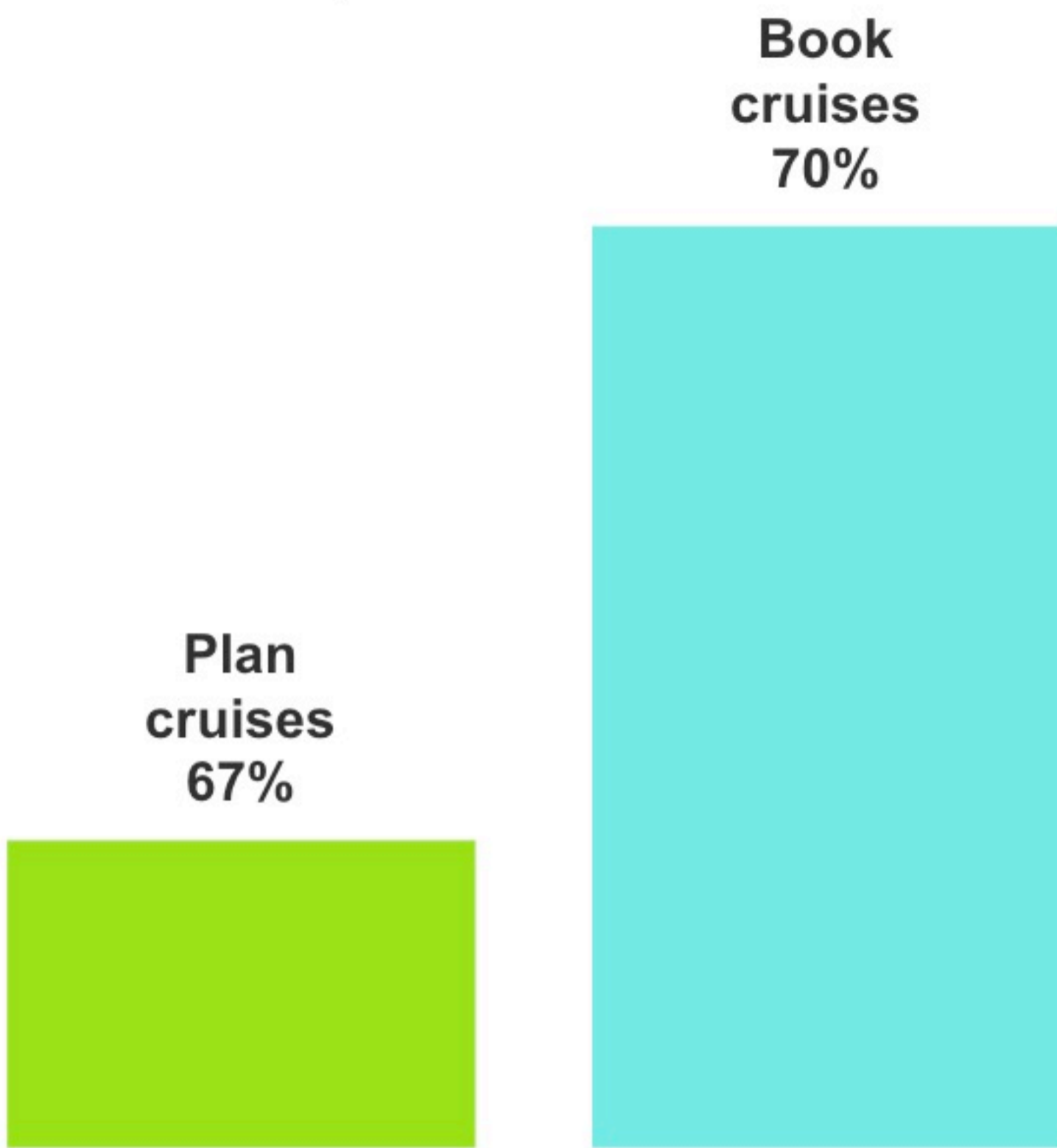


Figure 21. Travel Agent Assistance

% of Cruisers, 2014



A number of factors were considered when cruisers selected their cruise. When weighing cruise options, cruisers placed cost and destination as top factors in their selection. Cost accounted for 29 percent of their cruise selection followed by destination, which accounted for 24 percent of the decision. The overall cruise experience accounted for another 20 percent, followed by the actual ship and its facilities (Figure 22).

Several shipboard amenities were also important for cruise travelers. Entertainment ranked among the top amenities cited by travelers who desired general entertainment through shows and revues, as well as well-known productions familiar and available on land, accounting for 80 and 68 percent of cruisers, respectively (Figure 23).

Another important factor was stateroom accommodations. Two-thirds of cruisers cited that suites and balconies were key amenities desired for their staterooms. Closely following, half of cruisers found that having dedicated areas for adults and general internet access were amenities of strong importance when selecting their cruise.

Figure 22. Factors Influencing Cruise Selection

% of Cruisers, 2014

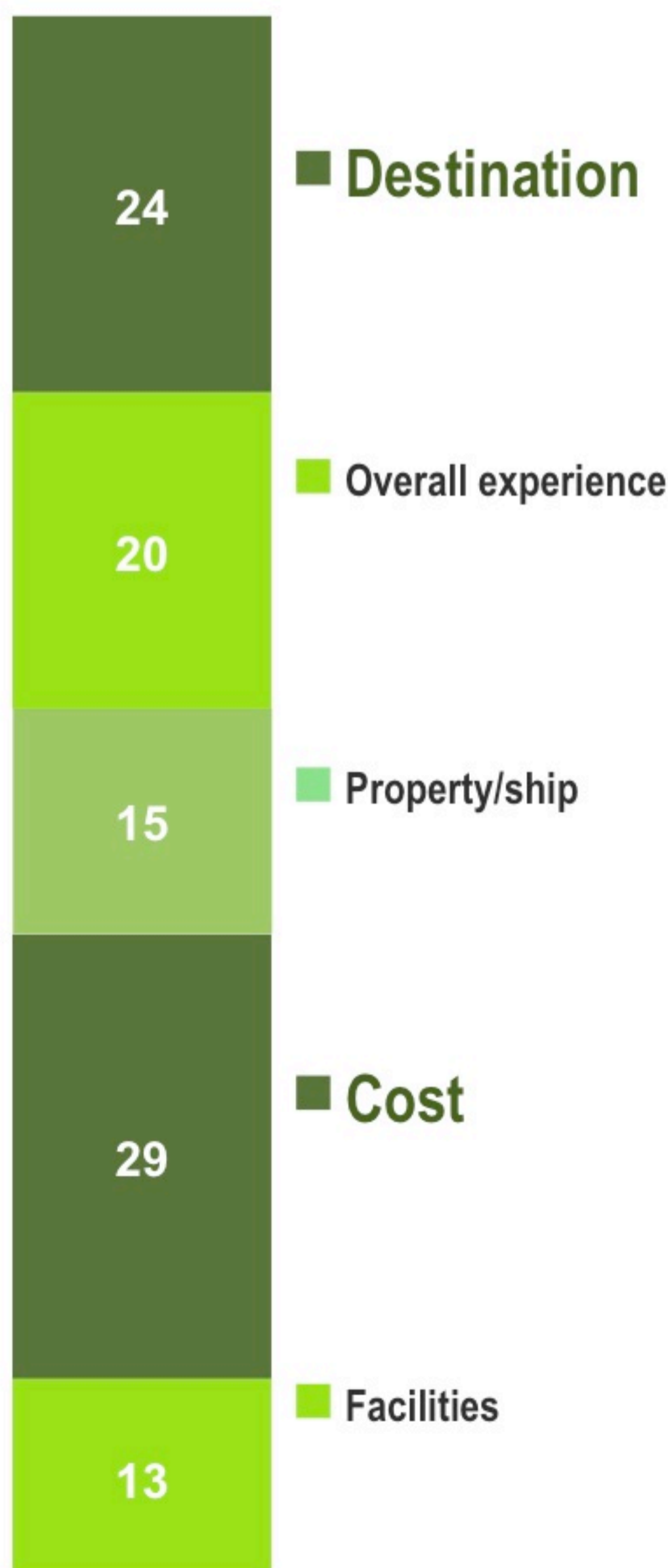
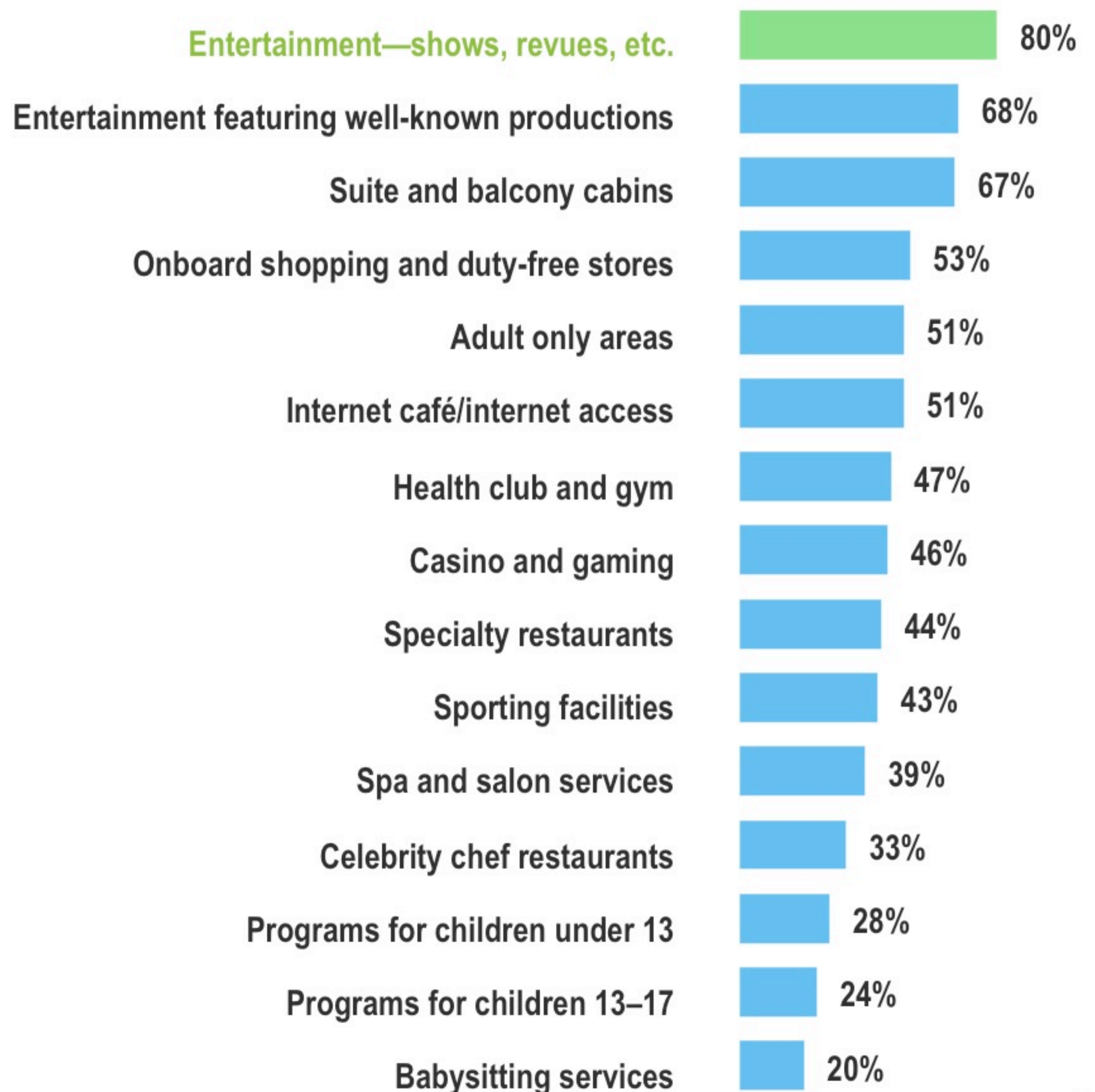


Figure 23. Importance of Amenities

% of Cruisers, 2014



Overall, the planning and booking process was well regarded among cruisers who worked with a travel agent. Nearly two-thirds gave strong satisfaction ratings on their agent-assisted experience (Figure 24). When comparing the purchase process among all distribution channels cruisers used, cruisers perceived that while the best pricing was found through online channels, when it came to service, travel agents ranked first, followed closely by the cruise line itself (Figure 25).

Figure 24. Travel Agent Satisfaction

% of Cruisers, 2014

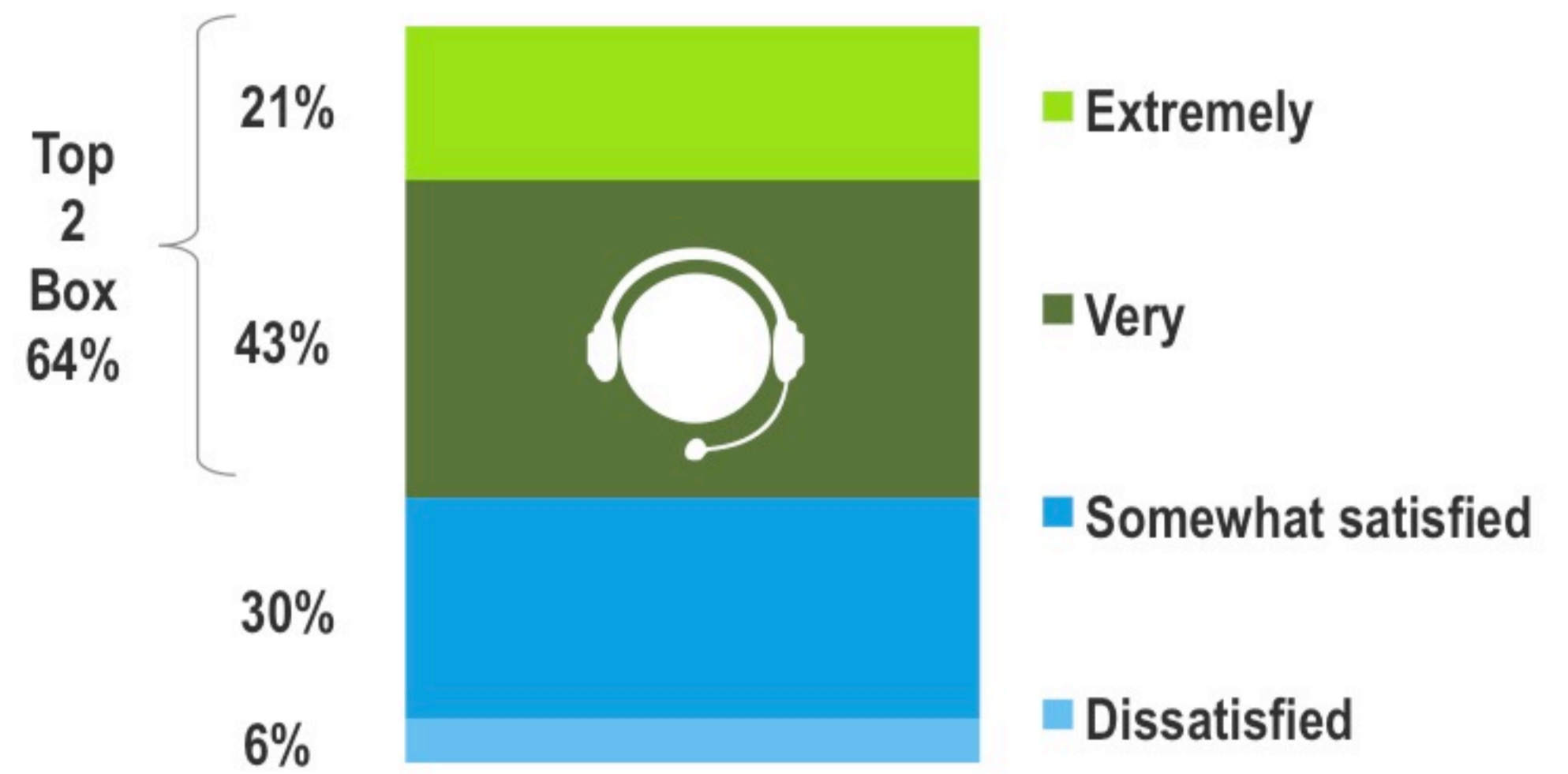
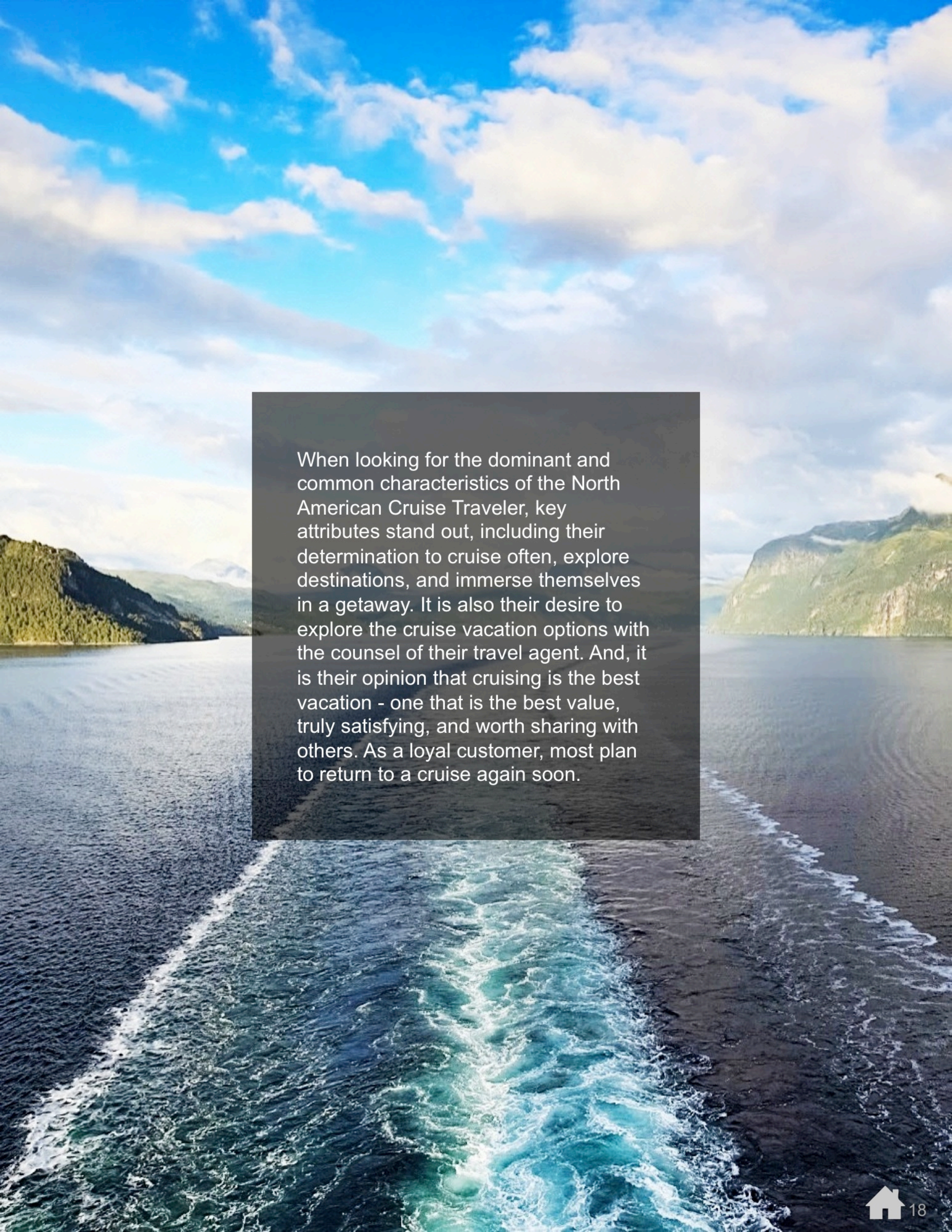


Figure 25. Ratings of Distribution Channel with Best Service and Price

% of Cruisers, 2014





When looking for the dominant and common characteristics of the North American Cruise Traveler, key attributes stand out, including their determination to cruise often, explore destinations, and immerse themselves in a getaway. It is also their desire to explore the cruise vacation options with the counsel of their travel agent. And, it is their opinion that cruising is the best vacation - one that is the best value, truly satisfying, and worth sharing with others. As a loyal customer, most plan to return to a cruise again soon.