



CRUISE TRAVEL REPORT
JANUARY 2017



CRUISE LINES INTERNATIONAL ASSOCIATION

ABOUT CRUISE LINES INTERNATIONAL ASSOCIATION

Established in 1975, Cruise Lines International Association (CLIA) is the world's largest cruise industry trade association, providing a unified voice and leading authority of the global cruise community. CLIA supports policies and practices that foster a safe, secure, healthy and sustainable cruise ship environment and is dedicated to promoting the cruise travel experience. CLIA represents the interests of three critically important members:

- **60 Cruise Line Members** – From ocean to specialty cruise ships, CLIA Cruise Line Members represent more than 95 percent of global cruise capacity.
- **300 Executive Partners** – As key suppliers and partners to the Cruise Lines, Executive Partners play a major role in the successful operation of cruising, including ports & destinations, ship development, suppliers and business services.
- **15,000 Global Travel Agency and 25,000 Travel Agent Members** – Our Travel Agency members include the largest agencies, hosts, franchises and consortia in the world.

CLIA Cruise Line Members serve more than 24 million passengers annually.



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METHODOLOGY

The Cruise Travel Report shares information about the motivations and preferences of vacationers in the U.S. and Canada, including and comparing those who have taken a cruise. Consulted with the research firm J.D. Power to conduct the survey to better understand the vacation habits, characteristics and behaviors of these two groups.

J.D. Power conducted a web-based survey in August 2016 from its Consumer Panel, targeting consumers who: 1) earn more than \$50,000 annually; and 2) had taken a vacation within the past three years.

The survey collected cruise and travel opinion data from 793 cruisers and 813 non-cruisers.

The dates of birth of the demographic groups cited in the report are as follows: Gen Y/Millennial (1982-1998); Gen X (1967-1981); Boomers (1948-1966); Traditionalists (1917-1947).

J.D. POWER

INTRODUCTION AND KEY HIGHLIGHTS

- Younger generations—including Millennials and Generation X — are embracing cruise travel, rating it as a better vacation type than land-based vacations, all-inclusive resorts, tours, vacation house rentals, or camping. Cruisers rate cruise vacations as the best type of vacation especially for relaxing and getting away from it all.
- People who take cruises are very loyal to cruising as about 92 percent of cruisers say they will probably or definitively book a cruise as a next vacation.
- Cruises are better when enjoyed with others - Cruisers rate their vacation highly when they experience it with family and friends.
- Cruises are a preferred vacation choice for families, especially those with children under the age of 18. Further, children are involved with the decision process for cruises more than they are for land-based vacations.
- For trip planning, Non-Cruisers rely on travel companions, recommendations from friends and family, destination websites, and travel information websites (e.g., review sites); Cruisers also rely on these information sources plus others, including social networks, travel guides, travel magazines, travel blogs, travel apps—and travel agents.
- Travel agents are more involved with gathering information and assisting with final travel plans for cruises than for land-based vacations; Cruisers report high levels of satisfaction with their experience when travel agents assist with trip-planning.
- Cruise trip duration is positively related to age; although the 6-to-8-day cruise is most popular across age cohorts (especially for Boomers), younger cruisers (Millennials and Gen Xers) are more likely to choose shorter cruises (5 days or less), and Traditionalists are more likely to choose longer cruises (9 days or more).
- While most ethnic market segments exhibit similar preferences in terms of cruise choices, Black/African American cruisers tend to take shorter cruises (5 days or less).
- The most popular cruising destinations for future cruises are the Caribbean/Bermuda/Mexico and Alaska/Pacific Northwest.
- A main benefit to cruises vs. land-based vacations is the opportunity to see and do new things. The vast majority of cruisers see cruising as a good way to sample destinations for later trips. Millennials and Gen Xers, in particular, like this benefit to cruising and are more likely than older cruisers to have done pre-/post-cruise stays in a port city and/or returned to a visited destination first experienced on a cruise.
- There are notable differences between what cruisers say are important amenities on a cruise and what they actually use. For example, cruisers say that programs for children and babysitting services are important, but tend not to use them; on the other hand, cruisers claim less importance for onboard entertainment, casino/gaming, onboard shopping, fitness facilities, and pools/Jacuzzis, but report more use of these amenities.
- Age cohorts differ in terms of the attributes that most influence their cruise purchase: for Millennials, it's price/value; for Gen Xers and Boomers, it's ports and destinations, and interestingly, for Traditionalists, it's programs for children and families.



THE NORTH AMERICAN CRUISE TRAVELER – THE CRUISE GENERATION

The CLIA Cruise Travel Report challenges stereotypes about vacationers who take cruises. The contemporary “Cruise Generation” is embracing cruising and is more diverse than is commonly understood. Millennials and Gen Xers are engaging in cruise travel more than ever before, rating it as better than land-based vacations, tours, vacation house rentals, or camping. African Americans, Asians and Latinos also strongly prefer cruises to other vacations.

The Cruise Generation overwhelmingly rates cruises as the best type of vacation—especially for relaxing and getting away from it all. In fact, even though they also take land-based vacations, the average Cruiser has already taken more than five cruises as an adult. Cruisers are also more active: the primary reason that people take vacations is to see and do new things, but Cruisers cite this reason in larger numbers than people who don’t take cruises.

The following overview provides more detail to understand the behaviors and motivations of American and Canadian Cruisers and Non-Cruisers alike.

Contrary to common perceptions, according to our sample, people who take cruises are younger than those who take land-based vacations. The Cruise Generation is also more diverse than the Non-Cruisers. Three-quarters of Cruisers are White/Caucasian compared to 84 percent of people who take land-based vacations. African Americans represent 11 percent of Cruisers, versus six percent of Non-Cruisers; Asian Americans make up seven percent of Cruisers versus five percent of Non-Cruisers; and Latinos make up 14 percent of Cruisers compared to only eight percent of Non-Cruisers.

Figure 1: Ethnic Breaks of Cruisers vs. Non-Cruisers

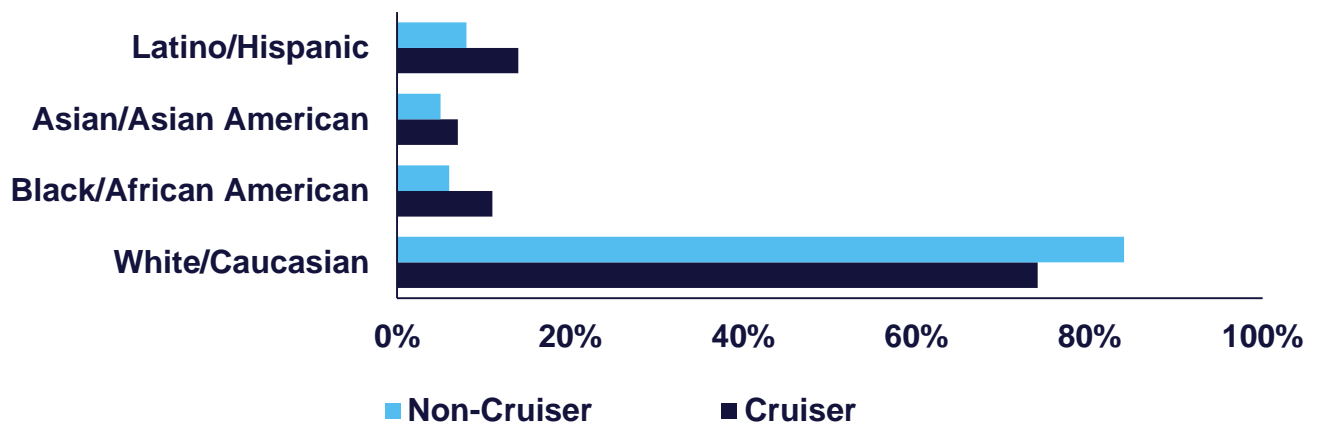
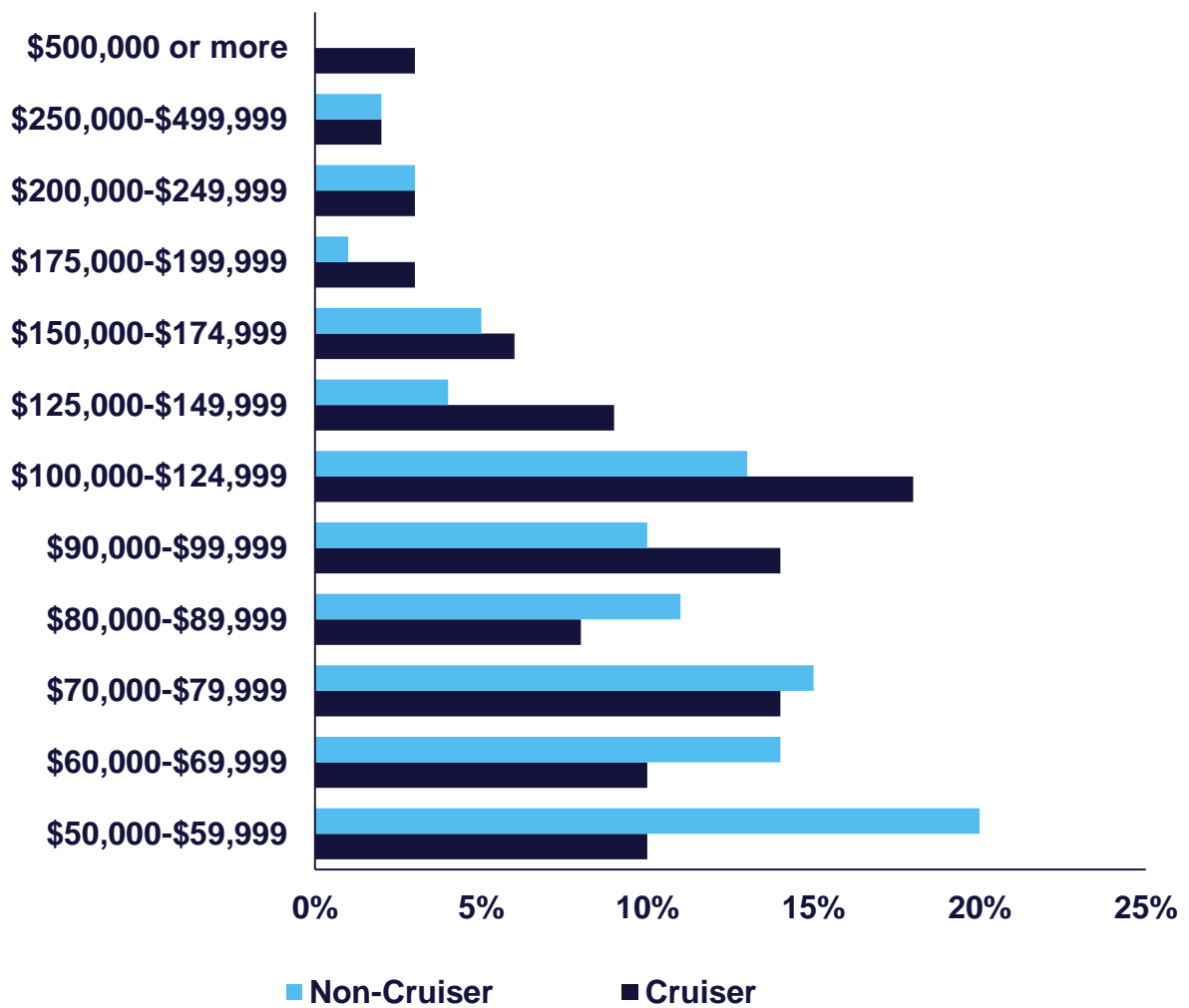


Figure 2: Income Breaks of Cruisers Only



CRUISERS ARE LOYAL

People who take cruises are very loyal to cruising as about 92 percent of cruisers say they will probably or definitively book a cruise as a next vacation. When asked to identify the best overall type of vacation, 54 percent of Cruisers cited ocean or sea cruises and 11 percent cited river cruises. Only a handful of people who had taken a cruise identified other types of vacations as “best” (including eight percent who cited a land-based vacation trip and seven percent who identified a vacation at an all-inclusive resort.) Even among Non-Cruisers, a substantial number (13 percent) said that an ocean cruise is the best kind of vacation, suggesting that it’s only a matter of time before many Non-Cruisers finally try out a cruise. Out of the remaining non-cruisers, 25 percent said their favorite type of vacation was a land-based vacation trip while another 13 percent mentioned an All-inclusive-resort.

In keeping with previous findings that “The Cruise Generation” is embracing cruising, 39 percent of Gen Y/Millennials identify ocean cruises as the best type of vacation and another seven percent cite river cruises. Over half of Gen Xers say that ocean (44 percent) or river (eight percent) cruises are their favorite vacations. Meanwhile 47 percent of African

Americans cite ocean cruises as their favorite type of cruises, as do 39 percent of Asian Americans and 37 percent of Hispanics.

Among Cruisers, the most loyal groups are the younger generations. Two-thirds of Gen Y/Millennials say that cruising is their favorite vacation, including 56 percent who cite ocean cruises and 10 percent who cite rivers cruises. This preference is even more pronounced among Gen Xers, with 58 percent favoring ocean cruises and 13 percent favoring river cruises).

Given how much people like cruising once they take one, it is not surprising that Cruisers are highly likely to take another cruise. Among Gen Y/Millennials, 63 percent say they will definitely take another cruise and 30 percent say they probably will. Results are similar among Gen Xers cruisers, 69 percent of whom say they definitely will take a cruise and 28 percent say they probably will. Boomers who take a cruise are almost evenly split among those who say they definitely will take another cruise and those who say they probably will.



**Figure 3: Favorite Types of Vacations Overall and by Age
(all vacationers)**

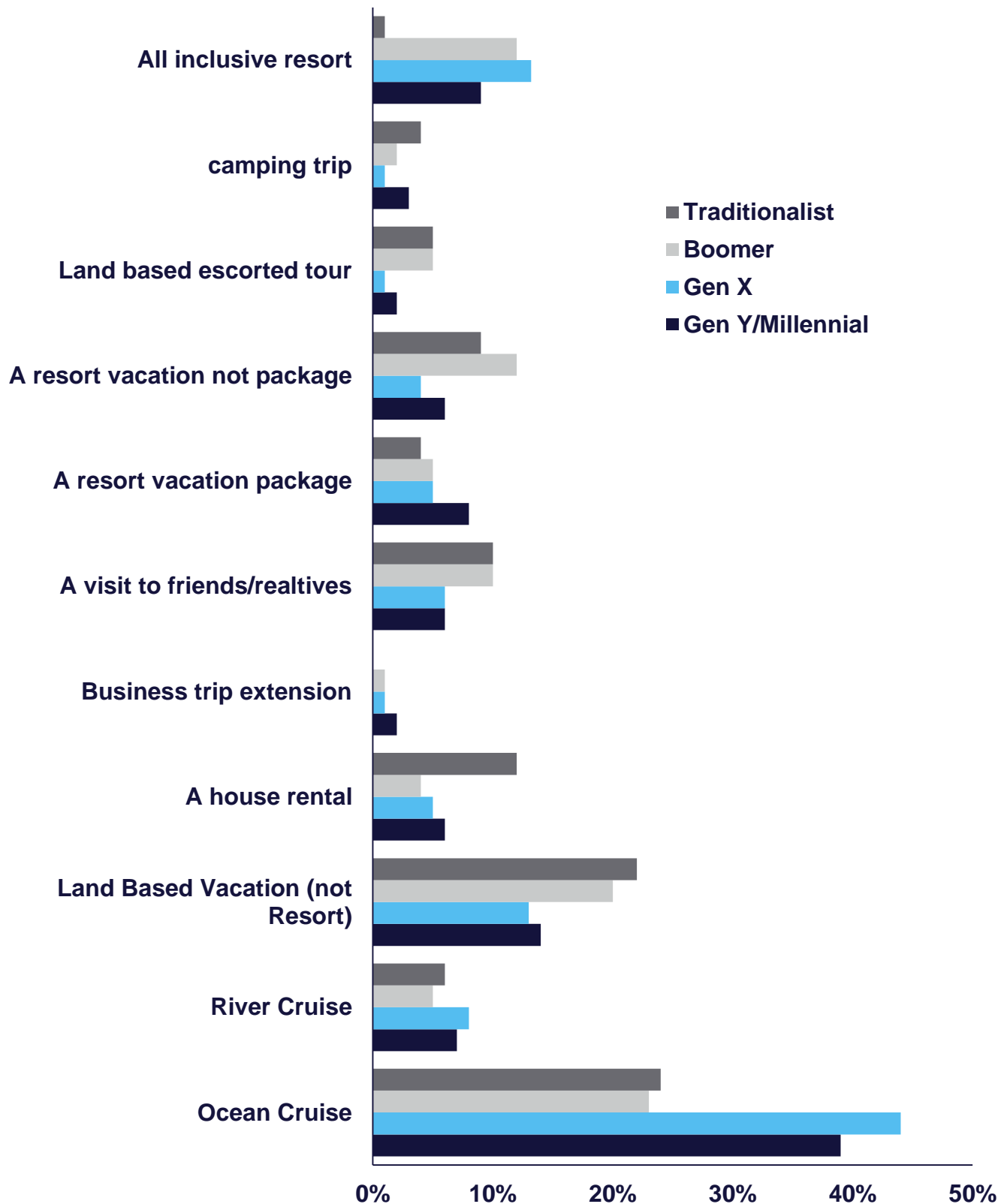
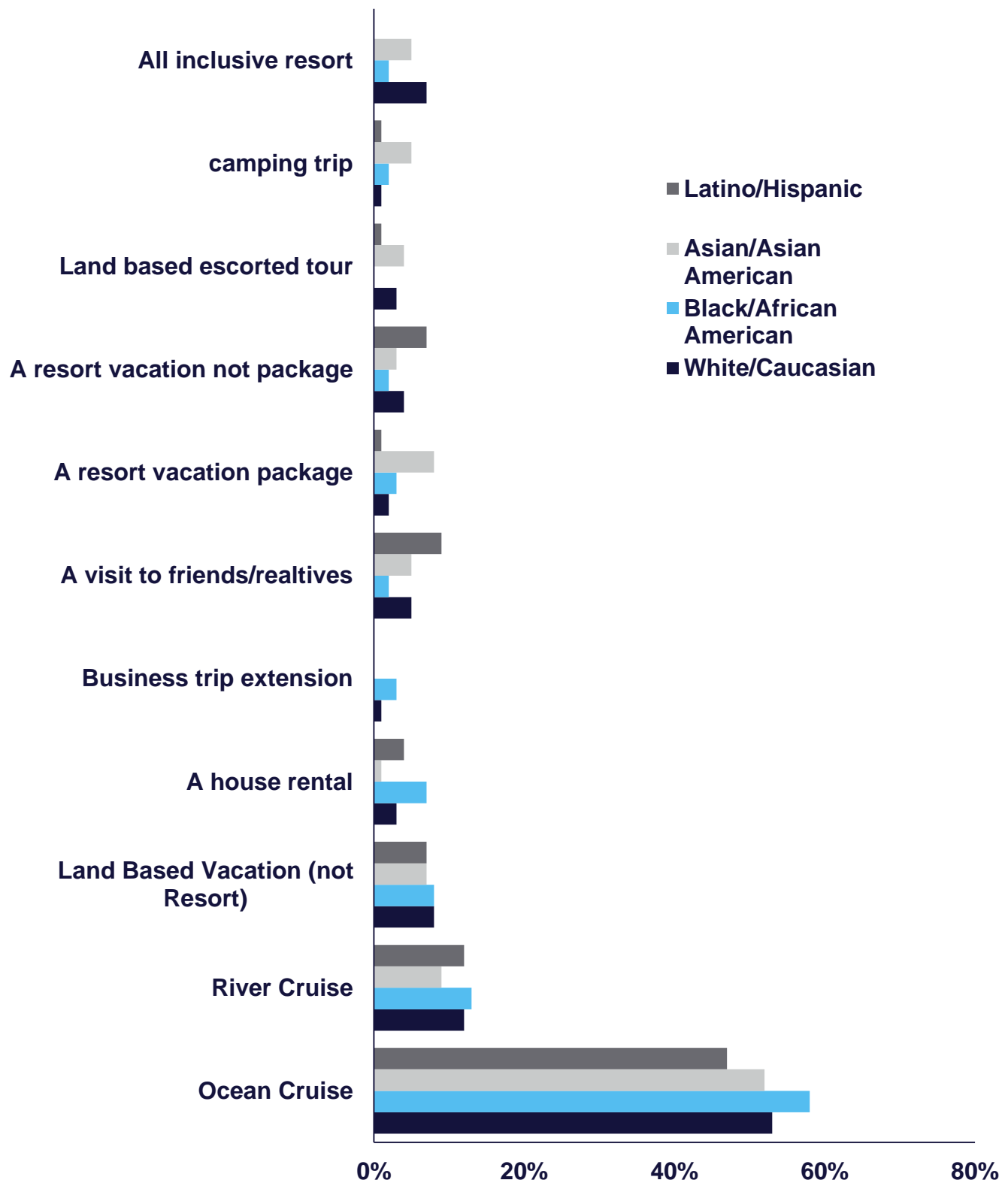


Figure 4: Favorite Types of Vacations by Ethnicity (cruisers only)



**Figure 5: Favorite Type of Vacations Among Cruisers
Broken Down by Age Cruisers Only**

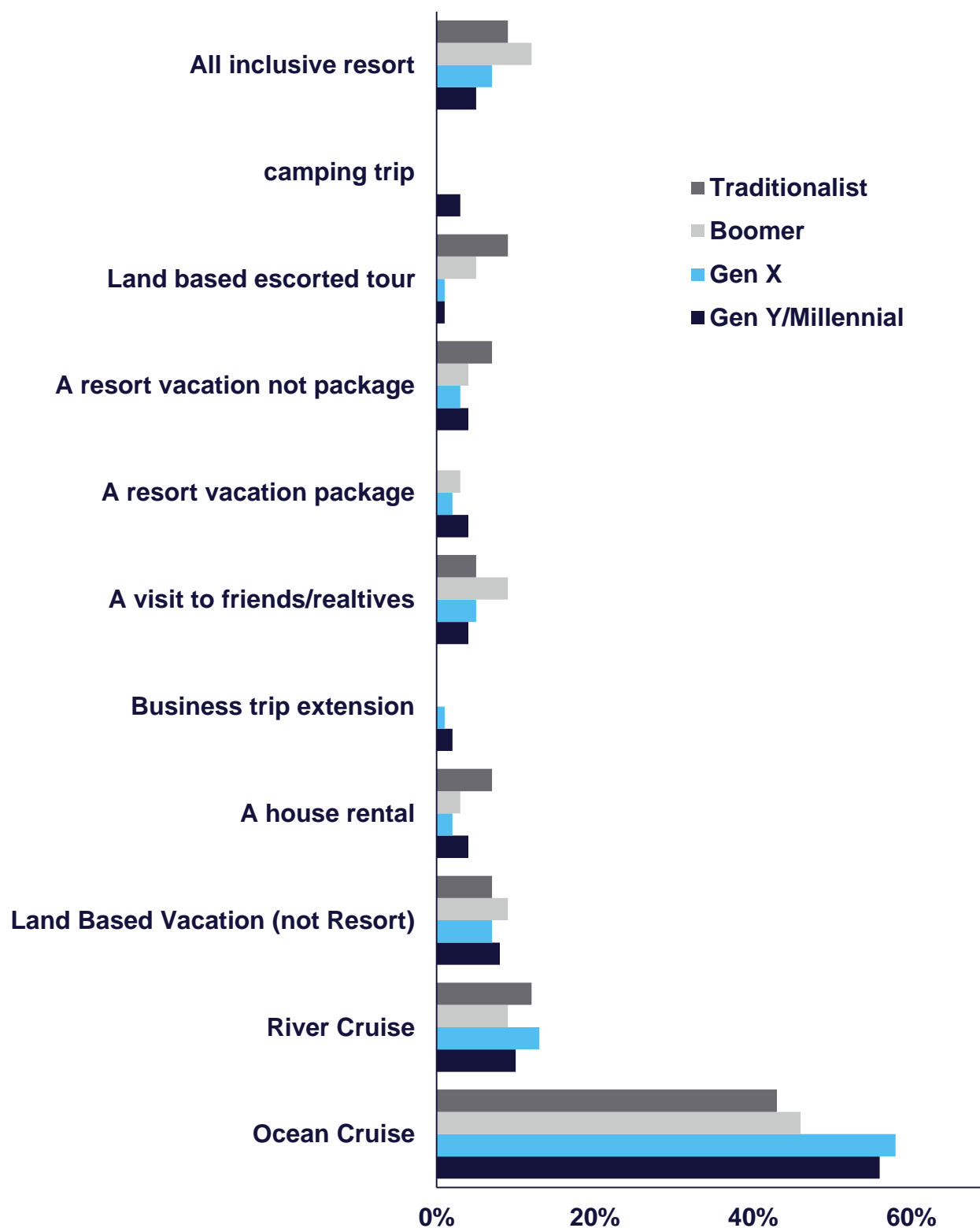


Figure 6: Likelihood of Booking A Cruise for the Next Trip by Age

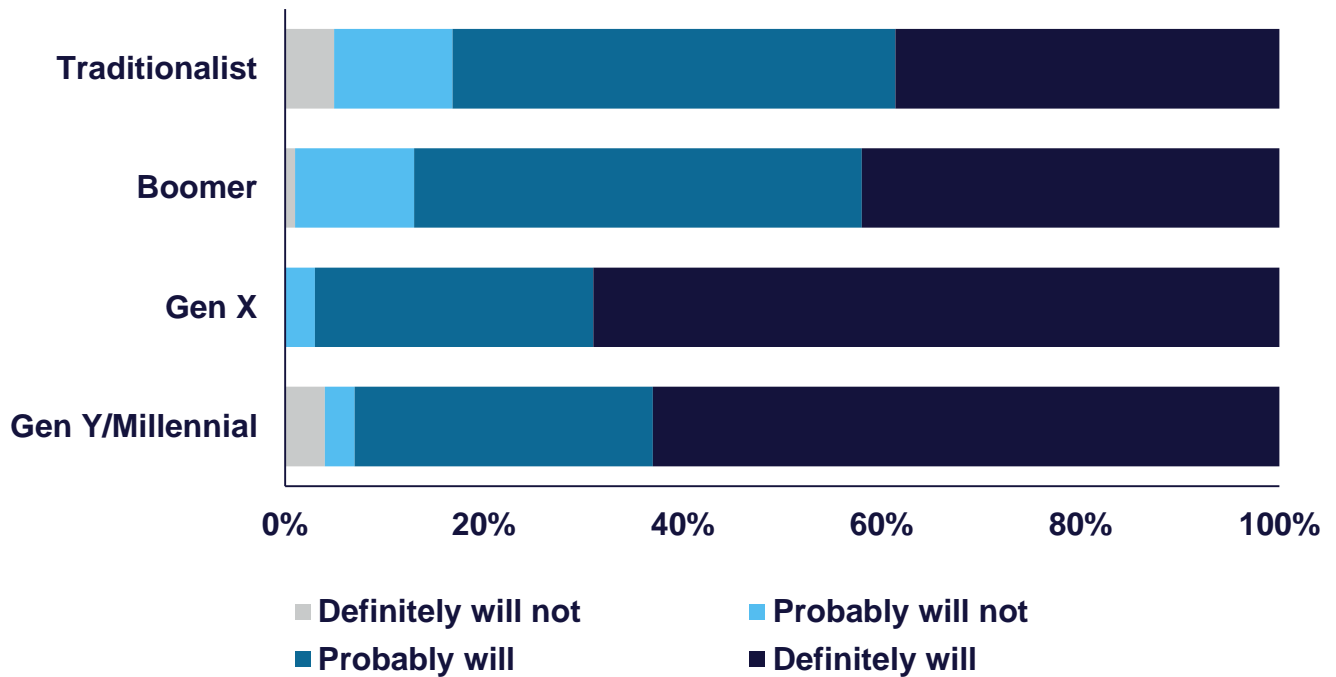
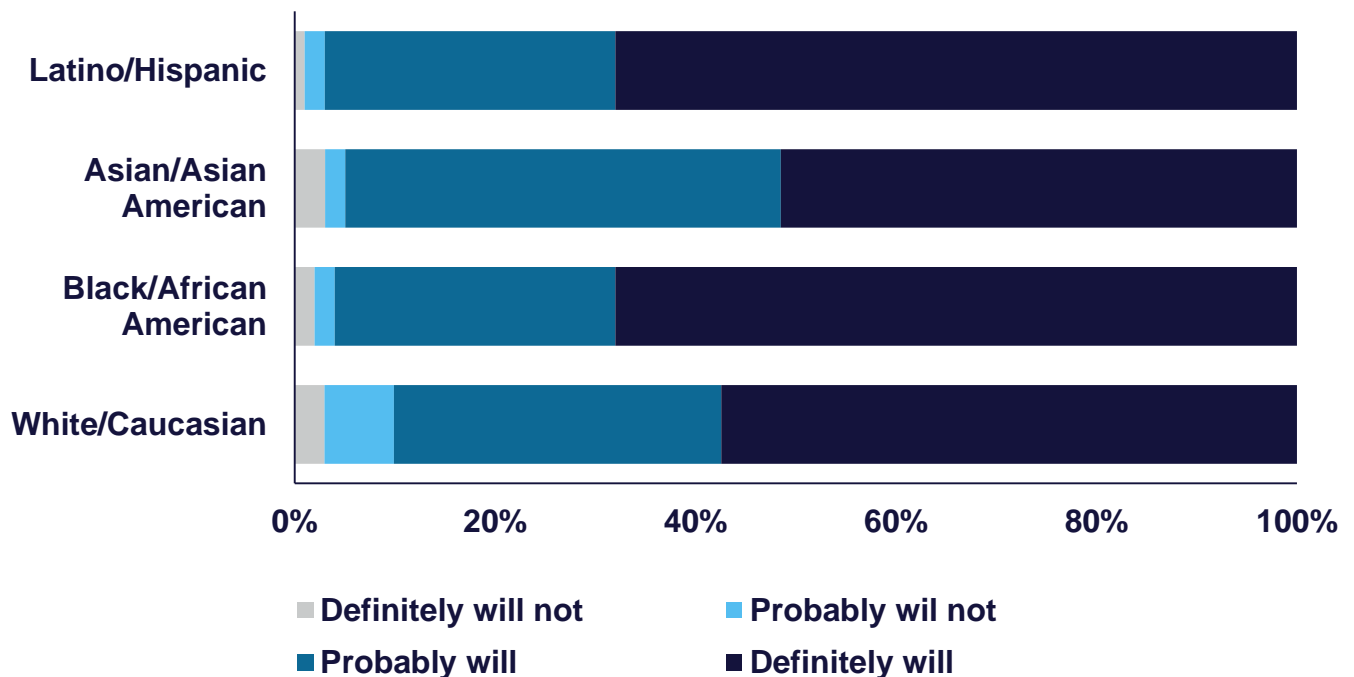


Figure 7: Likelihood of Booking a Cruise by Ethnic Group



UNDERSTANDING THE MOTIVATIONS OF THE CRUISER

People take vacations for a variety of reasons that include both relaxation and exploration. Among all vacationers, 42 percent say they go on vacation to see or do new things, while 33 percent say they want to relax and get rid of stress, while 15 percent want to spend more time with their family.

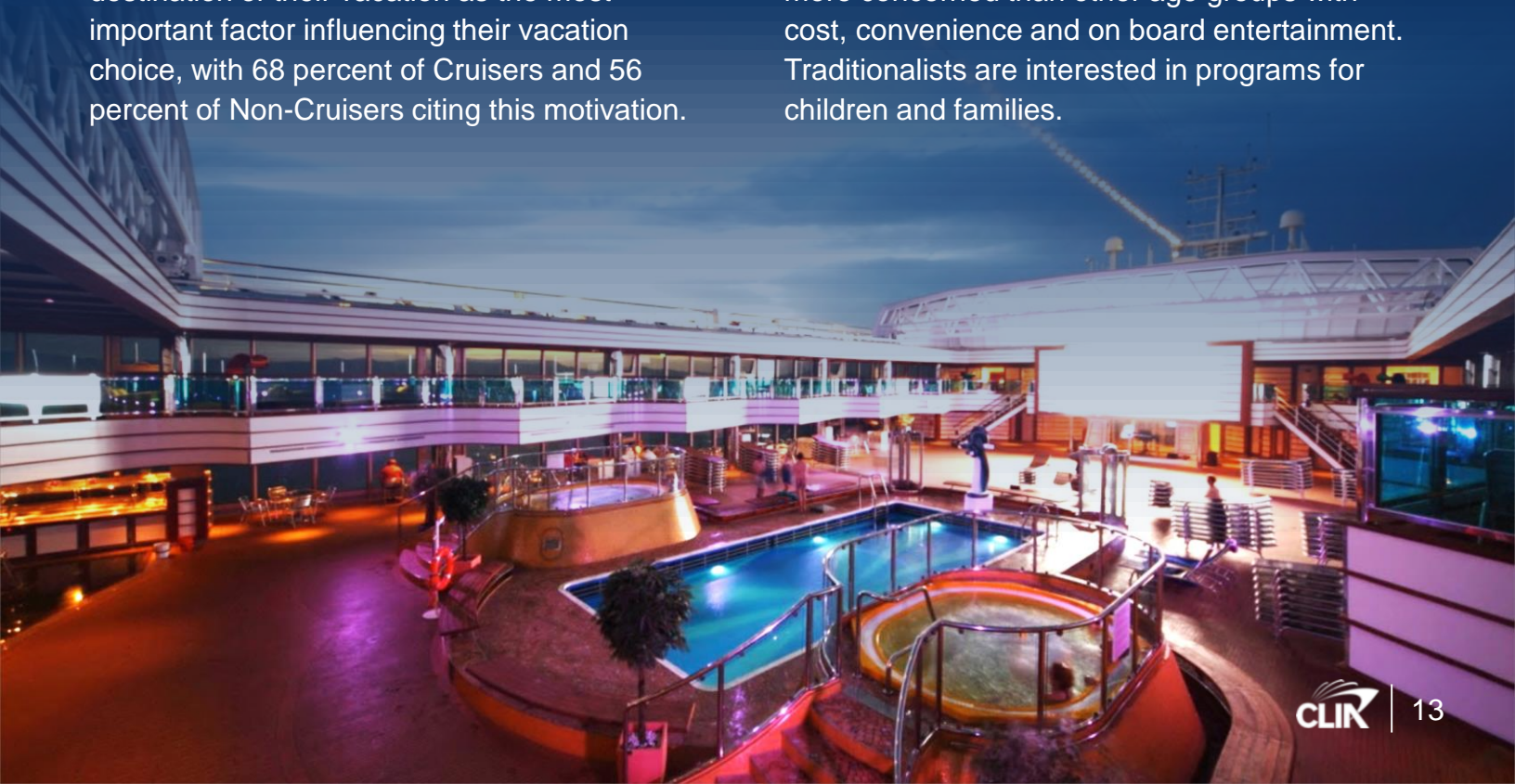
Those who go on ocean cruises and those who go on river cruises tend to have different motivations. People who take river cruises are more interested in seeing and doing new things (54 percent) in contrast to those who take ocean cruises (45 percent). Only 19 percent of river cruisers take vacations to relax, compared to 32 percent of ocean cruisers. In addition, 13 percent of river cruisers go on vacation to learn about history and other cultures, compared to only eight percent of ocean cruisers.

Cruisers and Non-Cruisers both identify the destination of their vacation as the most important factor influencing their vacation choice, with 68 percent of Cruisers and 56 percent of Non-Cruisers citing this motivation.

The second most important factor is cost, with Non-Cruisers (37 percent) more likely than Cruisers (24 percent) to say that expense was the most important factor in choosing a vacation.

Perceptions about the cost of cruising is also cited as the main reason not to take a cruise, with 56 percent of Cruisers and 47 percent of Non-Cruisers acknowledging the role of the pocketbook in choosing vacations. About 27 percent of Non-Cruisers also cite safety, security or health concerns. People who take cruises are much less concerned about safety issues, with only 17 percent citing them as a potential reason not to cruise.

Different age groups are influenced by different factors when they decide to take a cruise. For Boomers, the factors that influence them are the trips, ports and destinations, the itinerary and sight-seeing opportunities. Gen Y/Millennials are more concerned than other age groups with cost, convenience and on board entertainment. Traditionalists are interested in programs for children and families.



One of the major benefits of taking cruises, especially for younger Cruisers, is sampling destinations for future non-cruise vacations. Almost all Gen Y/Millennial Cruisers use cruise vacations to sample new destinations. Many cruisers (ranging from 75 percent of Gen Y Millennials to 53 percent of Traditionalists) also typically extend their vacations by spending a few days in the port cities.

Looking ahead, results shows that North American vacationers are predisposed to stay within the Western Hemisphere for their future vacations. The destination of Caribbean/Bermuda/East Coast of Mexico is the most popular future vacation destination for all vacationers, cited by 48 percent of Non-Cruisers and 39 percent of Cruisers. The second-most

popular future destination is Alaska and the Pacific Northwest, cited by 29 percent of Non-Cruisers and 26 percent of Cruisers.

People who take cruises become advocates for cruising, overwhelmingly rating cruising ahead of land-based vacation in a number of categories. The biggest advantage that cruises have over land-based vacations is the category of “Relaxing and getting away from it all,” with 88 percent of Cruisers saying that cruises were better for relaxation than non-cruise vacations. Other highly cited ways in which cruises were better than non-cruise vacations are “Being hassle-free,” “Offering something for everyone,” and “Being easy to plan and arrange” highlighting the convenience aspect of cruising versus other vacation type

Table 3: Why People Take Vacations

Reasons to take vacations by vacation type	Total (any vacation)	An ocean cruise vacation	A river cruise vacation	A land-based vacation, staying at a hotel or resort	A land-based vacation, staying with family or friends	An all-inclusive trip (includes air, hotel, meals, etc.)	Other land-based vacation
To see and do new things	42%	45%	54%	40%	42%	45%	41%
To relax and get rid of stress	33%	32%	19%	36%	32%	32%	30%
To gain knowledge of history and other cultures	6%	8%	13%	6%	7%	8%	11%
Because vacations offer a romantic time	4%	4%	6%	4%	4%	5%	3%
To spend more time with my family	15%	10%	8%	12%	16%	9%	14%
To have others serve me/wait on me	1%	1%	0%	1%	0%	1%	0%

Figure 8: Important Factors Influencing Vacation Choice

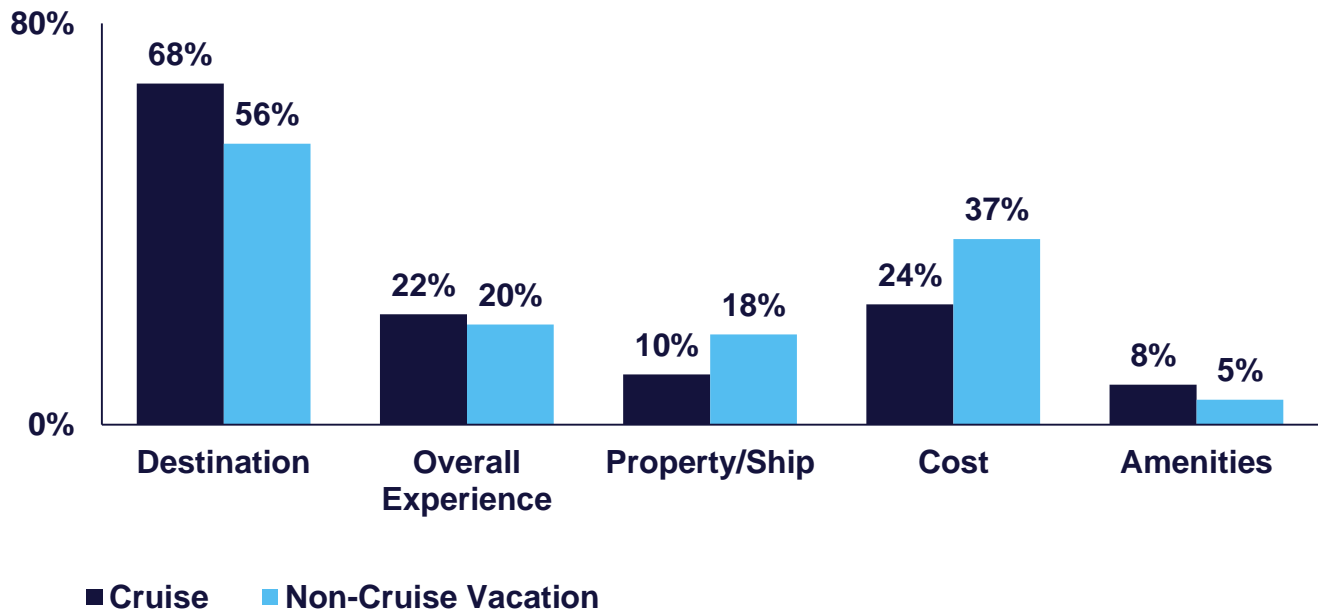


Figure 9: Reasons Not to Choose a Cruise Vacation

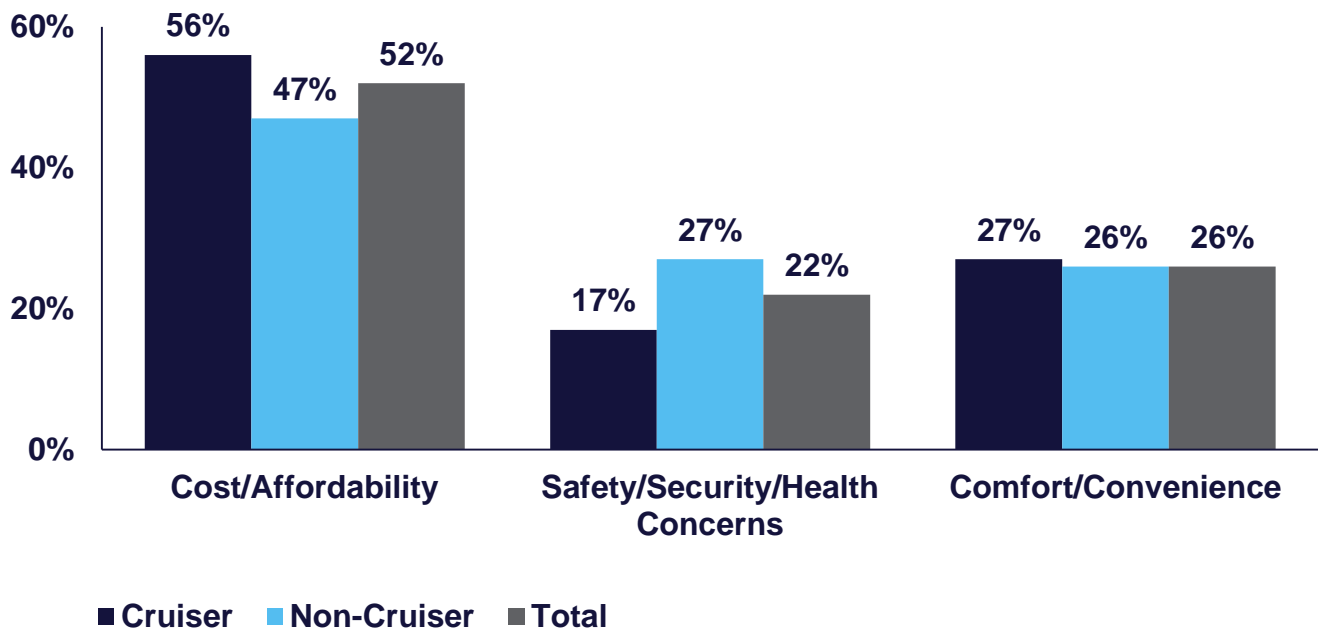


Figure 11: Benefits of Cruising for Visiting Destinations

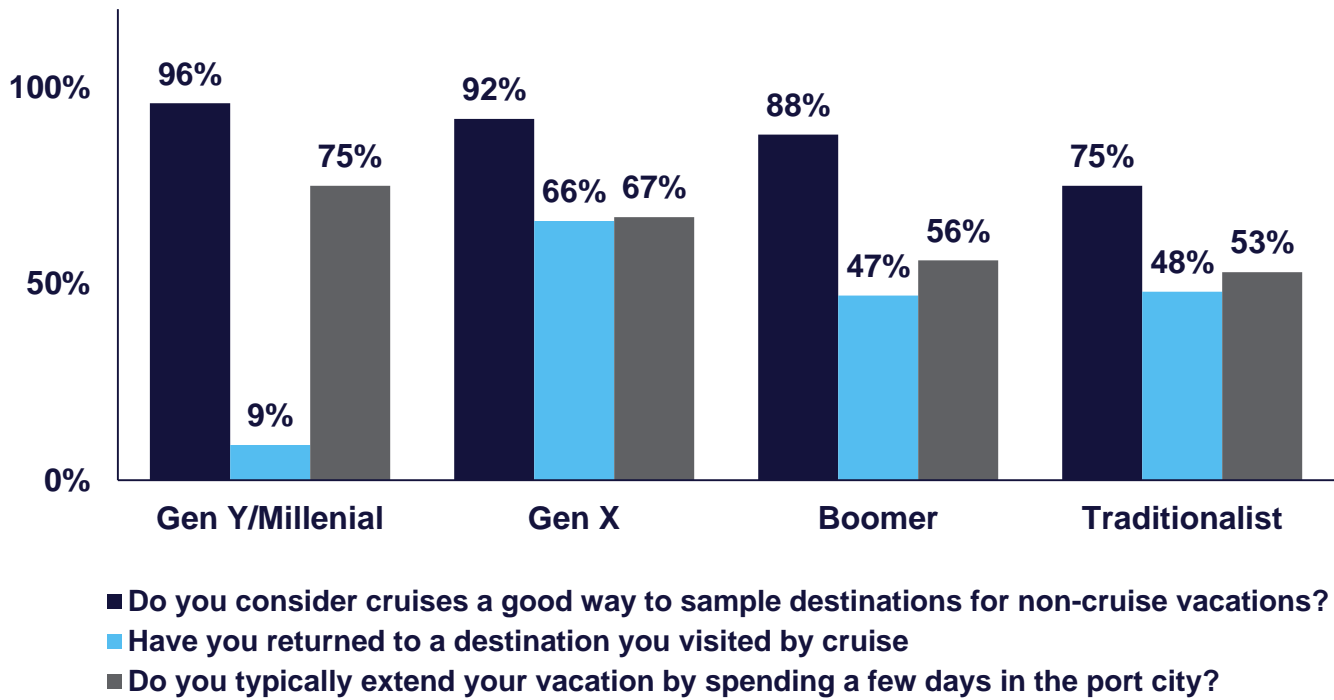


Table 1: Most-visited Vacation Destinations for Cruisers and Non-Cruisers

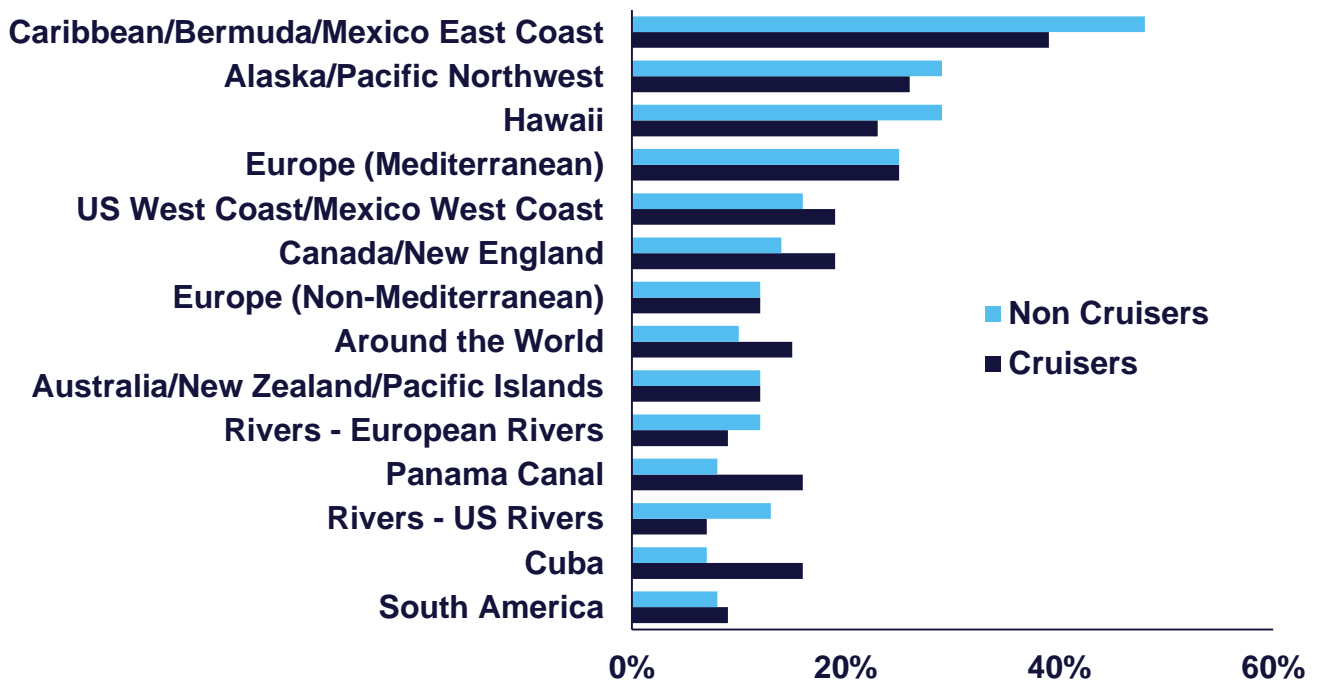


Figure 12: Cruises vs. Land-Based Vacations

Are cruises better or worse than land-based vacations in terms of...	% Better	% Worse
Relaxing and getting away from it all	88%	12%
Being hassle free	82%	18%
Offers something for everyone	80%	20%
Being easy to plan and arrange	80%	20%
Being pampered	79%	21%
Chance to visit several different destinations	78%	22%
Being luxurious	78%	22%
Fun vacation	77%	23%
Fine dining	77%	23%
Variety of activities	77%	23%
High quality entertainment	76%	24%
Having good activities for children	76%	24%
Good vacation for the entire family	76%	24%
Being reliable	76%	24%
Good value for the money	75%	25%
Being unique and different	75%	25%
Being safe	75%	25%
Being exciting and adventurous	73%	27%
Comfortable accommodation	72%	28%
Romantic getaway	71%	29%
A cultural learning experience	65%	35%
Participation in sports you enjoy	55%	45%

HOW PEOPLE CRUISE

At different life stages, people look for and take different types of cruises. Younger cruisers choose shorter trips and as they age their trips get longer. African American and Asian American cruisers prefer three-to-five day cruises while other ethnic groups prefer six-to-eight-day cruises. Similarly when cruisers move up the income scale they are more likely to take longer cruises.

Both ocean and river cruisers value the convenience and cost savings of having more close-to-home embarkation ports. Nearly 80 percent of cruisers appreciate having embarkation points they can drive to, while more than 60 percent say they like that extra ports reduce the need to fly to the port.

In terms of what features and amenities are most important to cruisers, 63 percent cited suite and balcony cabins, 48 percent mentioned private and exclusive access and 46 percent said that Internet access was important to them. Less important features included onboard shopping, health and gym clubs and specialty restaurants.

Figure 13:
Length of Most Recent Cruise

		How long did this cruise vacation last?				
		Under 3 days	3 to 5 days	6 to 8 days	9 to 15 days	16 days or more
Average Age	Years	32	34	43	47	49
Gender	Female	2%	30%	52%	12%	4%
	Male	6%	34%	42%	14%	4%
Generation Groups	Gen Y/Millennial	4%	39%	43%	10%	4%
	Gen X	7%	37%	41%	11%	3%
	Boomer	0%	16%	66%	16%	2%
	Traditionalist	0%	7%	47%	31%	15%
Are you...	White/Caucasian	5%	28%	48%	14%	5%
	Black/African American	2%	52%	38%	7%	2%
	Asian/Asian American	0%	42%	39%	18%	1%
	Latino/Hispanic	5%	33%	48%	11%	3%
Household Income	< \$100k	4%	35%	48%	9%	3%
	100 – 150k	3%	26%	51%	17%	4%
	150 – 200k	2%	31%	38%	18%	11%
	200k +	7%	30%	35%	22%	5%

Figure 14: Benefits of Having More Cruise Embarkation Options in North America

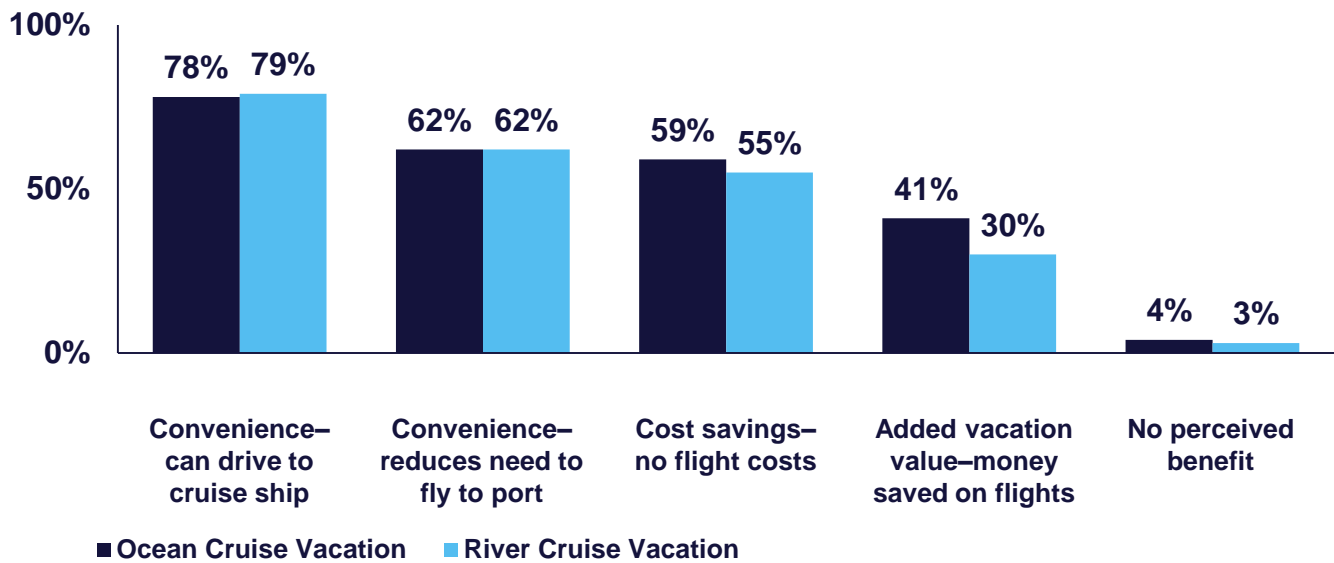
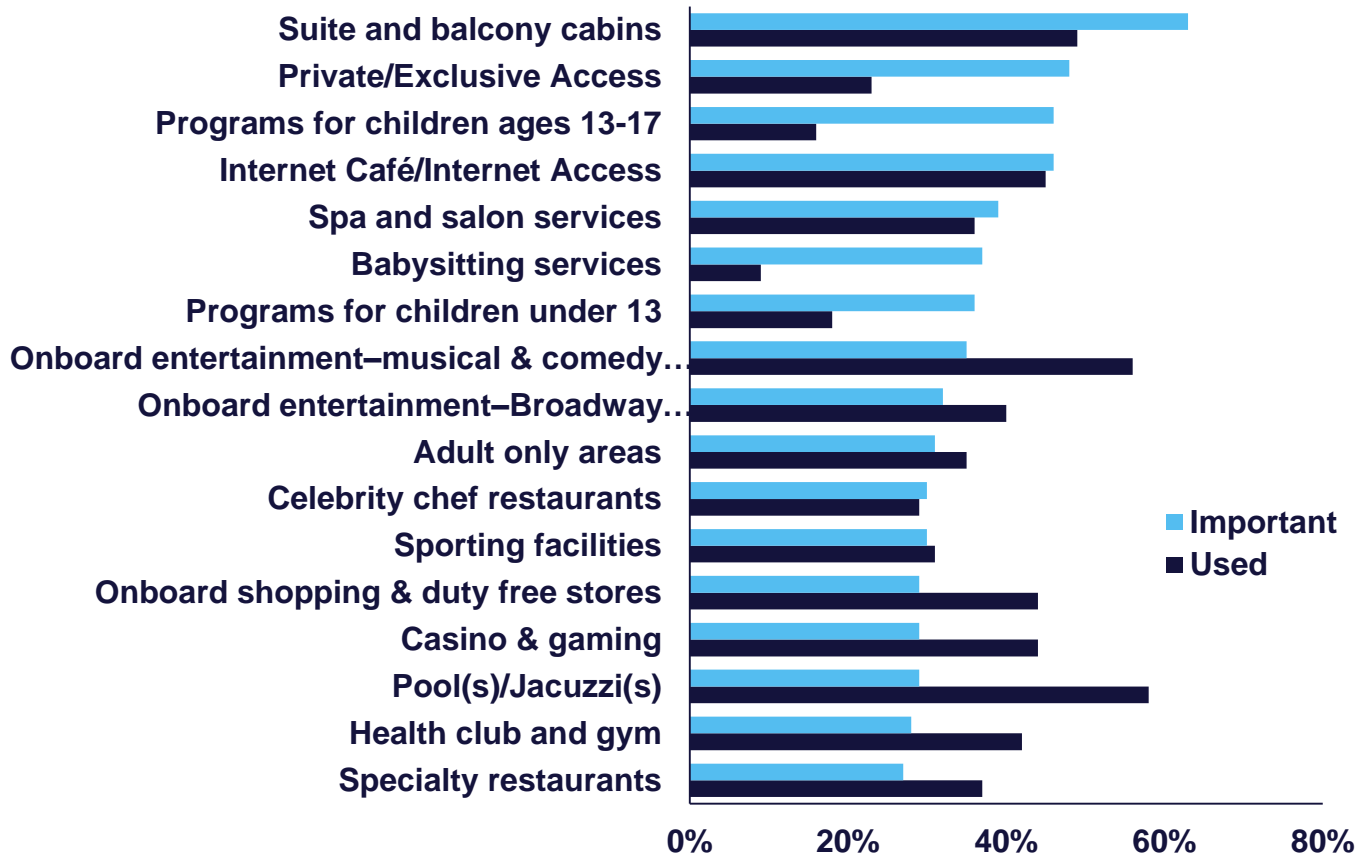


Figure 15: Cruise Ship Features and Amenities Used



HOW PEOPLE PLAN THEIR VACATIONS

Slightly more than half of the non-cruiser population is “definitely” or “somewhat” interested in taking an ocean cruise, which creates opportunities for growth in the cruise industry if cruise companies can reach decision-makers. When most people decide to go on a vacation they and their spouses or partners are actively involved in the planning. But if children, other family members, or travel agents participate in the research the family is more likely to take a cruise.

Satisfaction with a cruise vacation differs slightly depending on who is involved in making the decision. Involving Children over 18 in the decision seem to have the most positive impact on the enjoyment of a cruise vacation. Seventy-eight percent of those who took an ocean cruise said they were very satisfied with their cruise when their adult children were involved in the planning process. Moreover, 90 percent of cruisers are satisfied with their Ocean Cruise

vacation when a travel agents are involved in the decision making process pointing to the key role that travel agents are playing in matching cruisers with the perfect cruise.

Cruisers are advance planners. The vast majority of them plan their trip between four and 18 months before departure. Over half of Non-Cruisers plan their land-based vacation less than three months before it happens.

Cruisers put a lot of effort into planning and researching their vacations, relying on numerous sources of information, including multiple websites, word of mouth, travel guides and magazines, social media and various travel apps. Land-based vacationers rely on fewer sources of information for their planning, including the website of their destination and the opinions of their spouses and friends.

Figure 16: Determination to Take an Ocean Cruise

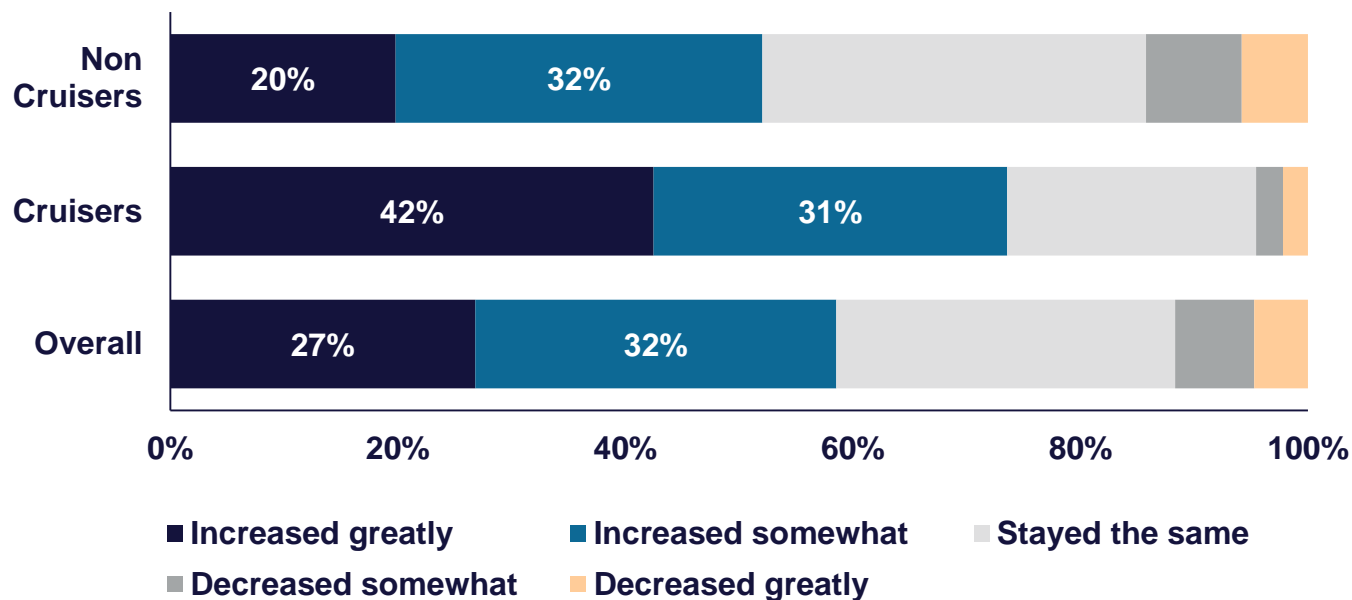


Figure 17: Satisfaction and Cruise Trip Planning

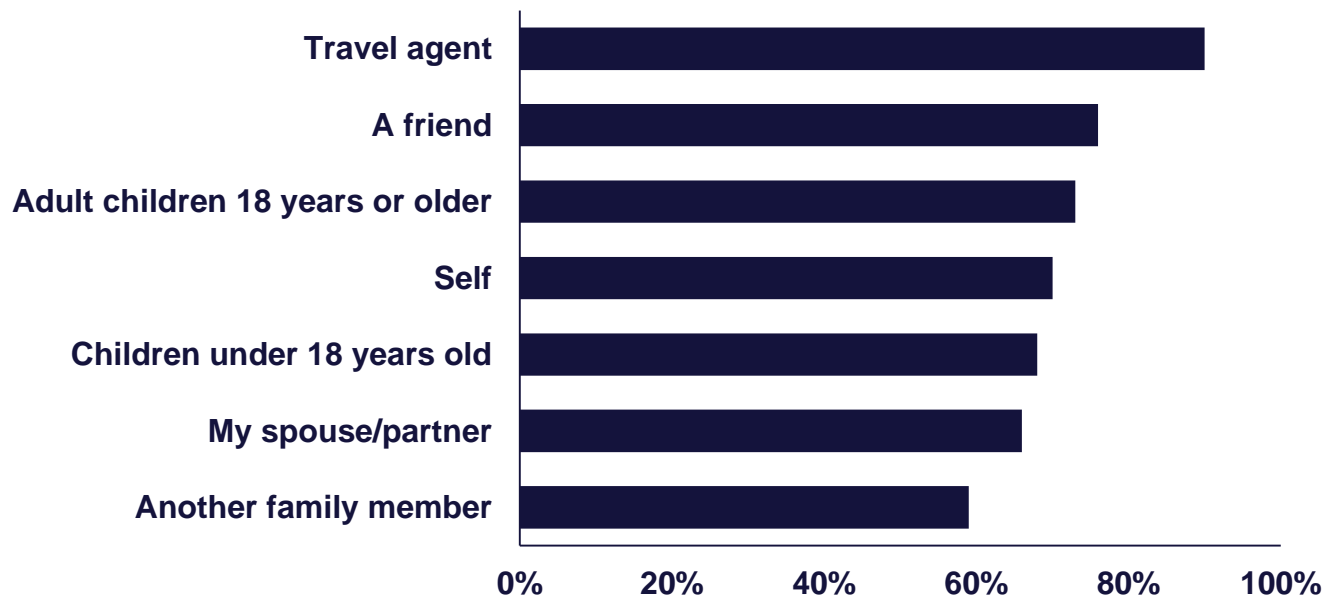


Figure 18: How Much Advance Planning Goes Into Cruising

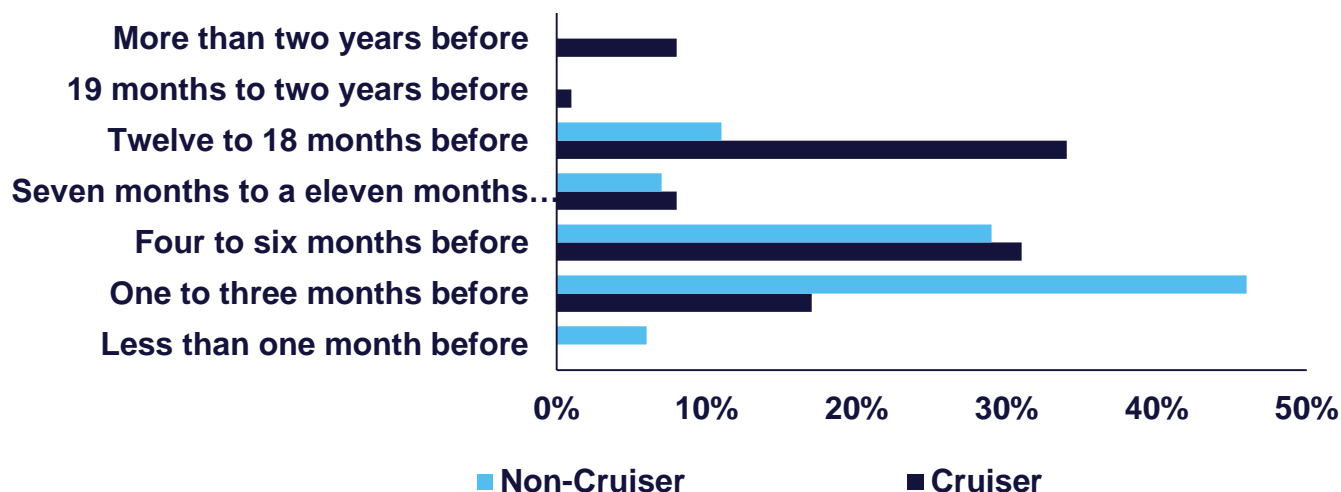
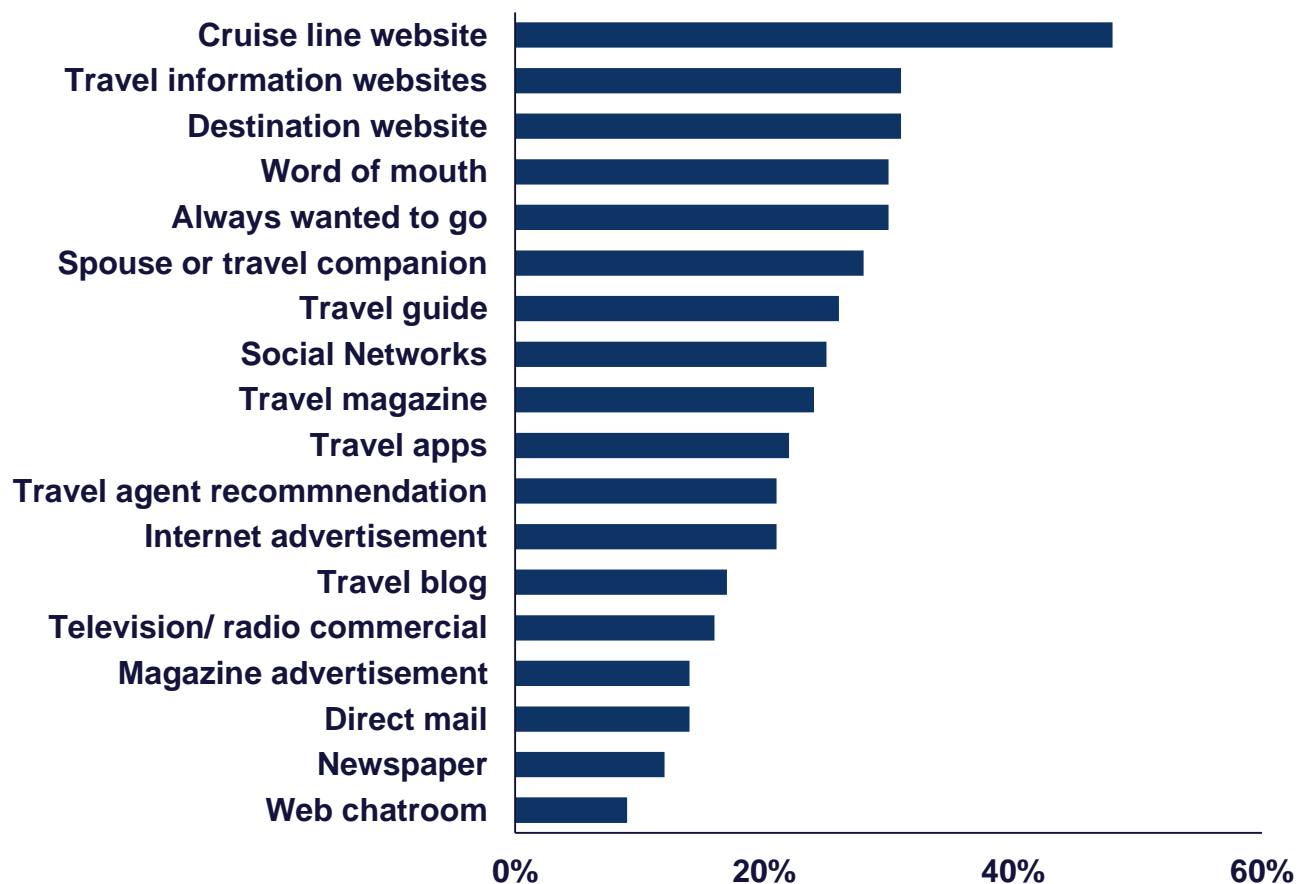


Figure 19: Sources that Influence Vacation Sources (cruisers only)





TRAVEL COMPANIONS

Most vacationers travel with their spouses or partners, but those who take cruises are more likely to travel with their children (46 percent) than those who go on land-based vacations (29 percent).

Children often play an important part in cruise vacations. The average cruise travel party has an average of more than two children. Forty-two percent of cruise parties have children under age 18 and another seven percent have adult children.

Vacationers who take cruises with their adult children are the most satisfied of all cruisers. Satisfaction is also high for people who take cruises with their friends (especially on ocean cruises) and with their younger children.

Given their high satisfaction levels, it is only logical that cruisers would be very loyal to the experience and cruise multiple times. In fact, the average cruiser has taken 5.3 cruises as an adult.

Figure 20: Who do vacationers travel with?

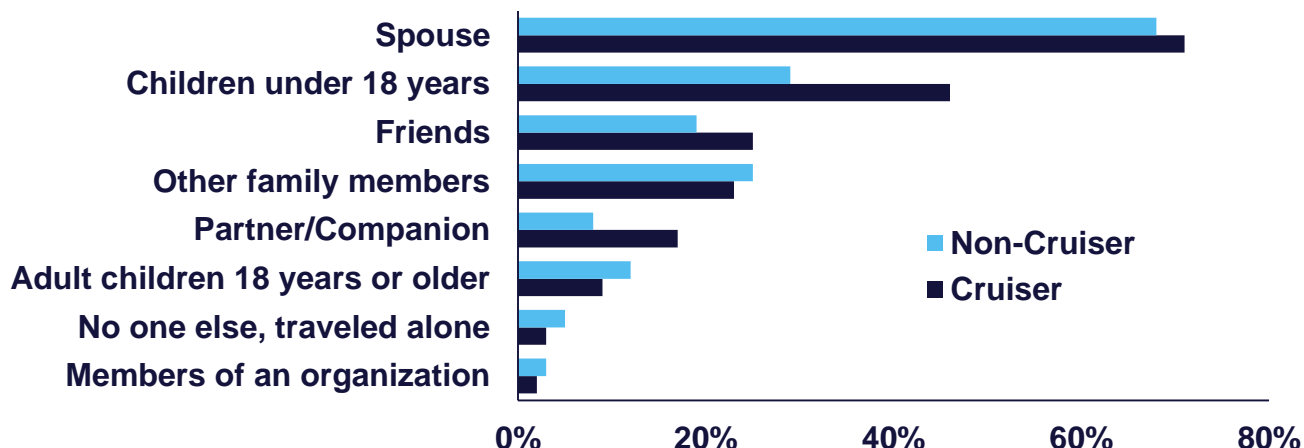


Table 3: Cruise Facts

Total number of cruises taken as an adult	5.3
-------------------------------------------	-----

Number of vacations taken in the past year 3 days or longer (cruise and land-based)	3.7
-------------------------------------------------------------------------------------	-----

Number of vacations taken in the past year 3 days or longer that included a cruise	2.3
------------------------------------------------------------------------------------	-----

Cruise Travel Party

How many in travel party of most recent cruise (including yourself)	3.7
---------------------------------------------------------------------	-----

Infant under 2 years	.1
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Children 2–5 years old	.4
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Children 6–12 years old	1.0
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Teenagers 13–17 years old	.658
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Accompanied by

Spouse	73%
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Partner/companion	13%
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Children under 18 years	42%
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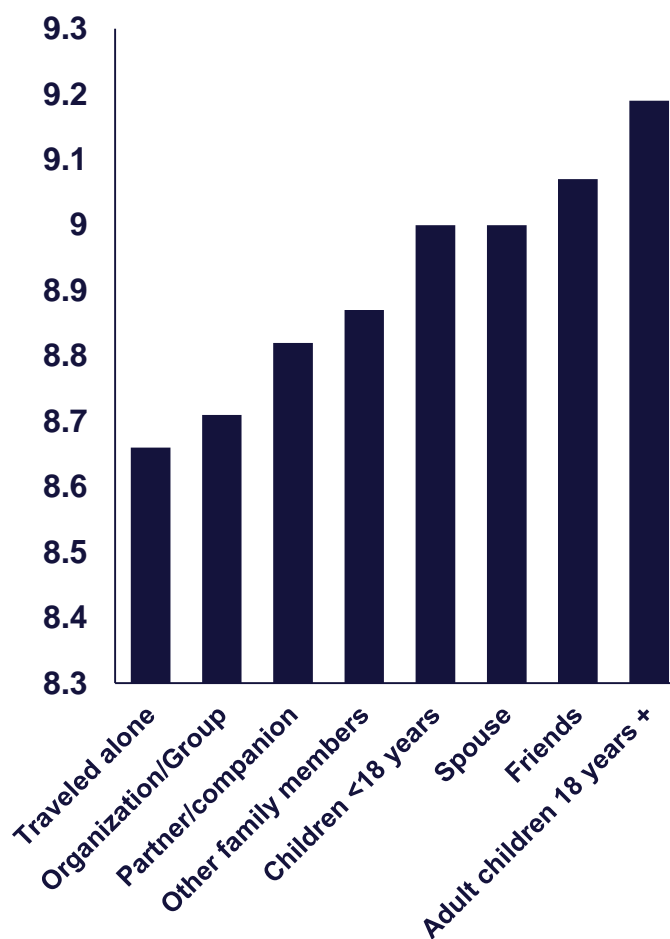
Adult children 18 years or older	7%
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Other family members	21%
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Friends	17%
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Members of an organization or group to which you belong	0%
---------------------------------------------------------	----

Figure 21: The Relationship Between Cruise Satisfaction and Travel Companions





THE ROLE OF TRAVEL AGENTS

Travel agents play a critical role in the cruise industry, frequently directing vacationers to cruises that are right for them and their families. Up to 82 percent of cruisers have stated that they tend to work with a travel agent when booking a cruise while 18 percent of Cruisers say they never use agents compared to 62 percent of Non-Cruisers.

Given the important role that travel agents play in planning and booking cruise vacations, Cruisers tend to be more satisfied with their travel agents than Non-Cruisers. Cruisers were “very satisfied” with the courtesy, knowledge and overall performance of their travel agents than were Non-Cruisers by an average of ten percentage points in each category.

Figure 22: Travel Agent Usage When Booking a Trip?

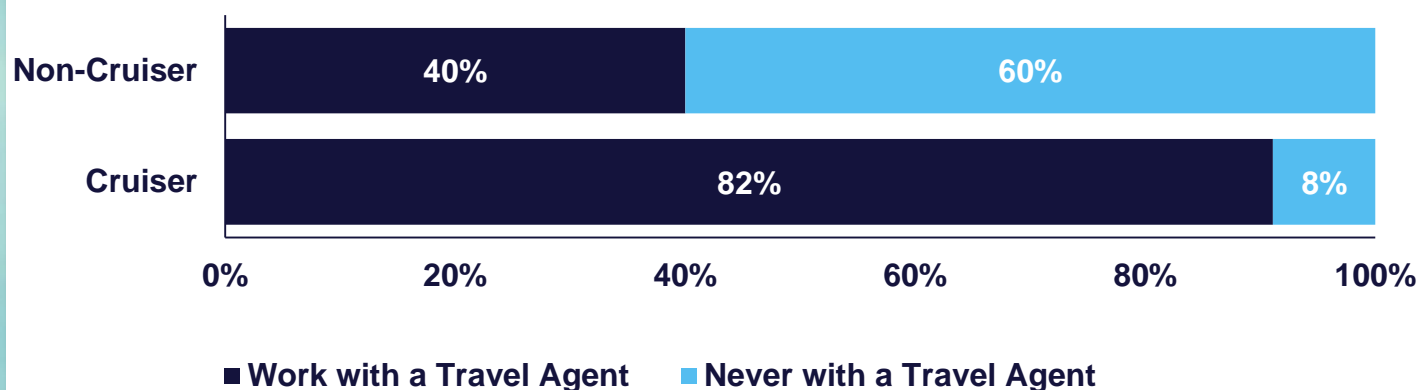
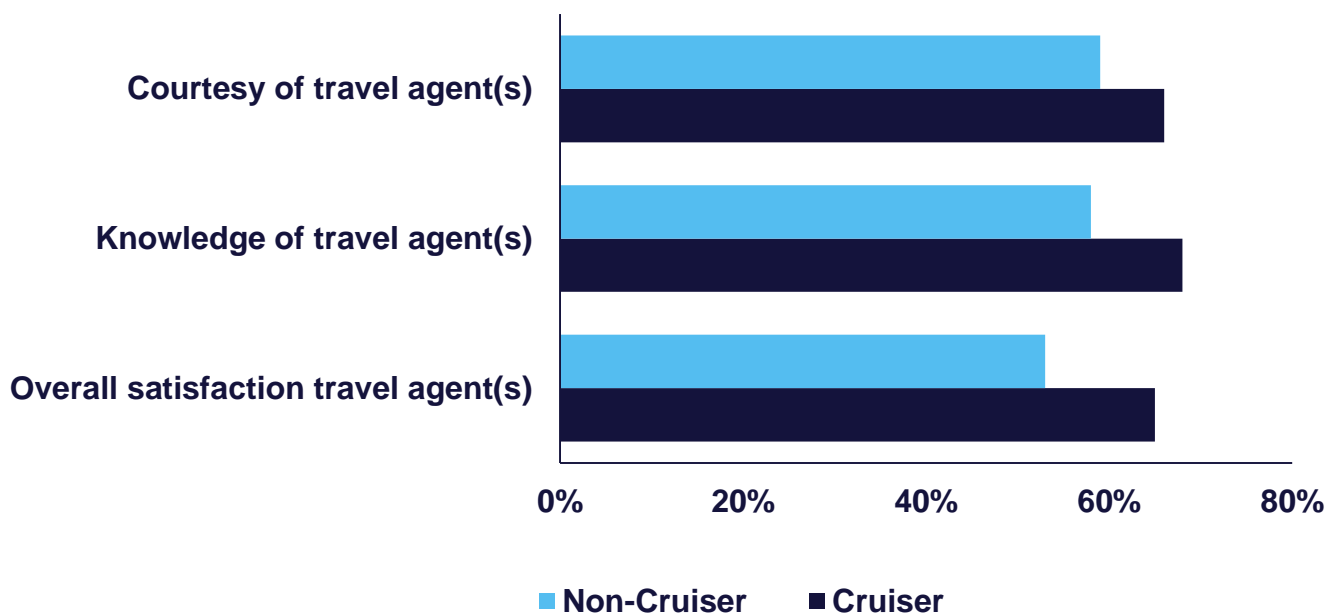


Figure 23: Satisfaction with Travel Agents Trip Planning



SUMMARY

The results of Cruise Travel Report indicate that cruising is experiencing a rejuvenation as Gen Xers and Millennials are becoming enthusiast cruisers and the “Cruise Generation” is adopting the cruising lifestyle.

Once vacationers take their first cruise they are hooked. The average Cruiser has taken more than five cruises and nine out of ten say they will cruise again. Cruises are a great vacation for families, especially for children under the age of 18, and if children are involved in planning the cruise vacation, satisfaction usually increases. Travel agents continue to play a crucial role in planning cruise vacations. People who plan vacations with travel agents are significantly more likely to take a cruise and to be very satisfied with their agent and cruise experience.



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