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TRAVEL AGENT CRUISE INDUSTRY OUTLOOK
WINTER 2018



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CRUISE LINES INTERNATIONAL ASSOCIATION

INTRODUCTION

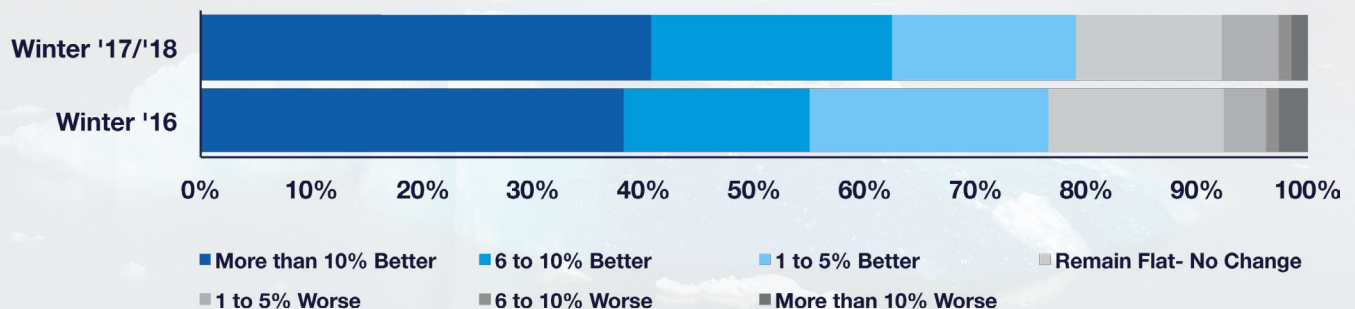
The cruise industry isn't going anywhere—except maybe to the next port, according to the seventh edition of the Cruise Lines International Association's *Travel Agent Cruise Outlook* research report. Cruise sales are on the rise for 79 percent of travel agents over last year's transactions—a number that has remained consistent for the past several reports and that doesn't seem to be faltering. In fact, the results are skewing positive over the last 12 months.

“More people are open to cruising than ever before,” reports Verdetta Love, owner and CEO of Love Unlimited Travel. “The fact that cruising is one of the most economical ways to travel for families is more appealing each and every day. The itineraries are increasing, there are more ships and there are bigger ships. It is the best all-inclusive trip available for those that want to do more travel.”

Forty-one percent of agents say their cruise business is up by more than 10 percent this year (compared with 38 percent last year). An additional 22 percent of agents say their sales are up between 6-10 percent (compared to 17 percent). A fall in agents who report no market change has translated into increases in those seeing positive sales.

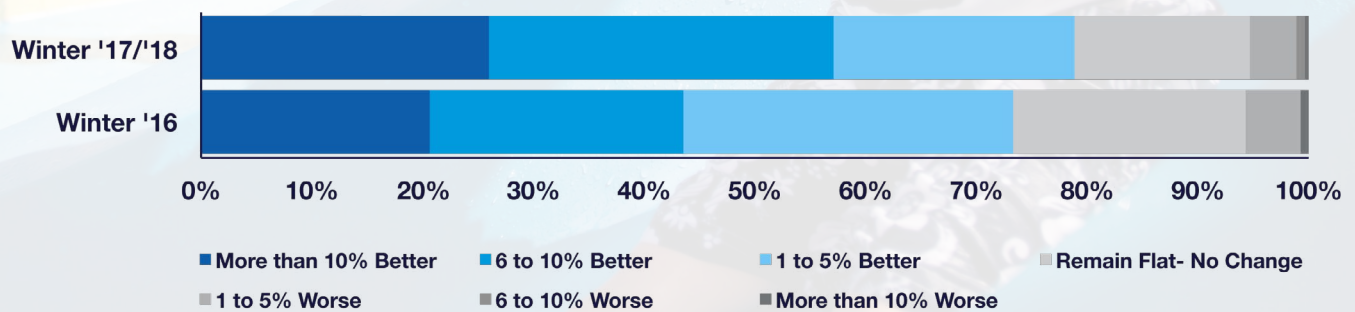


BOOKING VOLUME





SALES VOLUME



Tara Hall of Tara Hall Travel says new ships—and the amenities they come with—are attracting more clients. “I have people asking about the activities on a ship, and they were against cruising before!” The conversion of these non-cruisers to cruisers could fuel increased interest in water-based trips into 2018.

Meanwhile, cruising customers are spending more money than last year—and at an increasing rate. Agents report that 79 percent of their cruisers have increased their spending compared to last year, up from 73 percent the year before. More than a quarter (26 percent) added 10 percent-plus to their cruise budgets in the past 12 months, and another 31 percent added between 6-10 percent.

WHAT'S TRENDING?

From multi-generational and group and family travel to weather disturbances and pricing, there's room for disruption—and not all of it bad—in the cruise marketplace. Here are this term's top trends and comments from travel agents on why they are seeing waves in the future for the cruise industry.



MULTI-GENERATIONAL TRAVEL

“Cruising is up due to the amount of multigenerational travel. We make sure to get every family on the cruise that suits them, as well as making sure that there are activities for each generation.”



RIVER CRUISING

“We’ve seen a real surge in requests for river cruises, particularly in Europe. As such, we’re getting more training for the agents, trying to get those who are already selling actual FAM experiences, and holding agent training on how to host a river-cruise night.”



NEW SHIPS

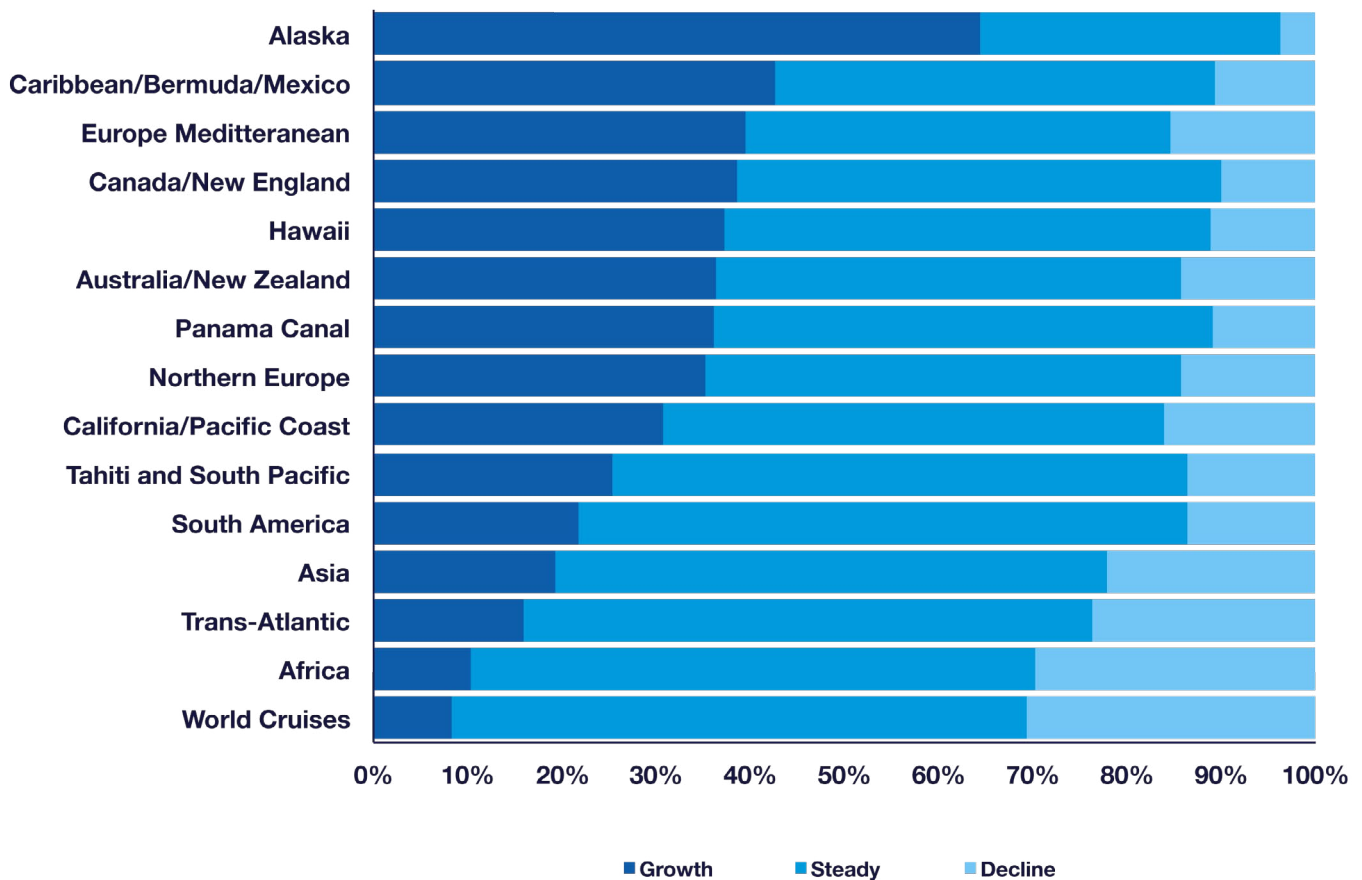
“The many new innovative ships coming out have generated a lot of excitement in my clients. The improvement in Wi-Fi and Internet service have made it easier for my clients who must stay in touch with their office.”

POPULAR DESTINATIONS

Alaska tops the list of popular destinations, and is determinedly even more popular than it was last year. Sixty-four percent of agents say Alaska is a growth market for them right now, compared to 57 percent a year prior. This trend is similar to findings from our first quarterly global report showing that the volume of passengers traveling to Alaska was up by about 15 percent in 2017.

“We are seeing an upswing in Alaska,” says Kelly Ortiz, the owner of Guru Travel. “The difference is we are seeing families wanting to go. I have booked my family on an Alaskan cruise in June on [a new ship], just so I can experience it and learn.”

In your view, are the following cruise destinations experiencing growth, decline or remaining steady in your bookings?



Other perennial favorite destinations remain popular as well, including the Caribbean/Bermuda/Mexico (43 percent), Mediterranean Europe and Canada/New England (both 39 percent), Hawaii (37 percent), Australia/New Zealand and Panama Canal (both 36 percent), Northern Europe (35 percent) and California/Pacific Coast (31 percent).

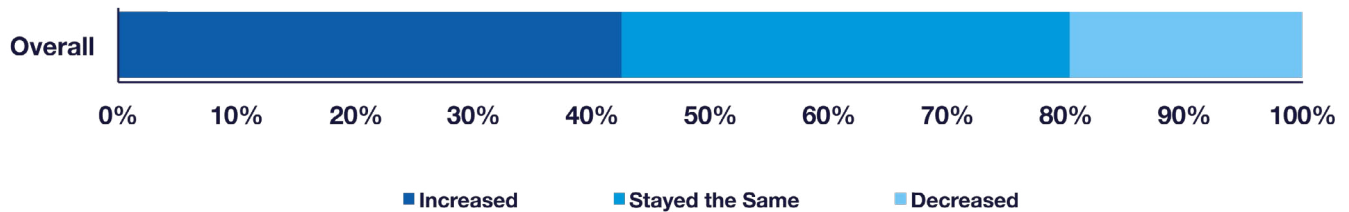
Indeed, the destination itself may be taking on greater importance for cruisers, according to Lucinda A. Belden, owner of Stingray Travel. “We see a trend towards more authentic experiences in the travel destination. In order to meet this, we are not only trying to establish connections and resources in the destination areas, but are trying to make it a priority to physically visit and experience the destinations first-hand.”



PEARL OF THE ANTILLES

Over a year after cruises began sailing into Cuban ports from the U.S., interest in the country remains strong. Forty-three percent of agents say their customers are increasingly interested in cruising to Cuba, followed by another 38 percent who say their curiosity has not changed one way or the other.

INTEREST IN CUBA



“There is a lot of interest in Cuba—at least here in Florida—so, I’m hoping that the Cuba itineraries will continue (barring any political intervention). My clients are just now asking about Cuba since many of their friends and family have gone, or are going in the future, so their fears about the destination are subsiding,” says Sam Sternman, MCC, owner of Joe Cruisers.

Ariel Chavez of Cruise Planners agrees. “Exotic and new destinations such as Cuba are trending. [I’m] learning more about them, and about the lines that offer such products.”



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CUBA CRUISES

At the end of 2014, Cuba became open to U.S. travelers for the first time since 1958. Many cruise companies, such as Royal Caribbean, offer vacation packages and cruises to Cuban cities. Cuba is home to legendary sights, iconic music, and distinct culture, but before you plan your trip to Havana, here are some important things to know.

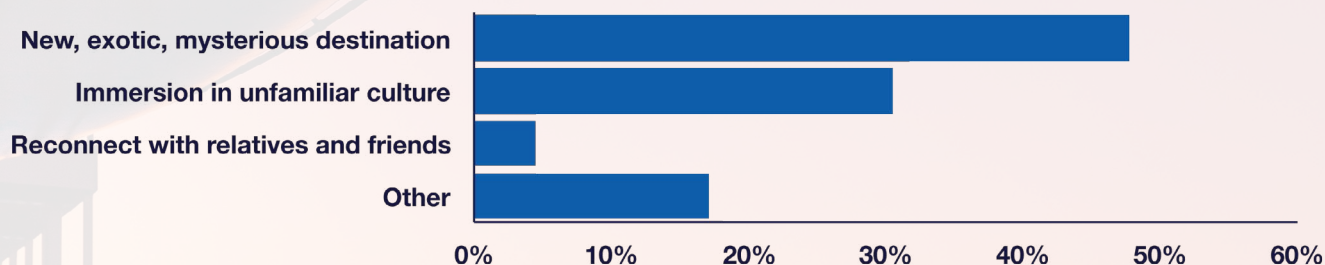
Permitted travel is classified into 12 categories. If a trip to Cuba meets the requirements of one of these 12 categories, you may be authorized by OFAC to travel under a “general license,” meaning that you can travel without additional government approvals. Royal Caribbean offers curated tours crafted to provide the ultimate authentic experience to your clients. And it all begins onboard two fan-favorite ships, Empress of the Seas® and Majesty of the Seas®, both decked out with incredible adventures. For more information on how to book your clients, visit LoyalToYouAlways.com/Cuba.

Jordyn Katz

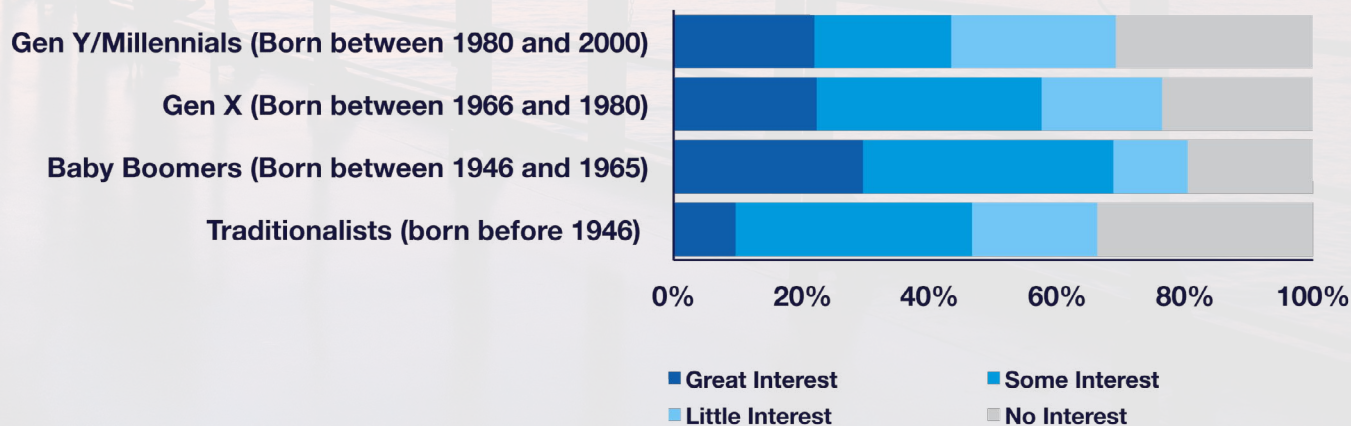
Account Executive, Trade Marketing
Sales for Royal Caribbean International

That exotic feeling may be the main reason for interest in Cuba, according to travel agents. Forty-eight percent say their clients are interested in the Caribbean country because it is “new, exotic and mysterious,” followed by 30 percent who say their cruisers seek immersion in an unfamiliar culture.

REASONS FOR INTEREST IN CUBA



GENERATIONS INTERESTED IN CUBA

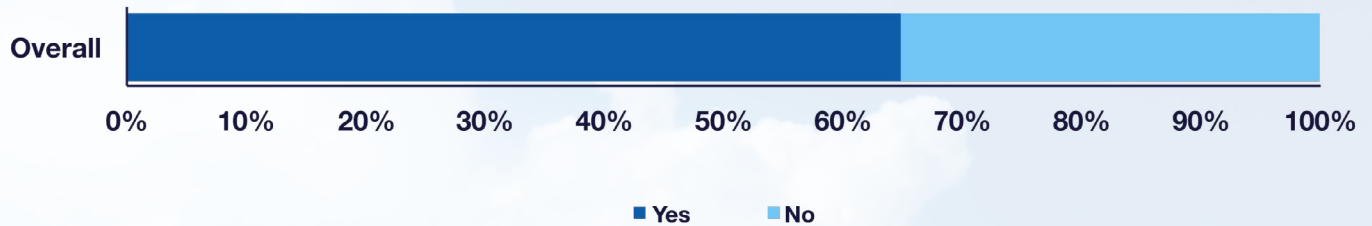


It’s the Baby Boomer generation that actually shows the greatest interest in Cuba, perhaps because it has been taboo for so long. Sixty-nine percent of Boomers indicate at least some interest in cruising to Cuba, followed by 58 percent of Gen Xers, 47 percent of Traditionalists and 43 percent of Millennials.

THE CARIBBEAN IS OPEN

Travel agents are torn about whether or not the 2017 hurricane season impacted 2018 sales. 65 percent say yes.

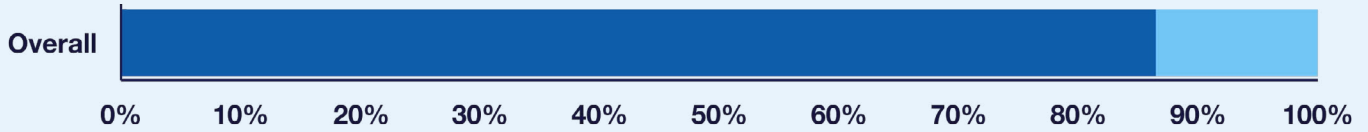
Did the Caribbean hurricanes impact your business?



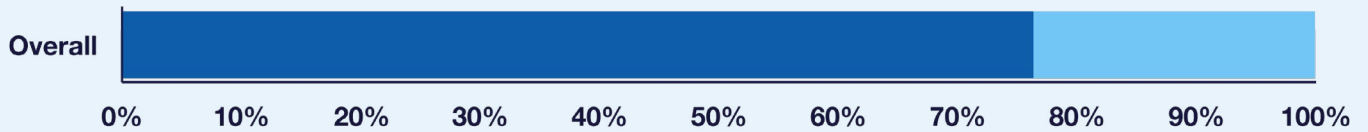
Travel agent Robert Watts says communication is critical to help bolster Caribbean sales (and sails). “The hurricanes caused many potential cruisers to hesitate in booking cruises to Caribbean destinations. Providing updated status reports on those island nations affected by the hurricanes has helped in allaying concerns about a port’s ability to support cruise clients.”

Even with the weather disturbances, 86 percent of agents report that their clients are still booking Caribbean cruises. The Caribbean is still open for business, and cruise companies are offering deals to entice people back. More than three quarters (76 percent) of agents say their clients are taking advantage of current Caribbean trip discounts. These findings are consistent with information from our global report as in the Caribbean in 2017 despite the hurricanes, the volume of passenger in Q4 2017 was up 2.7 percent versus Q4 2016.

Are you still booking to the Caribbean?



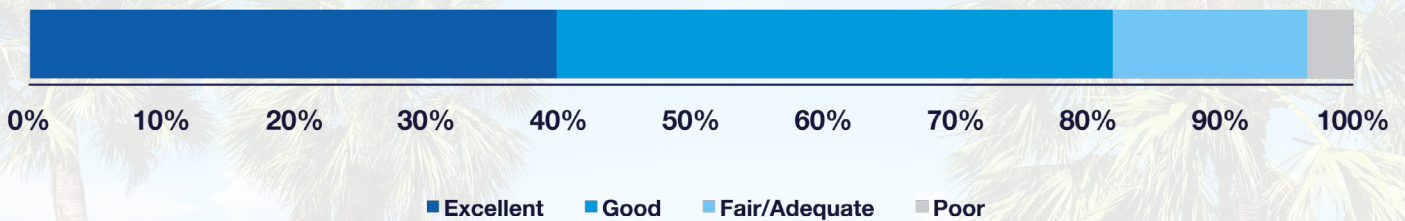
Are you taking advantage of discounts in the Caribbean?



■ Yes ■ No

The cruise industry's response to the 2017 hurricane season as well as recovery and relief efforts may be part of that strong start. Most agents rated the industry's reaction to the storms as "excellent" or "good."

How would you rate the industry response to hurricane impact?



■ Excellent ■ Good ■ Fair/Adequate ■ Poor



CONCLUSIONS

Fueled by a bevy of new ships and amenities and a love for traveling with family (among other trends), cruises are continuing to feel the love from travelers, and the agents who help book their trips. Nearly 80 percent of agents say that their cruise sales volume is up compared to last year, and a similar number say that their clients are spending more money on travel.

Despite the active hurricane season last year, 86 percent of travel professionals say they're still booking Caribbean cruises, partially due to industry discounts offered on those trips.

Alaska remains the destination of choice, with 64 percent of agents seeing growth, but the Caribbean/Bermuda/Mexico (43 percent), Mediterranean Europe and Canada/New England (39 percent), Hawaii (37 percent), Australia/New Zealand and Panama Canal (36 percent), Northern Europe (35 percent) and California/Pacific Coast (31 percent) are all seeing new business.

Cuba and its new U.S.-based customers haven't grown weary of one another yet, as 43 percent of agents report increased interest in the island nation from their cruise customers, mainly due to the mystery associated with the destination and the interest in an unfamiliar culture.





**FOR QUESTIONS ABOUT THIS REPORT, PLEASE EMAIL
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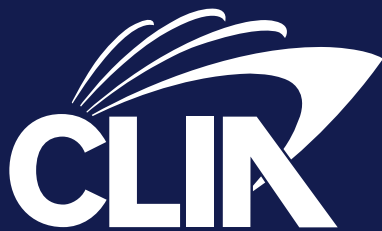
ABOUT THE TRAVEL AGENT CRUISE INDUSTRY OUTLOOK

The CLIA Travel Agent Cruise Industry Outlook report is a quarterly study conducted by CLIA. The data and research are compiled based on on-line survey responses from the CLIA Travel Agent Research Panel, which consists of 1300 travel agents from North America.

CLIA's travel professionals in the cruise industry can have their voice heard by joining the CLIA Travel Agent Research Panel. Simply email cliaresearchpanel@cruising.org.

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