



Le Voyage International

A summary of the findings & recommendations of the
UNC Kenan-Flagler STAR Global student project

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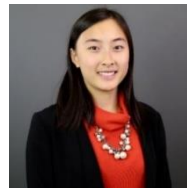
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Agenda

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Project Overview

Situation Overview

Approximately 8 years ago, **Royal Caribbean Cruises LTD (RCL)** started a French Cruise line called **Croisiere de France (CDF)** in a joint venture with Pullmantur Group. The cruise line was designed to serve the French market. There were mixed results and the venture was ultimately deemed financially unsuitable and shut down in 2016.

Key Question

The **UNC STAR Global Team** was asked to determine if there is an opportunity to create a cruise line tailored to the French market. If so, what should the positioning be and what should the product include. Three key possibilities were considered:



	Tailor-made French	French-style	International
Passenger Demographic	French (~60% French)	International	International
Staff and Entertainment Language	Predominantly French	All major languages	All major languages
Language (Signage and Announcements)	French-dominant	French-dominant	All major languages
Entertainment Theme	100% Culturally French	50% Culturally French/ 50% International	100% International
Cuisine	All French meals and accoutrements	50% Culturally French/ 50% International	Diverse set of international cuisines
Interior Design	French-style	French-style	Contemporary Generic

Executive Summary

Royal Caribbean & Pullmantur Group should serve the French cruise market with Royal Caribbean's international cruise offerings at the current time

Opportunity



The French market is not currently suitable for a cruise line tailored to the French market, but instead should be served with an international cruise product.

Product



Royal Caribbean should target *Senior Cruisers & The Family* segments of the cruise market with an international experience that suits their preferences and differentiates RCL's international product.

Implementation



Next steps for RCL & Pullmantur Group include promoting this product to the French market using their digital platform & other marketing techniques.

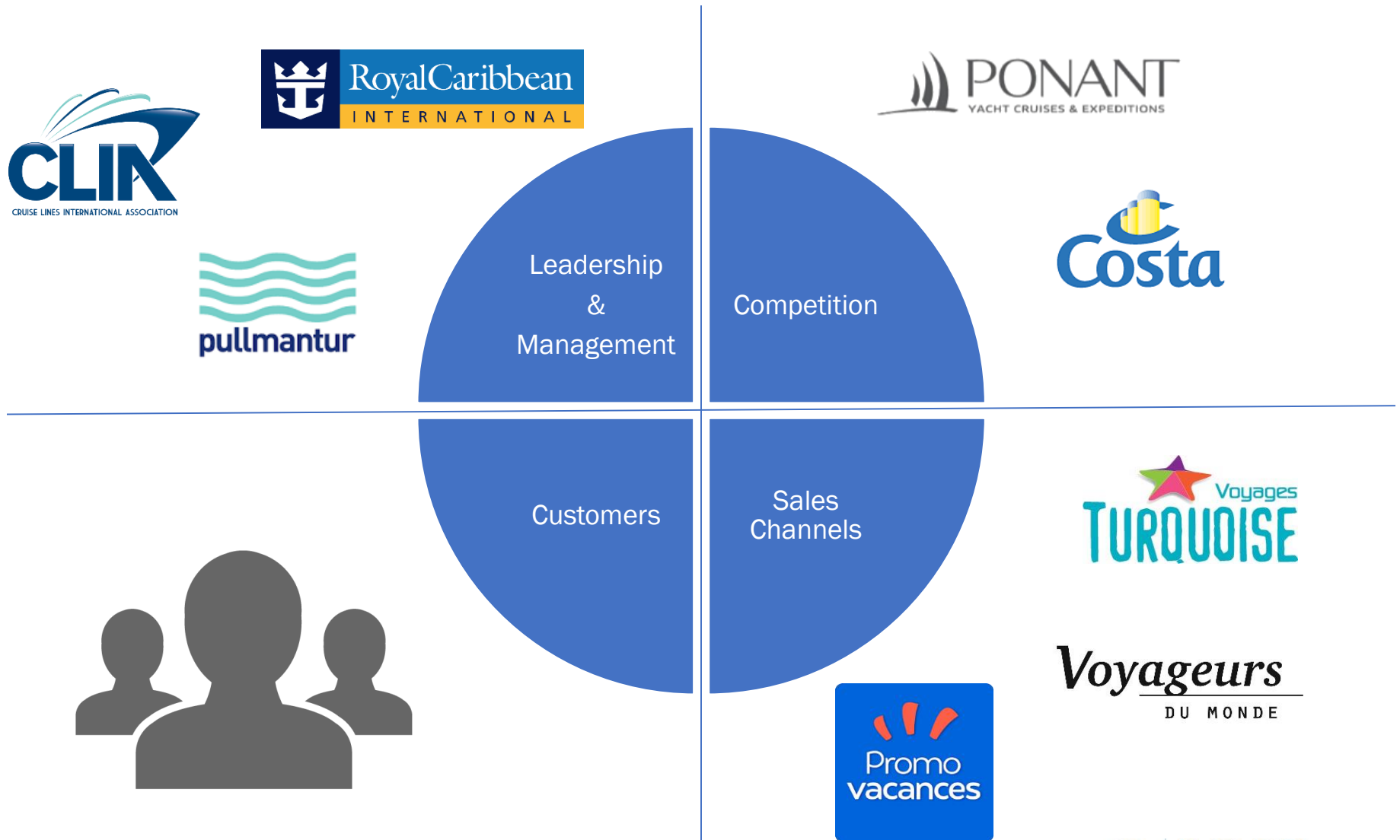
Impact

An international cruise experience can generate an additional 19,000 passengers & 31 million euros in revenue

Primary & secondary research was conducted to better understand the cruise industry & the French market

Primary Research	Interviews	13 Operational Staff
		8 Travel Agencies
		2 Cruise Organizations (CLIA, Marseille Provence Cruise Club)
		2 Competitors (Ponant and Costa)
		14 Customers (French Citizens and Cruise Passengers)
		12 Executive Leadership of Royal Caribbean and Pullmantur Group
Product Sampling	Horizon of the Seas	
	Competitive Cruising	
Survey	557 French Customer Survey respondents	
	732 respondents from international Survey (Belgium, Luxembourg, Monaco, Italy, United Kingdom, Switzerland and Canada – Quebec)	
Secondary Research	Industry Reports	CLIA Industry Reports, 2011-2016
		IBISWorld and IFTM Government Reports
	Competitor Survey	French Cruise Market Study conducted by BVA and France
	Financial Statement Analysis	CDF Financial Statements, 2010-2016
Royal Caribbean Financial Statements, 2010-2016		
Carnival Cruises Annual Reports 2013-2016		
		Ponant Annual Reports 2013-2016

Primary research interviews gave multiple stakeholder perspectives on the French cruise market



A French cruise survey & an international Francophile cruise survey were conducted for primary research

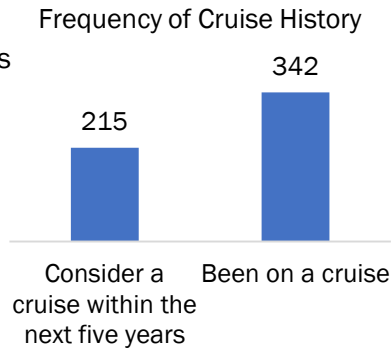
Surveyed respondents had been on a cruise within the last five years or were interested in cruising. The international survey focused only on countries that were French-speaking or had significant potential for interest in a French cruise.

French Cruise Survey (n=557)



of Respondents

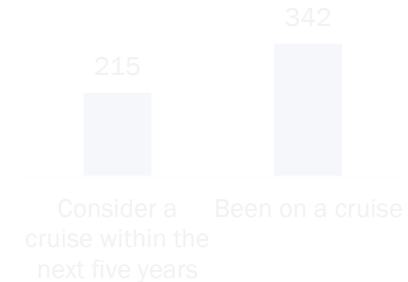
- 3 or less
- 4-9
- 10-14
- 15-24
- 25 or more



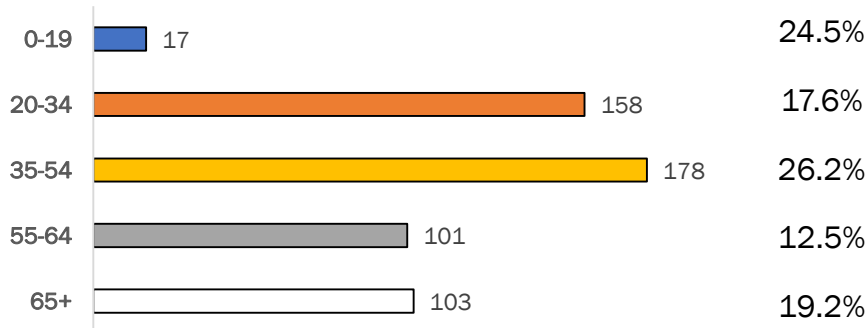
International Cruise Survey (n=850)

Country	Respondents
Canada - Quebec	158
Switzerland	157
Belgium	153
United Kingdom	162
Monaco	50
Italy	163
Luxembourg (expected)	150

Frequency of Cruise History



French respondents by age demographic



Percentage of French population, 2016

- 24.5%
- 17.6%
- 26.2%
- 12.5%
- 19.2%

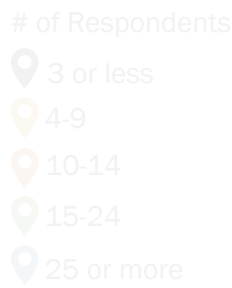
International respondents by age demographic



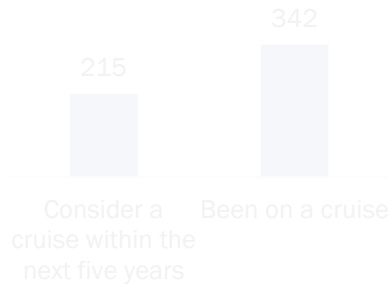
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French Cruise Survey (n=557)



Frequency of Cruise History



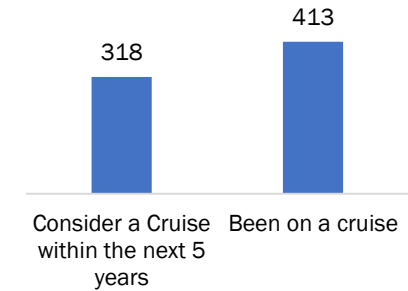
French respondents by age demographic



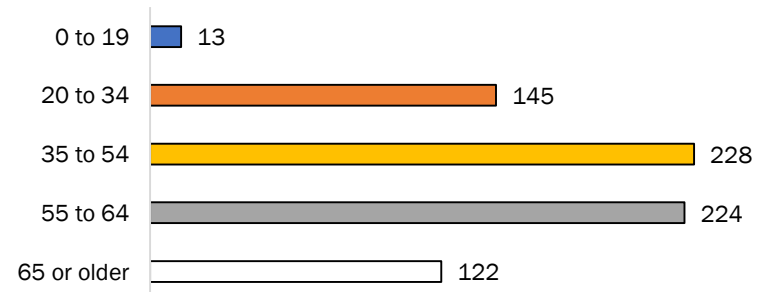
International Cruise Survey (n=732)

Country	Respondents
Canada - Quebec	138
Switzerland	124
Belgium	149
United Kingdom	145
Monaco	32
Italy	144

Frequency of Cruise History



International respondents by age demographic



The surveys were designed to investigate four key information sources



Demographics

- Age
- Income
- Employment
- Gender
- Marital Status
- Family
- Residence



Pricing

- Willingness to Spend per Cruise
- Beverage Package Habits
- All-inclusive beverage pricing
- Premium & Standard Beverage Package Pricing
- Beverage Consumption Habits

French & International Surveys



Travel Preferences

- Vacation Length and Frequency
- Travel Companionship
- Vacation Reasons
- Seasonal Destination Preferences
- Seasonal Vacation Activities
- Vacation Decision Factors
- Vacation Booking Habits



Cruise Preferences

- Previous Spending on Cruise per pax per day
- Willingness to Spend per pax per day
- Likelihood to Cruise
- Cruise Selection Factors
- Location and Port Preferences
- Ideal Cruise Ship Capacity



Opportunity



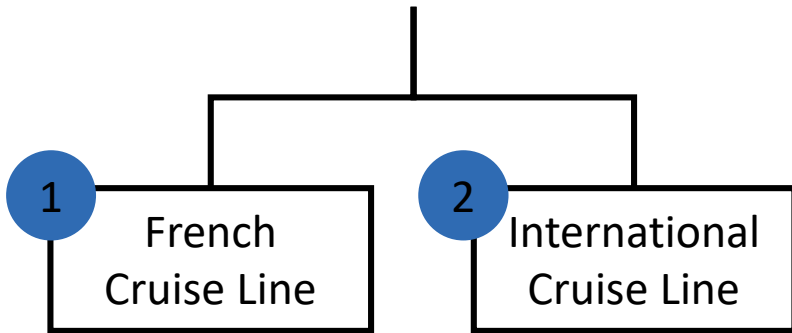
Product



Implementation



Opportunity



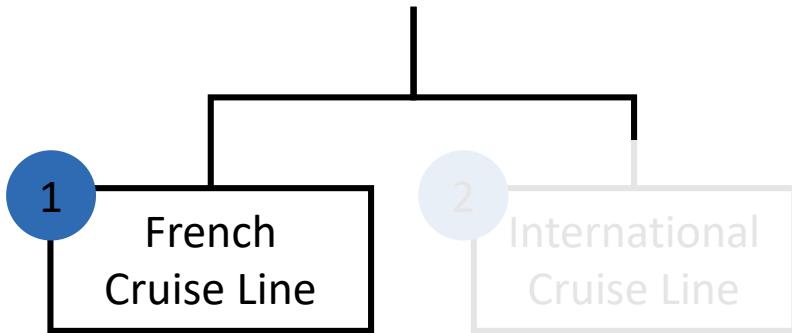
Product



Implementation



Opportunity



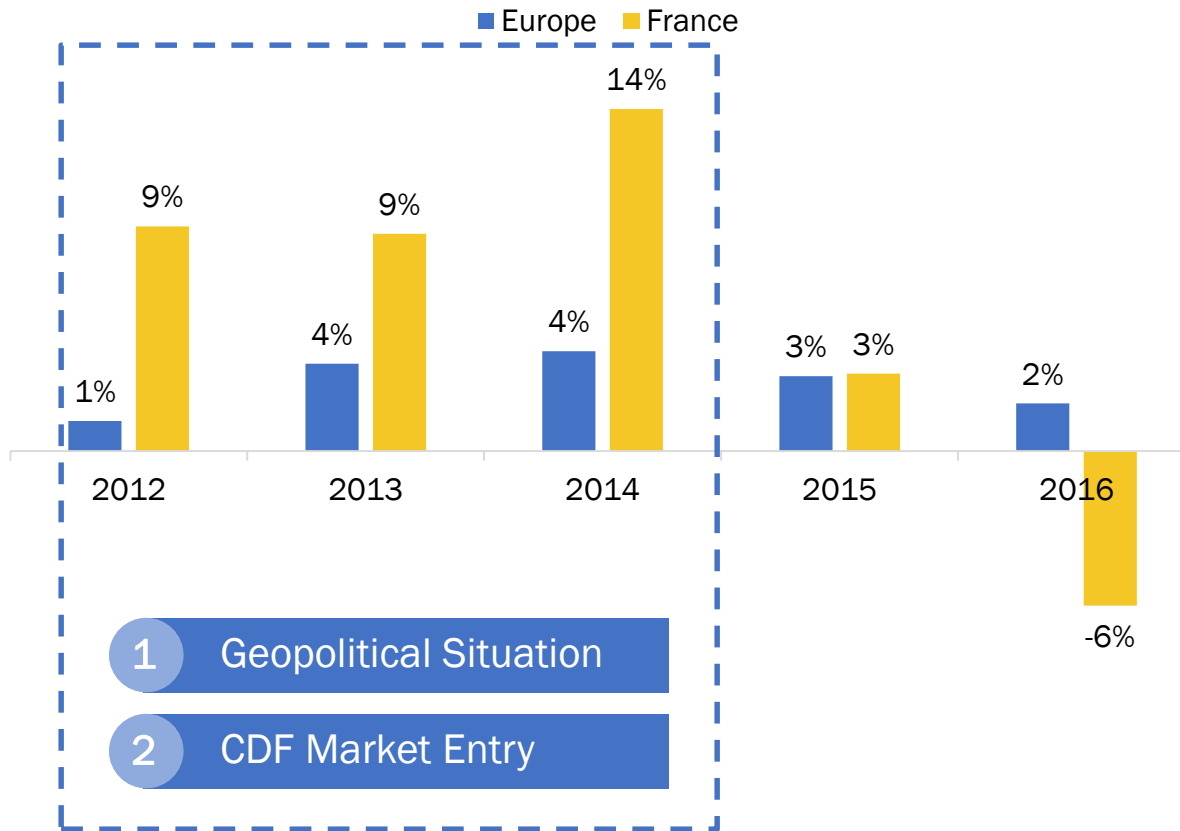
Product



Implementation

Geopolitical situations & CDF's market entry were two significant factors in France's Cruise market growth

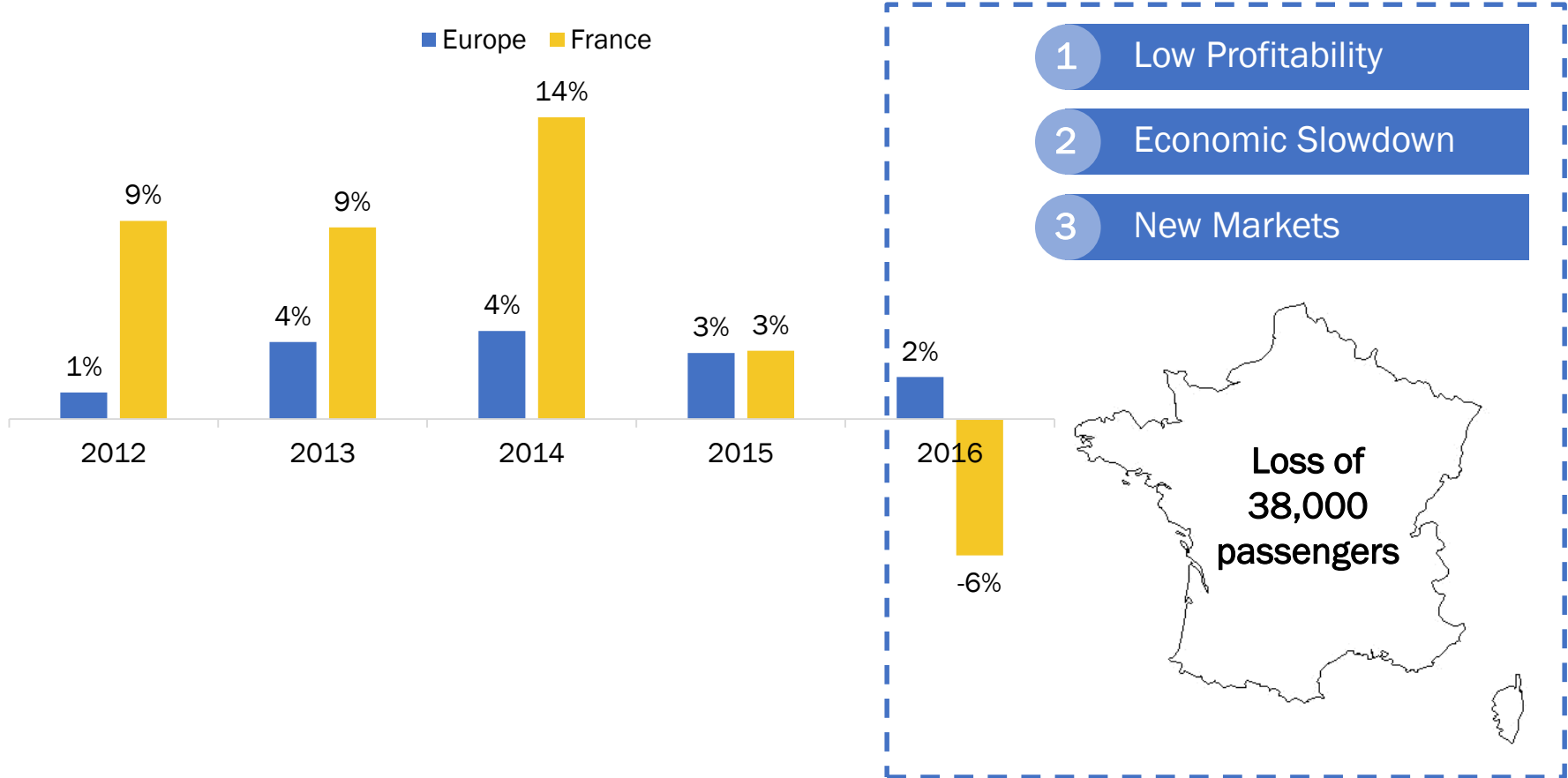
France Cruise Market Growth Rates 2012-2016



Source: CLIA Europe/IRN Research 2016

Due to low profitability, economic slowdown, & reduced offerings to the French cruise market declined in 2016

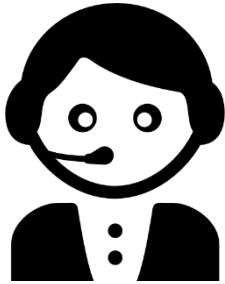
France Cruise Market Growth Rates 2012-2016



Market conditions are not favorable for a cruise product tailored to the French

Due to low profitability, economic slowdown, & reduced offerings to the French cruise market declined in 2016

1 Low Profitability



80%
Of French people
use a travel agency
to book a cruise

&

Selectour Afat



There is only one
large network in
France

Cruise companies have to
spend more on travel agency
commissions, advertising, &
promotion in France

2 Economic Slowdown

10% Unemployment rate;
an all-time high



French one-earner family is now
one of the most heavily taxed

These affect the French passengers
willingness to spend

3 New Markets

% Change in Europe Fleet Capacity



-11,5%



-9,9%

Large competitors in the French
market are shifting capacity to Asia

The French have unique preferences for their cruise experience

Preferences

- Early to bed; early to rise
- Prefer the quiet

Food

- Italian food is the most popular
- European cuisines also ranked highly

On-Board Activities

- On-board purchasing (upgrade packages & duty-free shops)
- Smoke often & on board
- Prefer French language on-board & entertainment
- Enjoy movies & comedians the most
- On-board lectures & learning activities



Excursions

- Touring port cities
- Scuba diving
- Athletic & adventurous experiences

Wellness

- Value fitness, sauna & gyms
- Indoor pool/jacuzzi

The French's unique preferences make a unique cruise expensive to implement

Preferences

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- Prefer the quiet

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1 Opportunity Costs:

- Excluding passengers from different backgrounds (entertainment in French; quieter environments)

2 Expensive Implementation:

- Building jacuzzis
- Smoking Rooms
- Hiring employees who speak French

Wellness

- Value fitness, sauna & gyms
- Indoor pool/jacuzzi

There are key issues when targeting solely one demographic

Winter Dilemma



- French people are less likely to travel during the winter & aren't a sustainable market
- Other markets are difficult to find during the winter

Country Penetration

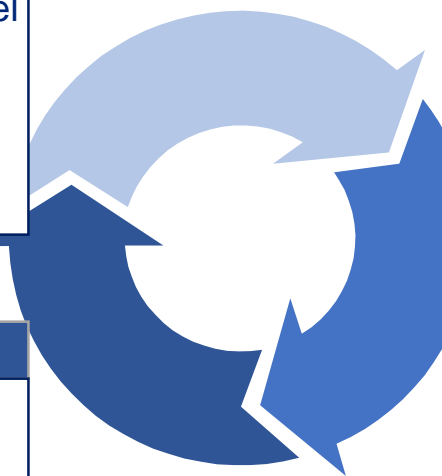


- < than 1% of the French population went on a cruise in 2016

Transformation Costs

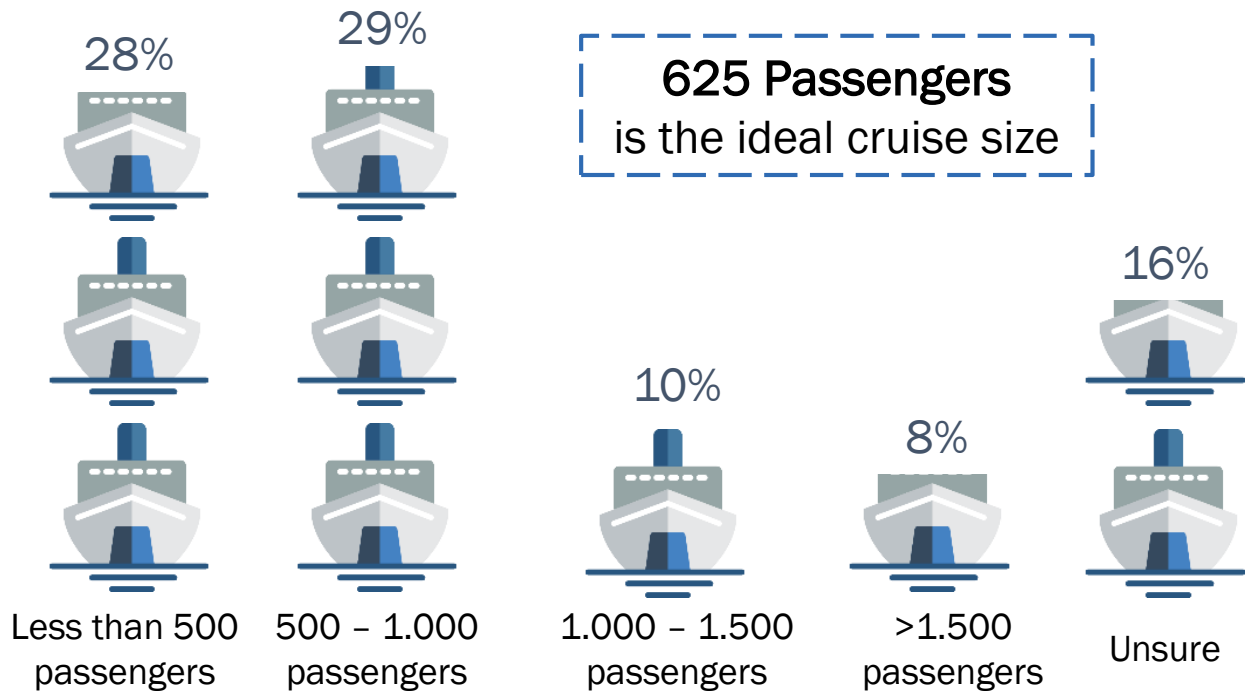


- New crew members with different language requirements
- Signage in different language
- Different style of cooking
- Changed entertainment languages & preferences



Most French customers want a smaller ship size which is costly to RCL

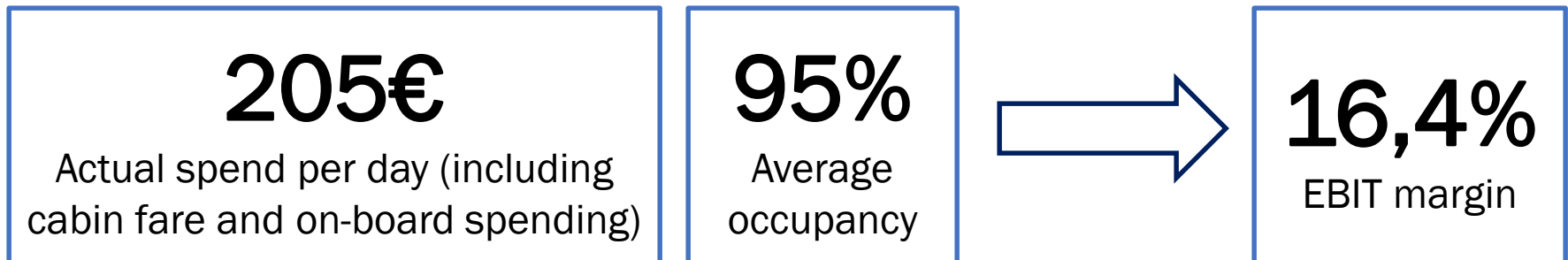
The majority of French passengers surveyed showed the French wanted a ship size less than 1,000 passengers



A ship of this size would be expensive to operate & costly to build

Our pro forma calculations show that customized tailor-made French cruise is not financially feasible at the moment

	Option	CapEx. (€)	Breakeven Cabinfare (€)	Expected EBIT Margin
Tailor -Made	Build a 625 capacity ship	€270 M	€319/day	-95,0%
	Transfer and refurbish Horizon	€43 M	€171/day	-13,0%
French Style	Intl. ship with French arrangement	€63 M	€119/day	15,6%
Internat- ional	Intl. ship with no change	€0 M	€118/day	16,4%



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Tailor-Made French cruises require significant amount of initial investment & operational customization

Focusing on an existing, international ship without further CapEx. would be the most logical and feasible option

Currently there is too much market volatility & expensive French preferences to justify a differentiated cruise product

Market



Political Instability



Geopolitical issues



Competitors Leave for Other Markets



Economic factors

Product



Unsustainability of French preferences



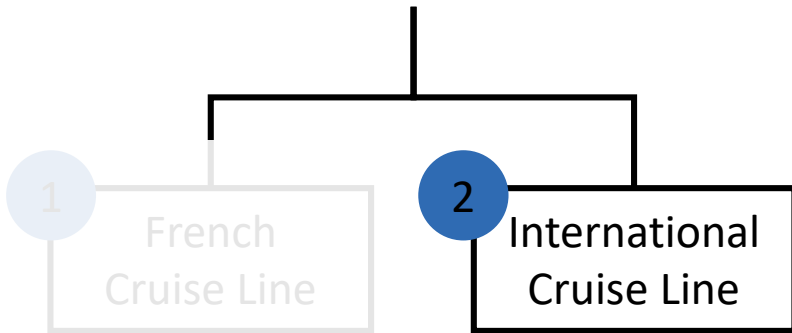
Winter Dilemma



Transformation Costs



Opportunity



Product



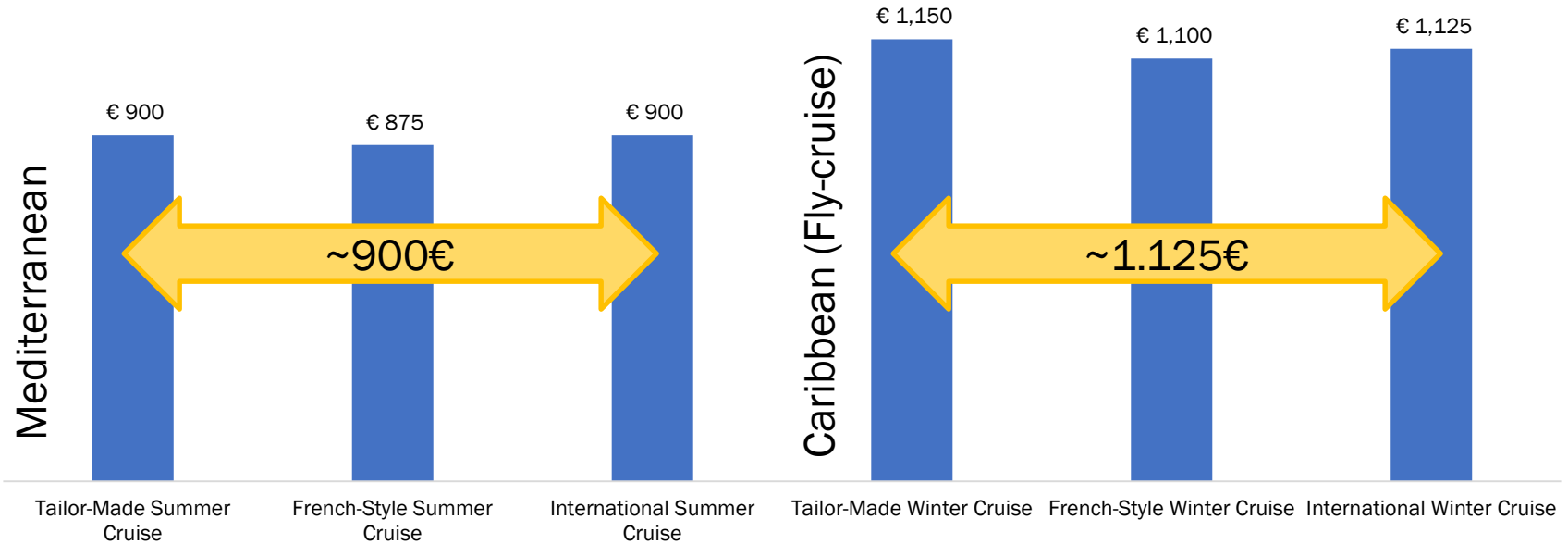
Implementation

RCL should target the French market with an international cruise product

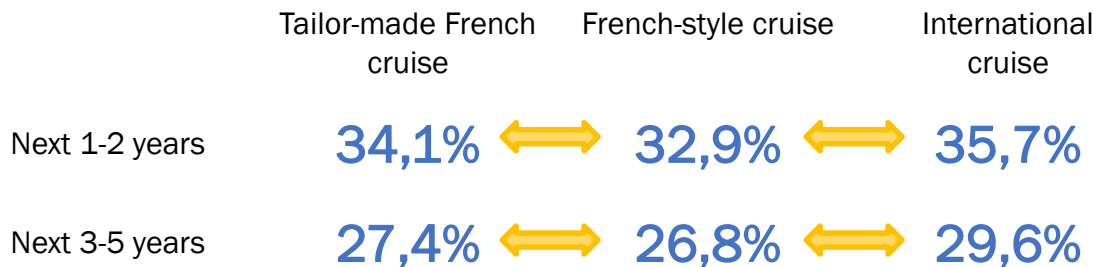


The French cruise survey indicates that the French are price & style indifferent between cruises

Median French price willingness to pay for various 7-night/8-day cruise offerings



Likelihood of French to travel on different cruise profiles



The French are indifferent between cruise styles

Opportunity

Product

Implementation

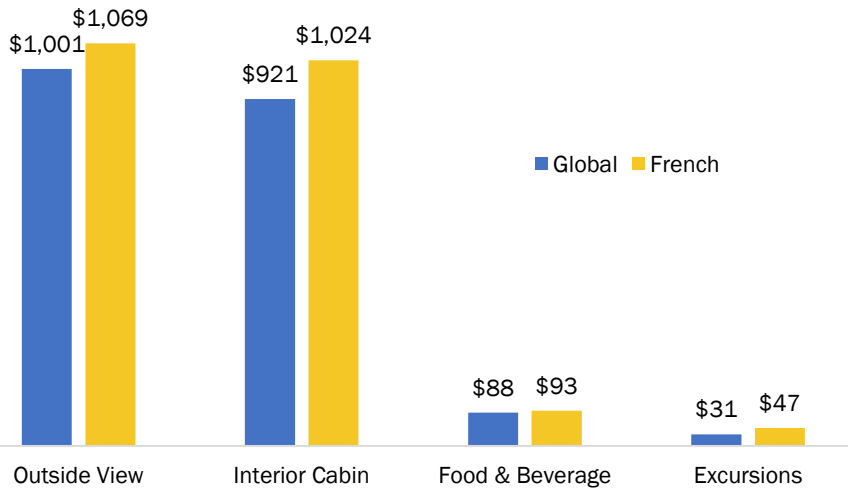
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The French market has valuable potential passengers who RCL should try to capture

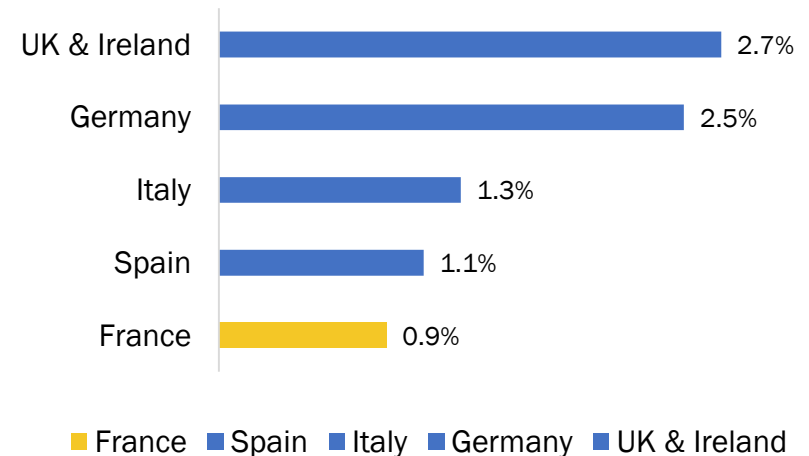
Non-luxury, F&B & excursion willingness to spend

French vs Global spending on Royal Caribbean international cruises (\$USD)



Low Penetration & Diversification

France has one of the lowest penetration rates



Travel agencies acknowledge high cruise satisfaction rates

“When selling a cruise we do not take any risk. The product is perfect”
 – Yves Kimmoun, Manager Plein Ciel Voyages

Opportunity

Product

Implementation

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Some of the French's preferences can be served on an international cruise

Preferences

- Early to bed; early to rise
- Prefer the quiet

Food

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- European cuisines also ranked highly

On-Board Activities

- On-board purchasing (upgrade packages & duty-free shops)
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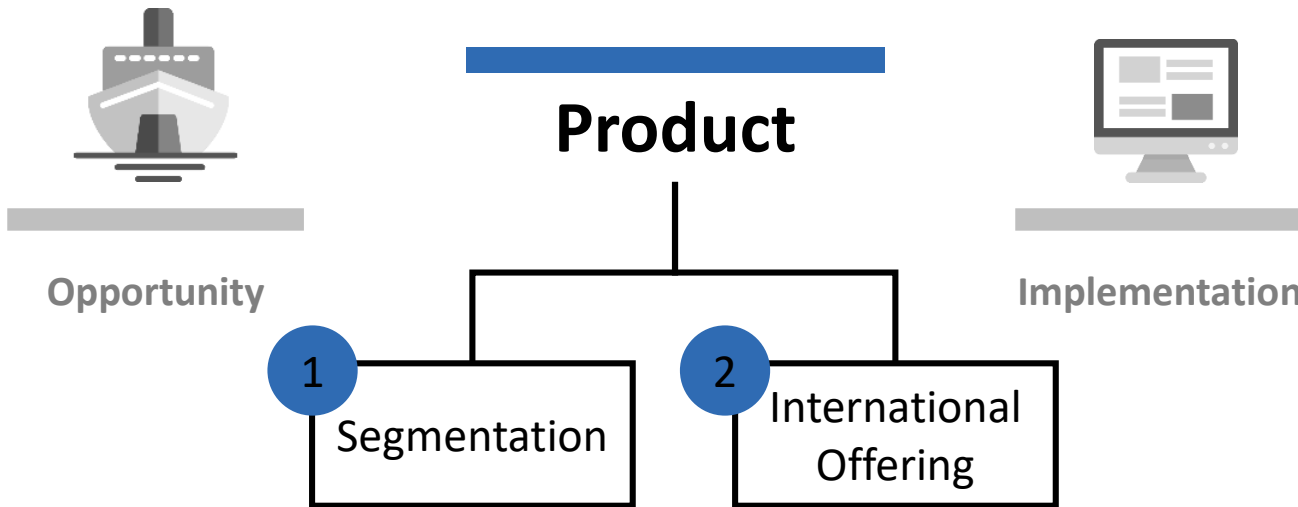


Excursions

- Touring port cities
- Scuba diving
- Athletic & adventurous experiences

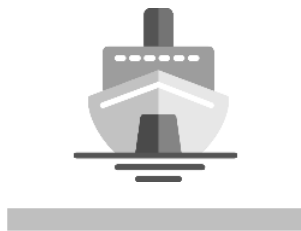
Wellness

- Value fitness, sauna & gyms
- Indoor pool/jacuzzi





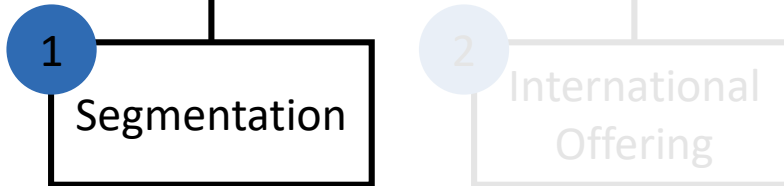
Product



Opportunity

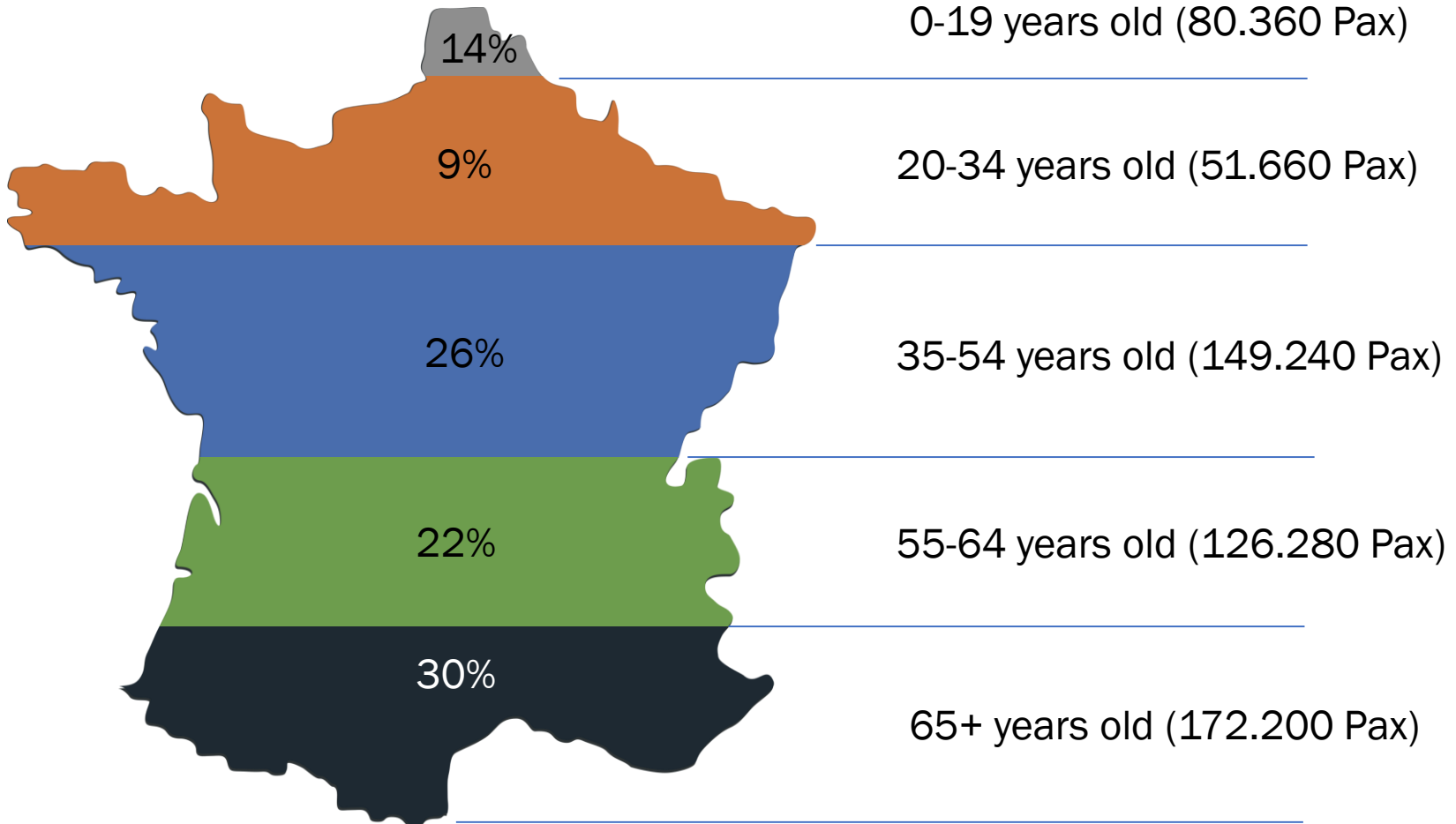


Implementation



The Family & The Senior Traveler are the two main segments that should be targeted

574.000 French Cruise
Passengers



Opportunity

Product

Implementation

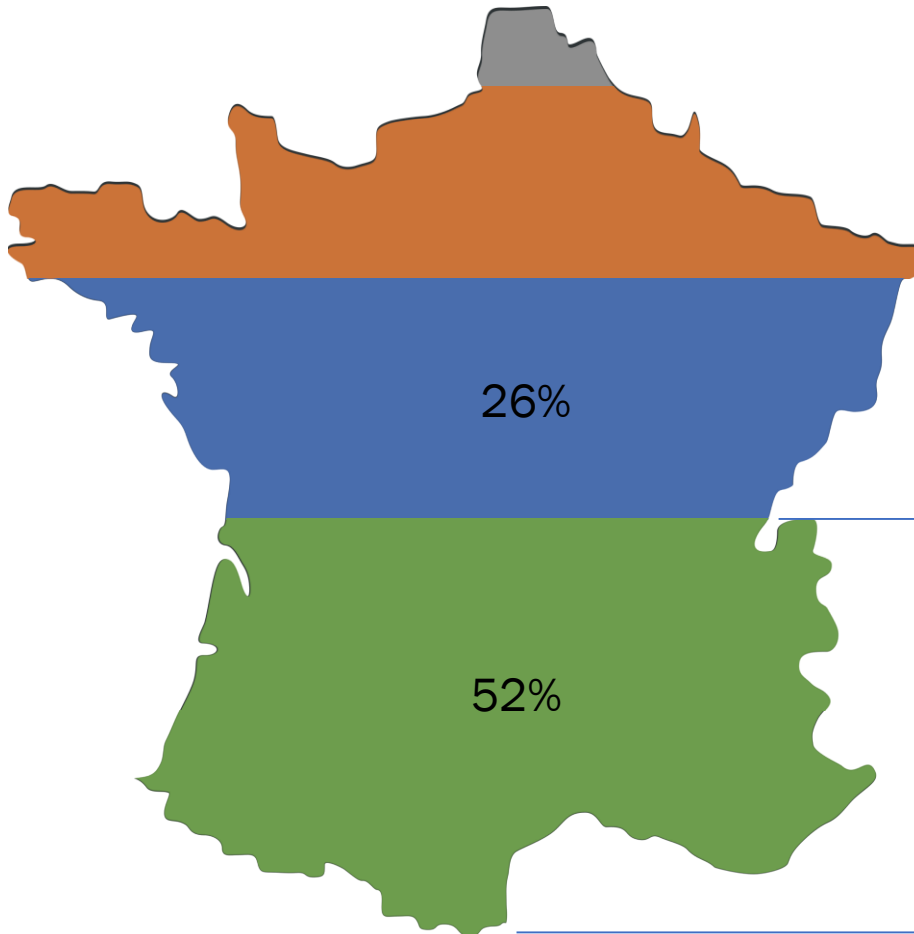
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The Family & The Senior Traveler are the two main segments that should be targeted

574.000 French Cruise
Passengers



Family Cruiser (149.240 Pax)

Senior Traveler (298.480 Pax)

The Senior Traveler Profile & The Family Profile

Senior Traveler Profile



Age: 55+

Yearly Income: 40.000 €

Occupation: Retired

Travel Companions: Spouse

Growing segment of national French population with frequent cruising habits

Family Profile



Age: 35-54

Yearly Income: 48.000 €

Occupation: Employed

Travel Companions: Spouse & 1-2 Children

Larger spend per family due to party size and attracted to family-friendly cruising environment

Actual daily spend of respondents who have been on cruise is higher than our breakeven point

Senior Traveler Profile



199€ per day

Family Profile



221€ per day

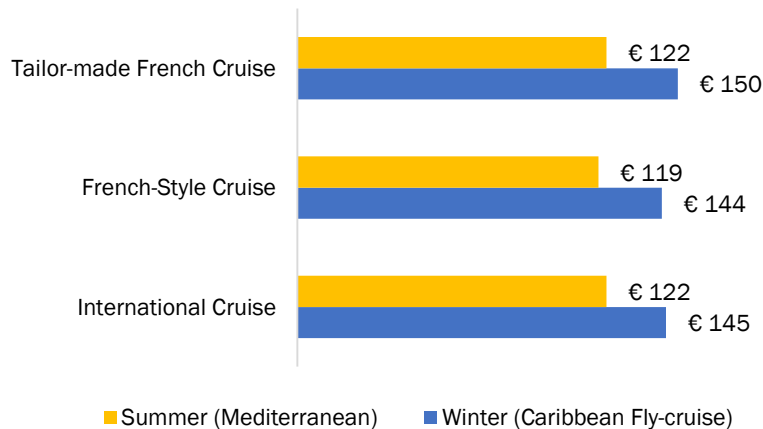
RCL breakeven point for an international product is **118€ per day**

Actual spend per day & RCL breakeven point includes all on-board spending and excursions

Both segments are pricing & preference indifferent to all cruise styles

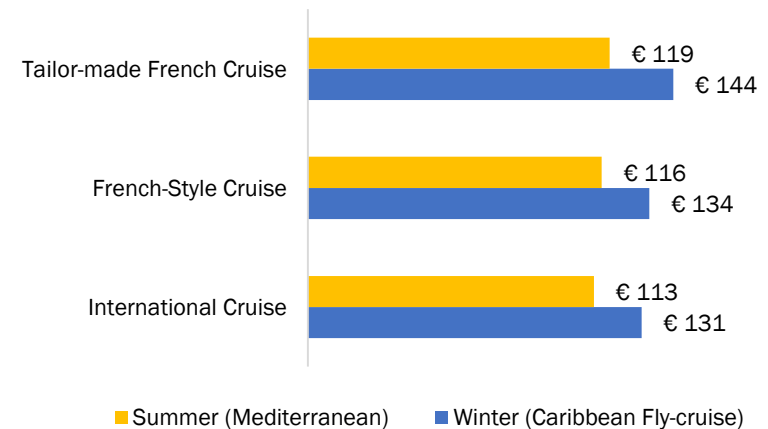
Senior Traveler Price Preferences

Senior Traveler French Pricing for a 7-night/8-day Cruise per pax per day

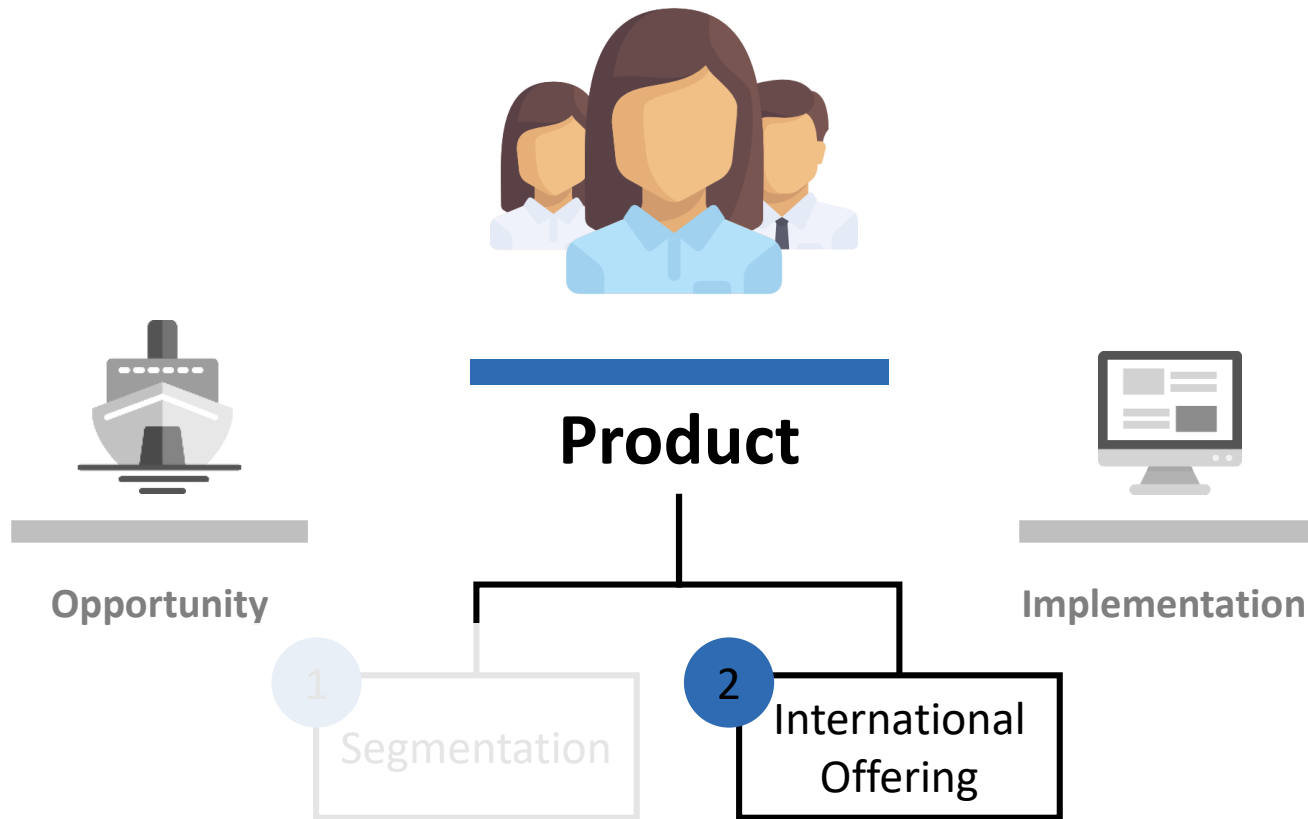


Family Price Preferences

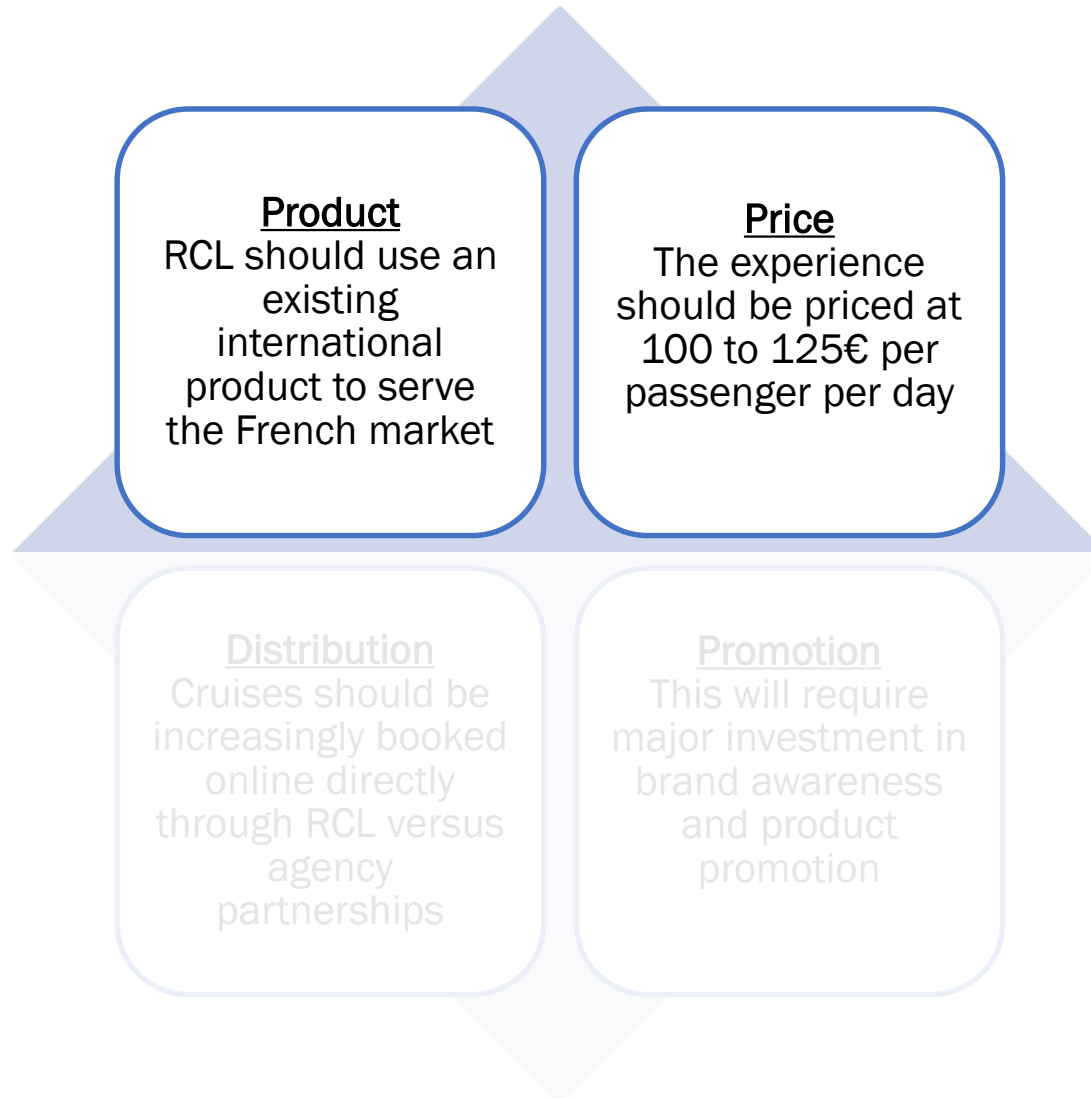
Family Traveler French Pricing for a 7-night/8-day Cruise per pax per day



Both segments who have respondents that are likely to go on a tailor-made French cruise are also just as likely to go on an international cruise



RCL should focus on the type of product & how to price it in order to attract the French customer segments



The top factors that influence respondents' decision in selecting a cruise are destination & price

Top 2 Factors

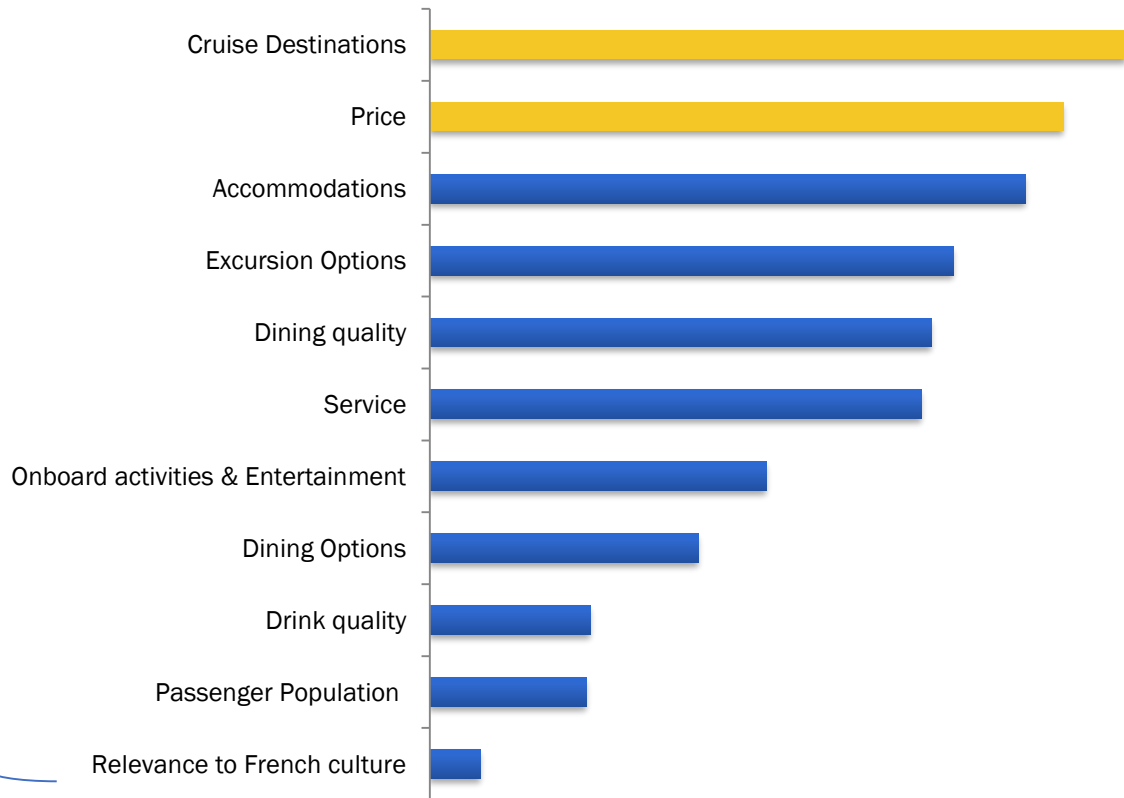


Destinations



Price

Factors in Decision of Cruise Selection



The top factors that influence respondents' decision in selecting a cruise are destination & price

Top 2 Factors

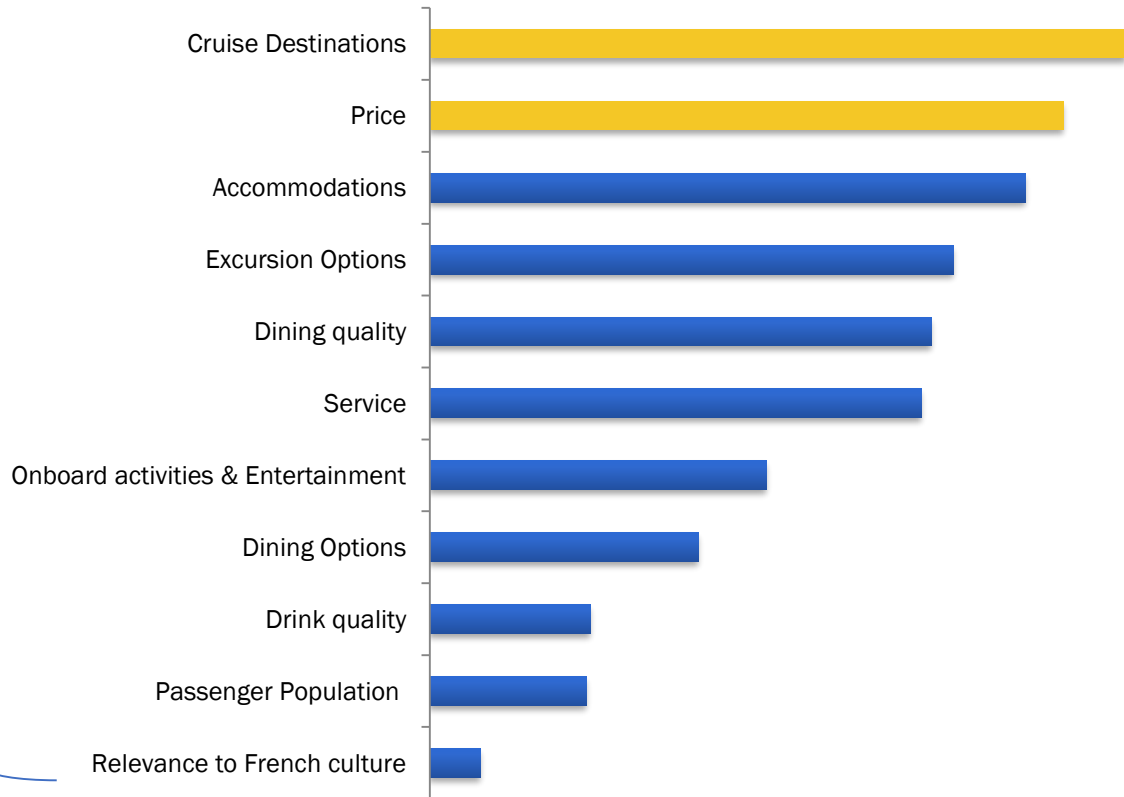


Destinations



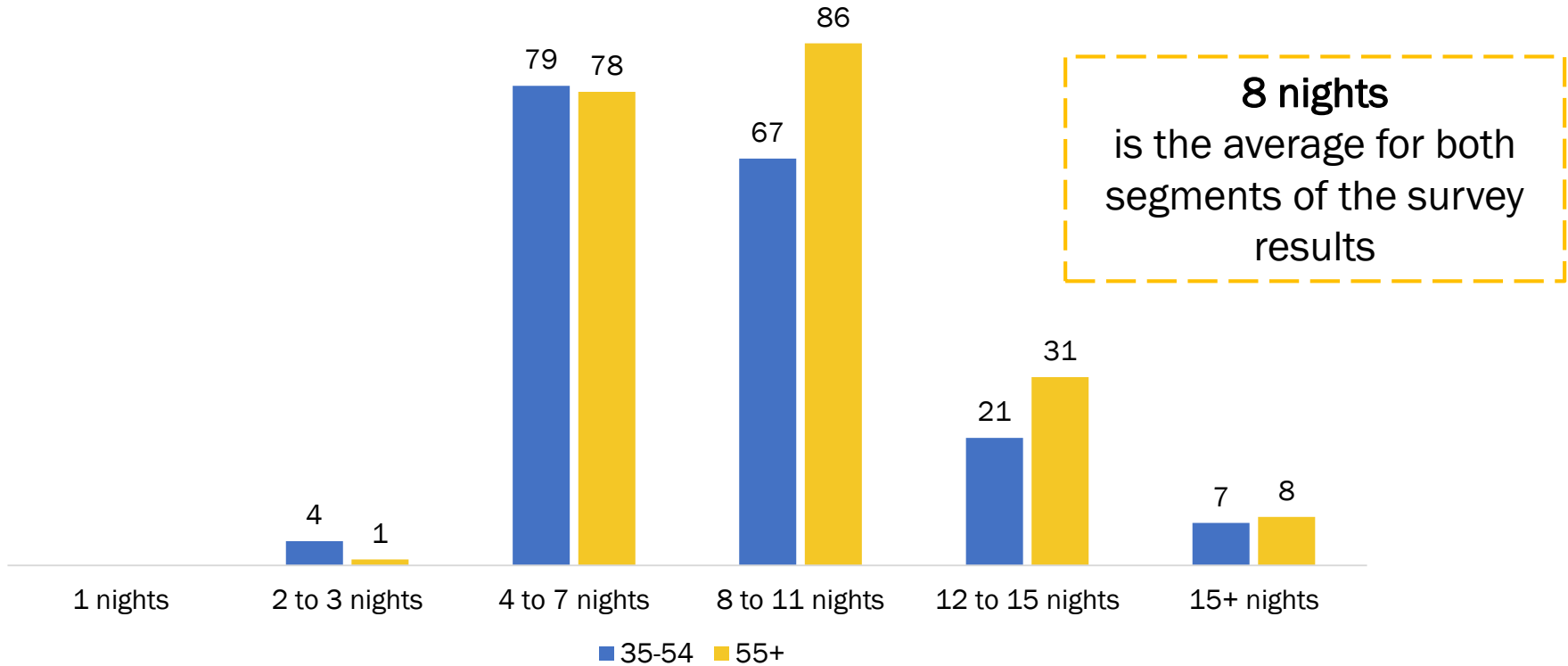
Price

Factors in Decision of Cruise Selection



RCL should target *The Family* segment with 4-7 night cruises & *The Senior Traveler* with 8-11 night cruises

The Family & *The Senior Traveler* cruise vacation length preferences



Both segments prefer to visit 2-4 new locations per cruise

Opportunity

Product

Implementation

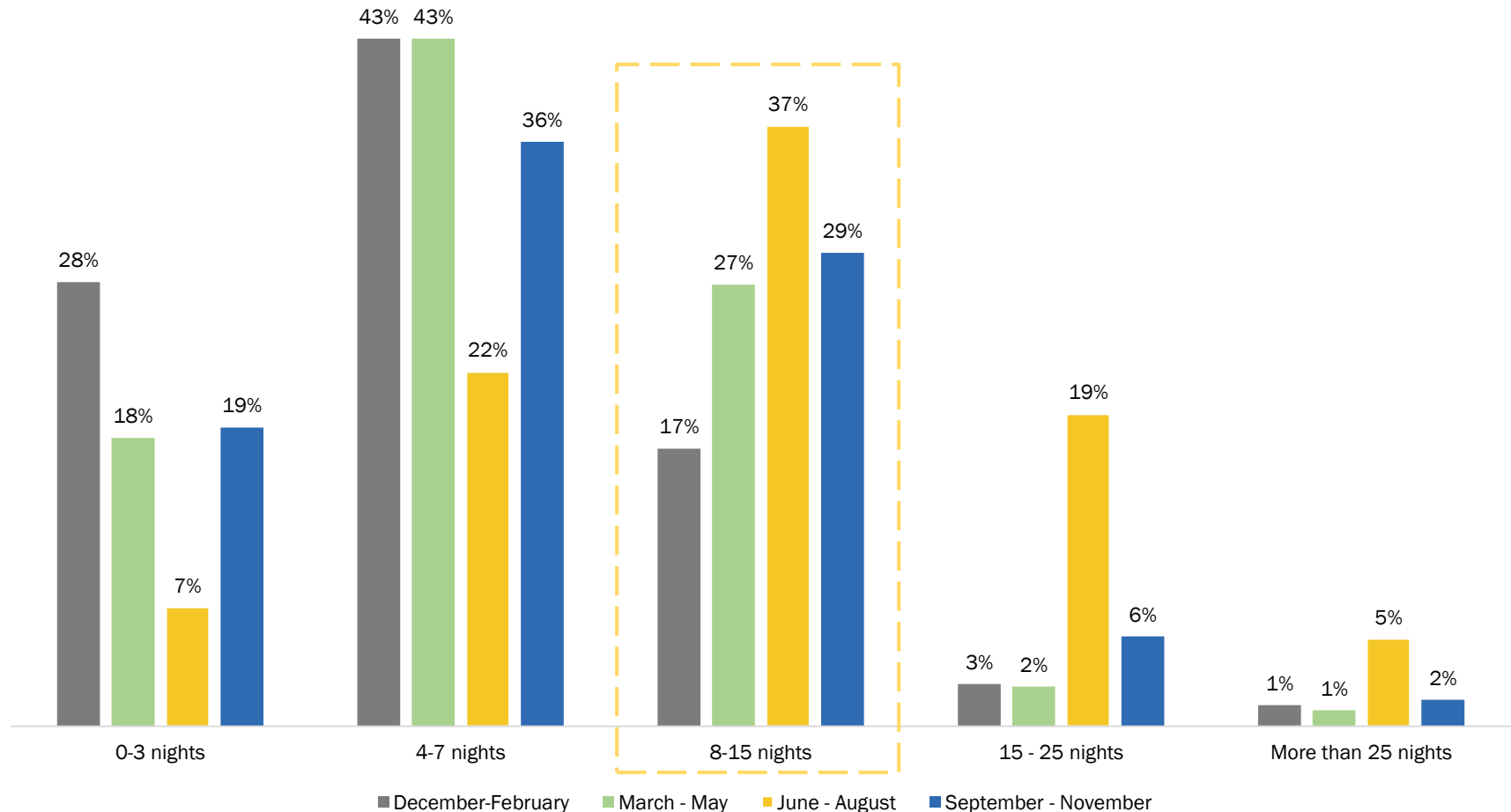
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Source: 2017 UNC STAR Global French Cruise Survey (n=557)



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RC should focus on targeting French with summer cruises

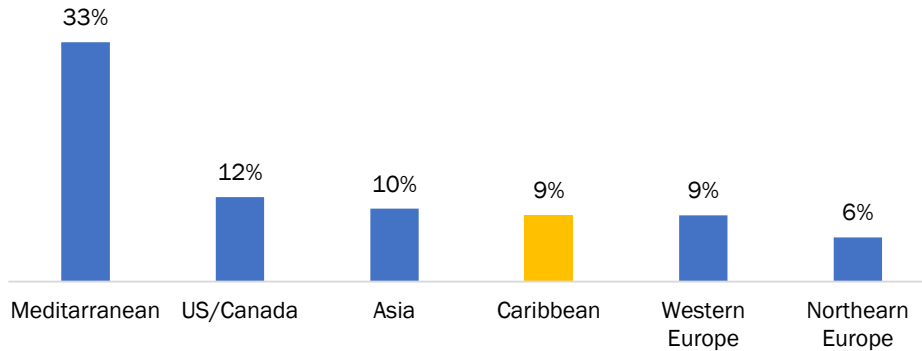


The French's summer vacation length aligns with the French's cruise length preference



RCL should target the French with 3 summer destinations

% of decrease in popularity for cruise destination in the summer versus winter



Even the French's willingness to go on cruises to the Caribbean decrease in the winter

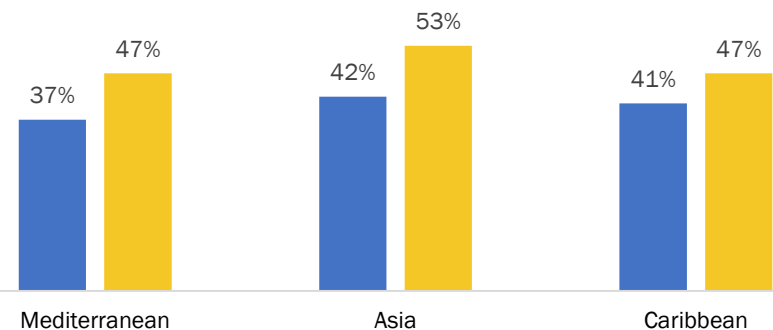


Mediterranean

Asia

Caribbean

% of people that would definitely go to Mediterranean, Asia and Caribbean in the summer



■ The Senior Traveler ■ The Family

Opportunity

Product

Implementation

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Source: 2017 UNC STAR Global French Cruise Survey (n=557)



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Top 2 Factors

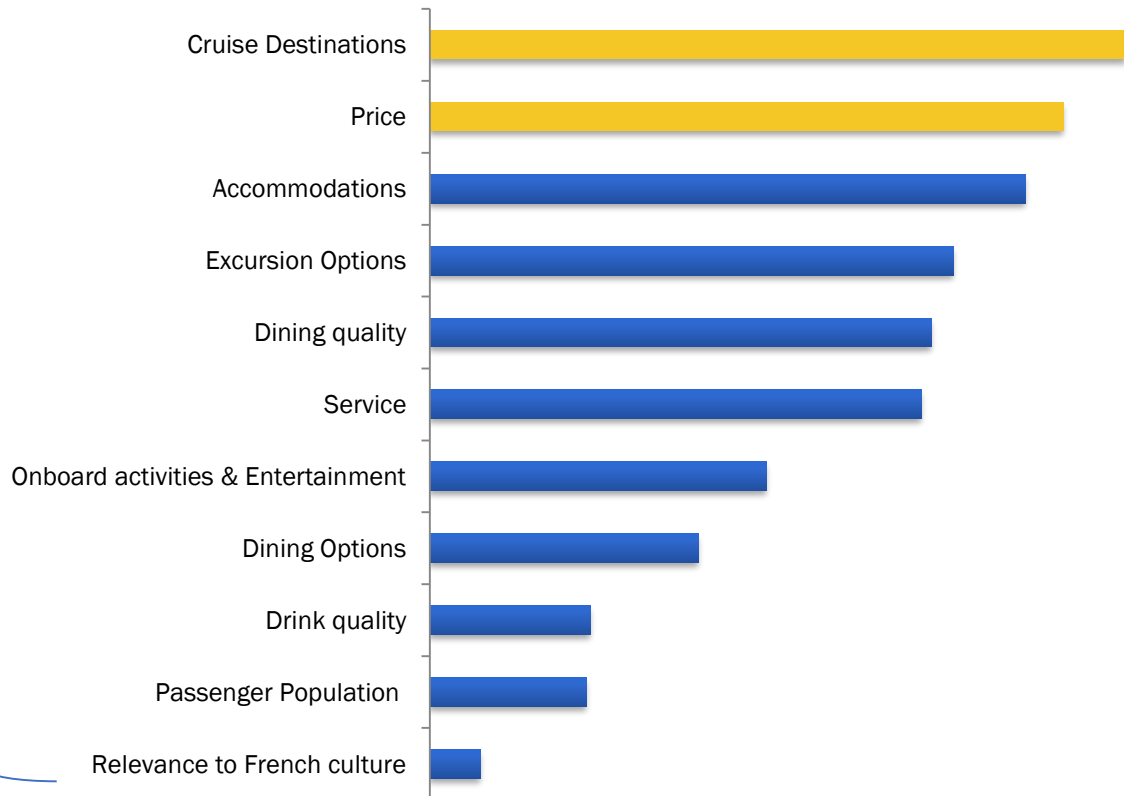


Destinations



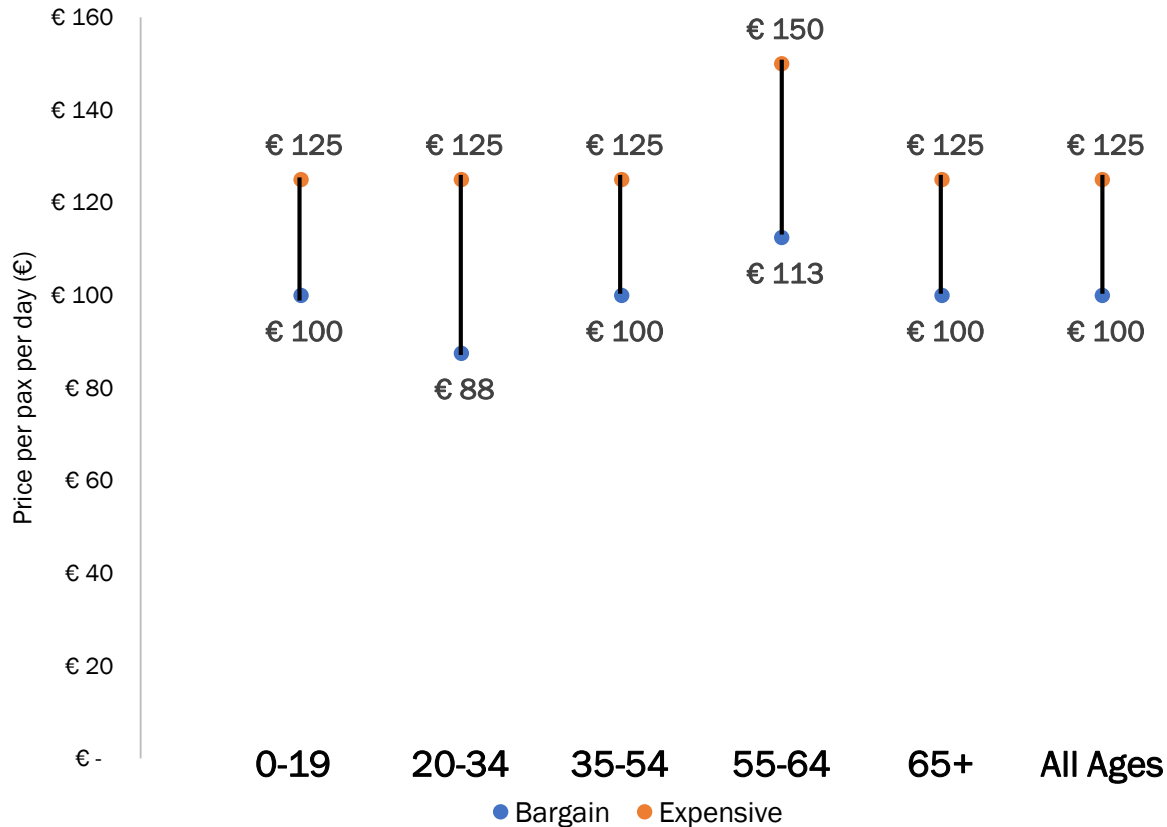
Price

Factors in Decision of Cruise Selection



The pricing for a summer cruise aligns closely with an international cruise product

French Total Median Ticket and Food Package Pricing Preferences for a 7-night/8-day Cruise to the Mediterranean in the Summer



Median Price for Target Customer Segments:

35-54
129€ per day

55+
136€ per day

Both target segments are willing to spend for premium beverage options



Senior Traveler Profile

43% will purchase a premium all-inclusive package over standard all-inclusive and non-inclusive options

	Age	Average additional spend per day	% willing to spend for premium
Premium wine	55-64	21.8 €	74%
	65+	19.0 €	86%
Premium beer	55-64	19.2 €	66%
	65+	12.9 €	64%
Premium liquor	55-64	24.3 €	62%
	65+	19.7 €	66%



Family Profile

53% will purchase a premium all-inclusive package over standard all-inclusive and non-inclusive options

	Average additional spend per day	% willing to spend for premium
Premium wine	32.7 €	84%
Premium beer	24.7 €	84%
Premium liquor	32.3 €	86%

The above charts represent additional spending for customers who prefer a standard all-inclusive package

French & international survey respondents on-board preferences are very similar



Entertainment

Top 4

- Movies
- Comedians
- Plays and musicals
- Game shows/bingo



Wellness

Massage and sauna are the most important wellness activities to all respondents



Shopping

Duty free & local souvenirs are the most important shops to all respondents



Dining

Bistro seating is preferred to mixed seating

Top 3

Cuisine Preferences:

- Italian
- French
- Mediterranean



Amenities

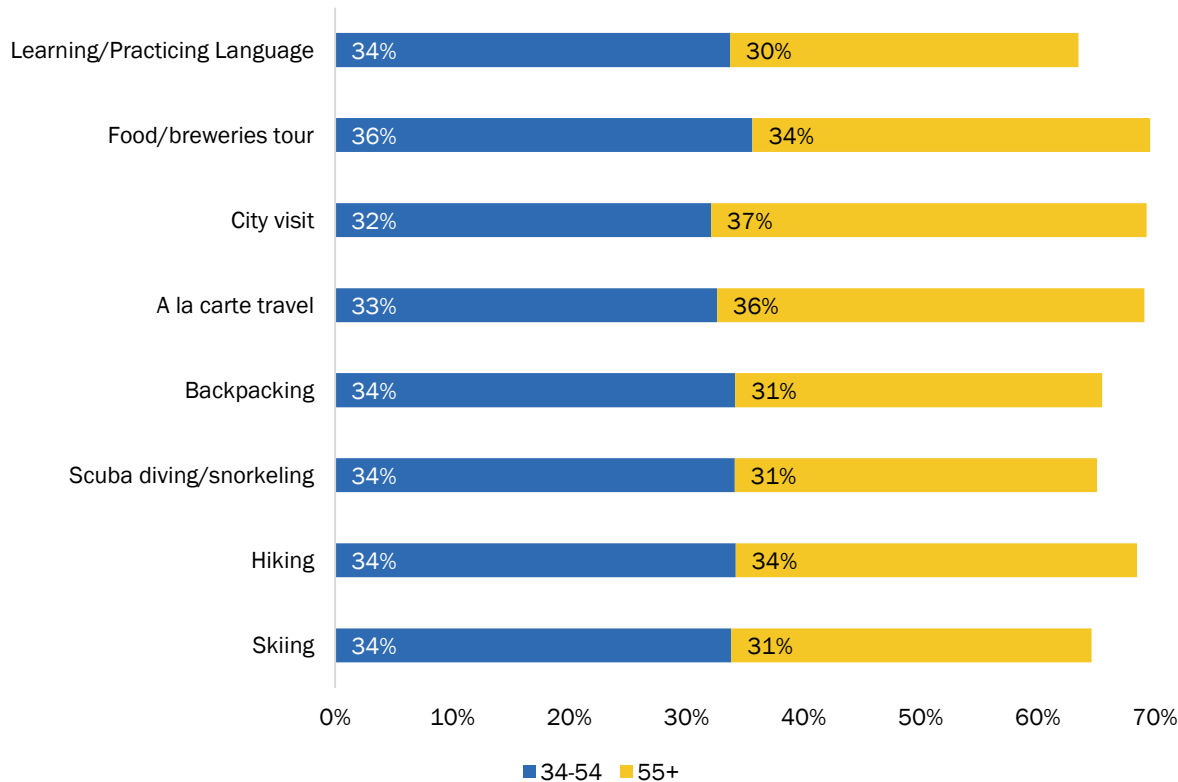
Indoor Jacuzzi/pool was most important to all

Kids room was in top 4 preferences for all

Smoking room was in top 5 preferences for all

The French targeted segments enjoy doing a variety of vacation activities in the summer

Summer Vacation Activity Preferences for Target Segments



City Visits



Scuba/Diving



Wine Tasting



Hiking



Source: 2017 UNC STAR Global French Cruise Survey (n=557)

Tailor on-board revenue boosting initiatives to entice the French customer

Pullmantur covertly culturally-specific trends into premium on-board purchases

Gin&Tonic Bar



Customizable Burger Night



RCL can employ similar strategies with French tailored initiatives

Cognac Bar



Steak-Frites Night



Freedom of the Seas is an example of a cruise ship that fits the French target segment preferences

Freedom of the Seas



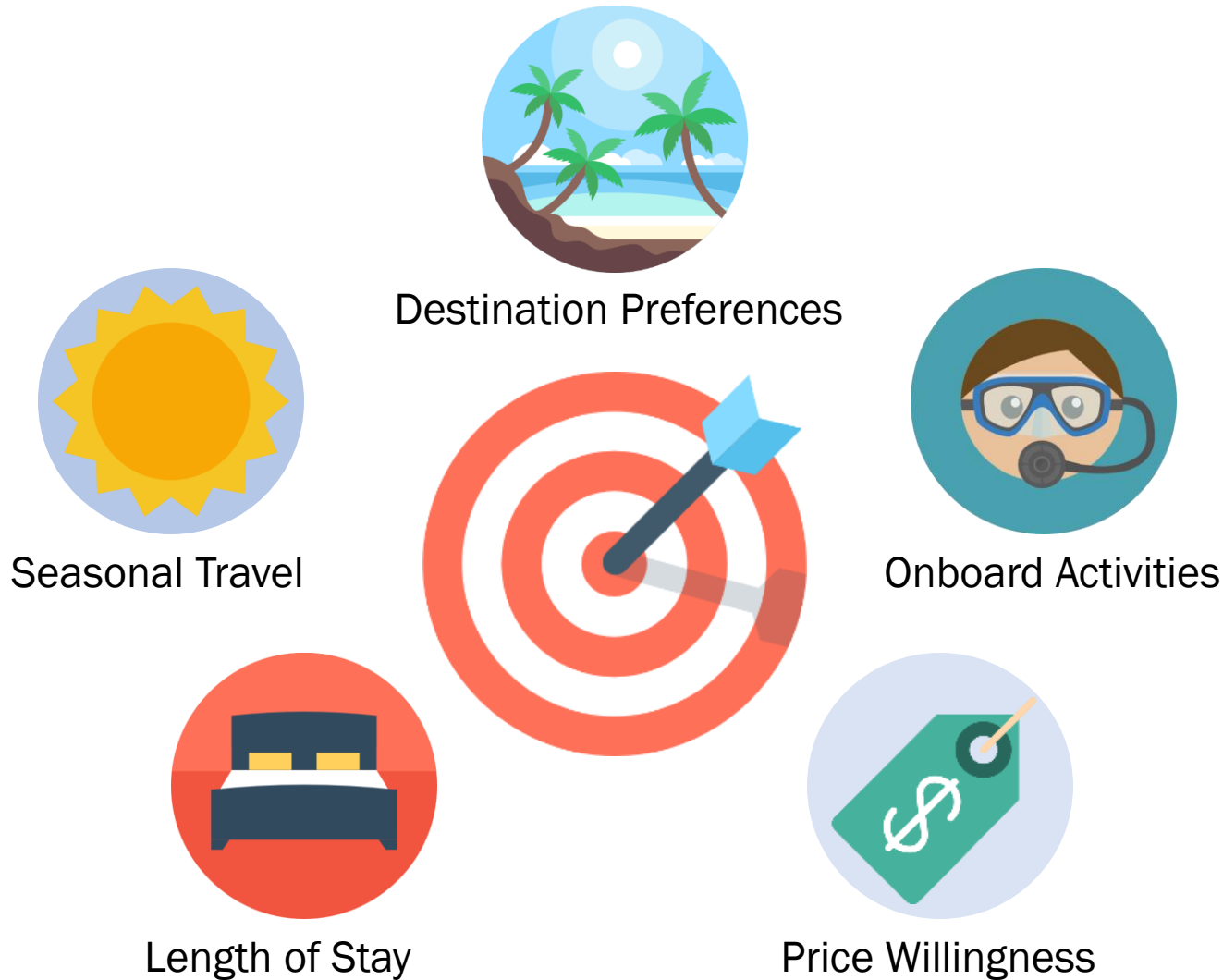
Capacity: 3.634 pax

Current Itinerary: 7 night/8 day

Western Mediterranean Cruise

Preference	Freedom of the Seas
Destination	✓
Summer	✓
Price ~900€	✓
Food (Italian or European Cuisine)	✓
Movies & Comedians	✓
Massages	✓
Sauna	✓
Pools & Jacuzzi	✓
Bistro Seating	✓
Buffet-Style Food	✓
Duty Free	✓
Local Souvenirs	

Utilizing these factors, Royal Caribbean can target their cruise recommendations to the French demographic





Opportunity

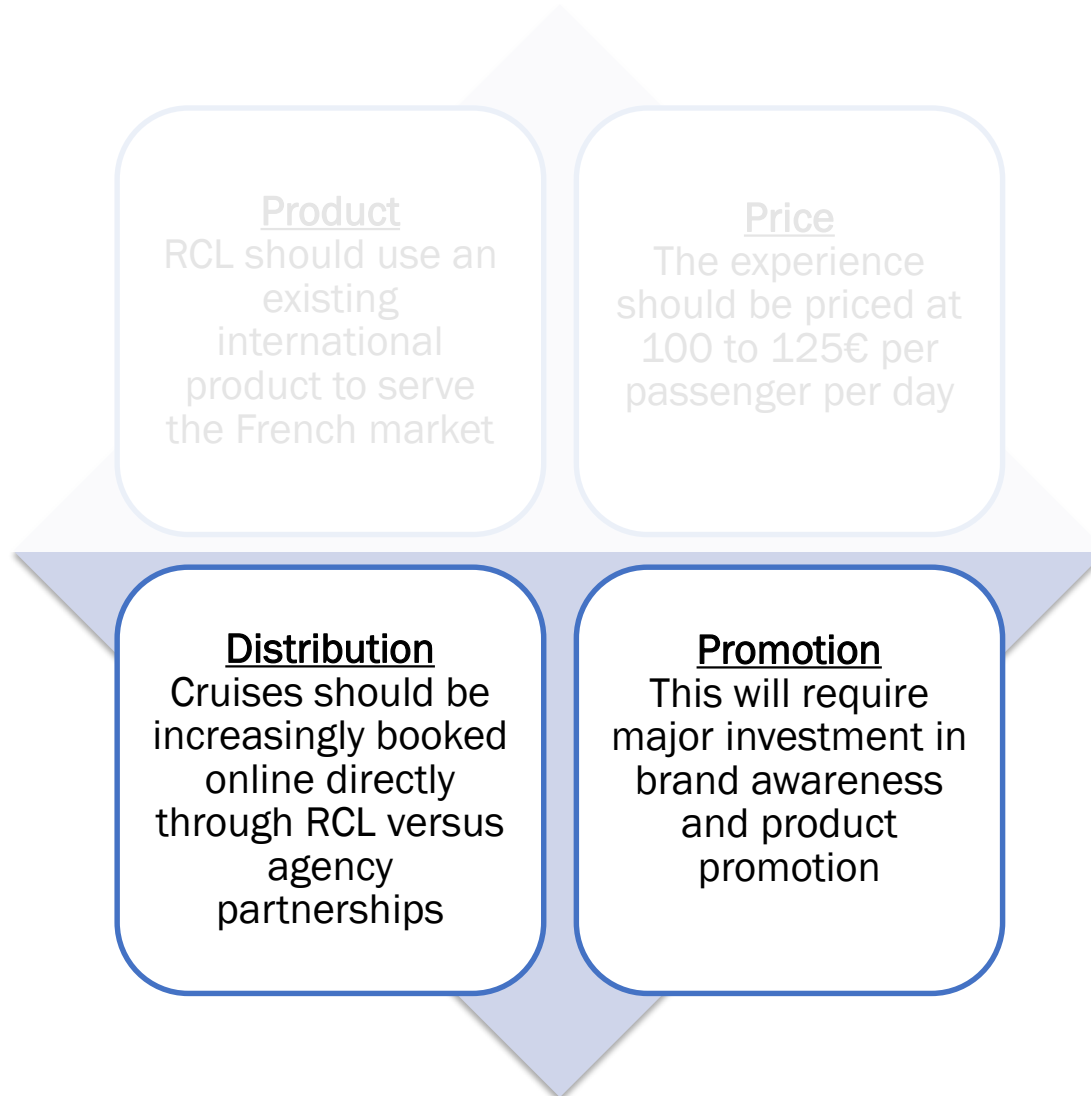


Product



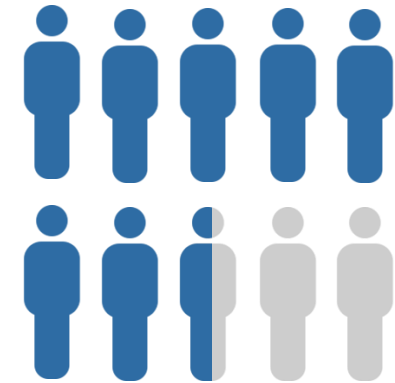
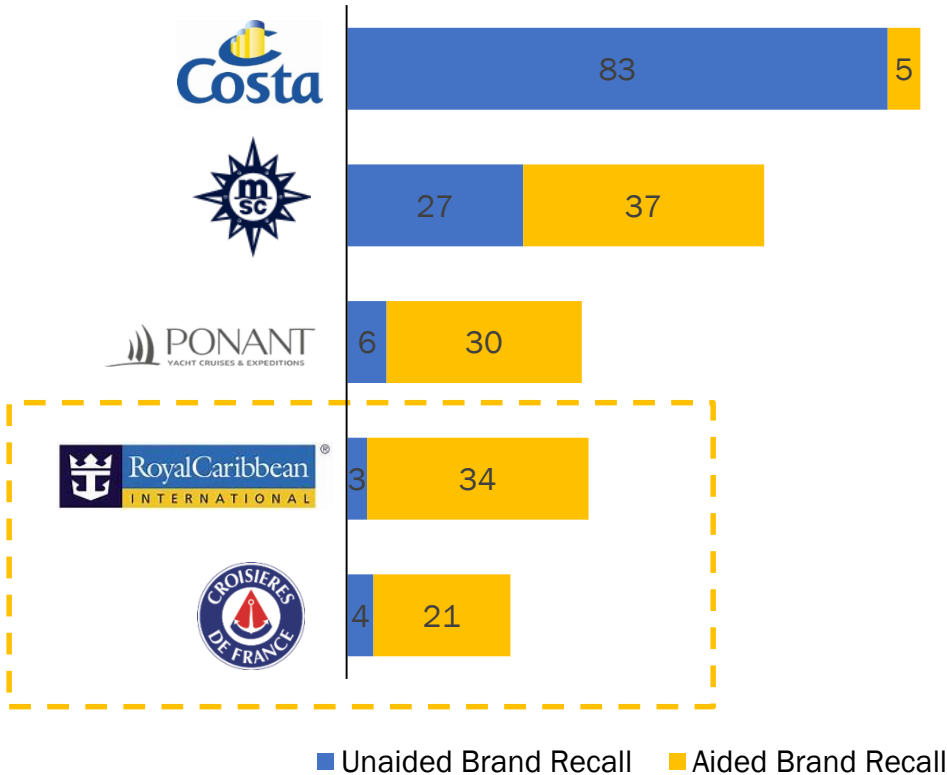
Implementation

RCL should promote an international product online directly through RCL's website & increase online booking



Brand awareness of RCL & its joint venture partners is low which affects booking rates among the French

Cruise Brand awareness in France



76%

of cruisers decide to book a cruise line or ship **before** speaking to a travel agent

RCL should revamp its RCL.fr website



Step 1

Audit digital platforms

Evaluate brand worldwide to maintain integrated marketing communications



Step 2

Develop an online analysis platform

Create a digital user experience that can be customized to French preferences



Step 3

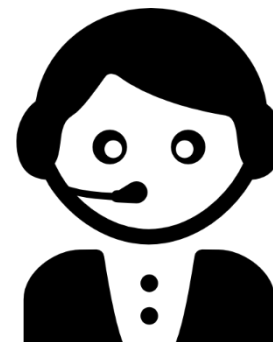
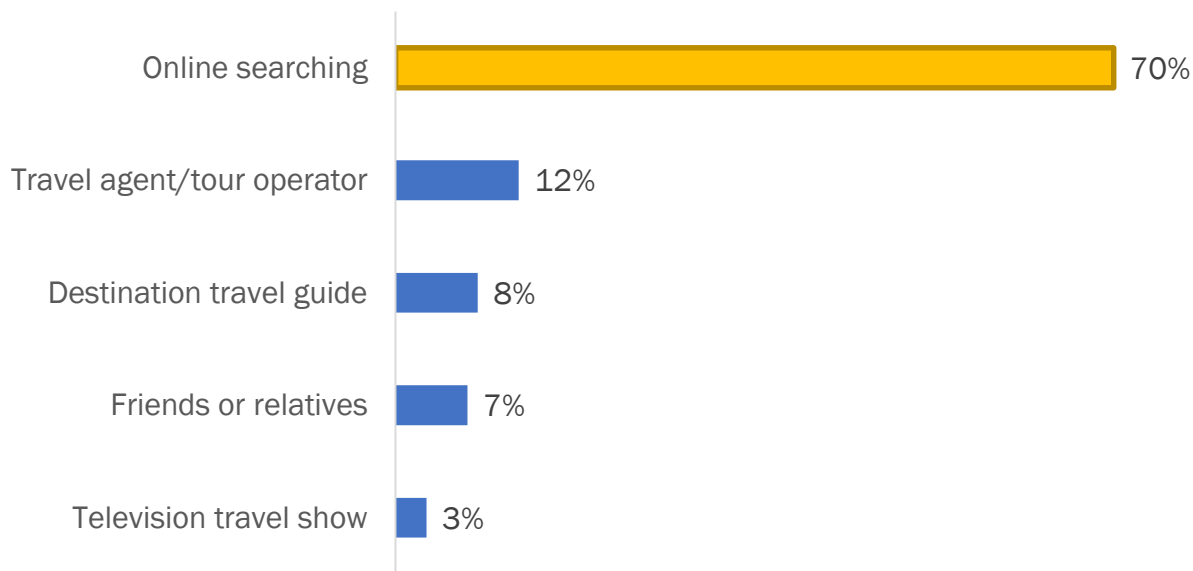
Develop a marketing campaign promoting the new online platforms

Increase brand awareness among French consumers to drive traffic to the website

By completing the steps above, RCL will be able to increase profitability

Majority of French book through travel agencies despite online searching being the top spot for information gathering

The French predominately find information about their travels online in self-directed searches

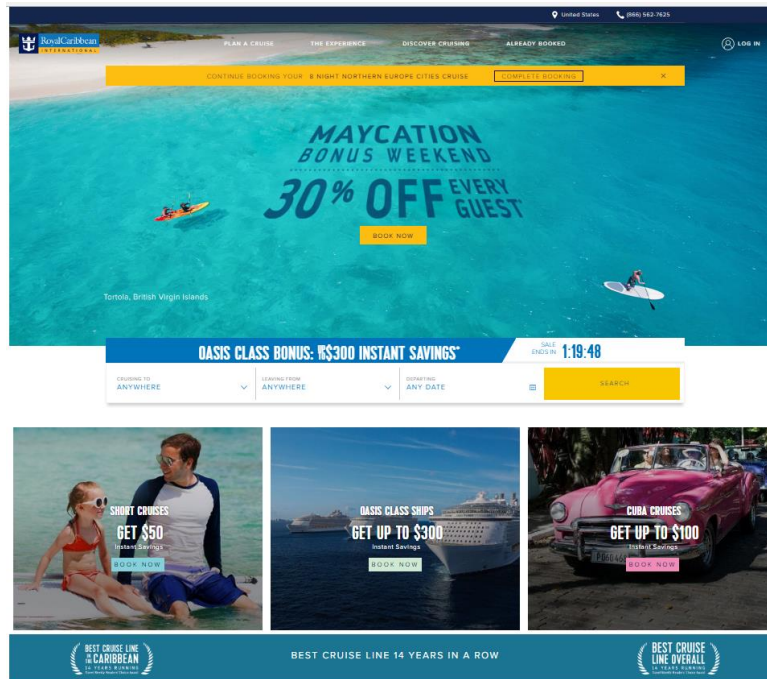


8 out of 10
cruises are booked
via travel agencies

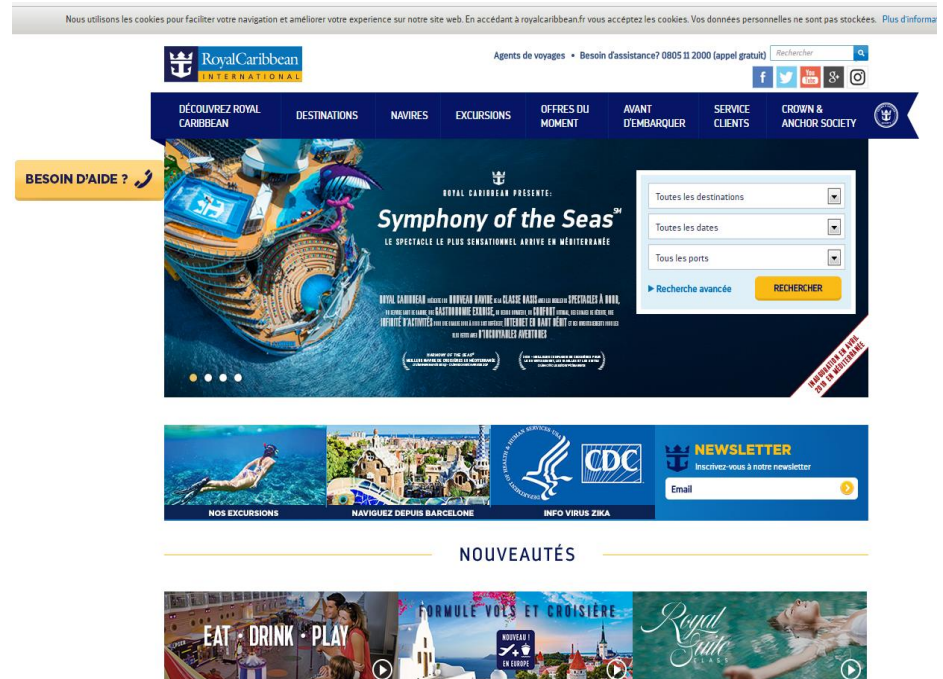
RCL should convince more potential customers to book during their online search process so they do not feel they need to consult an agency

RCL's websites are inconsistent in quality across international platforms

United States Website



France Website



The different versions do not provide the same user experience and message and do not practice integrated marketing communications

Royal Caribbean should use an online analytics platform to assist the French in finding the cruise that best fits them

Norwegian has an online analytical platform that helps their potential customers find the cruise that best fits their preferences & collect data on the potential customer







Step 1. Answer 4 quick and easy questions to get started.

Need more info on Norwegian Cruise Coach? Watch this helpful video.

1. What's the one most important factor in your cruise vacation planning?

Select one of the options below.

			
Destinations Know where you want to go? Select this option if this is the most important factor in planning your cruise.	Dates & Pricing Know when you want to go? Select this option if you need to travel at a specific time.	Accommodations Know what stateroom features you want? Select this option if this is the most important factor in your trip.	Things To Do Know what you want to do? Select this option to look for activities you enjoy.
<input type="radio"/> Most Important	<input type="radio"/> Most Important	<input type="radio"/> Most Important	<input type="radio"/> Most Important

RCL has the opportunity to be more effective with their digital promotions & invest heavily in the French market



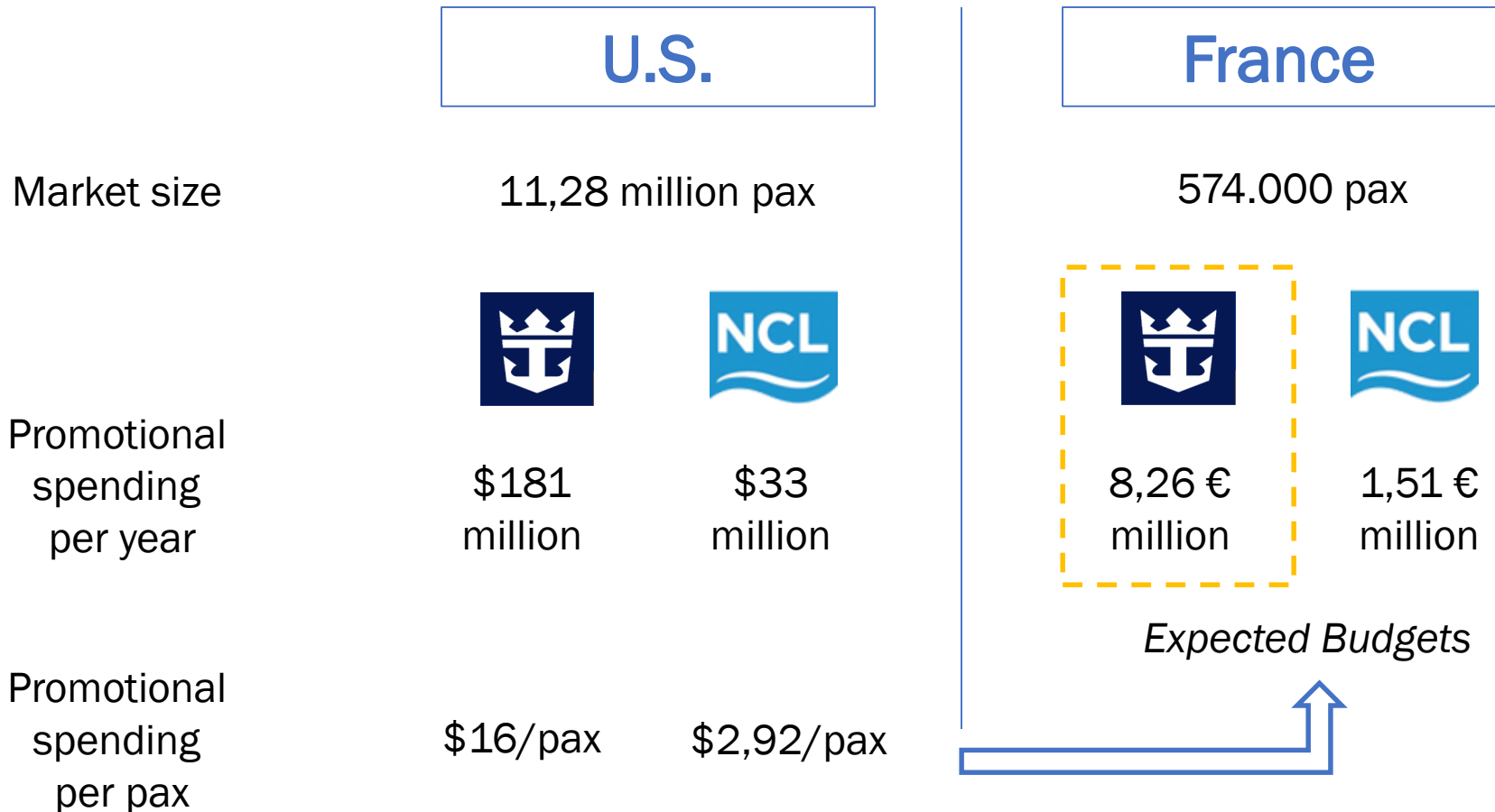
Organic keywords	19,770	14,858
Organic clicks per month in the US	2,2 million	2,0 million
Value created per month in the US	\$1,3 million	\$1,5 million
Value created per click per month in US	\$0,59	\$0,75

Norwegian is creating more value with less organic website traffic compared to RCL in the US market.



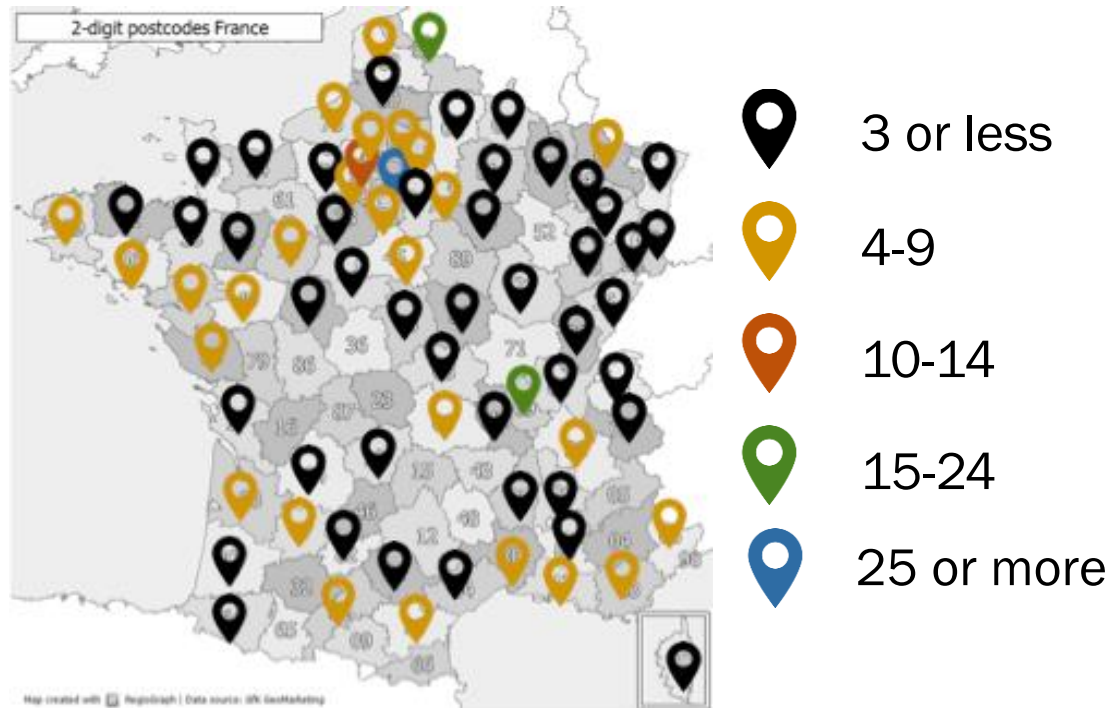
NCL is likely to follow the same consistent promotion strategy in the French market.

Promotional spending needs to be proportionate to market size to maintain brand consistency worldwide



RCL marketing campaign should promote their digital platform in areas saturated with frequent cruisers to increase online bookings

Number of respondents who have been on a cruise



Geographic location of campaign should focus on areas saturated with frequent cruisers

RCL Marketing Campaign should promote their digital platform in areas saturated with frequent cruisers to increase online bookings

Audience

French senior citizens and families in Paris and along coastlines

Objective

Drive traffic to website by illustrating the user experience on the new platform, accessible on desktops and smartphones

Key characteristics

Highlight destination, 8-day cruise length, price & accommodations as well as differentiating characteristics of RCL product offering

Budget

Annual budget of 8,26 € million

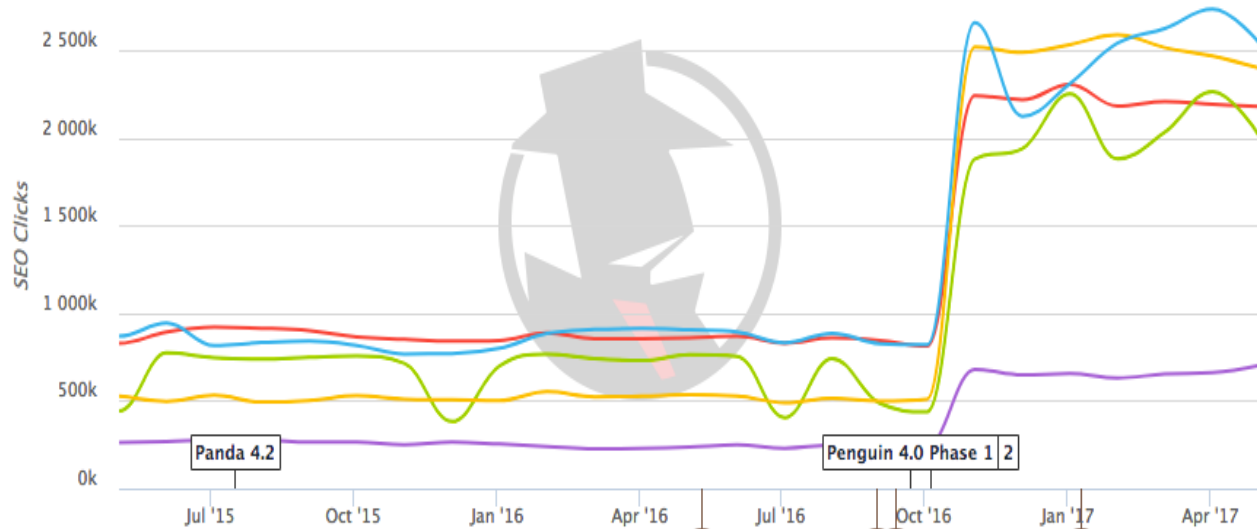
Determine creative budget for initial costs



CLIA's "Plan a Cruise Month" Campaign increased RCL's clicks per month by 165%



Company	% increase
RCL	165,40%
NCL	286,83%
Princess	404,00%
Carnival	220,44%
Celebrity	186,07%
<i>Total</i>	<i>244,98%</i>

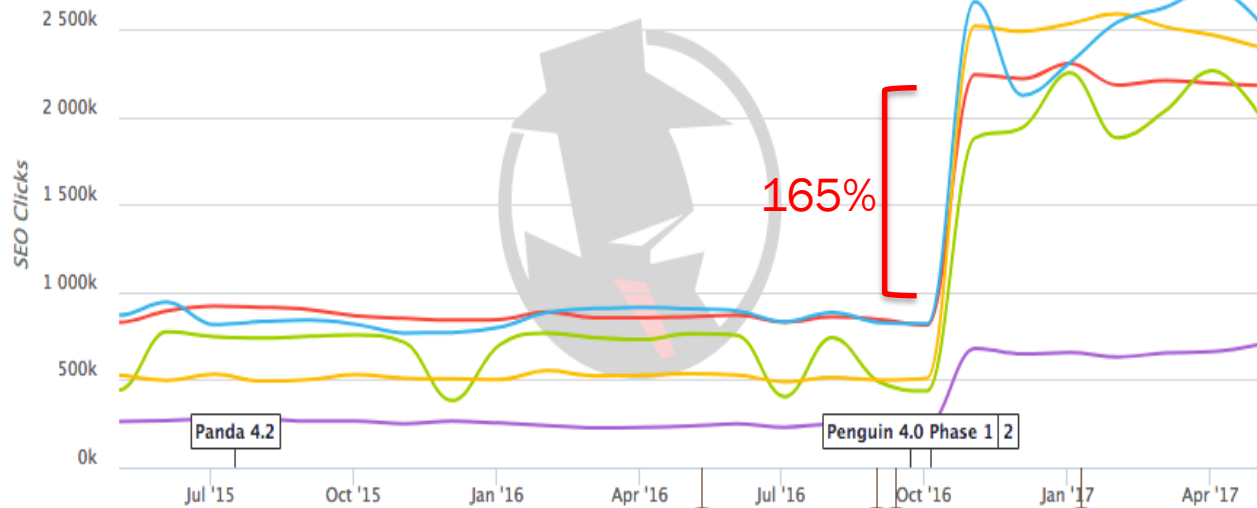


Its reasonable to assume RCL can expect a similar upward trend when implementing this marketing campaign that drives website traffic

CLIA's "Plan a Cruise Month" Campaign increased RCL's clicks per month by 165%



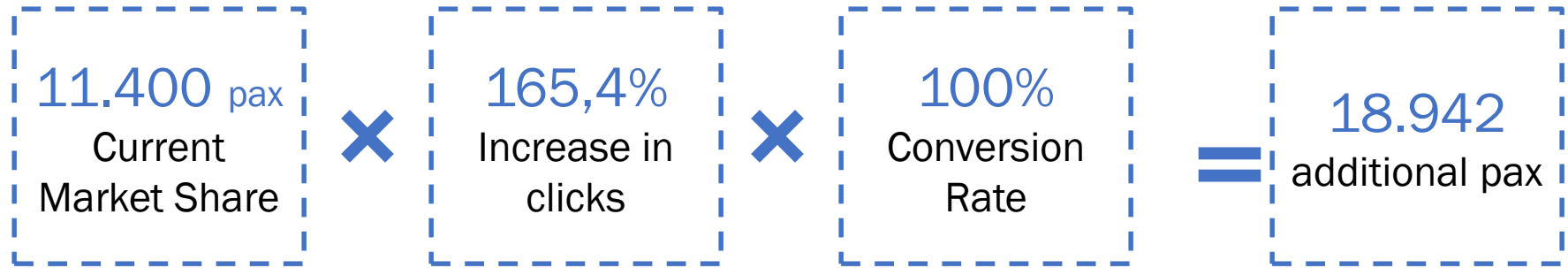
Company	% increase
RCL	165,40%
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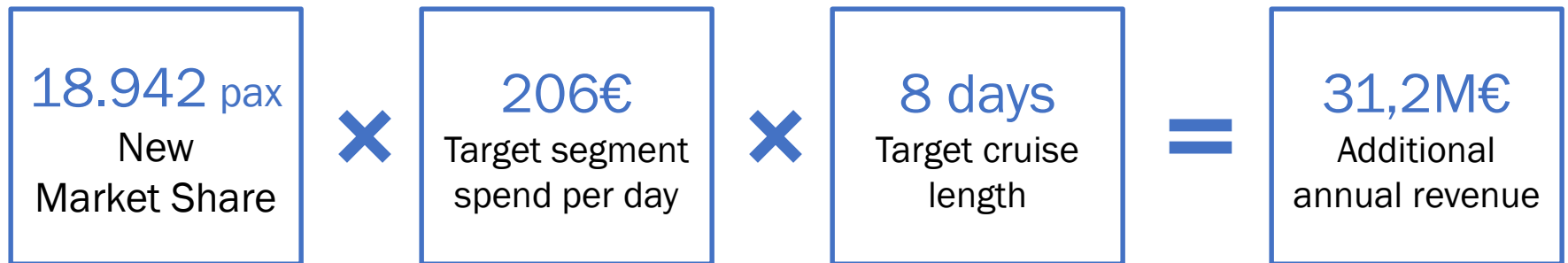
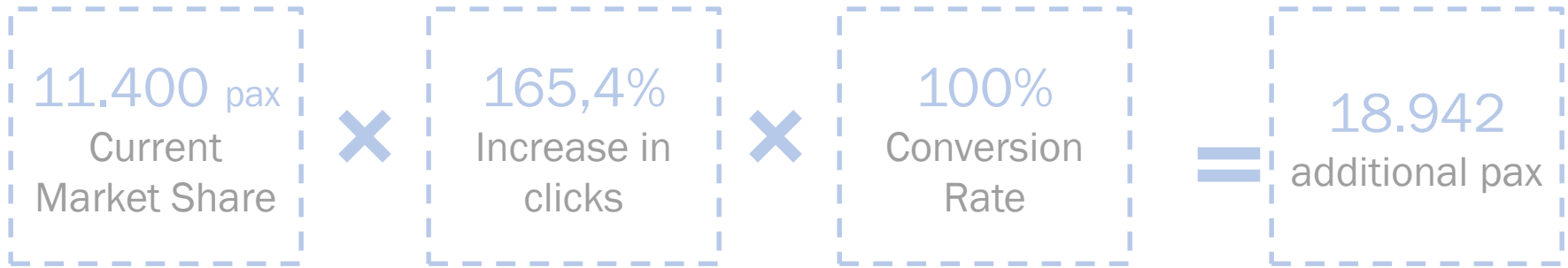
Its reasonable to assume RCL can expect a similar upward trend when implementing this marketing campaign that drives website traffic



RCL's marketing campaign can make an immediate impact on market penetration in the French cruise market



By targeting valuable customer profiles with desired cruises, additional annual revenue can be achieved



With increased brand awareness and improved marketing, RCL can increase capitalization of the French cruise market



RCL can mitigate their risks by utilizing certain strategies

Risk	Mitigation
Political unrest in France & geopolitical issues	Invest in more security measures for on-boarding and highlight destinations in neutral countries
Changes to taxation of French Citizens	Project potential increases/decreases in willingness to pay and adjust cruise prices accordingly
Increase in competition	Differentiate RCL product by highlighting French preferences through increased brand awareness
Shift in currency value	Benefit of being an international company allows flexibility in operational costs, being more receptive to fluctuations
Decreased interest in cruises	Do not aim to fill ship entirely with French citizens
Increase in substitutes	Continuously monitor airlines and domestic tourism for potential threats

Since RCL is not investing heavily into this market (i.e. dedicating an entire fleet), these potential risks are not as significant to the overall success of serving the French cruise market with an international product.

Next Steps for RCL & Pullmantur

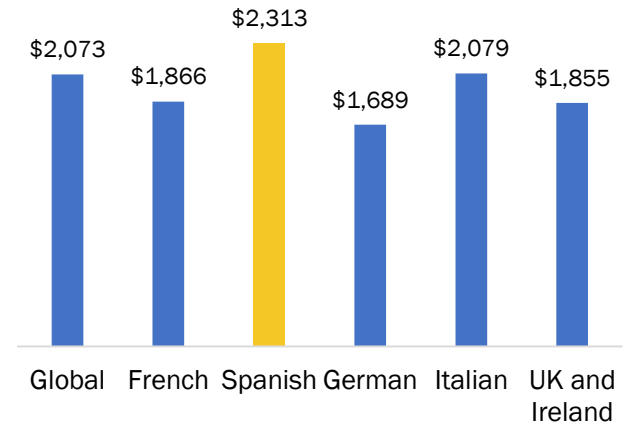
1 Pullmantur should keep their current fleet in the Spanish market & consider expanding its Spanish offerings to luxury



It is not currently advisable to have a tailor-made French product:

- No ship transformation costs
- Continued operations as usual

The Spanish are the highest spenders on the luxury suite



2 RCL & Pullmantur should continue to survey French demographics and willingness to spend

3 RCL should build out an implementation plan for marketing their digital platforms

Executive Summary

Royal Caribbean & Pullmantur Group should serve the French cruise market with Royal Caribbean's international cruise offerings at the current time

Opportunity



The French market is not currently suitable for a cruise line tailored to the French market, but instead should be served with an international cruise product.

Product



Royal Caribbean should target *Senior Cruisers & The Family* segments of the cruise market with an international experience that suits their preferences and differentiates RCL's international product.

Implementation



Next steps for RCL & Pullmantur Group include promoting this product to the French market using their digital platform & other marketing techniques.

Impact

An international cruise experience can generate an additional 19.000 passengers & 31 million euros in revenue

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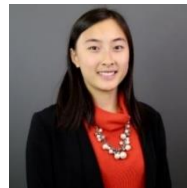
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Appendix

Financial Data Analysis



Financial Viability Study: Case 1 (Building 625 Pax. ship)

EBIT margin Sensitivity Analysis (Unit Ticket Price)

	€ 800	€ 900	€ 1,000	€ 1,100	€ 1,200	€ 1,300	€ 1,400	€ 1,500	€ 1,600	€ 1,700
90%	-172%	-143%	-121%	-102%	-87%	-74%	-63%	-53%	-45%	-37%
91%	-169%	-141%	-119%	-100%	-85%	-72%	-61%	-52%	-43%	-36%
92%	-166%	-139%	-117%	-98%	-83%	-71%	-60%	-50%	-42%	-35%
93%	-163%	-136%	-114%	-97%	-82%	-69%	-58%	-49%	-41%	-34%
94%	-161%	-134%	-112%	-95%	-80%	-67%	-57%	-48%	-39%	-32%
95%	-158%	-132%	-110%	-93%	-78%	-66%	-55%	-46%	-38%	-31%
96%	-156%	-129%	-108%	-91%	-77%	-64%	-54%	-45%	-37%	-30%
97%	-153%	-127%	-106%	-89%	-75%	-63%	-53%	-44%	-36%	-29%
98%	-151%	-125%	-104%	-88%	-73%	-61%	-51%	-42%	-35%	-28%
99%	-149%	-123%	-103%	-86%	-72%	-60%	-50%	-41%	-33%	-27%
100%	-146%	-121%	-101%	-84%	-70%	-59%	-49%	-40%	-32%	-26%
101%	-144%	-119%	-99%	-83%	-69%	-57%	-47%	-39%	-31%	-24%
102%	-142%	-117%	-97%	-81%	-67%	-56%	-46%	-37%	-30%	-23%
103%	-140%	-115%	-95%	-79%	-66%	-55%	-45%	-36%	-29%	-22%
104%	-138%	-113%	-94%	-78%	-64%	-53%	-44%	-35%	-28%	-21%
105%	-136%	-111%	-92%	-76%	-63%	-52%	-42%	-34%	-27%	-20%

Assumptions:

Ship Capacity = 625 Pax. + (625*0.6) Crews, Operating Days = 340/year , Itinerary = 7 days, Food Safety Margin = 20%, Commission = 18% of ticket sales, Residual Value = 15%, Depreciation Year = 30, Crew Salary = EUR55,000/year
 Ship Building = 270M one time, Corporate Op. = 24M/year, Fuel = 9M/year, Other Fee = 11M/year, EURUSD = 1.087

EBIT Margin Target:

Operating Income/Total Revenues = 1,477/8,496 = 17% or above (from Royal Caribbean's Income Statement, FY2016)

Financial Viability Study: Case 2 (Refurbishing Horizon)

EBIT margin Sensitivity Analysis (Unit Ticket Price)

	€ 800	€ 900	€ 1,000	€ 1,100	€ 1,200	€ 1,300	€ 1,400	€ 1,500	€ 1,600	€ 1,700
90%	-54%	-39%	-27%	-17%	-9%	-2%	4%	9%	14%	18%
91%	-53%	-38%	-26%	-16%	-8%	-1%	5%	10%	15%	19%
92%	-51%	-36%	-24%	-15%	-7%	0%	6%	11%	15%	19%
93%	-50%	-35%	-23%	-14%	-6%	1%	7%	12%	16%	20%
94%	-48%	-34%	-22%	-13%	-5%	2%	8%	12%	17%	21%
95%	-47%	-33%	-21%	-12%	-4%	3%	8%	13%	18%	21%
96%	-46%	-31%	-20%	-11%	-3%	3%	9%	14%	18%	22%
97%	-44%	-30%	-19%	-10%	-2%	4%	10%	15%	19%	23%
98%	-43%	-29%	-18%	-9%	-1%	5%	11%	15%	19%	23%
99%	-42%	-28%	-17%	-8%	-1%	6%	11%	16%	20%	24%
100%	-41%	-27%	-16%	-7%	0%	7%	12%	17%	21%	24%
101%	-39%	-26%	-15%	-6%	1%	7%	13%	17%	21%	25%
102%	-38%	-25%	-14%	-5%	2%	8%	13%	18%	22%	25%
103%	-37%	-24%	-13%	-5%	3%	9%	14%	18%	22%	26%
104%	-36%	-23%	-12%	-4%	3%	9%	15%	19%	23%	26%
105%	-35%	-22%	-11%	-3%	4%	10%	15%	20%	24%	27%

Assumptions:

Ship Capacity = 1442 Pax. + (1442*0.4) Crews, Operating Days = 340/year, Itinerary = 7 days, Food Safety Margin = 20%
 Commission = 18% of ticket sales, Residual Value = 15%, Depreciation Year = 30, Crew Salary = EUR55,000/year
 Refurbishing = 42.6M one time, Corporate Op. = 30M/year, Fuel = 15M/year, Other Fee = 11M/year, EURUSD = 1.087

EBIT Margin Target:

Operating Income/Total Revenues = 1,477/8,496 = 17% or above (from Royal Caribbean's Income Statement, FY2016)

Financial Viability Study: Case 3 (Intl. – French arrange)

EBIT margin Sensitivity Analysis (Unit Ticket Price)

	€ 800	€ 900	€ 1,000	€ 1,100	€ 1,200	€ 1,300	€ 1,400	€ 1,500	€ 1,600	€ 1,700
90%	-13%	-2%	6%	13%	19%	23%	28%	31%	34%	37%
91%	-12%	-2%	7%	14%	19%	24%	28%	32%	35%	38%
92%	-11%	-1%	8%	14%	20%	25%	29%	32%	35%	38%
93%	-10%	0%	8%	15%	21%	25%	29%	33%	36%	39%
94%	-9%	1%	9%	16%	21%	26%	30%	33%	36%	39%
95%	-8%	2%	10%	16%	22%	27%	30%	34%	37%	40%
96%	-7%	3%	11%	17%	23%	27%	31%	34%	37%	40%
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98%	-5%	4%	12%	18%	24%	28%	32%	35%	38%	41%
99%	-5%	5%	13%	19%	24%	29%	33%	36%	39%	41%
100%	-4%	6%	13%	20%	25%	29%	33%	36%	39%	42%
101%	-3%	7%	14%	20%	25%	30%	33%	37%	40%	42%
102%	-2%	7%	15%	21%	26%	30%	34%	37%	40%	42%
103%	-1%	8%	15%	21%	26%	31%	34%	38%	40%	43%
104%	0%	9%	16%	22%	27%	31%	35%	38%	41%	43%
105%	0%	9%	17%	23%	28%	32%	35%	38%	41%	44%

Assumptions:

Ship Capacity = 3634 Pax. + (3634*0.3) Crews, Operating Days = 320/year, Itinerary = 7 days, Food Safety Margin = 20%
 Commission = 18% of ticket sales, Residual Value = 15%, Depreciation Year = 30, Crew Salary = EUR55,000/year
 Refurbishing = 63.2M one time, Corporate Op. = 46M/year, Fuel = 28M/year, Other Fee = 11M/year, EURUSD = 1.087

EBIT Margin Target:

Operating Income/Total Revenues = 1,477/8,496 = 17% or above (from Royal Caribbean's Income Statement, FY2016)

Financial Viability Study: Case 4 (Intl. – no change)

EBIT margin Sensitivity Analysis (Unit Ticket Price)

	€ 800	€ 900	€ 1,000	€ 1,100	€ 1,200	€ 1,300	€ 1,400	€ 1,500	€ 1,600	€ 1,700
90%	-12%	-1%	7%	14%	19%	24%	28%	32%	35%	38%
91%	-11%	-1%	8%	14%	20%	25%	29%	32%	36%	38%
92%	-10%	0%	8%	15%	21%	25%	29%	33%	36%	39%
93%	-9%	1%	9%	16%	21%	26%	30%	33%	37%	39%
94%	-8%	2%	10%	17%	22%	27%	31%	34%	37%	40%
95%	-7%	3%	11%	17%	23%	27%	31%	34%	37%	40%
96%	-6%	4%	11%	18%	23%	28%	32%	35%	38%	40%
97%	-5%	4%	12%	19%	24%	28%	32%	35%	38%	41%
98%	-4%	5%	13%	19%	24%	29%	33%	36%	39%	41%
99%	-4%	6%	14%	20%	25%	29%	33%	36%	39%	42%
100%	-3%	7%	14%	20%	26%	30%	34%	37%	40%	42%
101%	-2%	7%	15%	21%	26%	30%	34%	37%	40%	43%
102%	-1%	8%	16%	22%	27%	31%	35%	38%	40%	43%
103%	0%	9%	16%	22%	27%	31%	35%	38%	41%	43%
104%	0%	10%	17%	23%	28%	32%	35%	39%	41%	44%
105%	1%	10%	17%	23%	28%	32%	36%	39%	42%	44%

Assumptions:

Ship Capacity = 3634 Pax. + (3634*0.3) Crews, Operating Days = 320/year, Itinerary = 7 days, Food Safety Margin = 20%
 Commission = 18% of ticket sales, Residual Value = 15%, Depreciation Year = 30, Crew Salary = EUR55,000/year
 Refurbishing = 0M one time, Corporate Op. = 46M/year, Fuel = 28M/year, Other Fee = 11M/year, EURUSD = 1.087

EBIT Margin Target:

Operating Income/Total Revenues = 1,477/8,496 = 17% or above (from Royal Caribbean's Income Statement, FY2016)

CDF's thin profitability was due to low ticket prices that did not support much ship operation costs

Per person, in USD	Worldwide Average (2015, Blog**)		RCC I/S (2016, Our Calculation)		CDF I/S (2016, Our Calculation)	
	Amount	% in Total Revenue	Amount	% in Total Revenue	Amount	% in Total Revenue
Revenue						
Ticket	\$ 1,350	75.9%	\$ 1,069	72.4%	\$ 719	87.0%
Onboard Spending	\$ 429	24.1%	\$ 408	27.6%	\$ 108	13.0%
<i>Casino & Bar</i>	\$ 236	13.3%			\$ 24	2.9%
<i>Shore Excursions</i>	\$ 86	4.8%			\$ 50	6.0%
<i>Spa</i>	\$ 43	2.4%			\$ 5	0.7%
<i>Other Onboard Spending</i>	\$ 64	3.6%			\$ 29	3.5%
Total	\$ 1,779		\$ 1,476		\$ 827	
Expenses						
Corporate Operations	\$ 464	26.1%	\$ 191	13.0%	\$ 151	18.3%
Shipboard Payroll	\$ 196	11.0%	\$ 153	10.4%	\$ 86	10.4%
Agent Commission	\$ 231	13.0%	\$ 235	15.9%	\$ 88	10.6%
Depreciation & Amortization	\$ 171	9.6%	\$ 156	10.5%	\$ 54	6.5%
Ship Fuel Costs	\$ 192	10.8%	\$ 124	8.4%	\$ 129	15.6%
Victualing (Food Supplies)	\$ 107	6.0%	\$ 84	5.7%	\$ 47	5.7%
Interest Expense	\$ 55	3.1%	\$ 53	3.6%	\$ 30	3.6%
Other (Port fees etc)	\$ 59	3.3%	\$ 189	12.8%	\$ 106	12.8%
Onboard Operating Costs	\$ 78	4.4%	\$ 86	5.8%	\$ 48	5.8%
Total	\$ 1,553	87.3%	\$ 1,272	86.1%	\$ 739	89.4%
Profits (Before Taxes)	\$ 226	12.7%	\$ 205	13.9%	\$ 88	10.6%

Source: RCC 10-K, CDF internal documents, discussion with Mr. Benoit

** <http://www.cruisemarketwatch.com/home/financial-breakdown-of-typical-cruiser/>

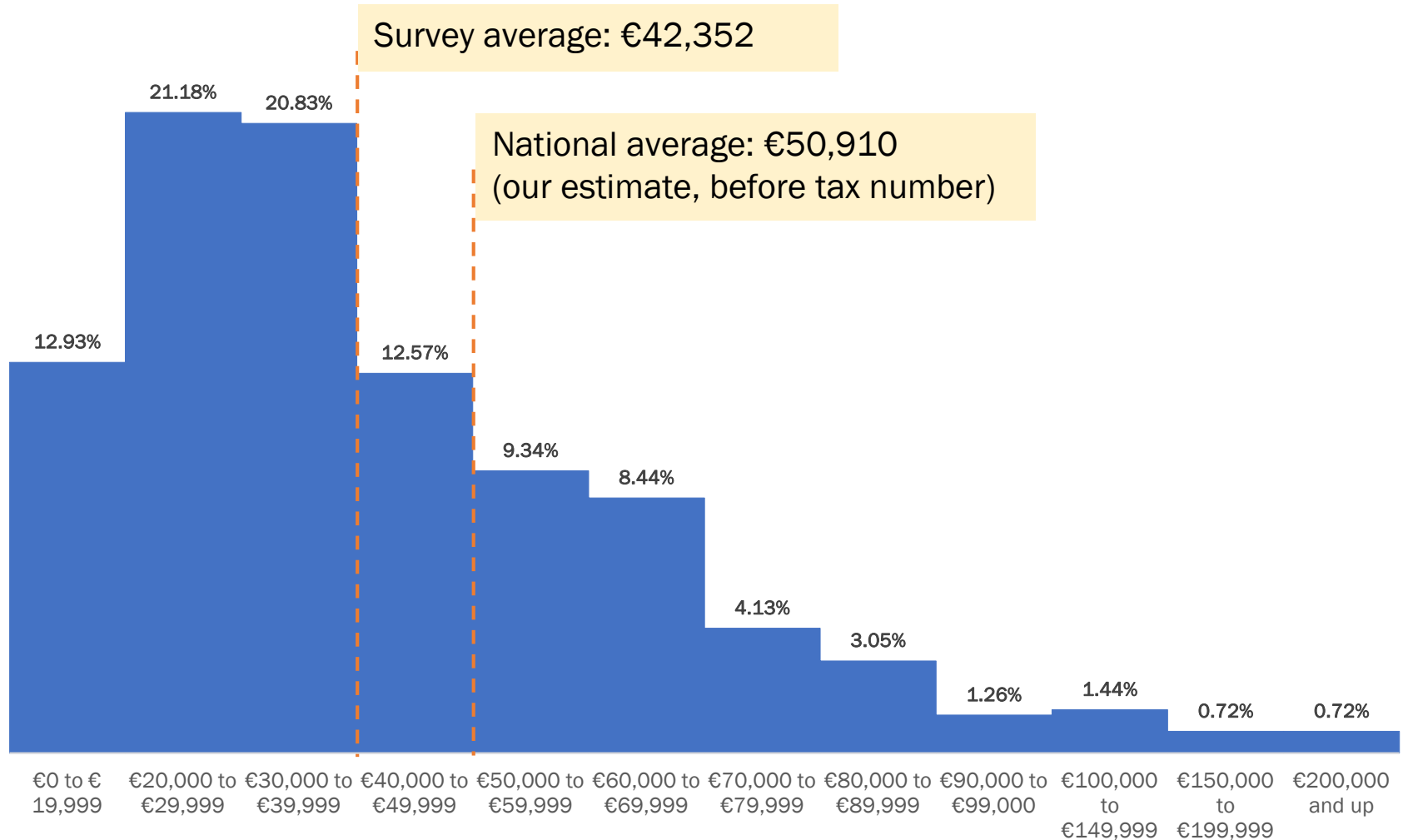


Appendix

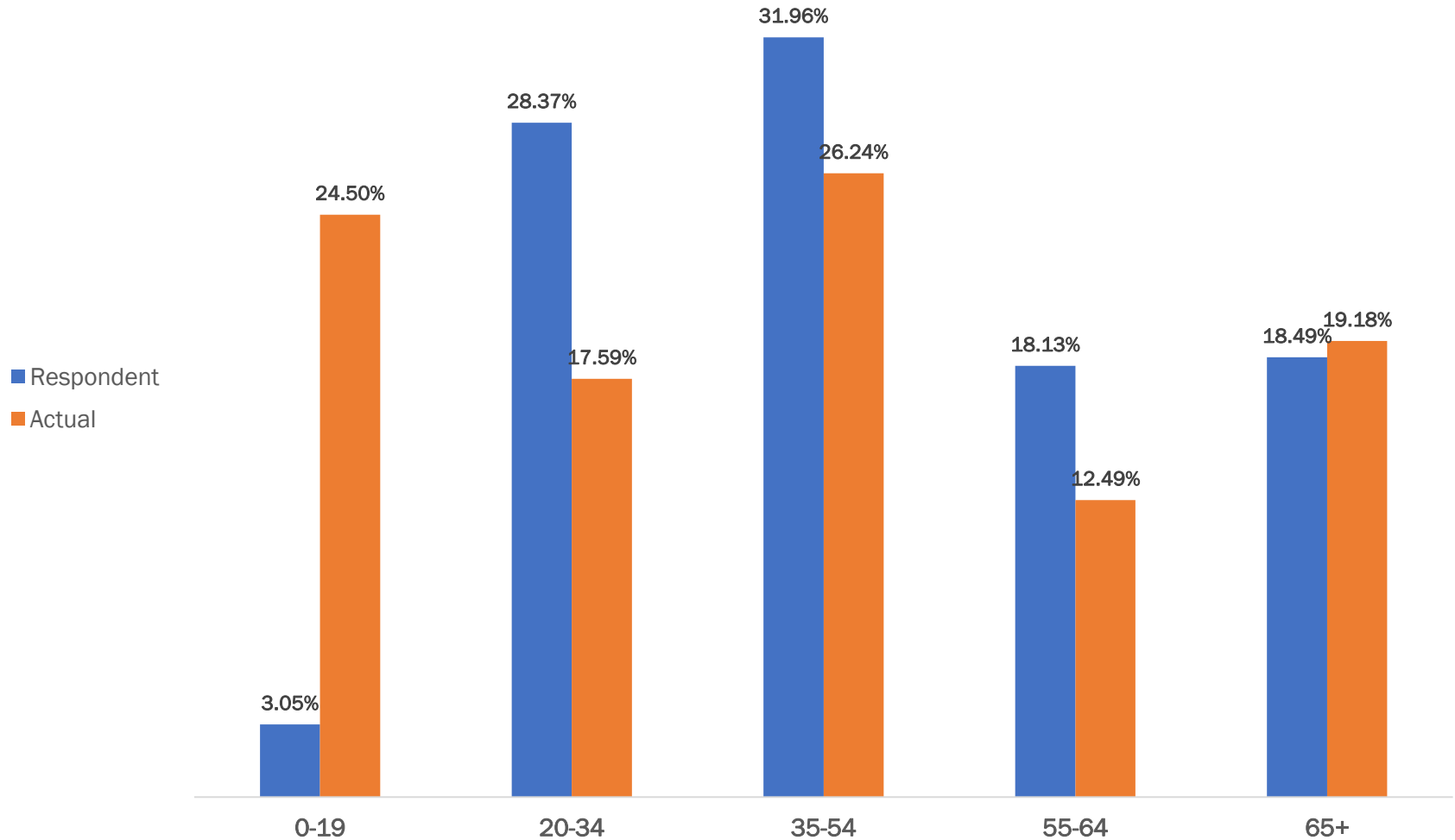
Additional Survey Insights



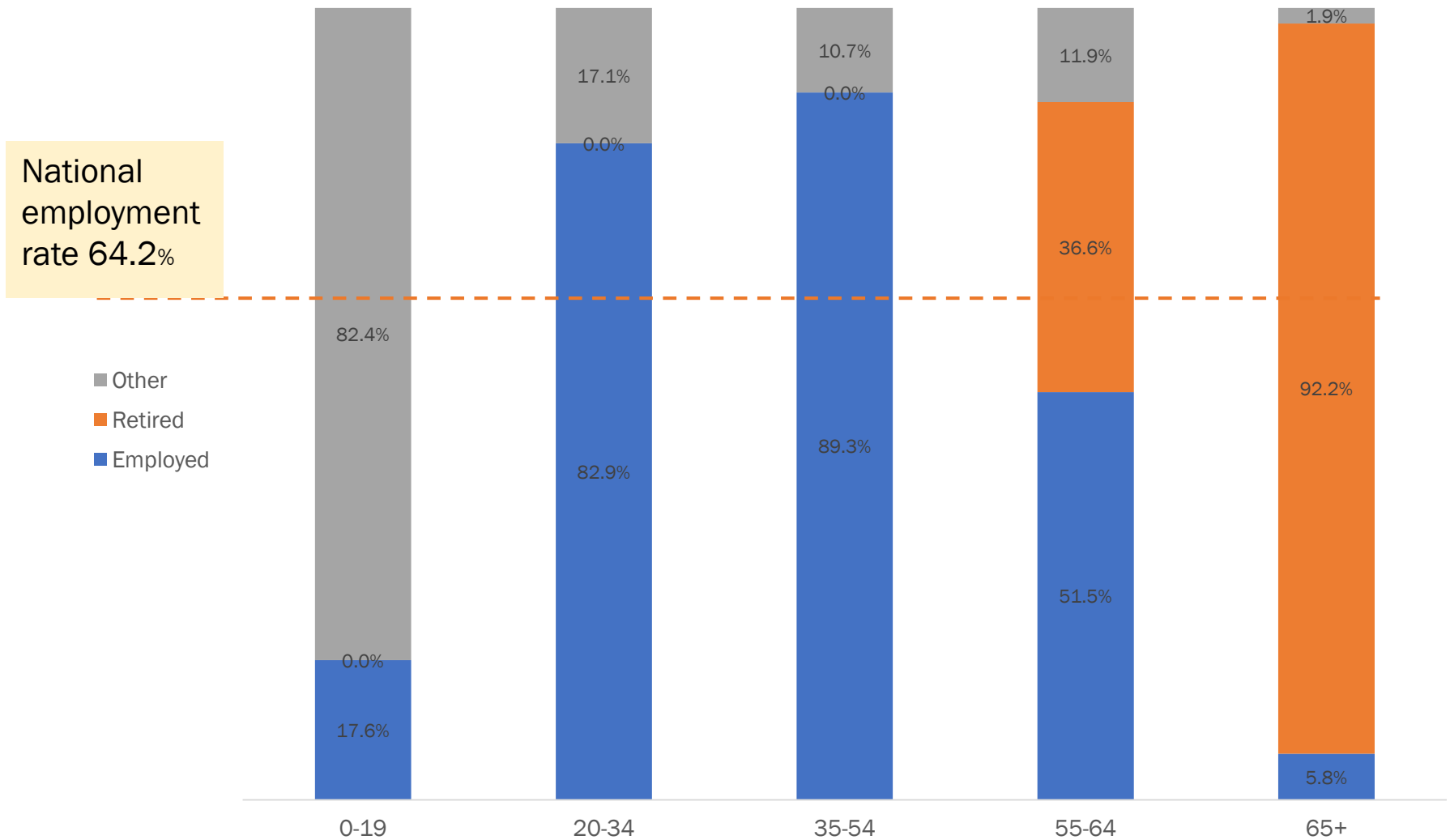
Our survey respondents tended to receive 17% lower income than the national average



Our survey captured more working age population (20 - 64) and less children (0 - 19)

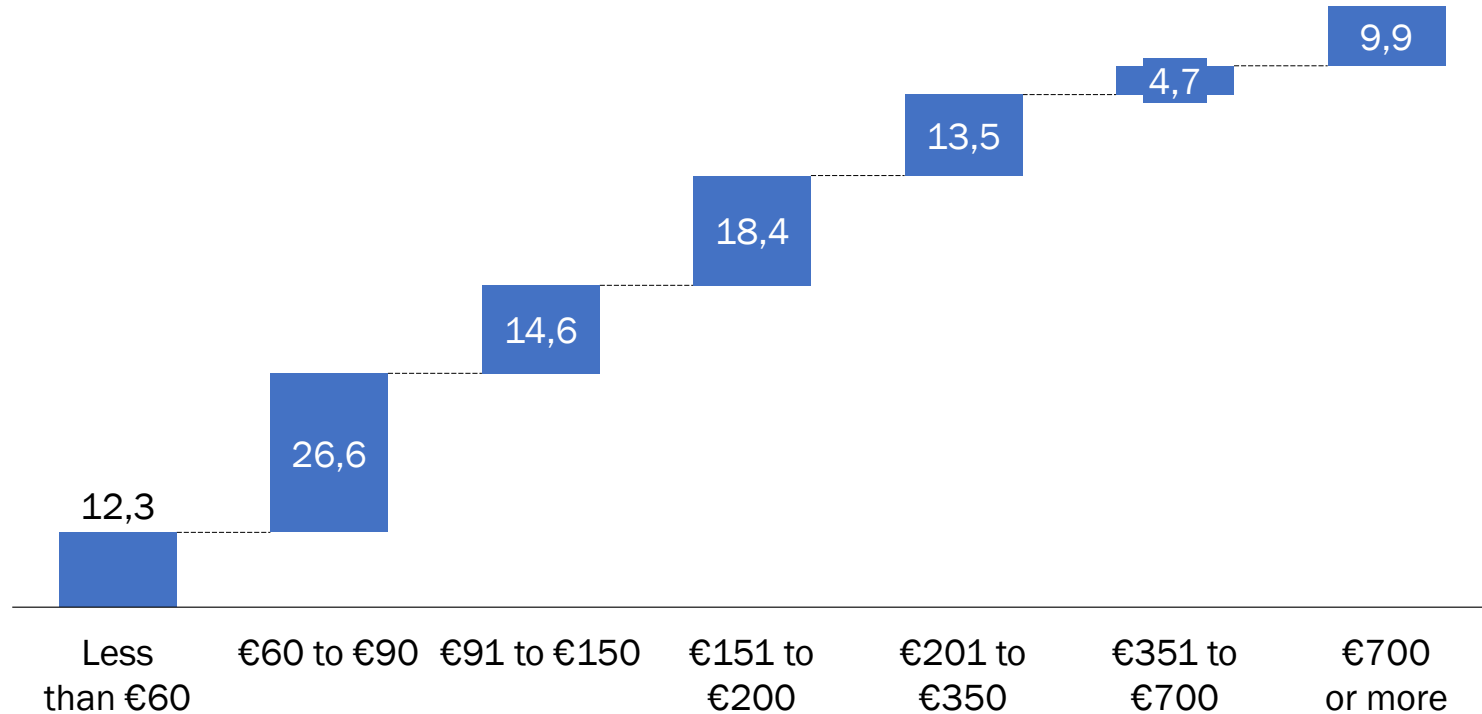


The respondents at working age are employed at high rate; interestingly, 37% of 55-64 age group were already retired



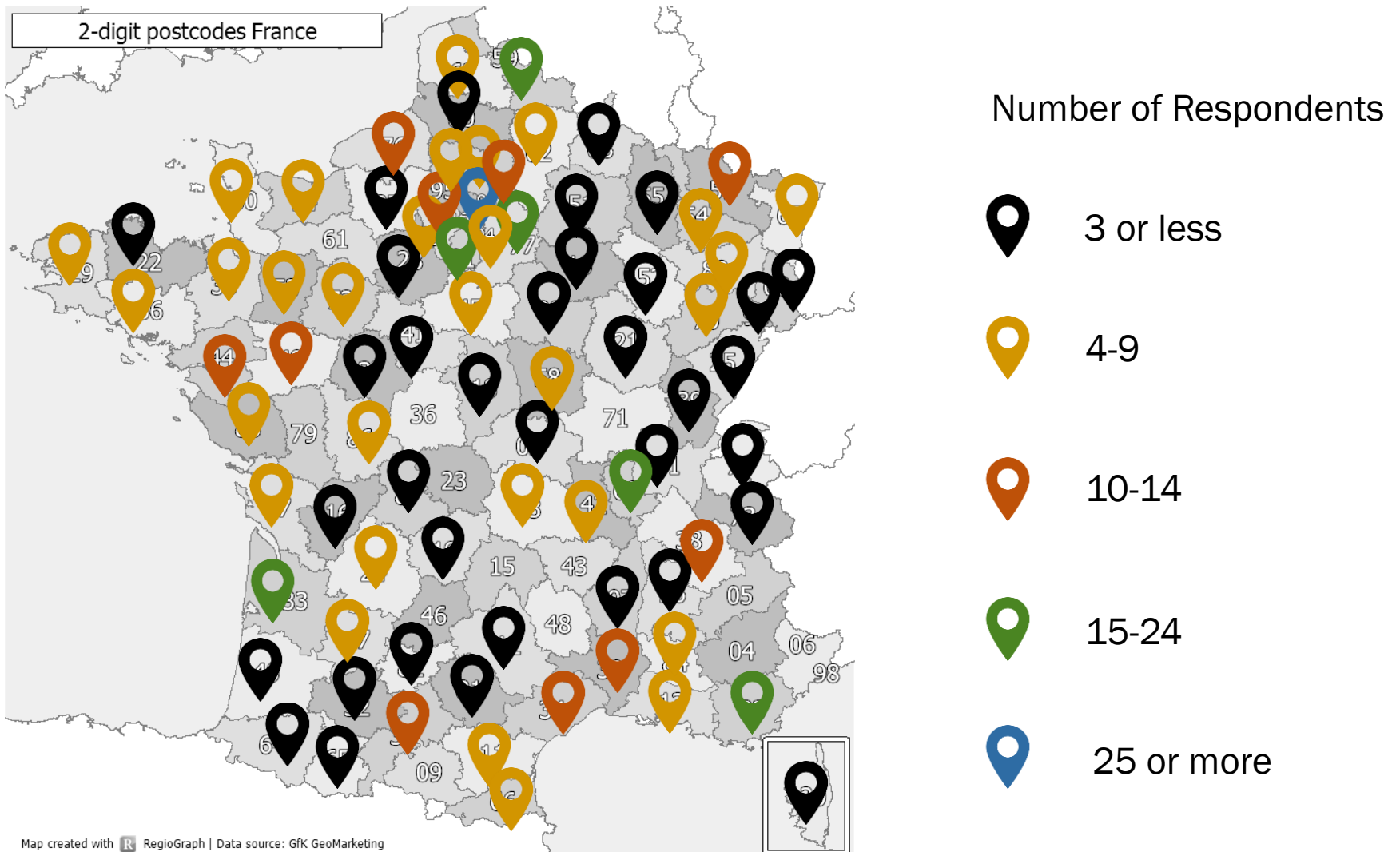
Appendix: Past cruisers typically spend more per day than those just interested in cruising

Breakdown of respondents actual spend per day on last cruise

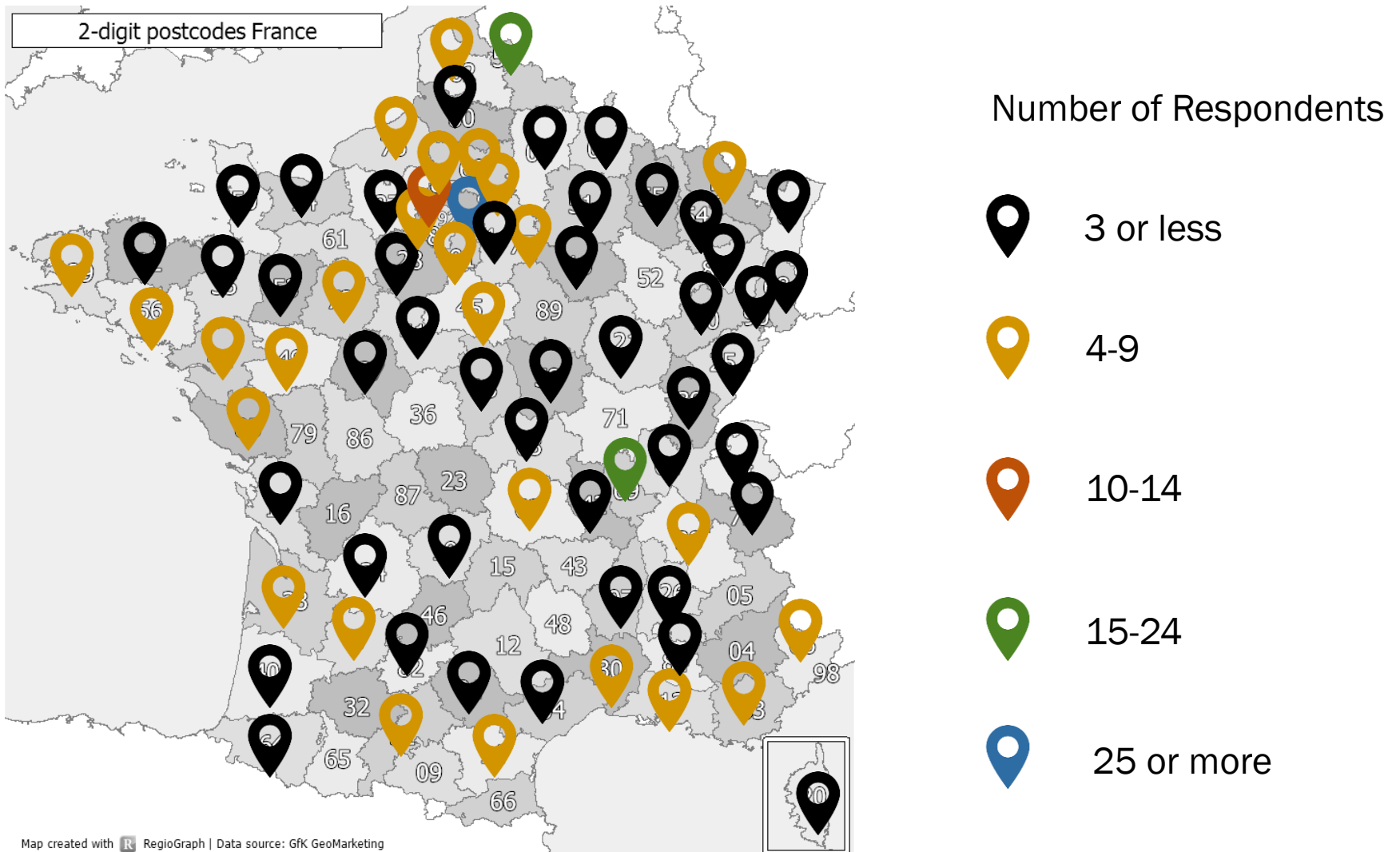


Average actual spend per day is 204.56 €

Spread of respondents by postal code covers the entire country

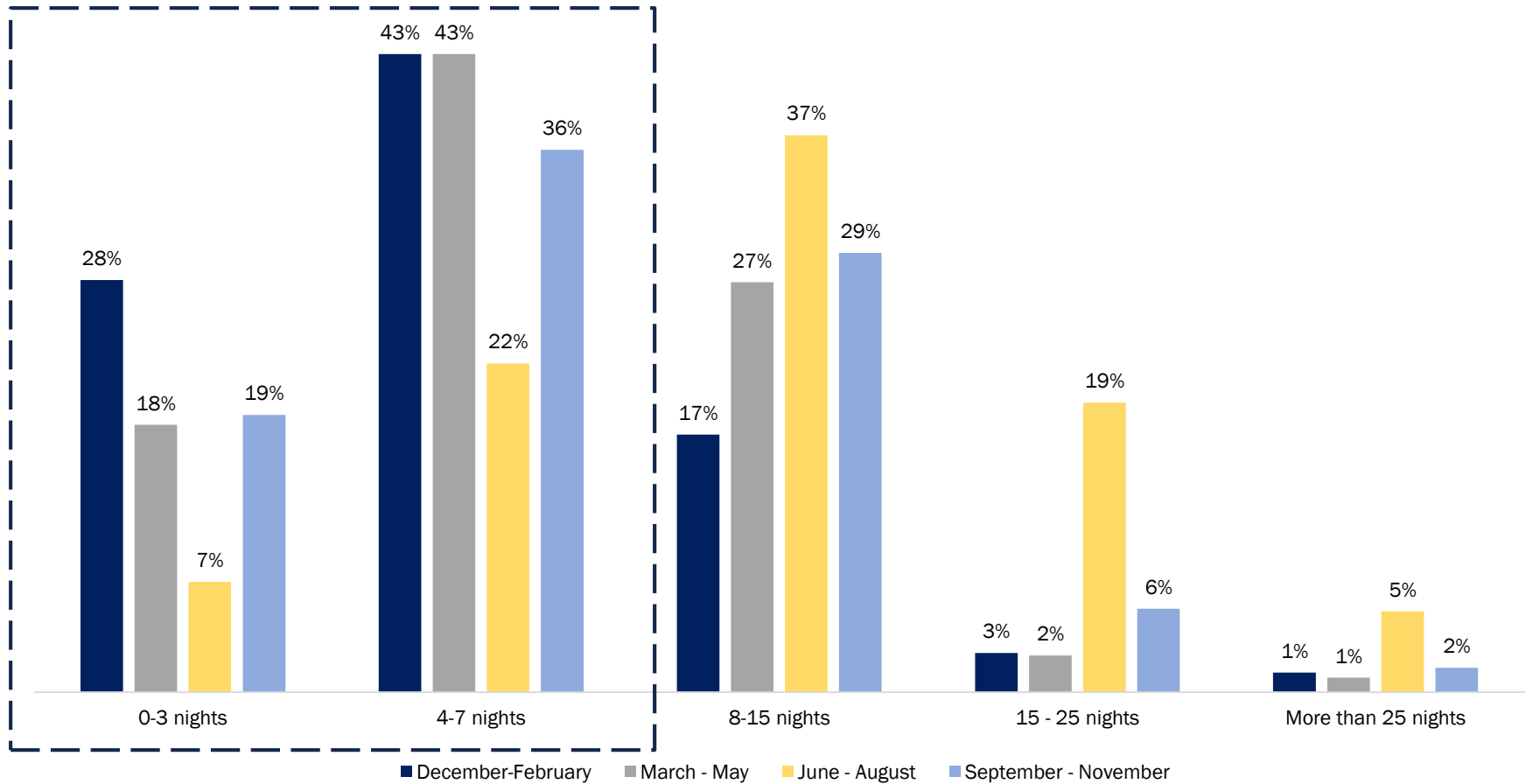


Spread of respondents who have been on a cruise shows concentration around Paris and coastlines



However, they are take less vacation time during the winter

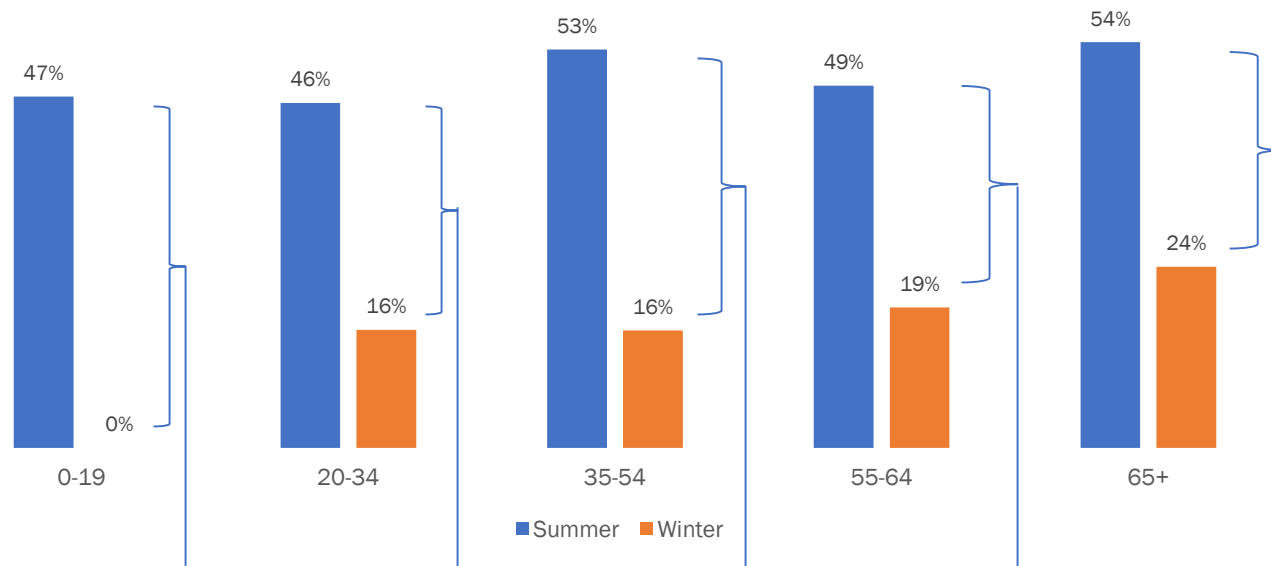
The French are likely to spend less vacation time in the winter than in the summer



Mediterranean - Desirability to cruise Mediterranean decreases drastically across all age groups in the winter versus in the summer

33% overall decrease

% of respondents that would definitely go to Mediterranean by seasons and age groups

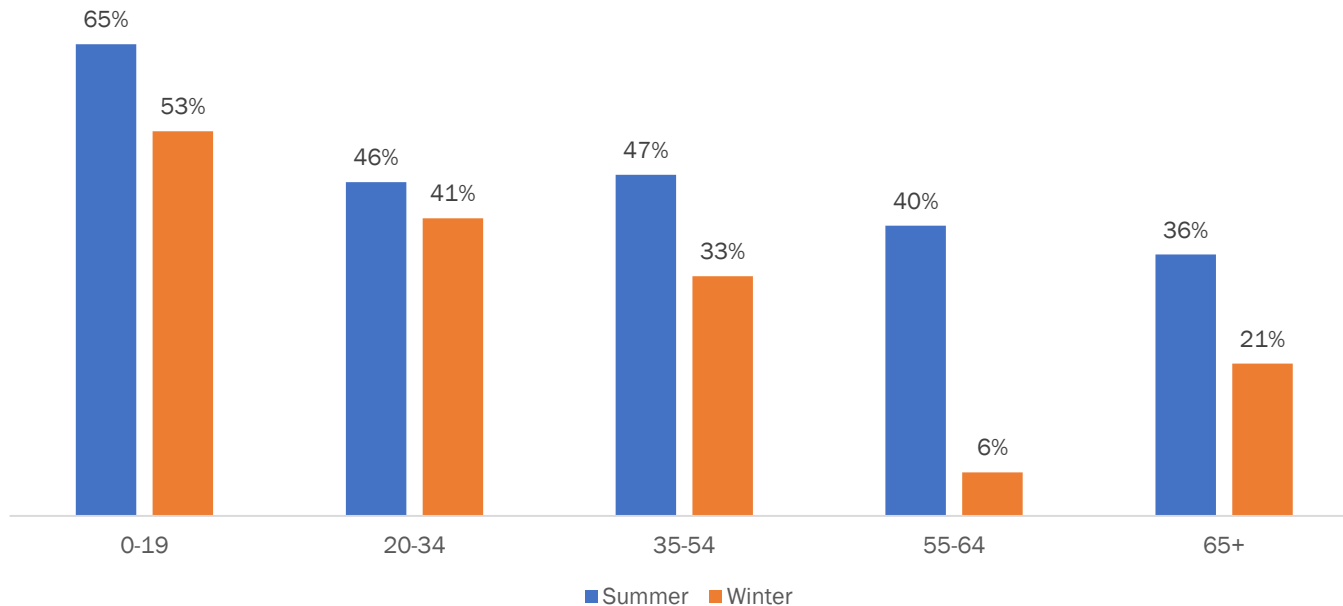


More than 30% decrease across all age groups

US/Canada – seasonal difference in the desirability to cruise in US/Canada is subtle in all age groups except people aged 55-64

12% overall decrease

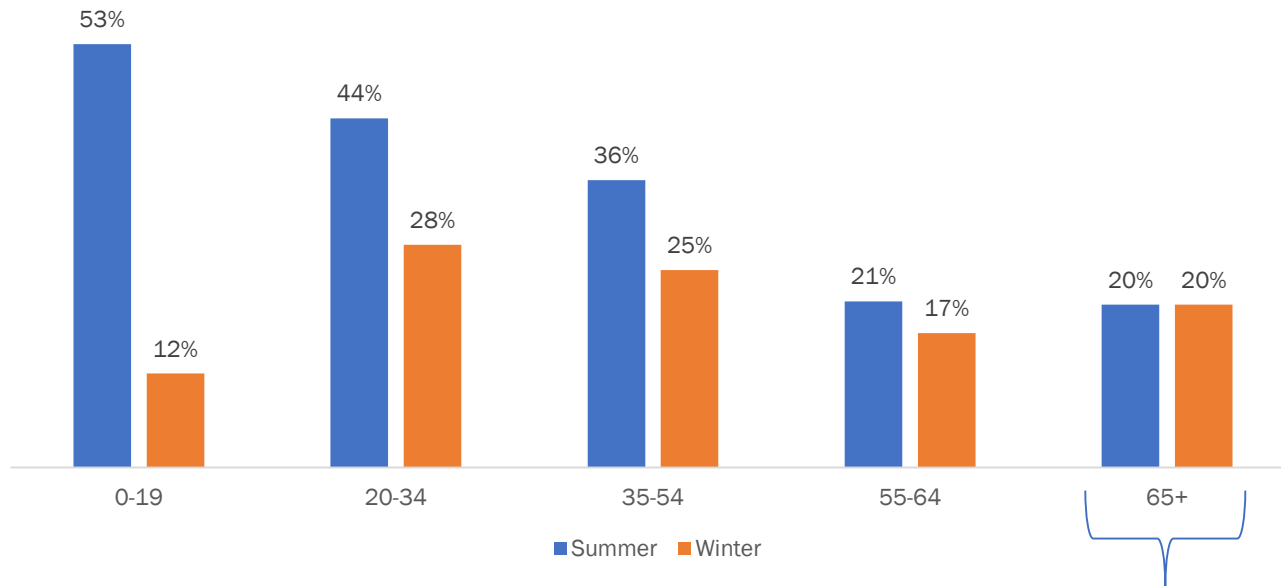
% of respondents that would definitely go to US/Canada by seasons and age groups



Asia - Desirability to cruise Mediterranean decreases drastically among the young demographics

10% overall decrease

% of respondents that would definitely go to Asia by seasons and age groups

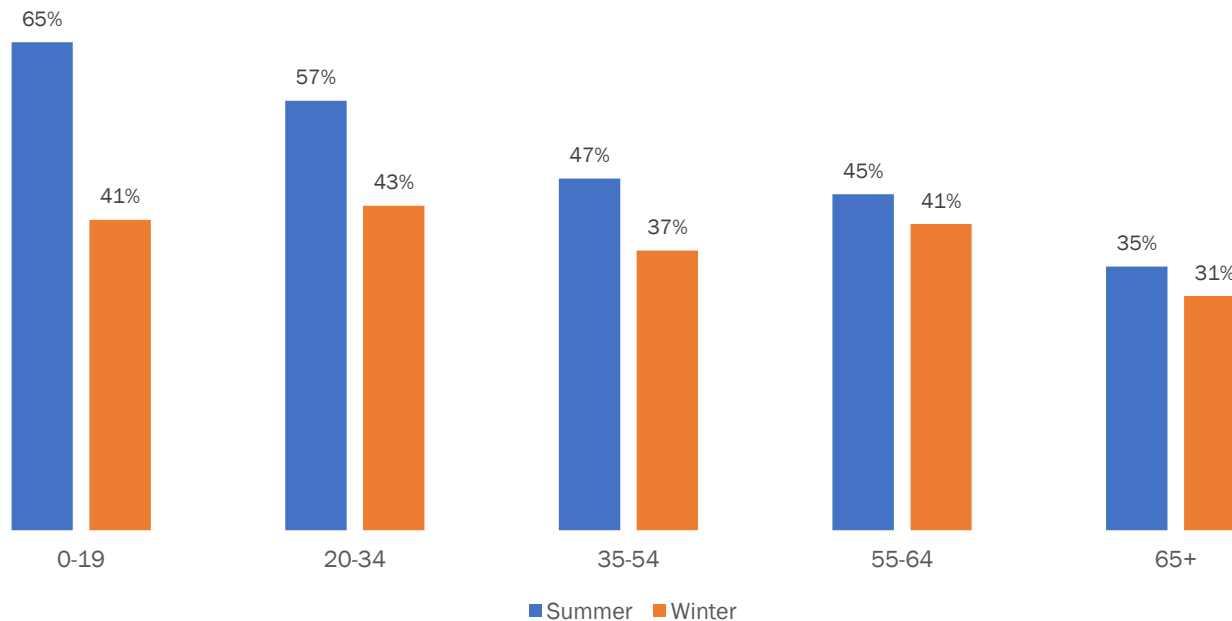


No difference in tendency to cruise Asia in the summer versus in the winter in the 65+ age group

Caribbean – Desirability in cruising the Caribbean is overall high across seasons, yet it still sees decline in popularity from summer to winter

10% overall decrease

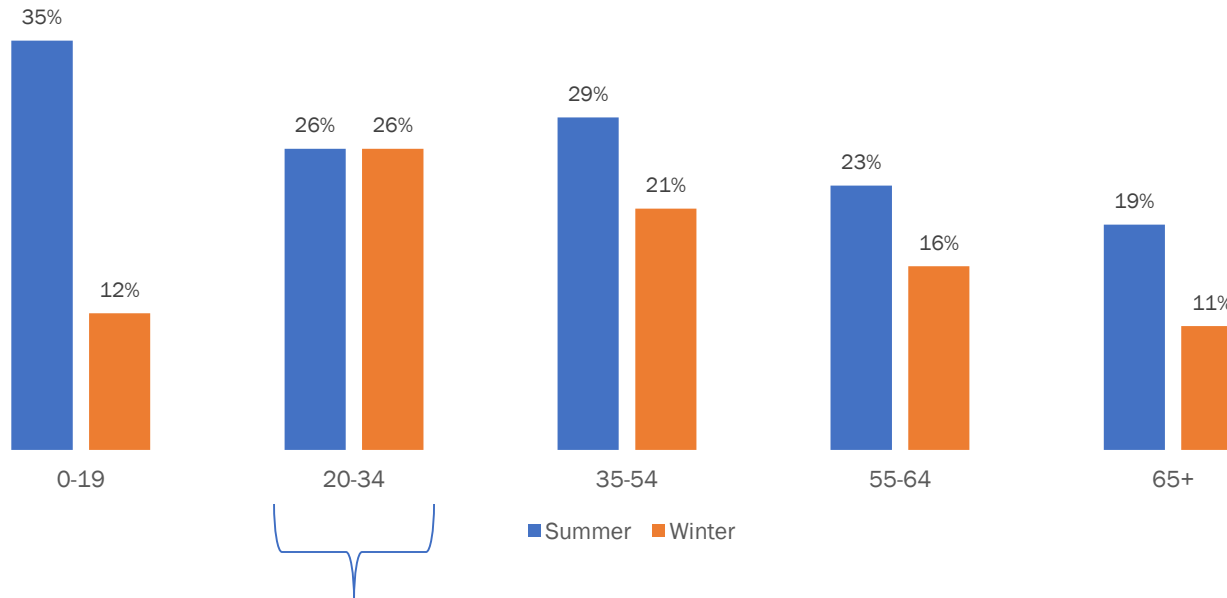
% of respondents that would definitely go to Caribbean by seasons and age groups



Northern Europe – Seasonal decrease in popularity of Northern Europe cruise is not as drastic

6% overall decrease

% of respondents that would definitely go to Northern Europe by seasons and age groups

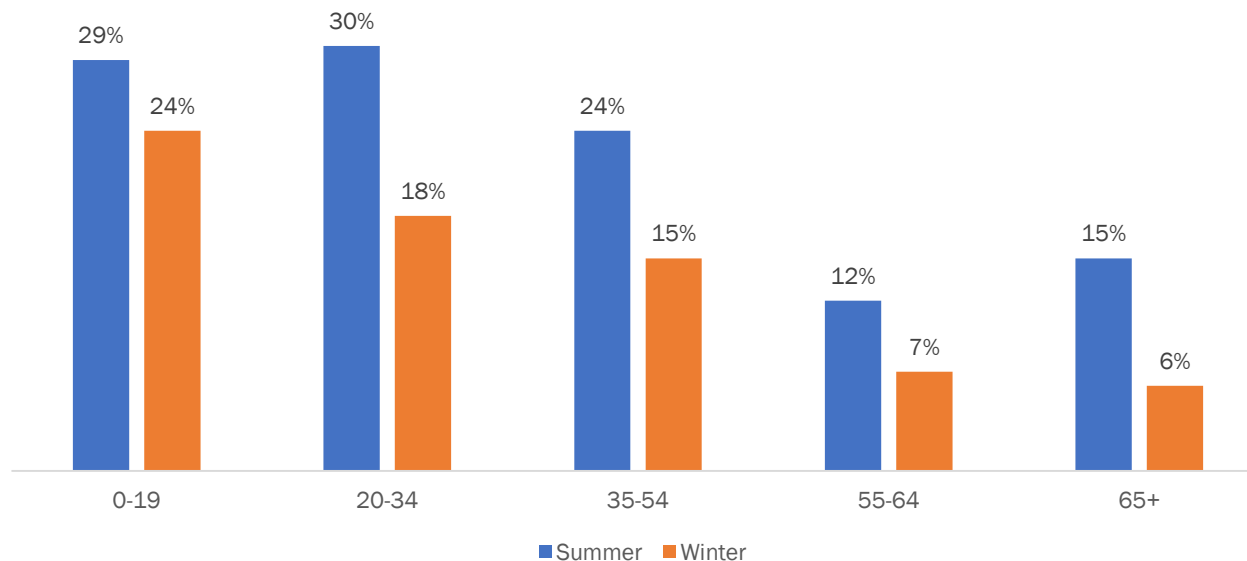


No difference in tendency to cruise Northern Europe in the summer versus in the winter in the 20-34 age group

Western Europe - Seasonal decrease in popularity of Western Europe cruise is largely even across different age groups

9% overall decrease

% of respondents that would definitely go to Western Europe by seasons and age groups





Appendix

Competitive Analysis



UNC
KENAN-FLAGLER
BUSINESS SCHOOL

MSC Mediterranean Cruise Activities

14 different bars

- A wine bar
- 3 outdoor bars
- A Casino and Disco



Children's facilities

- Daycare for under 3 year old
- Playroom for 7-11 year old
- Teens club for 12-17 year old
- Dedicated pool areas for children



Places to relax

- Massage rooms
- Medical spa
- Tanning lamps
- Exclusive solarium



Activities and sports

- Walking track and sports center
- Shuffleboard and mini golf
- Garden theatre











MSC Mediterranean Cruise Excursions

City Tour	Culture and History	Natural Wonders	Sea & Sun	Something Special
<ul style="list-style-type: none"> • Tour of historical districts • Sightseeing popular tourist areas • Aquarium visit 	<ul style="list-style-type: none"> • Guided walking tour of historical sites • Visits to museums • Local olive oil and wine tasting • Night-time stroll and bar visits 	<ul style="list-style-type: none"> • Hiking along rocky coasts • Visits to small villages • Sightseeing tour in forests • Visits to animal protection centers • UNESCO World Heritage Site tours • Behind the scenes at an aquarium • Walk through caves 	<ul style="list-style-type: none"> • Transportation to a private beach 	<ul style="list-style-type: none"> • Visits to a fragrant essential oil distillery • Tour of agriculture and bee farms • Helicopter tour • Group bike ride • Tour with a smart device • Segway tour • Guided tour for people who want to explore at their own pace

Norwegian's Analytical Platform Questions

2. Which experiences best describe your ideal cruise vacation?




Add up to 3 interests below for your cruise experience

 <p>Adventure Adrenaline. Thrills. Excitement. New heights. New discoveries.</p> <p>■ ADD</p>	 <p>Romance Activities good for couples. Share the experience. Time well spent, together.</p> <p>■ ADD</p>	 <p>Relaxing Easy. Restful. Pampering. Feed your soul.</p> <p>■ ADD</p>	 <p>Family Fun Activities your family can share. We'll make it easy to bring the kids.</p> <p>■ ADD</p>
 <p>Culturally Meaningful Explore local art, music and history - past and present.</p> <p>■ ADD</p>	 <p>Dining & Entertainment Sample and savor culinary delights. Experience shows and performances.</p> <p>■ ADD</p>	 <p>Shopping Have time to browse on your own. Leisure time to explore shops.</p> <p>■ ADD</p>	 <p>Wildlife & Nature Nature hikes, trails, chance to experience wildlife.</p> <p>■ ADD</p>

Norwegian's Analytical Platform Questions

3. Do you have accommodation preferences?

Click left, right or center on the spectrum to tell us your preference.

<p>View Is a stateroom with a view important to you?</p> <hr/>  <p>Less Important No Preference More Important</p>	<p>Space Do you need a little or a lot of space?</p> <hr/>  <p>Cozy No Preference More Roomy</p>	<p>Location Do you like to be in the midst of the action or a little further away?</p> <hr/>  <p>Close to the action No Preference More Secluded</p>
--	---	--

Norwegian's Analytical Platform Questions

4. Are you looking for a specific port of departure?

Choose one or more ports of departure.

Departure Ports in North America	Departure Ports in Europe
Boston, Massachusetts <input type="checkbox"/> ADD	Amsterdam (Ijmuiden), Netherlands <input type="checkbox"/> ADD
Honolulu, Oahu <input type="checkbox"/> ADD	Amsterdam, Netherlands <input type="checkbox"/> ADD
Los Angeles, California <input type="checkbox"/> ADD	Barcelona, Spain <input type="checkbox"/> ADD
Miami, Florida <input type="checkbox"/> ADD	Berlin (Rostock), Germany <input type="checkbox"/> ADD
New Orleans, Louisiana <input type="checkbox"/> ADD	Berlin (Warnemunde), Germany <input type="checkbox"/> ADD
New York <input type="checkbox"/> ADD	Copenhagen, Denmark <input type="checkbox"/> ADD
Orlando & Beaches (Port Canaveral) <input type="checkbox"/> ADD	Hamburg, Germany <input type="checkbox"/> ADD
Quebec City, Quebec <input type="checkbox"/> ADD	Provence (Marseille), France <input type="checkbox"/> ADD
San Francisco, California <input type="checkbox"/> ADD	Rome (Civitavecchia), Italy <input type="checkbox"/> ADD
San Juan, Puerto Rico <input type="checkbox"/> ADD	Southampton (London), England <input type="checkbox"/> ADD
Seattle, Washington <input type="checkbox"/> ADD	Venice, Italy <input type="checkbox"/> ADD
Seward, Alaska <input type="checkbox"/> ADD	
Tampa, Florida <input type="checkbox"/> ADD	Departure Ports in South America
Vancouver, British Columbia <input type="checkbox"/> ADD	Buenos Aires, Argentina <input type="checkbox"/> ADD
	Rio de Janeiro, Brazil <input type="checkbox"/> ADD
	Santiago (Valparaiso), Chile <input type="checkbox"/> ADD

Ports by Competitor– 7-night Mediterranean Cruise Departing Marseille*

Costa

- Savona
- Malta
- La Spezia

Both

- Civitavecchia
- Barcelona
- Palermo
- Valletta
- Palma de Mallorca
- Cagliari
- Naples

MSC

- Valencia
- Messina
- Mahon
- Genoa
- Olbia
- Livorno (Pisa, Florence)
- Ibiza

*ship may vary





Appendix

CLIA Report Information



Appendix: European cruise market by country, 2012-2016

1. European cruise market by country, 2012-2016

Passengers (000s)	2012	2013	2014	2015	2016	% change 2015/2016
Germany	1,544	1,687	1,771	1,813	2,018	11.3
UK and Ireland	1,701	1,726	1,644	1,789	1,889	5.6
Italy	835	869	842	808	751	-7.1
France	481	522	593	612	574	-6.2
Spain	576	475	454	466	486	4.2
Scandinavia (inc Finland)	324	289	305	231	226	-2.2
Switzerland	131	152	143	138	138	0.0
Austria	108	126	122	113	115	1.5
Netherlands	110	114	109	105	101	-3.7
Belgium/Luxembourg	59	72	77	68	72	5.8
Other*	270	325	327	313	304	-2.9
Total	6,139	6,357	6,387	6,457	6,674	3.4

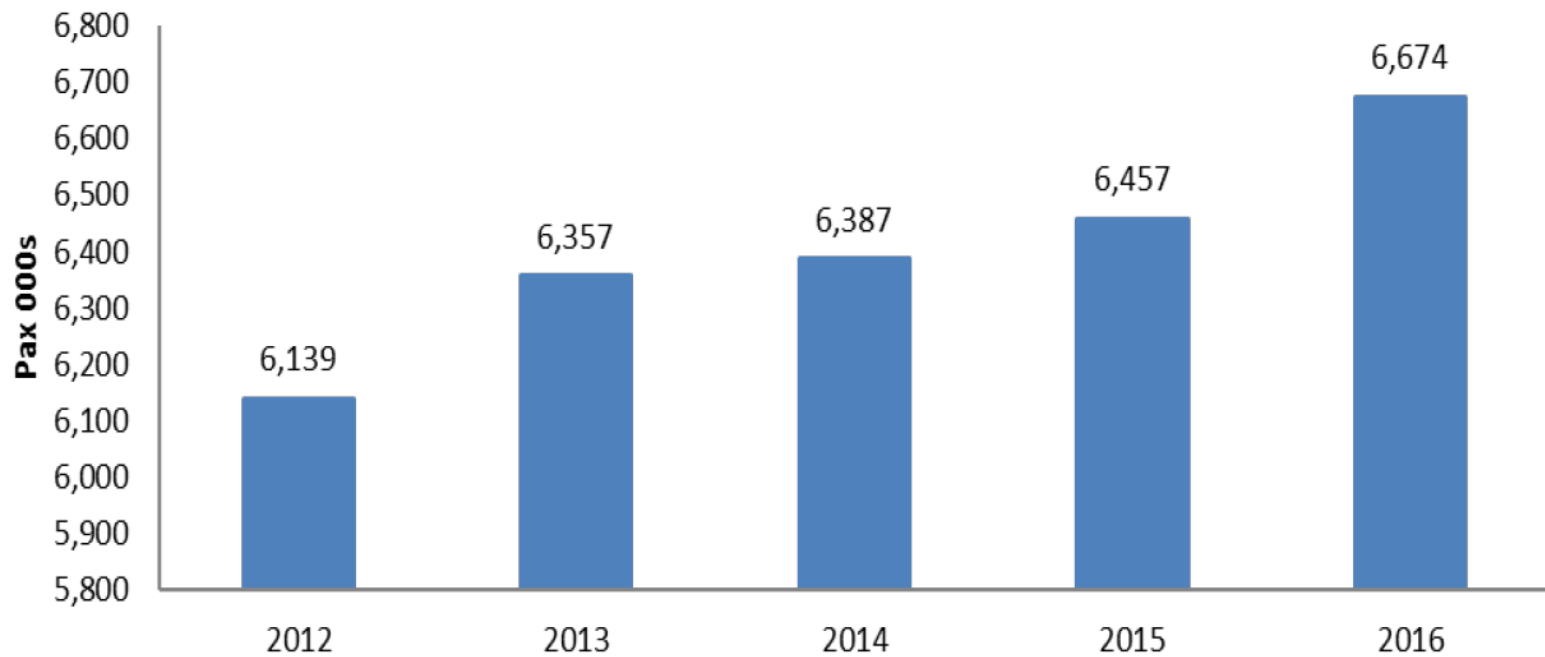
Local Transport cruises in Scandinavia excluded from 2015 onwards

* Other European markets and those not specified

Source: CLIA Europe/IRN Research

Appendix: European cruise market size, 2012-2016

European Cruise Market, 2012 - 2016



Appendix: Market share & passenger growth (2012-2016)

2. Market share and passenger growth by country, 2016

Passengers (000s)	2015	2016	Market Share 2016 %	Additional passengers 2016 000s	% change 2015/2016
Germany	1,813	2,018	30	205	11.3
UK and Ireland	1,789	1,889	28	100	5.6
Italy	808	751	11	-57	-7.1
France	612	574	9	-38	-6.2
Spain	466	486	7	20	4.3
Switzerland	138	138	2	0	0.0
Austria	108	115	2	7	6.5
Netherlands	105	101	2	-4	-3.8
Norway	103	99	1	-4	-3.7
Sweden	80	77	1	-3	-3.5
Belgium	65	67	1	1	2.2
Denmark	36	36	1	1	1.4
Other	334	323	5	-11	-3.3
Total	6,457	6,674	100	217	3.4

Source: CLIA Europe/IRN Research

Appendix: European cruise market growth rates comparisons (2012-2016)

3. European market growth rates by country, 2012-2016

Annual growth rate (%)	2012	2013	2014	2015	2016	5 year average 2012-2016
Germany	11.2	9.2	5.0	2.4	11.3	7.8
France	9.0	8.7	13.7	3.1	-6.2	5.7
Switzerland	8.1	15.7	-5.9	-2.2	0.0	3.1
Austria	3.8	17.6	-3.5	-7.1	1.5	2.5
UK and Ireland	0.1	1.5	-4.9	8.8	5.6	2.2
Benelux	6.2	10.7	-0.2	-6.8	0.1	2.0
Italy	-9.4	4.0	-3.1	-4.1	-7.1	-3.9
Scandinavia	6.0	-10.9	5.6	-24.3	-2.2	-5.2
Spain	-18.1	-17.6	-4.3	2.8	4.2	-6.6
Other*	20.9	20.2	-0.6	-3.0	-2.9	6.9
TOTAL	1.2	3.5	0.4	3.0	1.9	2.0

Local Transport cruises in Scandinavia excluded from 2015 onwards

*Other European markets and those not specified

Source: CLIA Europe/IRN Research

European cruise market by destination (2012-2016)

4. European cruise market by destination, Pax (000s), 2012-2016

Passengers (000s)	2012	2013	2014	2015	2016	% Change 2015-2016
Mediterranean and Atl. Is.	3,456	3,574	3,433	3,443	3,363	-2.3
Northern Europe	1,333	1,385	1,376	1,362	1,386	1.8
Caribbean and the rest	1,350	1,400	1,578	1,652	1,925	16.5
TOTAL	6,139	6,357	6,387	6,457	6,674	3.4

Source: CLIA Europe/IRN Research

Appendix: Cruise market comparisons by country (2016)

5. Cruise market comparisons by country, 2016

	Total Pax 000s	Bed Nights 000s	Average Nights	Population (millions)*	Pax/1000 Population
UK and Ireland	1,889	18,471	9.8	69.8	27
Germany	2,018	18,042	8.9	80.7	25
Norway	99	507	5.1	5.3	19
Switzerland	138	1,238	9.0	8.4	16
Italy	751	5,649	7.5	59.8	13
Austria	115	958	8.3	8.7	13
Spain	486	3,558	7.3	46.0	11
France	574	4,450	7.8	64.7	9
Sweden	77	582	7.6	9.9	8
Denmark	36	294	8.2	5.7	6
Netherlands	101	966	9.6	17.0	6
Belgium	67	550	8.2	11.4	6
Others	323	2,229	6.9	355.7	1
Average/Total	6,674	57,494	8.6	743.1	9

*Populations taken from Wikipedia
Source: CLIA Europe/IRN Research

Appendix: Estimate cruise share of outbound holiday bed nights (2016)

6. Estimated cruise share of outbound holiday bed nights by selected countries, 2016

	Cruise Bed Nights 000s	Outbound holiday Bed Nights Millions	Cruise bed nights % of outbound bed nights
Italy	5,649	90.2	6%
Spain	3,558	94.0	4%
UK	18,471	563.9	3%
France	4,450	235.1	2%
Germany	18,042	730.1	2%
Austria	958	69.8	1%
Belgium	550	86.5	1%
Netherlands	966	166.7	1%

Outbound holiday bed nights 2014 from Eurostat
Source: CLIA Europe/IRN Research

Appendix: France – Cruise Passengers by main area (2016)

10. France

France - Cruise Passengers (000s) by main area, 2012-2016

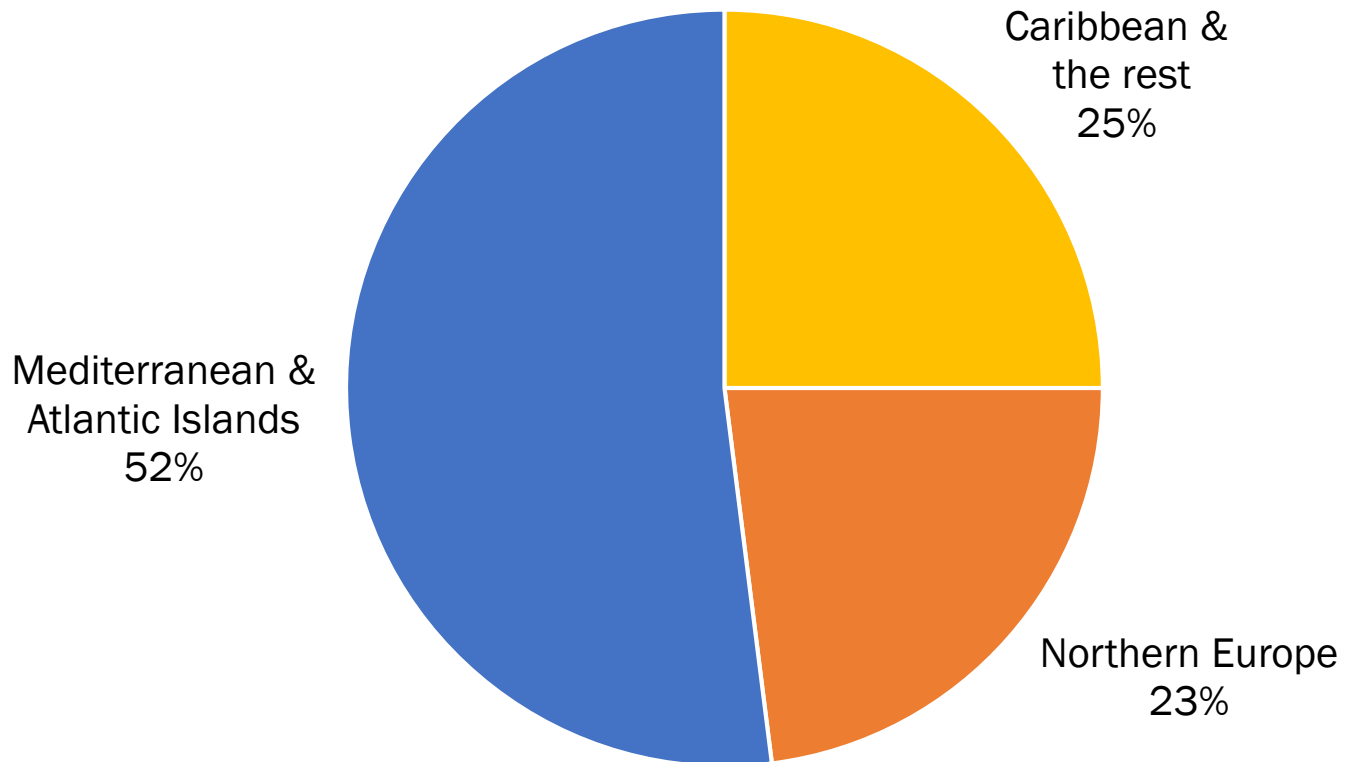
Pax 000s	2012	2013	2014	2015	2016	% Change 15/16	% Share
Mediterranean / Black Sea	325	362	376	372	337	-9	59
Caribbean / Bermuda	59	73	102	117	117	0	20
Northern Europe/West Europe	49	41	60	64	55	-13	10
Atlantic Islands	<	<	2	16	16	-2	3
Indian Ocean/Red Sea/Arabian Gulf	7	4	4	8	14	71	2
Transatlantic	11	12	12	12	10	-20	2
Far East/Australia	4	2	4	4	5	23	1
South America	2	2	4	3	4	19	1
Round World and sectors	2	3	2	3	3	-9	0
Poles	1	2	4	7	3	-62	0
West Coast USA/Mexico/Hawaii/Panama	1	1	1	1	0	-58	0
East Coast USA	2	2	2	3	0	-89	0
Charters - Incentives etc.	15	14	17	0	0		0
Other	4	3	5	2	11	450	2
Total	481	522	593	612	574	-6	100

Local Transport cruises in Scandinavia excluded from 2015 onwards

Source: CLIA Europe/IRN Research

Any cruise product must also be able to capture market share of the larger European market

European Cruise Market by Broad Destination, 2015





Appendix

Other Secondary Research



Key learnings from customer reviews from CDF demonstrate customer desires

Space



More room to relax & escape the crowd



More room in the cabins

Modernization



Newer/more modern ship



Quieter cabin air conditioning

Amenities



Bigger & warmer pools in the spring & the winter



More variety of shops on board



Evening shows with different cultures



Consistent food quality & service

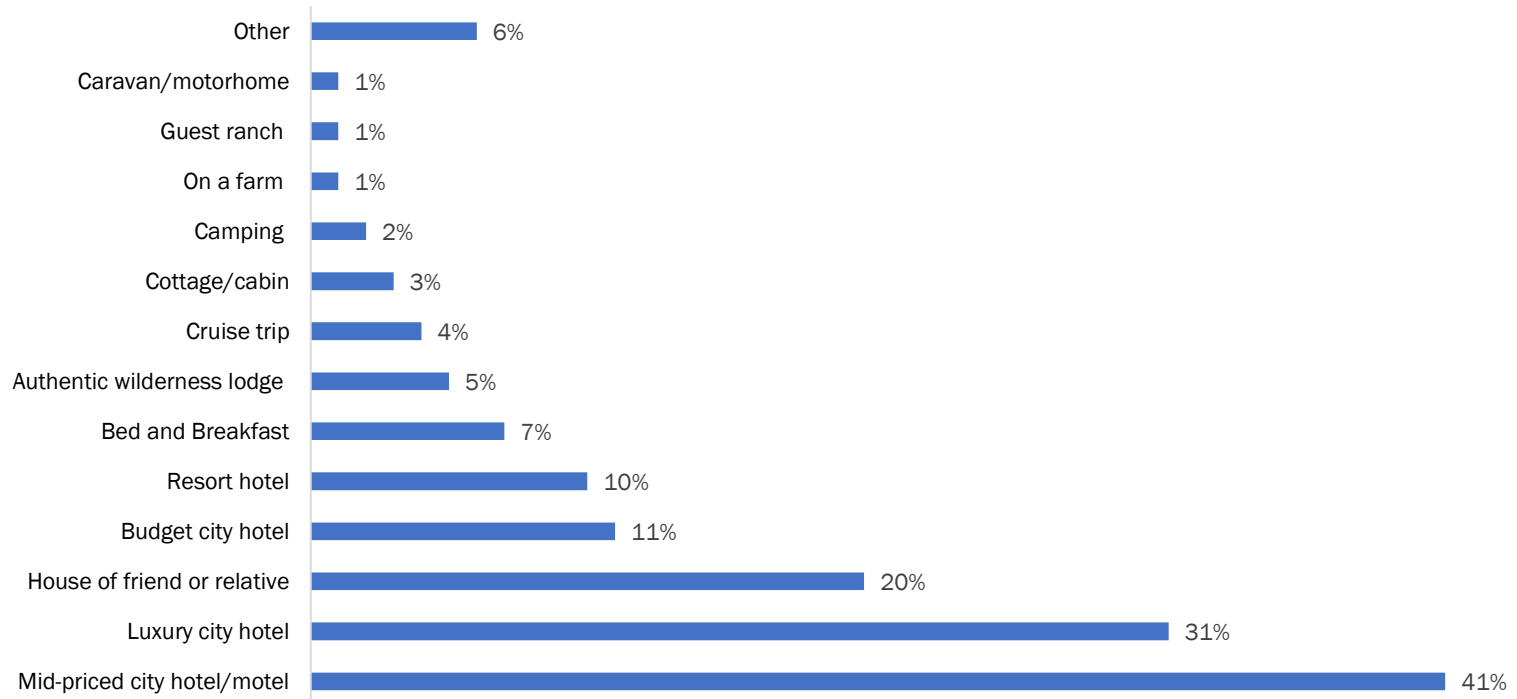
Communication



Organized disembarkation & constant information

The French traveler does not seek ultra-luxurious experiences

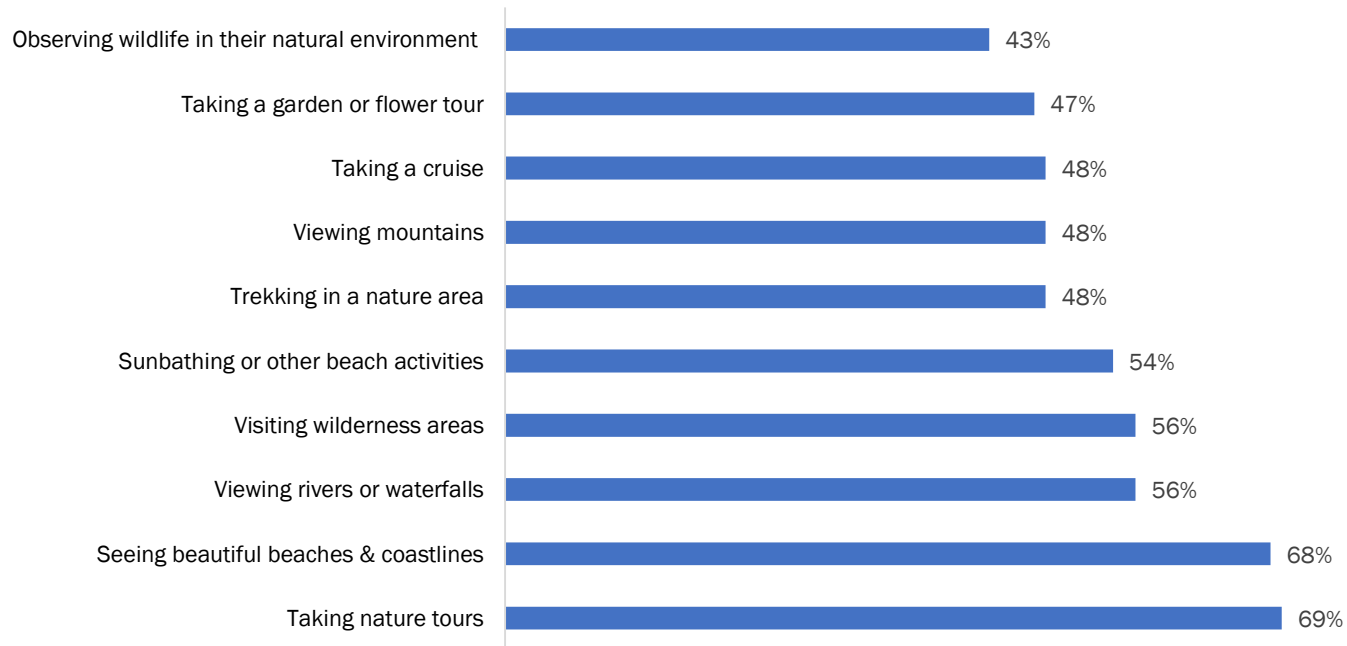
Distribution of Accommodations



The French seem to prefer mid-priced accommodations

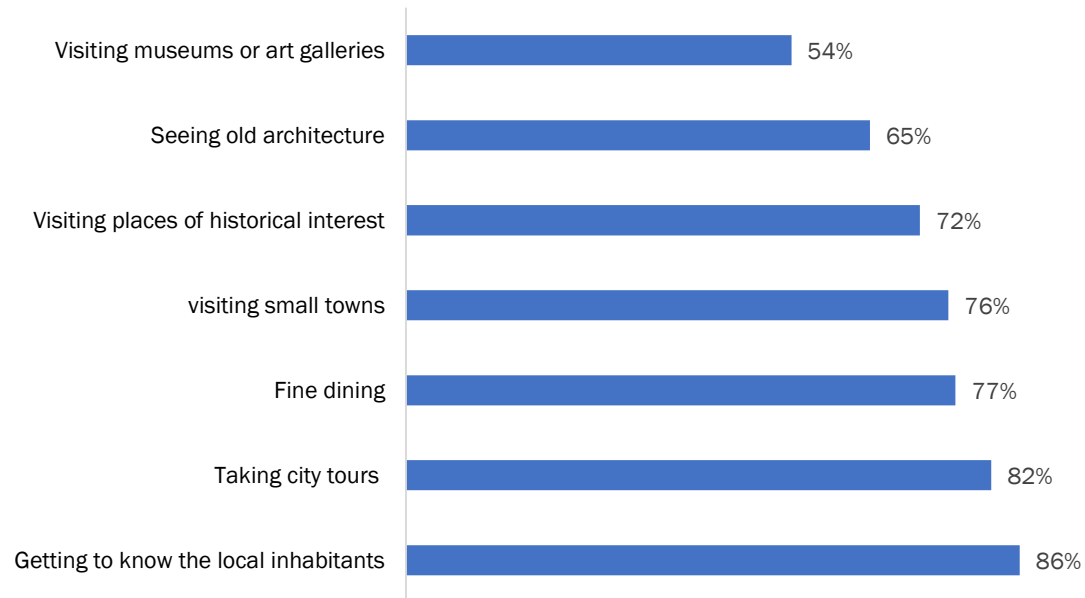
Natural beauty is important to the French

Natural oriented destination activities



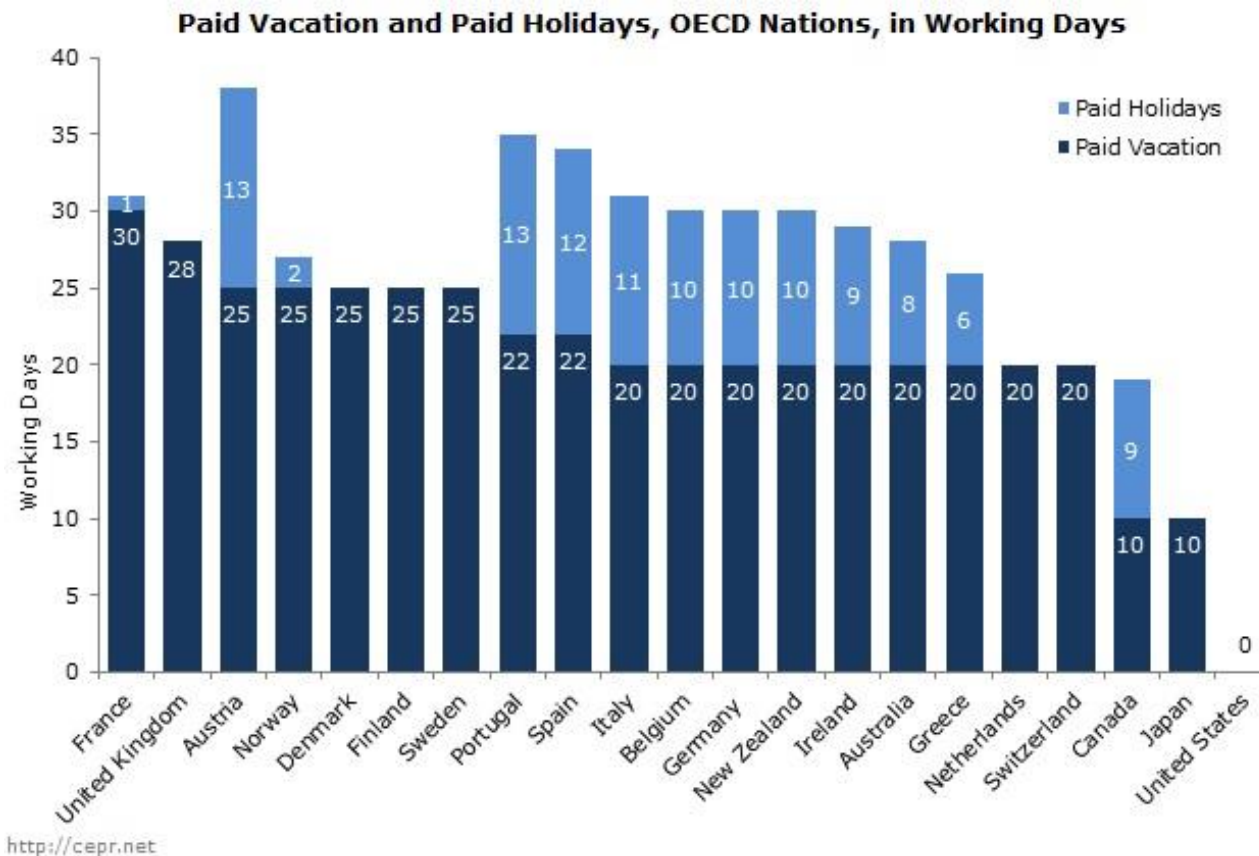
Popular cultural oriented activities among the French

Cultural oriented destination activities



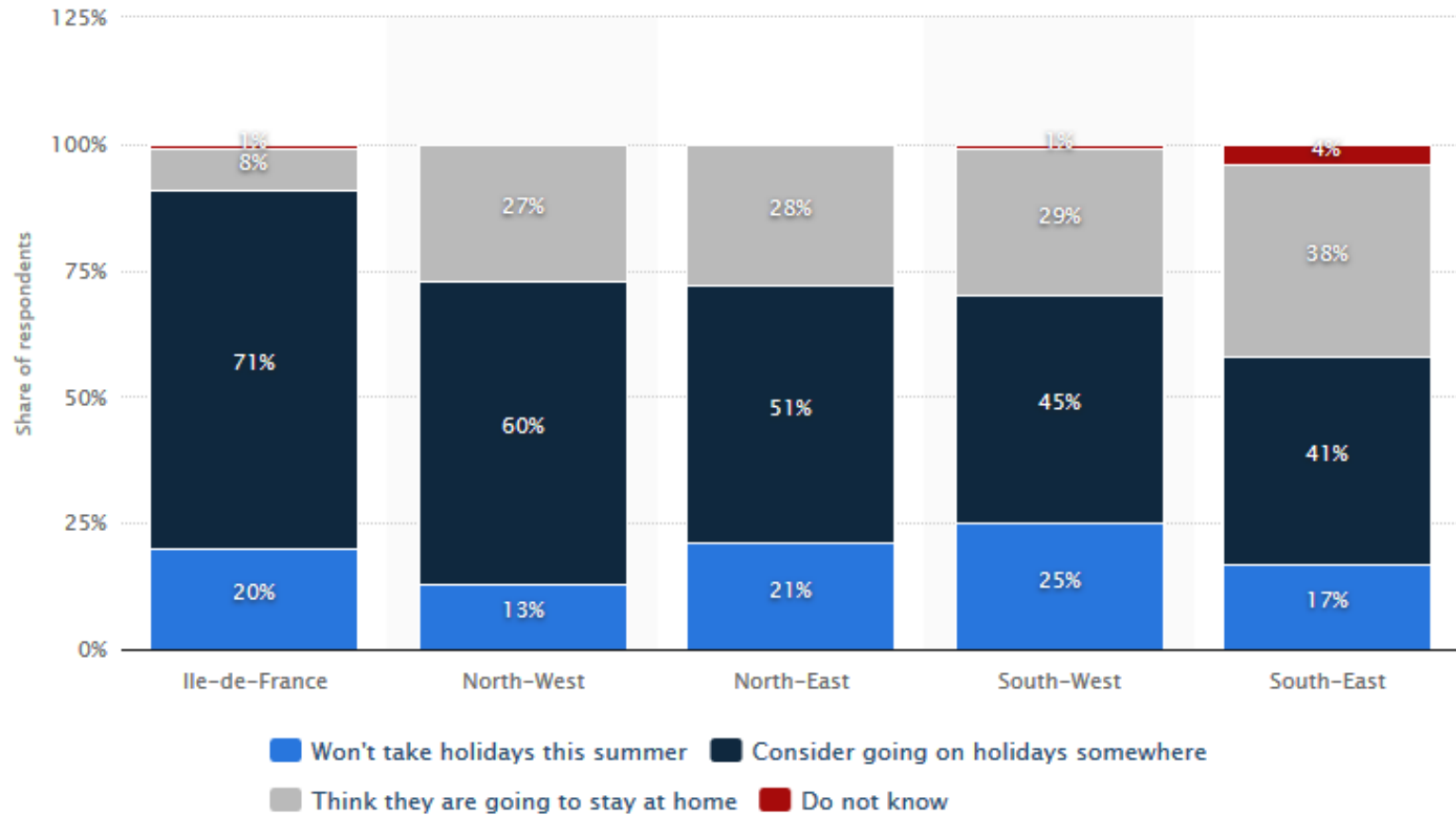
The French worker has the highest paid vacations within all OECD Nations

- Average of *30 days of paid vacation per year* or *7 weeks per year*
- Work an average of *1500 hours per year*



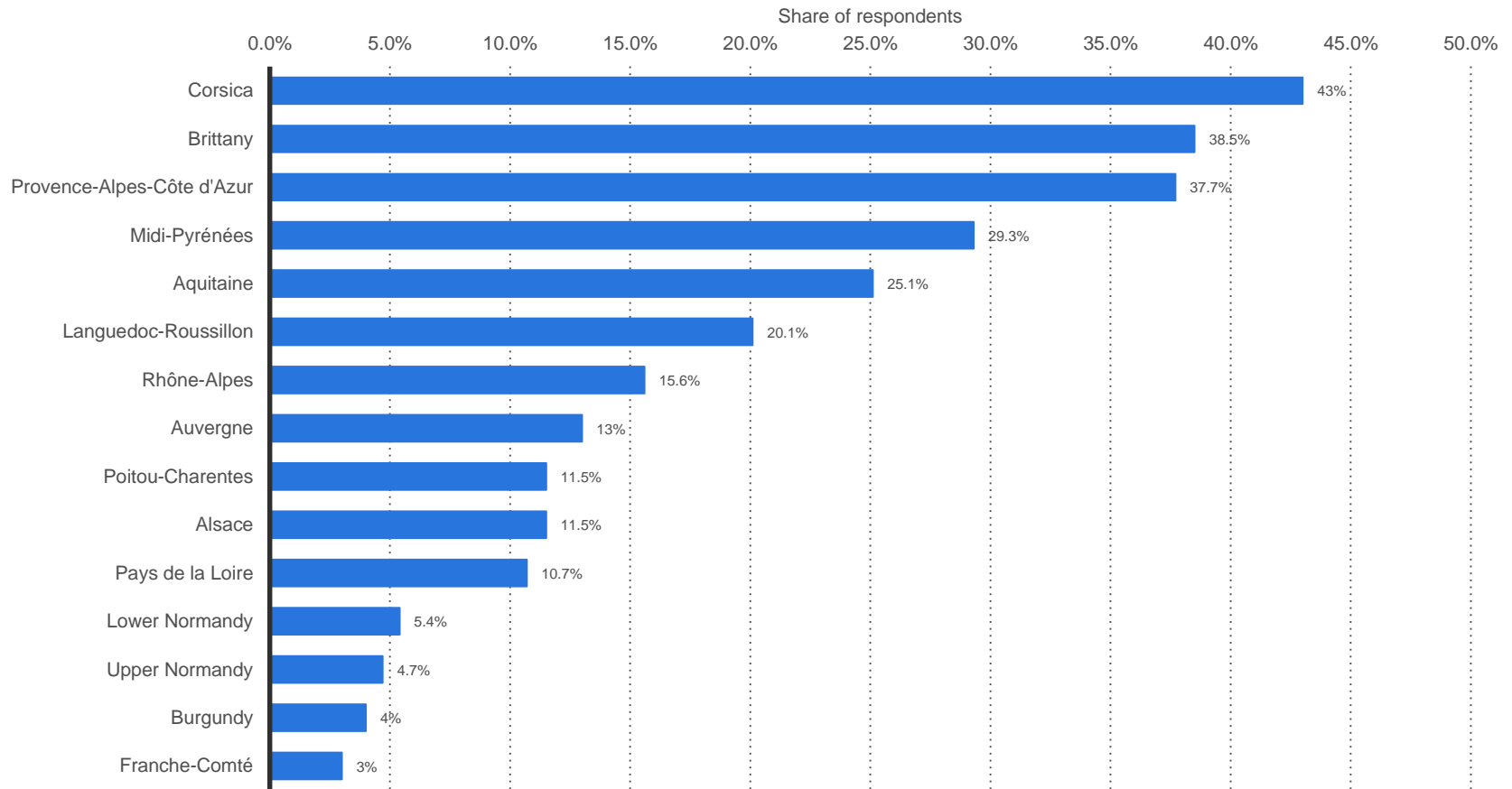
Summer Vacation Preferences of French People

Will you travel during your summer vacation or will you stay home?*



Corsica & Brittany are the most popular French destinations for French people

Most popular holiday destinations for French people in 2015



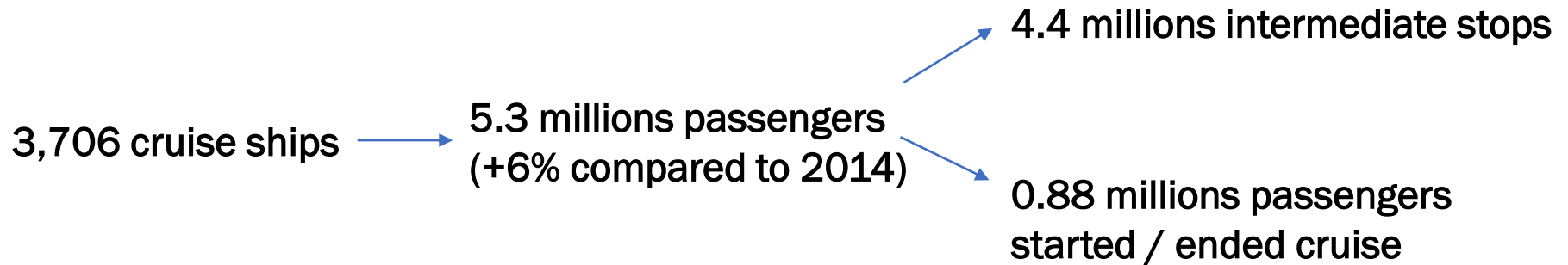
Most of the top province vacation destinations of French people are on the coast of France or an island



Ships by Month in French Market Departing Marseille

	Costa	MSC
January	Diadema	Meraviglia, Orchestra
February	Mediterranea	Splendida
March	Mediterranea	Splendida
April	Mediterranea, Favolosa, Diadema, Fascinosa	Splendida, Armonia, Divina
May	Favolosa, Diadema, Fascinosa	Splendida, Armonia, Divina
June	Diadema	Splendida, Meraviglia, Seaview
July	Diadema	Meraviglia, Seaview
August	Diadema	Armonia, Splendida, Meraviglia
September	Fascinosa, Diadema, Mediterranea, Magica	Splendida, Armonia, Meraviglia, Fantasia
October	Diadema, Fascinosa, Favolosa	Armonia, Splendida, Meraviglia
November	Favolosa, Diadema, Fascinosa,	Meraviglia
December	Diadema	Meraviglia, Orchestra

The ratio between intermediate stops and end/start of cruises in French ports is 5:1

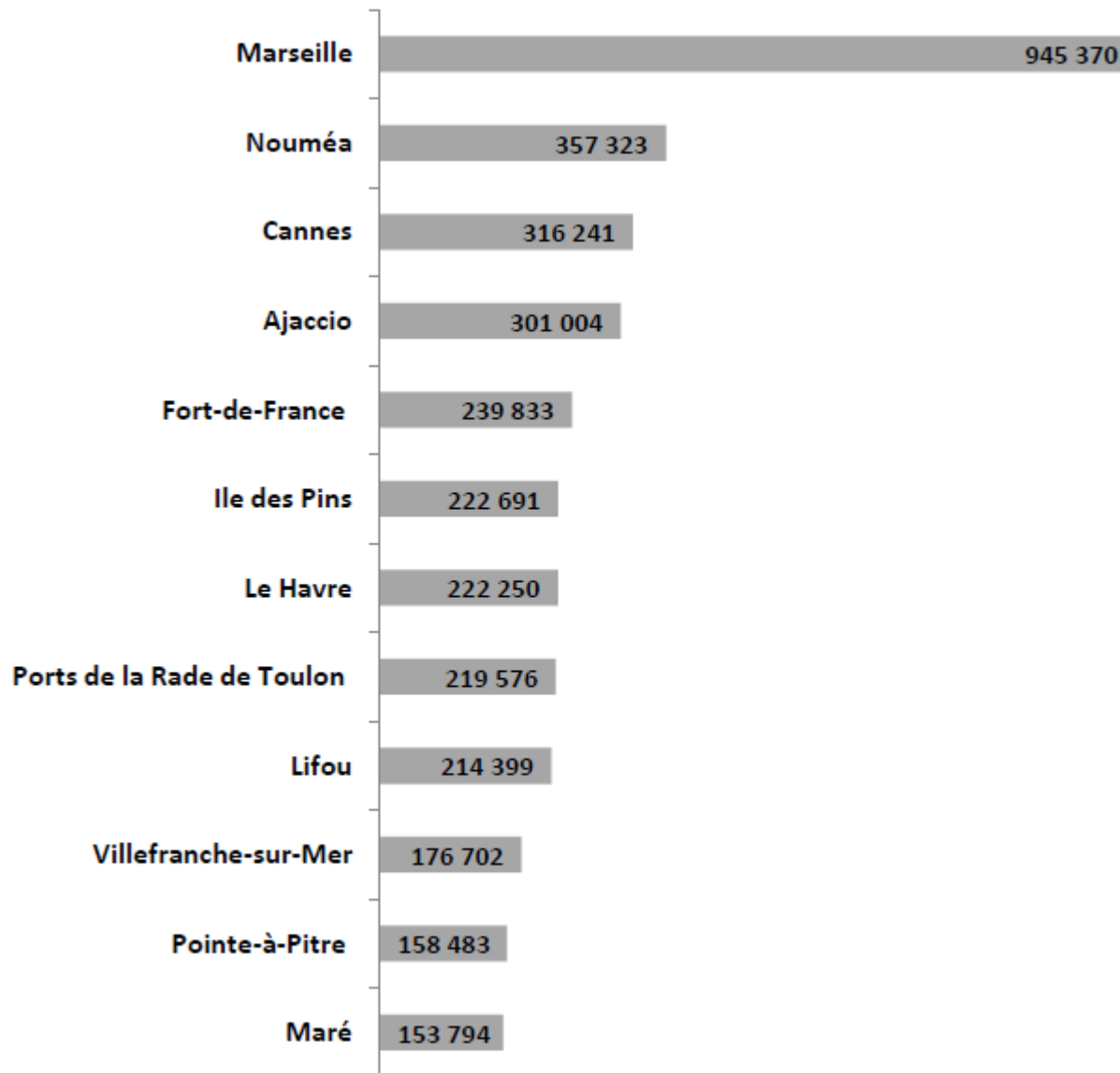


There are differences in the amenities of the cruise ships.

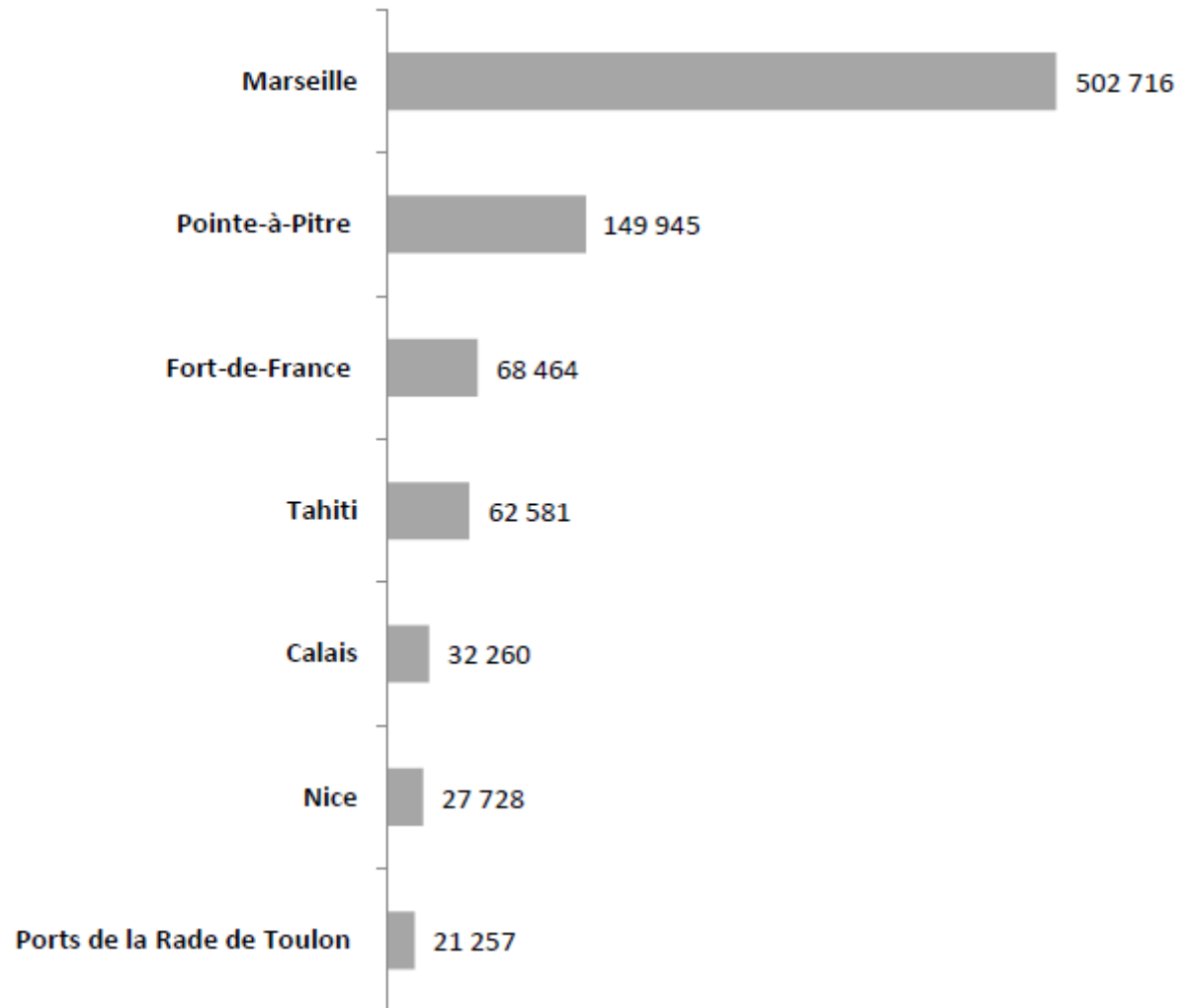
Differences between the Bleu de France vs. Zenith and Horizon

	Bleu de France	Zenith	Horizon
Passengers	720	1,800	1,828
Swimming pool	✓	✓	✓
Jacuzzi	✓	✓	✓
Spa	✓	✓	✓
Library	✓	✓	✓
Fitness Center	✓	✓	✓
Golf Course	✓	✗	✗
Theater	✗	✓	✓

Biggest ports for intermediate stops in France



Biggest ports for start and end of cruises in France



Major Complaints about CDF (Horizon & Zenith)

Pool too small, “salty” and a little too chilly, and too many people around all day; “kids problem”; broken jacuzzi

- The swimming is too small
- The pool a little too salty
- The pool should be very nice with the heat, but in April it was a little chilly
- It will take somebody to manage the jacuzzis invaded by the children

Old boat, outdated style, decoration too simple

- 5 cruises of france including 4 on horizon, ship aging with always its problems of toilet, lack of waiters in the different bars
- The old ship but well maintained wc problem in the cabin but quickly repaired at the start and arrived
- Correct cabins but bathroom to be taken seriously
- A bit old literally like lack of modernism
- The decoration of the boat deserves a "blow of youth" (too many brown in carpets and furniture ...)
- Somewhat "old-fashioned" installations now, used carpets
- AGING CABINS
- The ship is well maintained but old, it is not flamboyant
- A little dated and its decoration a bit simplistic

Major Complaints about CDF (Horizon & Zenith)

Cabin condition

- Noisy: Engine noise, AC noise
 - One downside, the noise from the machine that is heard loud enough in the cabin and has been disturbing throughout the stay.
 - A cabin at the stern of the boat it was very very noisy (engine noise or the axis of the boat), we had to sleep with balls QUIES. En arriving on land (at the end of the cruise) I had the earth sickness with pronounced vertiges which according to my doctor were directly related to the mere fact of having to wear balls QUIES.
 - Extremely noisy cabin preventing sleeping
- Problematic facilities (toilets, ACs, thermostats)
 - Only complaint is no thermostat in the room so no air conditioning so in the evening it was cold and not possible to adjust ...
 - But need to review the A / C and fan noise in the cabins
 - By cons to review the air conditioning much too cold
 - Outdated bathroom
- Small
 - Cabins less spacious than on a Costa

Limited shops, no over-the-counter pharmacy

- It may be missing 1 or 2 more affordable shops
- several people on board got really bad colds !!!! Also, disappointed not to have found an over the counter pharmacy on board to get basic medication (like painkillers) in order to avoid having to take an appointment with the doctor

Evening shows too Americanized

No possibility to change table at the restaurant and therefore obligation to eat every night with people not always friendly

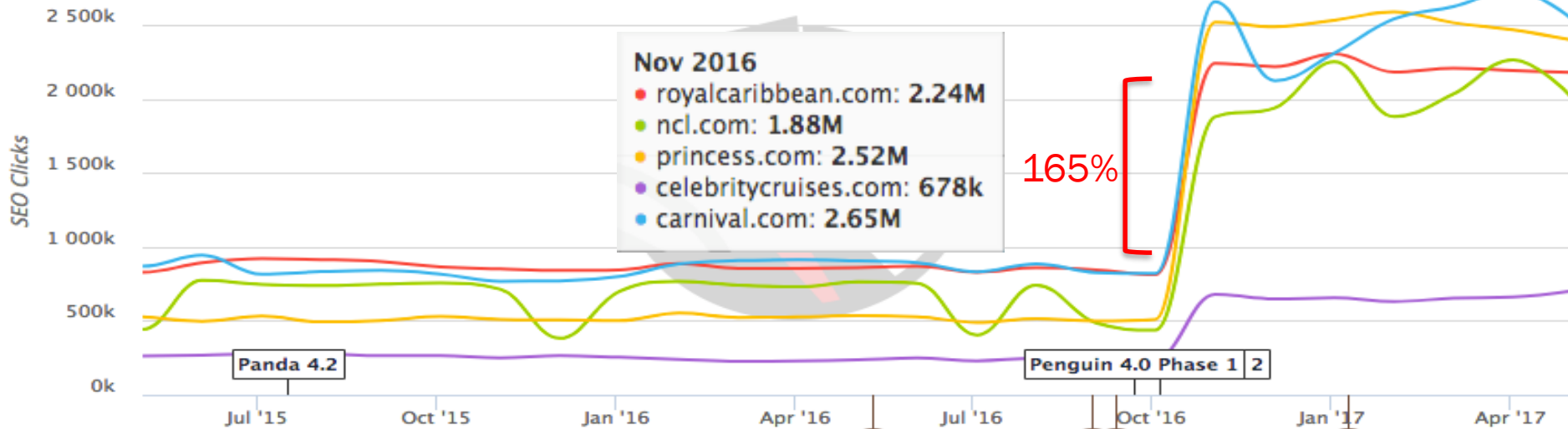
We are attempting to understand French culture, coming largely from an American Perspective

French Value...

- Quality > Quantity (from food to clothes)
- Wearing nice clothes even on average days
- Long (not 15 min) lunches
- Drinking habits
 - Less binge drinking
 - Wine when eating, not really without food
 - Liquor/beer not huge
 - Champagne and Kir (French cocktail) before dinner
 - Strong knowledge of (red) wines
- Home cooking is common and they are good at it
- Trains quite popular compared to airplane
- Happy hour / snacks are common before dinner (even at different locations)
- Youths' pallet seem “sophisticated” compared to American youths’
- Deep conversations, minus technology (e.g. phones), are highly valued

CLIA's "Plan a Cruise Month" Campaign increased overall clicks per month for top 5 competitors by 244.98%

Increase in monthly organic clicks after CLIA's "Plan a Cruise Month" in October 2016



Company	Clicks Sep 2016	Clicks Nov 2016	% increase in clicks
RCL	844k	2.24M	165.40%
NCL	486k	1.88M	286.83%
Princess	500k	2.52M	404.00%
Carnival	827k	2.65M	220.44%
Celebrity	237k	678k	186.07%
Total	2.89M	9.97M	244.98%



Appendix

Trip Findings



French are willing to pay extra on good quality and authentic products

Daily Purchasing Habits



Would Pay Premium



French vacationing habits and timing varies between different age demographics



Young People

“Fly cheap, stay cheap”

School year is Sept-April with one month break for Christmas

Want authentic experiences, nice weather, and variety of activities



People with Family

“Quality > Quantity”

Have average of 35 days of vacation/year – 1 week off in Aug and a month in December

Want to relax and have their children apart from adults



Seniors

“Your typical tourist”

If retired, free all year and willing to take care of children when parents are busy

Happy with “touristy” activities and shopping

French are detail-oriented when it comes to the definition of a good vacation experience

French care a lot about locations, views and decorations



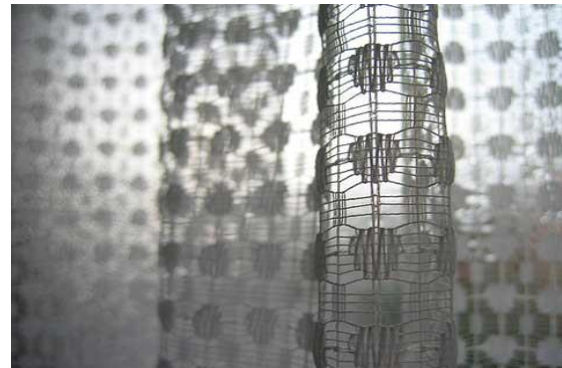
“Don’t like to be close to the ice machine and elevator”



Blue Marlin Belize: The bed sheet will be removed and changed when the French come



Not a big fan of crowded resorts



“Don’t go to the hotels because of the curtains”

The French people enjoy doing eco-friendly activities to get in touch with nature and local culture










Water activities



Excursion activities



The French enjoy delicate decorations, flexible schedules, educational experiences and athletic activities

Experience	Facilities	Activities	Kids
  <p>The French don't like strict schedules</p>	  	 	 

Opinions on winter cruises feasibility still remain controversial among travel agencies



- For Promovacances:
Winter cruises are popular
 - Half Europe, Half Caribbean cruises, mostly seniors who travel with kids (during school vacation)
- Weather
- Time and expenses
- Limited vacation time
- Mogador Voyages' winter cruise sale is meager

Customers usually ask for a typical cruise within their budget and they prefer a good price point



General budget
1.000€-1.500€

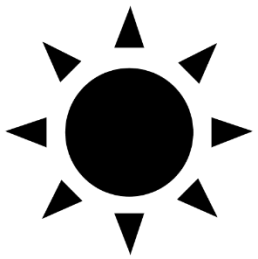


Higher-end budget
3.000€



General family budget
1.000€-6.000€

Travel agency pricing varies based on season and commission received



Hotel in the summer in Europe are very expensive

Agents receive commission of

10-12%

from cruise companies
(Turquoise Voyages)

Cruises are cheaper in the winter and more expensive in the summer



They can give repeat/loyal customers up to a

2-3%

discount on cruises



Appendix

Survey Responses Charts



Appendix: Survey Opening

Opening Statement:

This survey is conducted by a group of students from UNC - Kenan Flagler Business School working on a student consulting project to research general vacation habits and ocean cruise-specific vacation preferences of French citizens and international travelers.

Thank you for completing the following survey. It should take roughly 15 minutes. Your responses will be confidential and all responses will be analyzed as a group.

If you have any questions or concerns, please contact the survey team at frenchcruisesurvey@kenan-flagler.unc.edu

Appendix: Survey Questions – Screening for International Survey

Q1: Are you a citizen from
Italy / Luxembourg / Belgium
/ United Kingdom / Monaco
/ Quebec, Canada /
Switzerland?

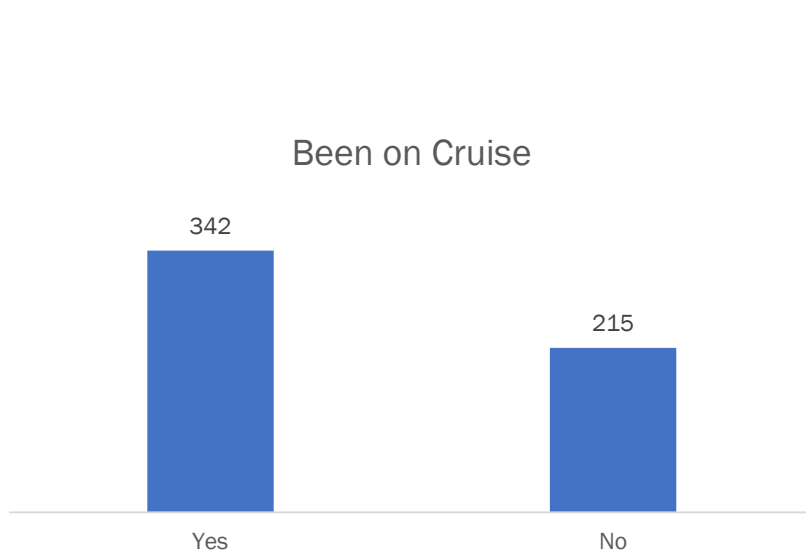


Q2. If Italy / United Kingdom:
Are you fluent in English?

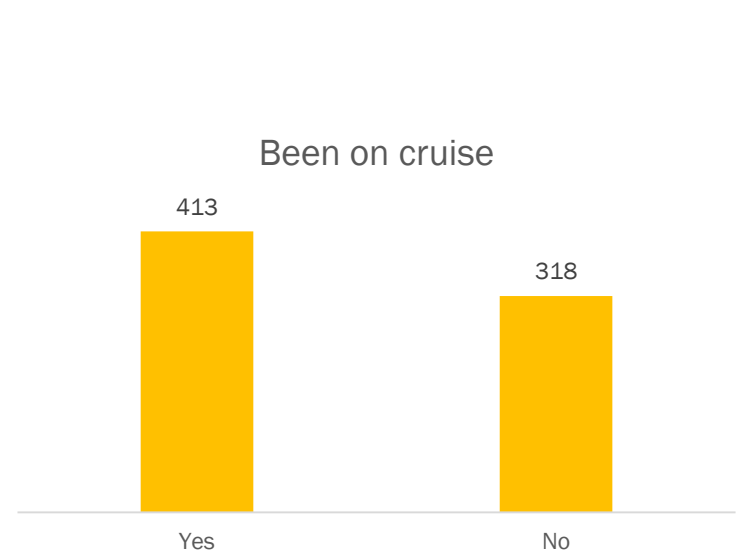
**Q2. If Luxembourg / Belgium
/ Monaco / Switzerland /
Quebec, Canada:** Are you
fluent in French?

Appendix: Survey Questions – Screening

Question: Have you ever been on a cruise trip at sea (river cruises are excluded from this survey)?



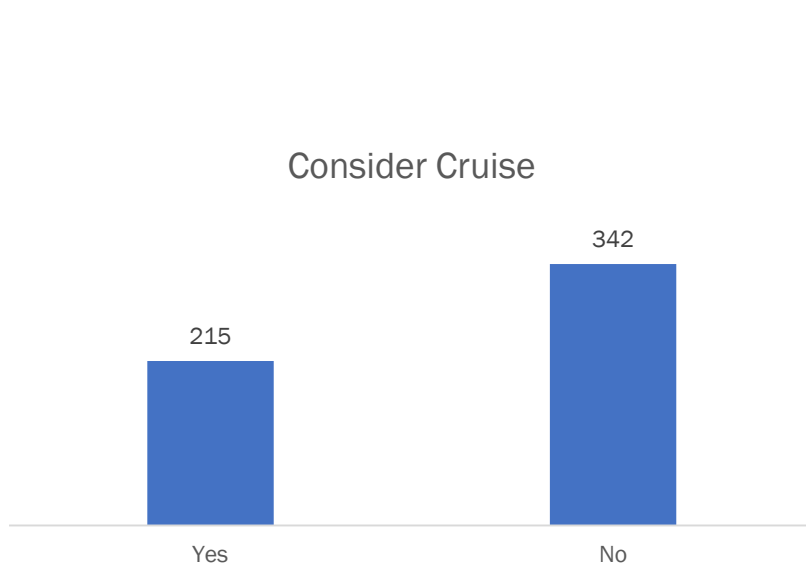
French Cruise Survey (n=557)



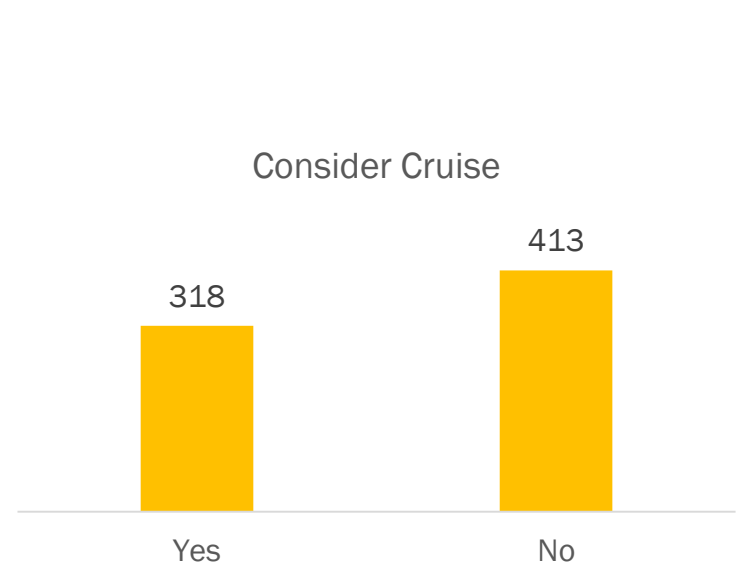
International Cruise Survey (n=732)

Appendix: Survey Questions – Screening

Question: Would you ever consider going on a cruise trip at sea over the next five years? (river cruises are excluded from this survey)



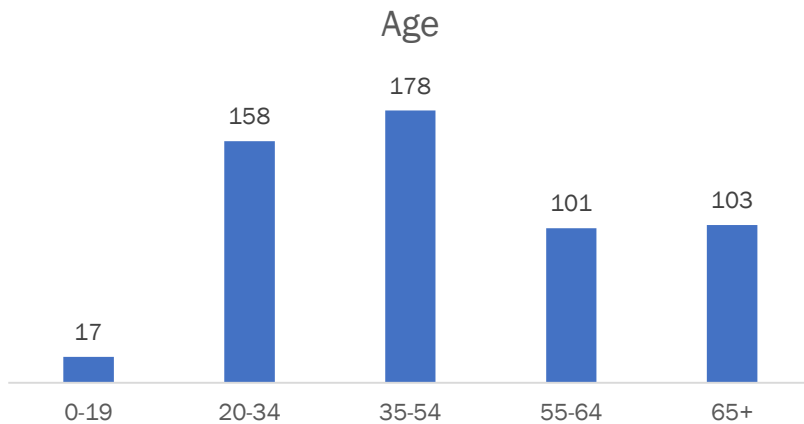
French Cruise Survey (n=557)



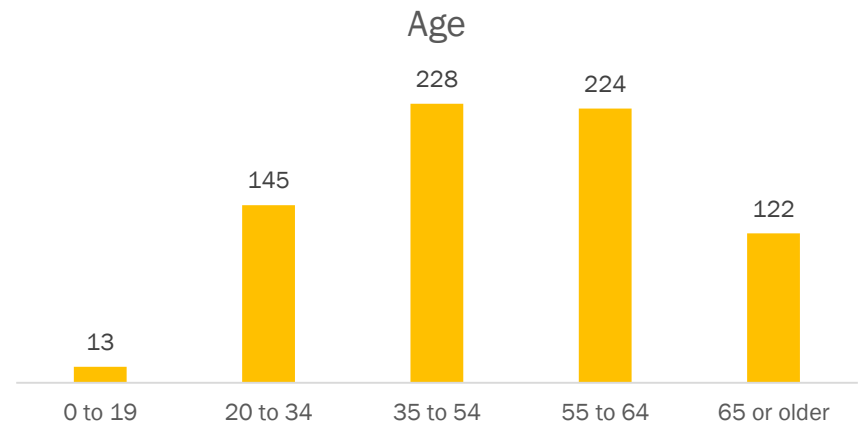
International Cruise Survey (n=732)

Appendix: Survey Questions – Demographics

Q1: What is your age?



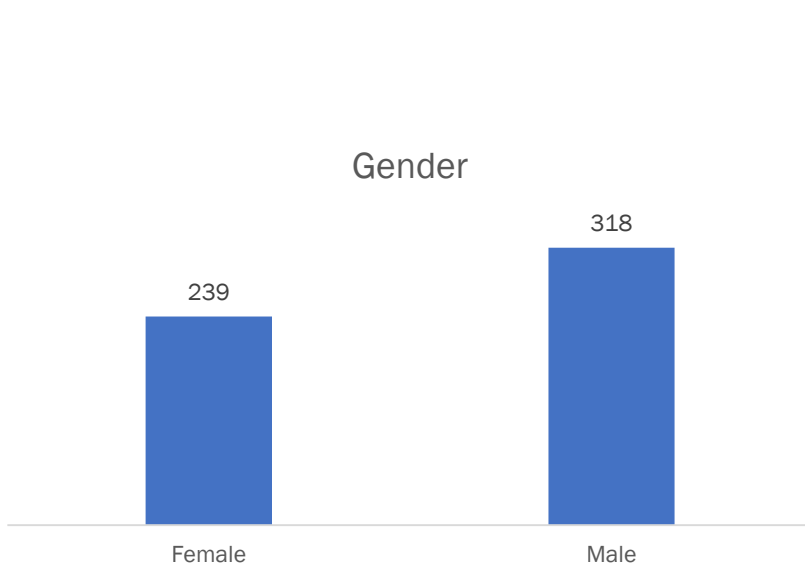
French Cruise Survey (n=557)



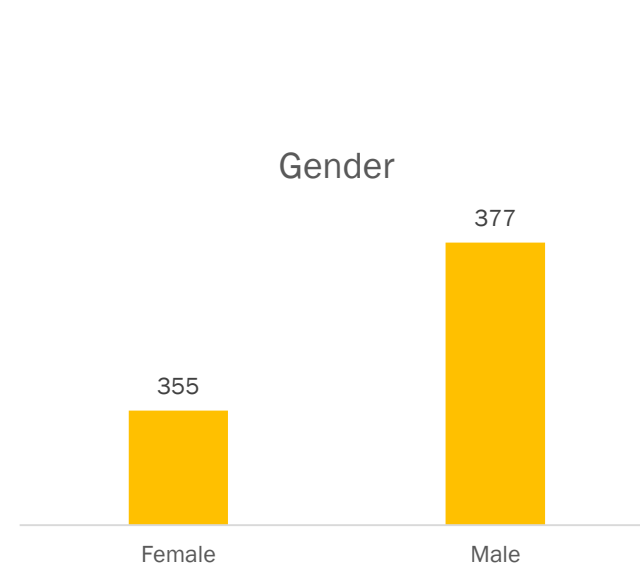
International Cruise Survey (n=732)

Appendix: Survey Questions – Demographics

Q2: What is your gender?



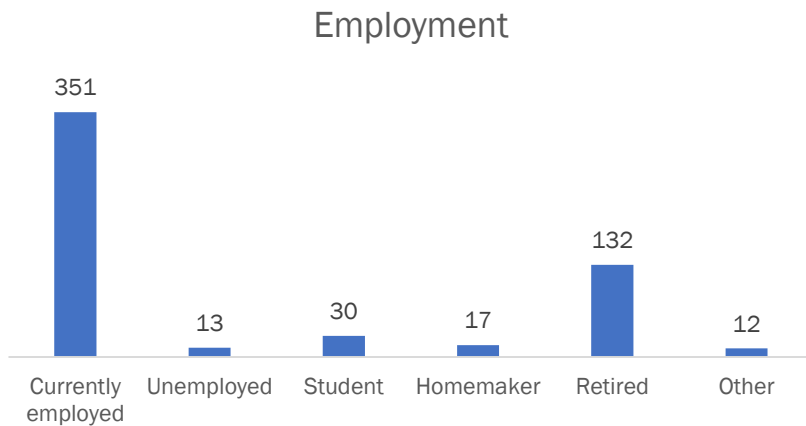
French Cruise Survey (n=557)



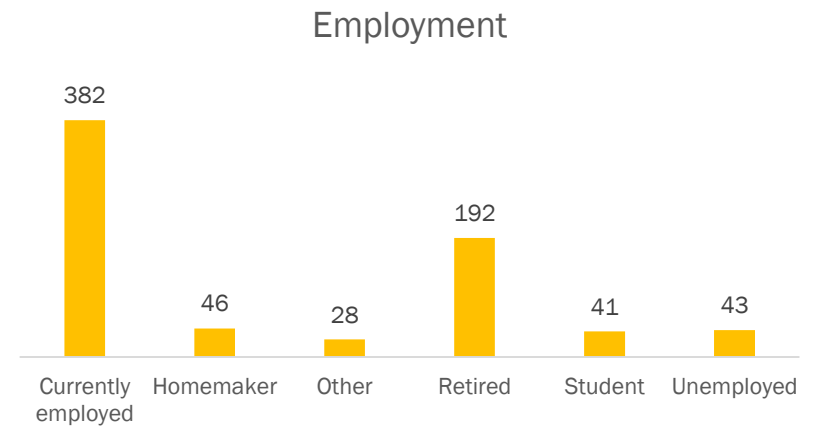
International Cruise Survey (n=732)

Appendix: Survey Questions – Demographics

Q3: What is your employment status?



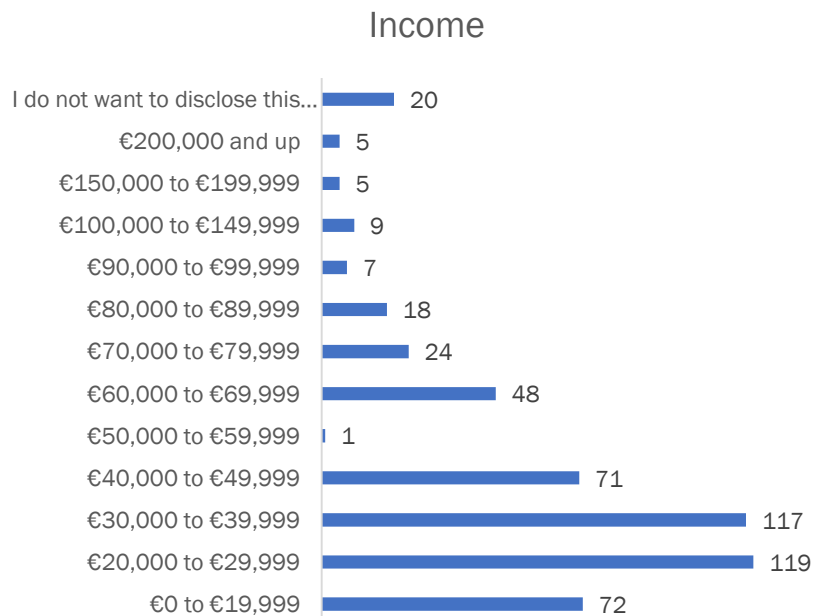
French Cruise Survey (n=557)



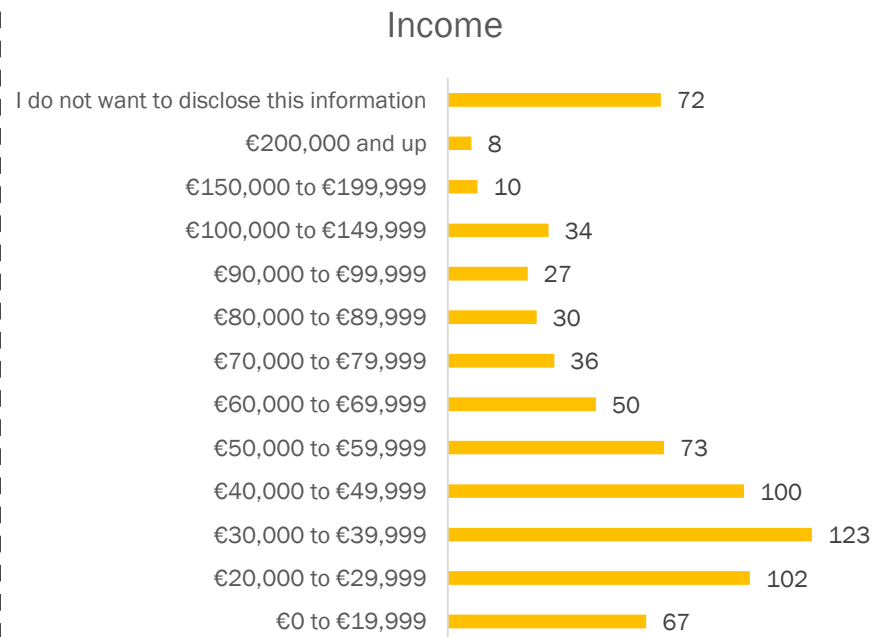
International Cruise Survey (n=732)

Appendix: Survey Questions – Demographics

Q4: What is your annual pre-tax household income (combined incomes of all people sharing a particular household or place of residence)?



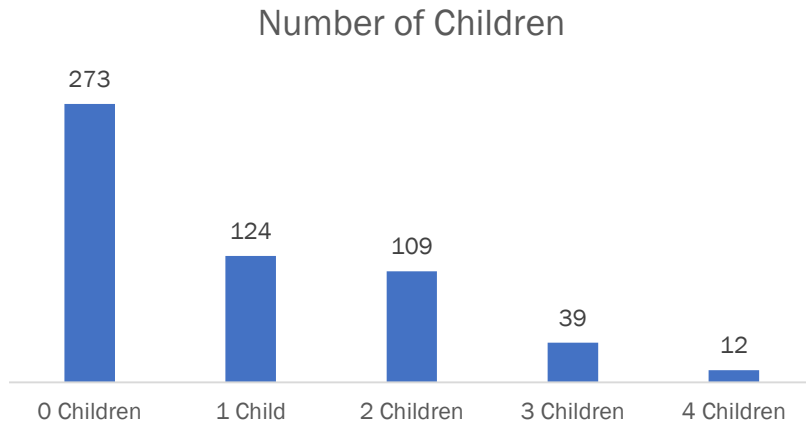
French Cruise Survey (n=557)



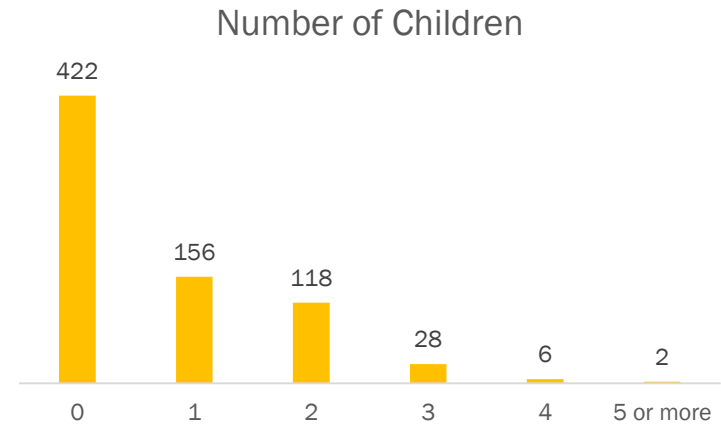
International Cruise Survey (n=732)

Appendix: Survey Questions – Demographics

Q5: How many children do you have that live with you?



French Cruise Survey (n=557)

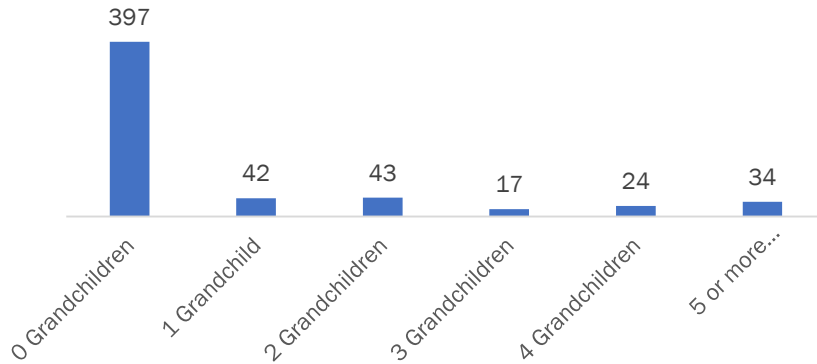


International Cruise Survey (n=732)

Appendix: Survey Questions – Demographics

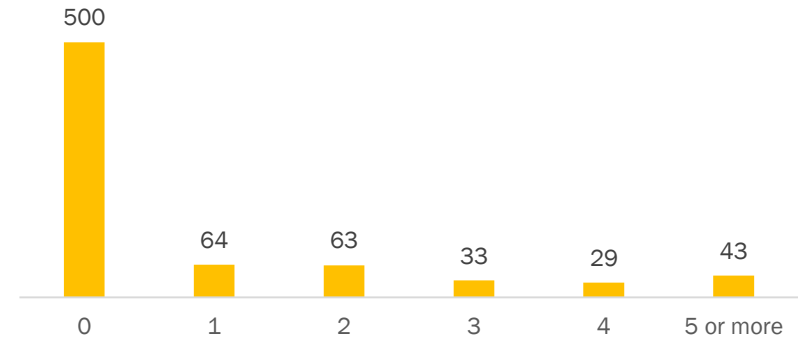
Q6: How many grandchildren do you have?

Number of Grandchildren



French Cruise Survey (n=557)

Number of Grandchildren

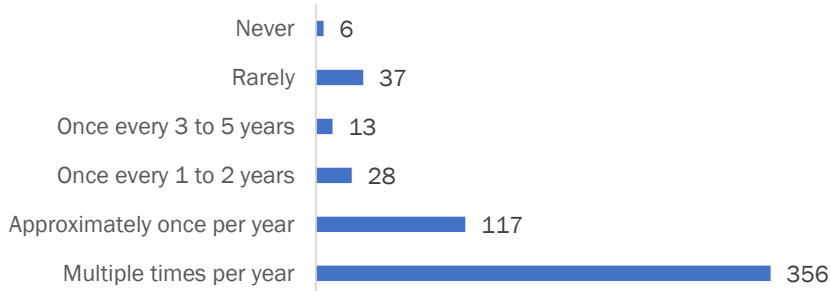


International Cruise Survey (n=732)

Appendix: Survey Questions – Travel Preferences

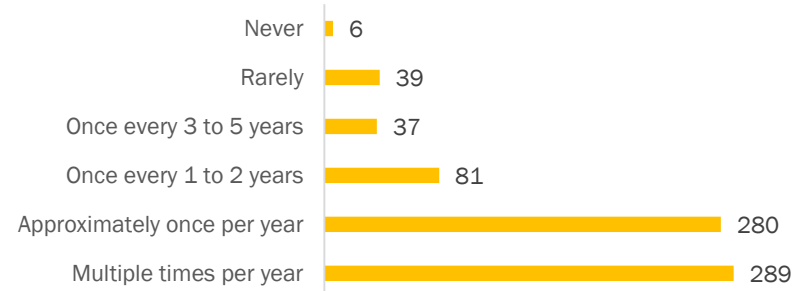
Q7: How often do you take a long vacation that lasts 5 or more nights?

How often do you take a vacation that lasts less than 5 nights?



French Cruise Survey (n=557)

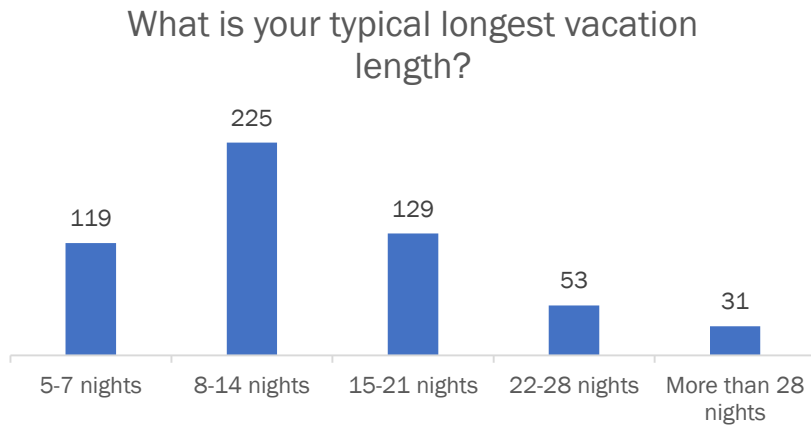
How often do you take a vacation that lasts 5 or more nights?



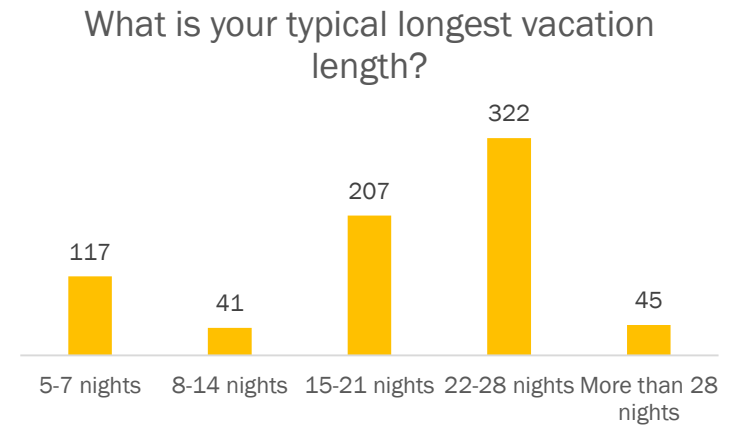
International Cruise Survey (n=732)

Appendix: Survey Questions – Travel Preferences

Q8: What is your typical longest vacation length?



French Cruise Survey (n=557)

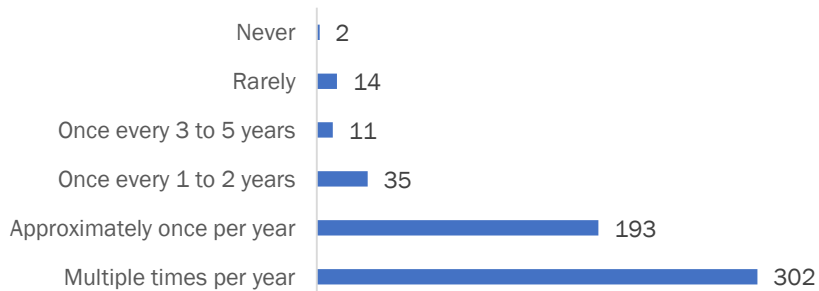


International Cruise Survey (n=732)

Appendix: Survey Questions – Travel Preferences

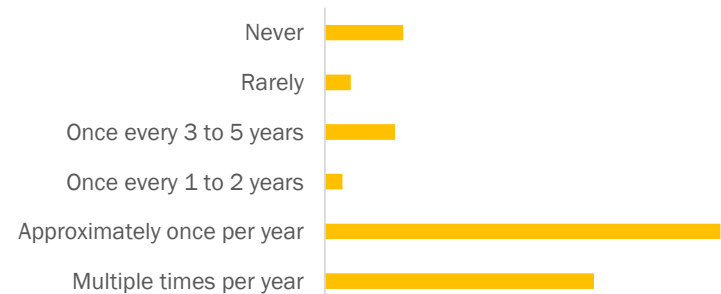
Q9: How often do you take a short vacation that lasts less than 5 nights?

How often do you take a long vacation that lasts 5 or more nights?



French Cruise Survey (n=557)

How often do you take a vacation that lasts less than 5 nights?



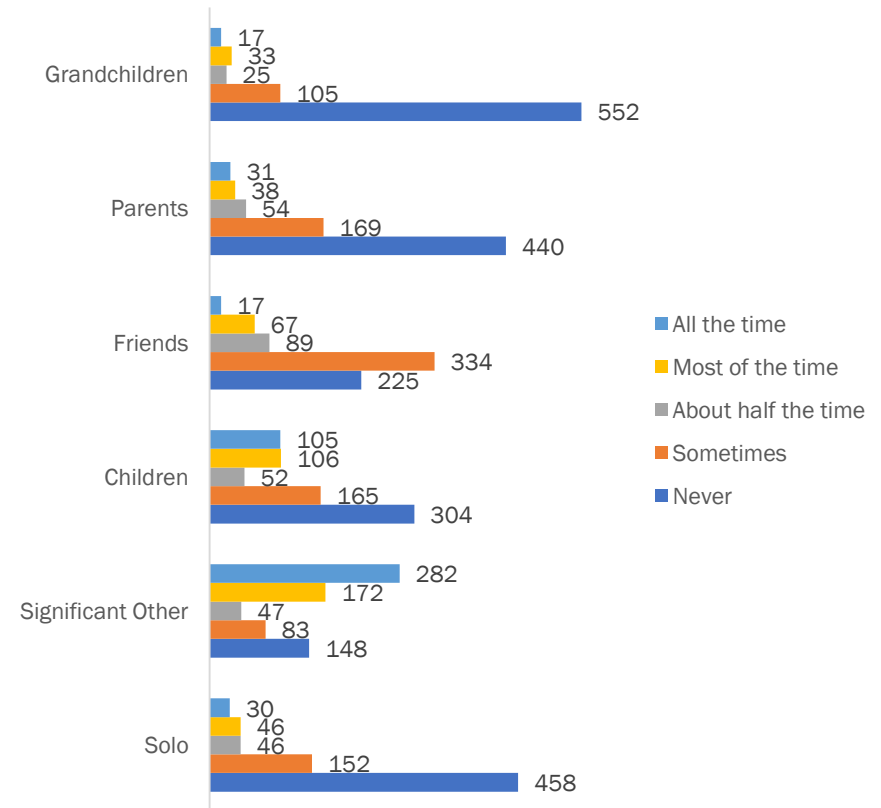
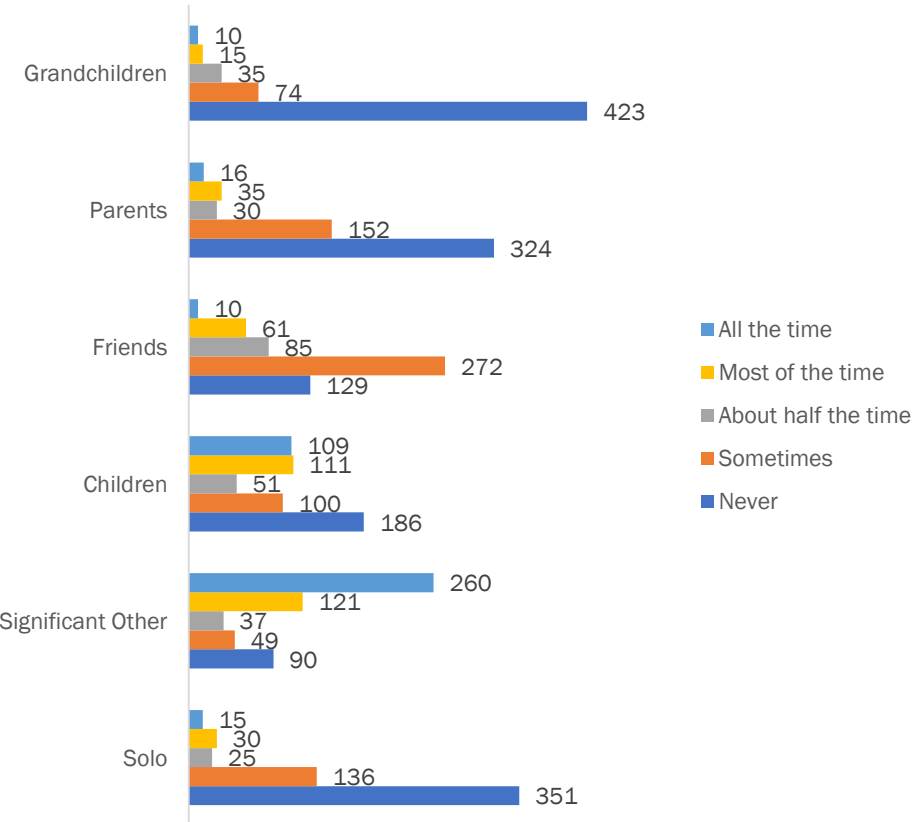
International Cruise Survey (n=732)

Appendix: Survey Questions – Travel Preferences

Q10: With whom do you typically travel on vacations?

With whom do you typically travel with?

With whom do you typically travel with?

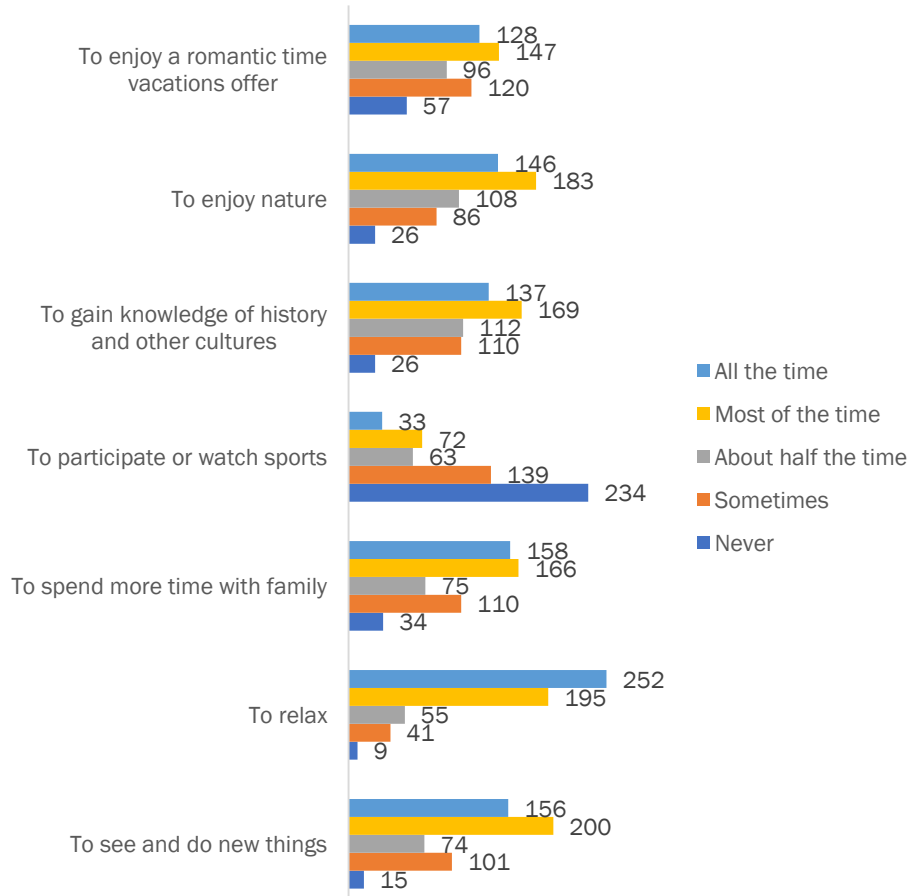


French Cruise Survey (n=557)

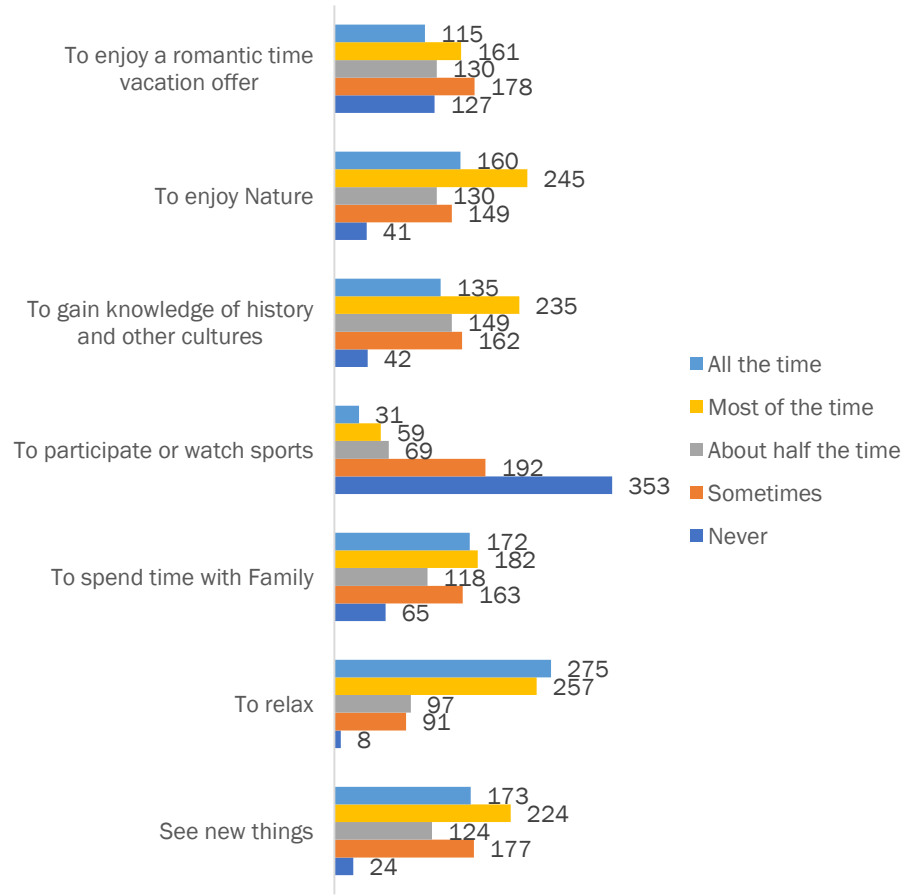
International Cruise Survey (n=732)

Appendix: Survey Questions – Travel Preferences

Q11: How often do you take vacations because of the following reasons?



French Cruise Survey (n=557)

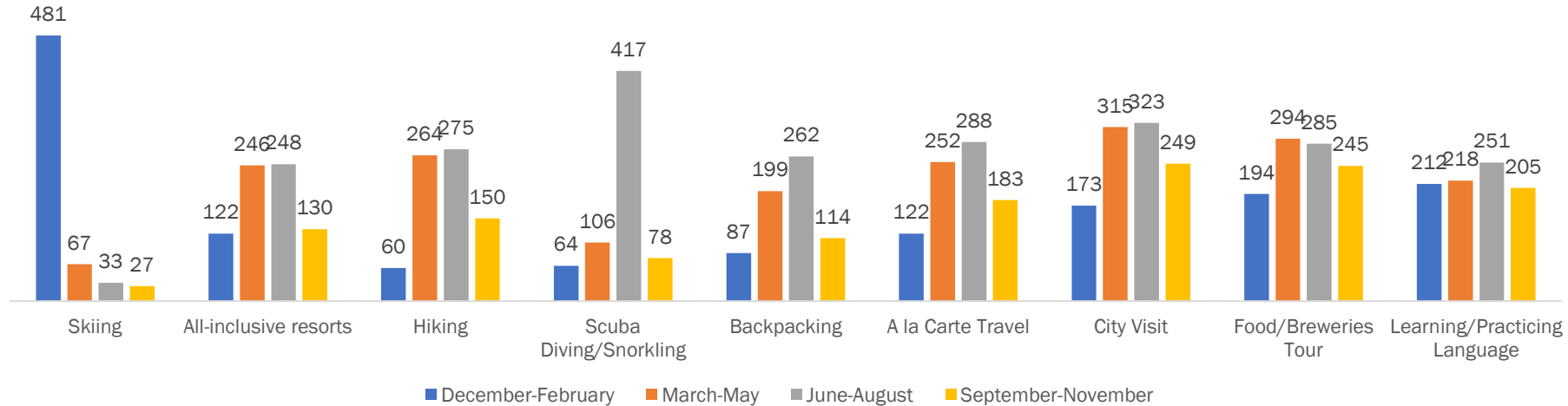


International Cruise Survey (n=732)

Appendix: Survey Questions – Seasonal Travel Preferences

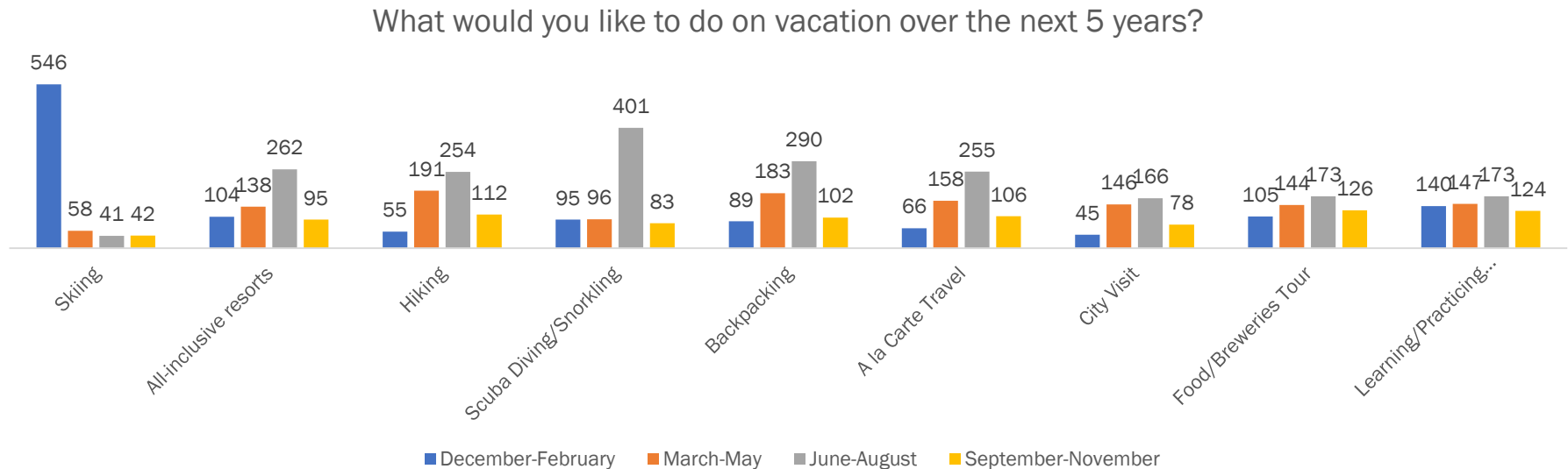
Q12: What would you like to do on your vacation over the next five years?
French Cruise Survey (n=557)

What would you like to do on vacation over the next 5 years?



Appendix: Survey Questions – Seasonal Travel Preferences

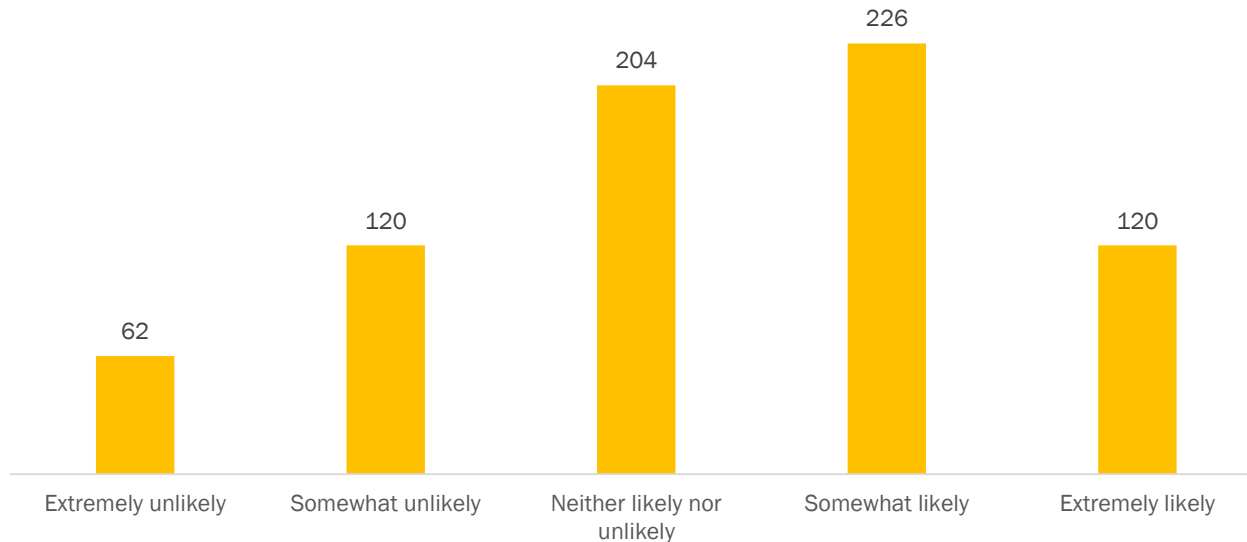
Q12: What would you like to do on your vacation over the next five years?
International Cruise Survey (n=732)



Appendix: Survey Questions – Seasonal Travel Preferences

Q13: How likely are you to go on a fly-cruise within the next five years?
International Cruise Survey (n=732)

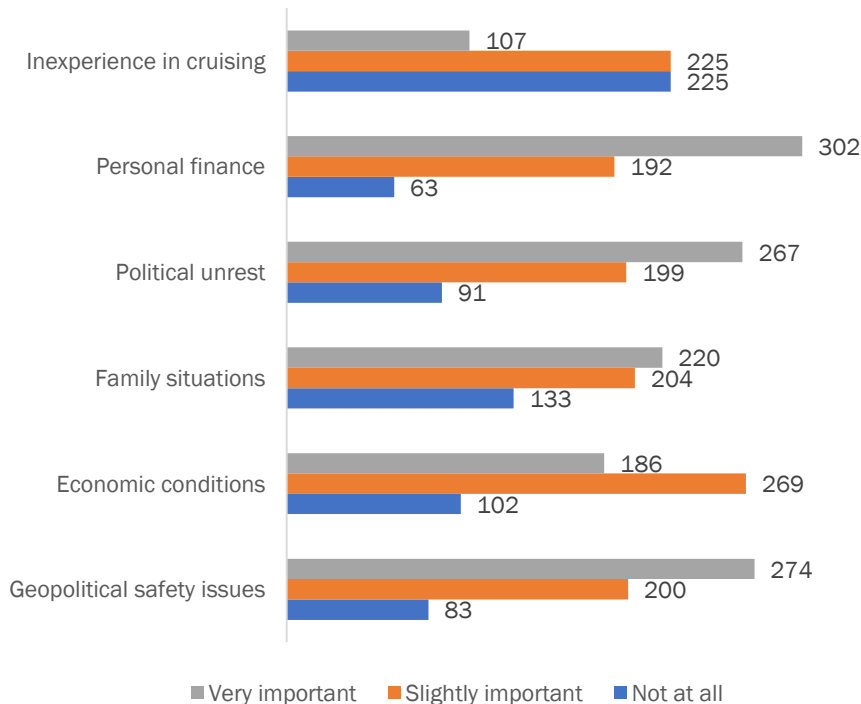
How likely are you to go on a fly-cruise within the next five years?



Appendix: Survey Questions – Seasonal Travel Preferences

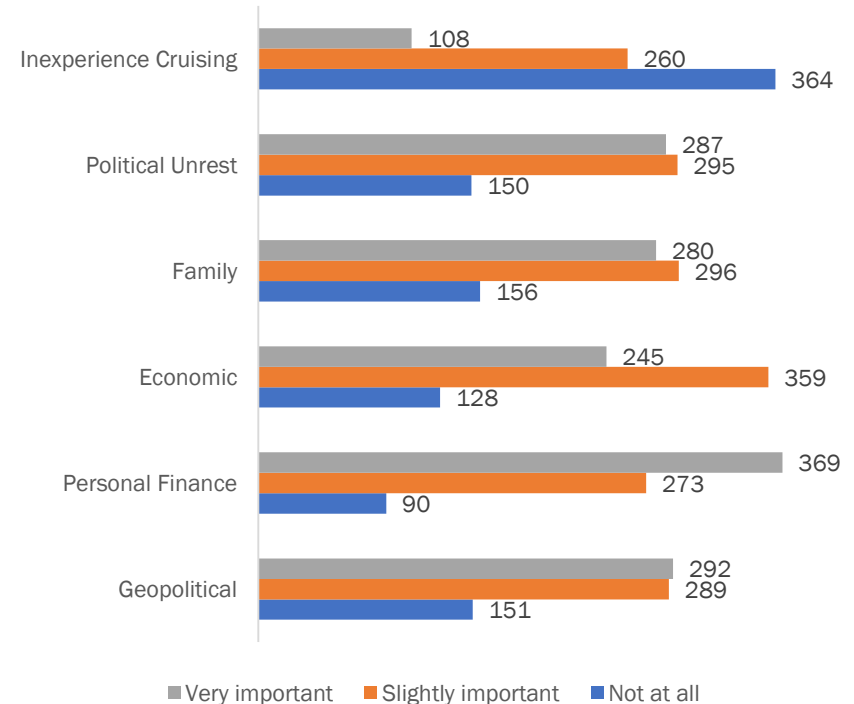
Q14: How much do the following factors would give you hesitation in booking a cruise vacation over the next five years?

Factors which give hesitation to booking cruises over the next 5 years



French Cruise Survey (n=557)

How much do the following factors would give you hesitation in booking a cruise vacation over the next five years?

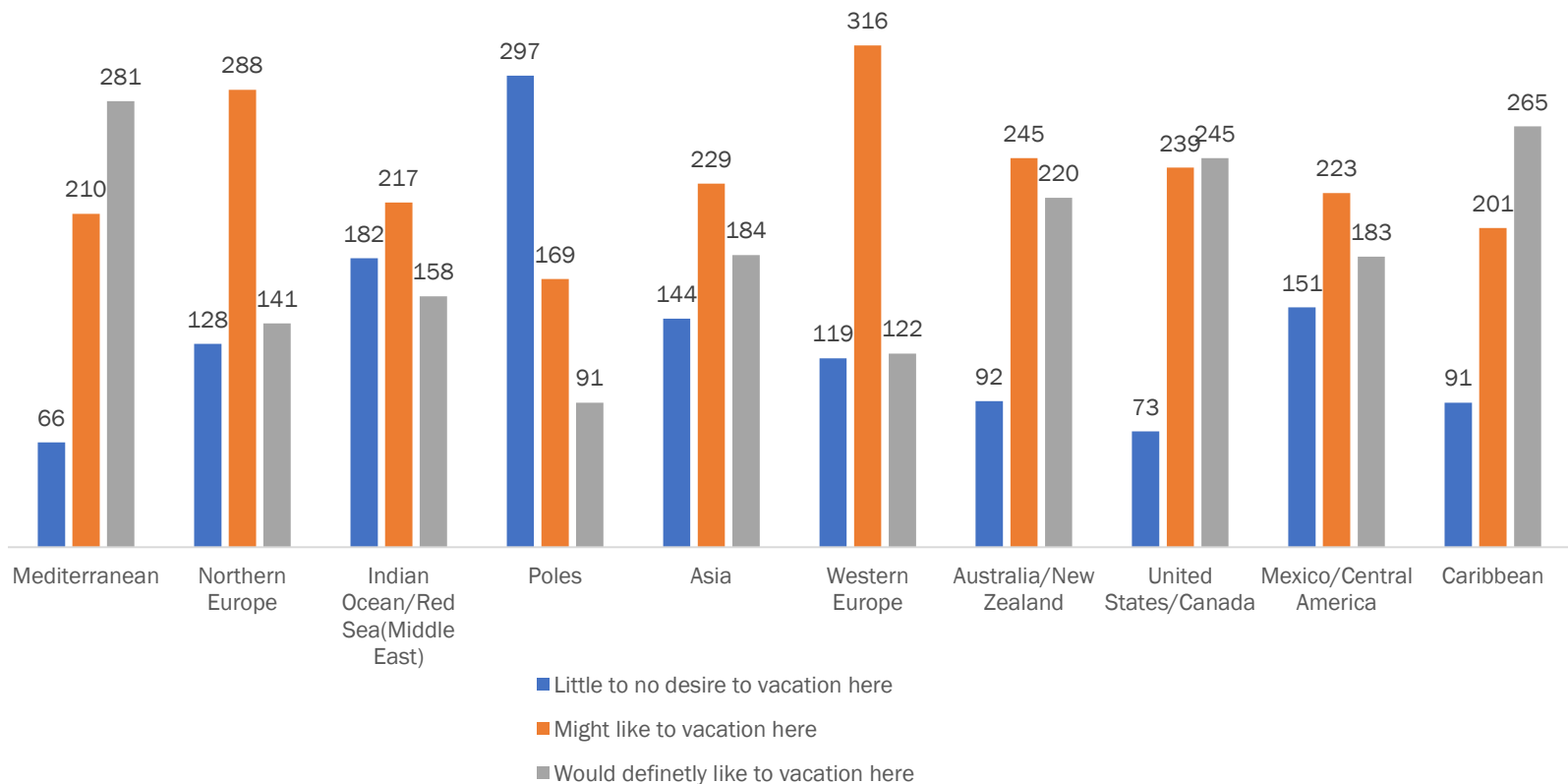


International Cruise Survey (n=732)

Appendix: Survey Questions – Seasonal Travel Preferences

Q15: Where would you like to go on a cruise over the next five years? (In the summer) French Cruise Survey (n=557)

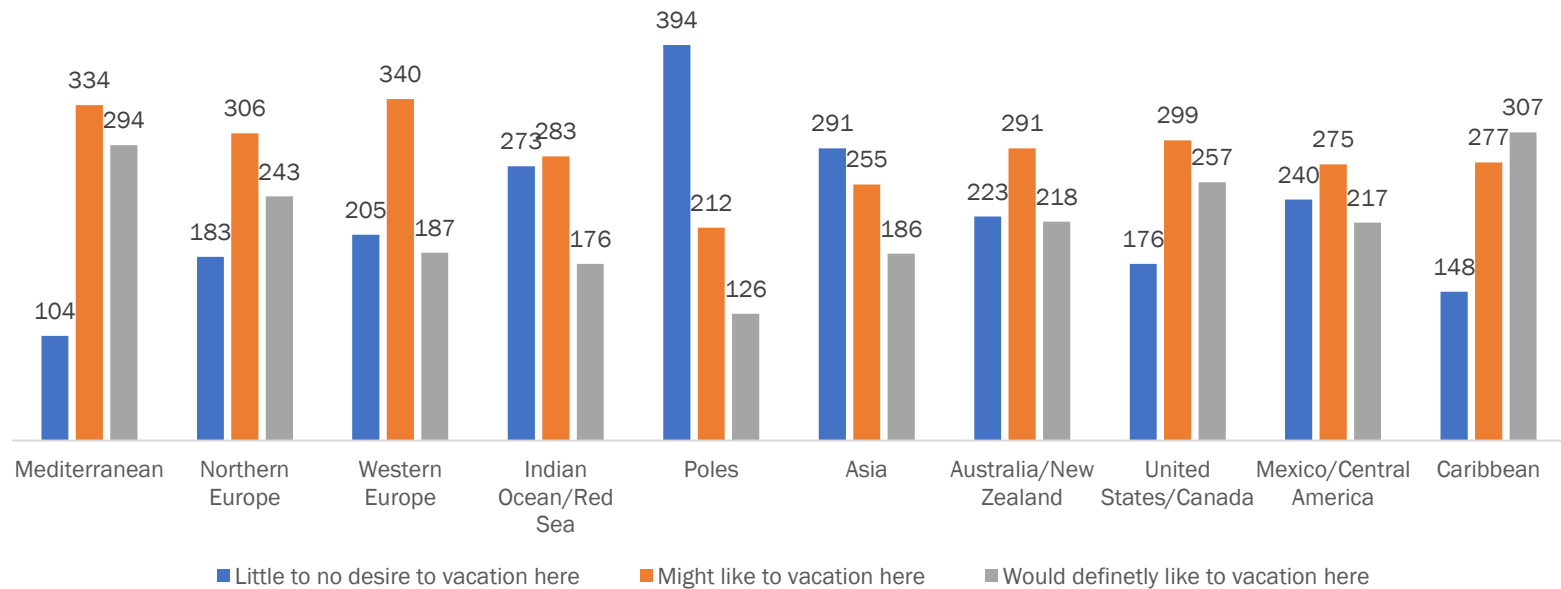
Where would you like to travel on vacation over the next 5 years (Summer)



Appendix: Survey Questions – Seasonal Travel Preferences

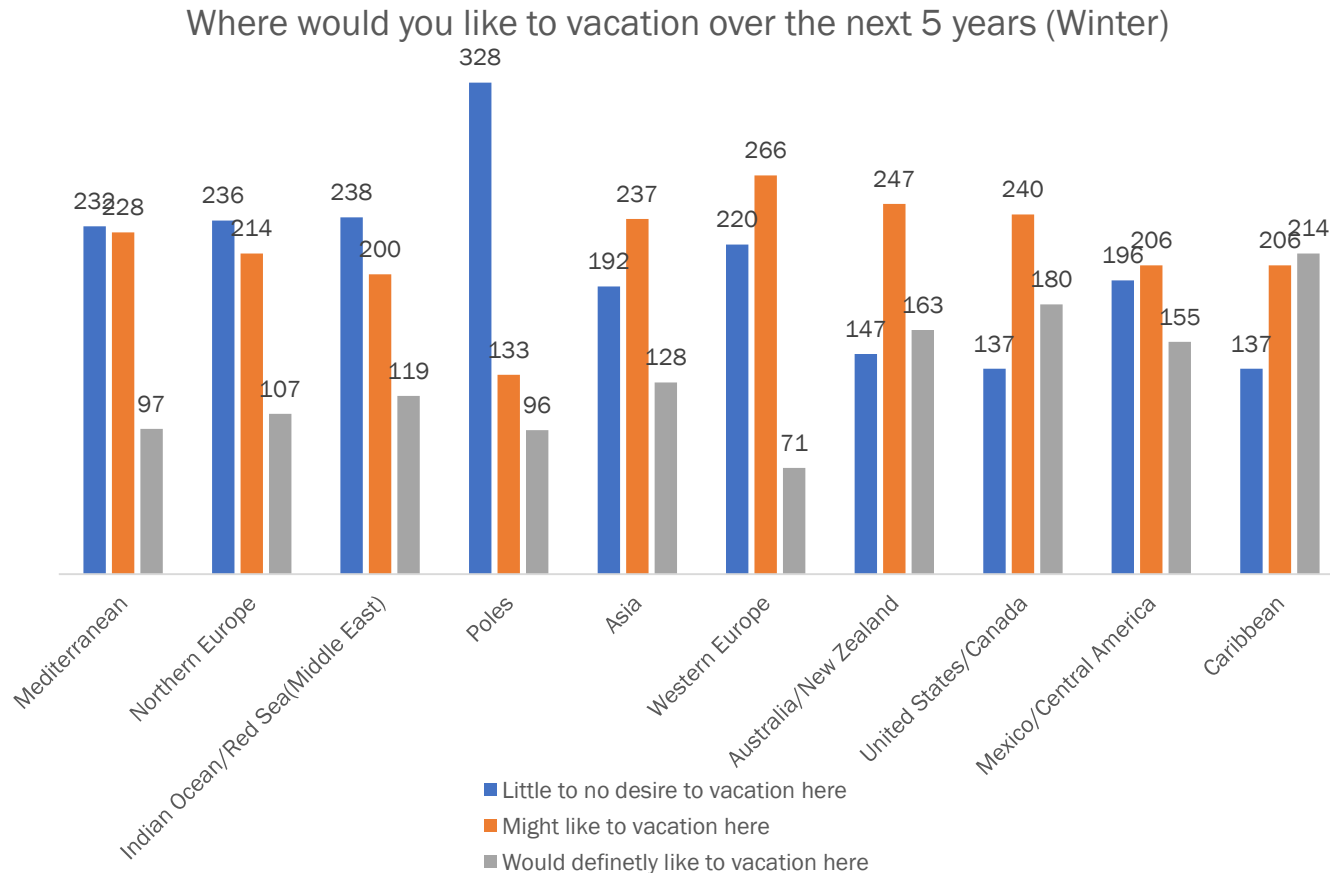
Q15: Where would you like to go on a cruise over the next five years? (In the summer) International Cruise Survey (n=732)

Where would you like to travel on vacation over the next 5 years?(Summer)



Appendix: Survey Questions – Seasonal Travel Preferences

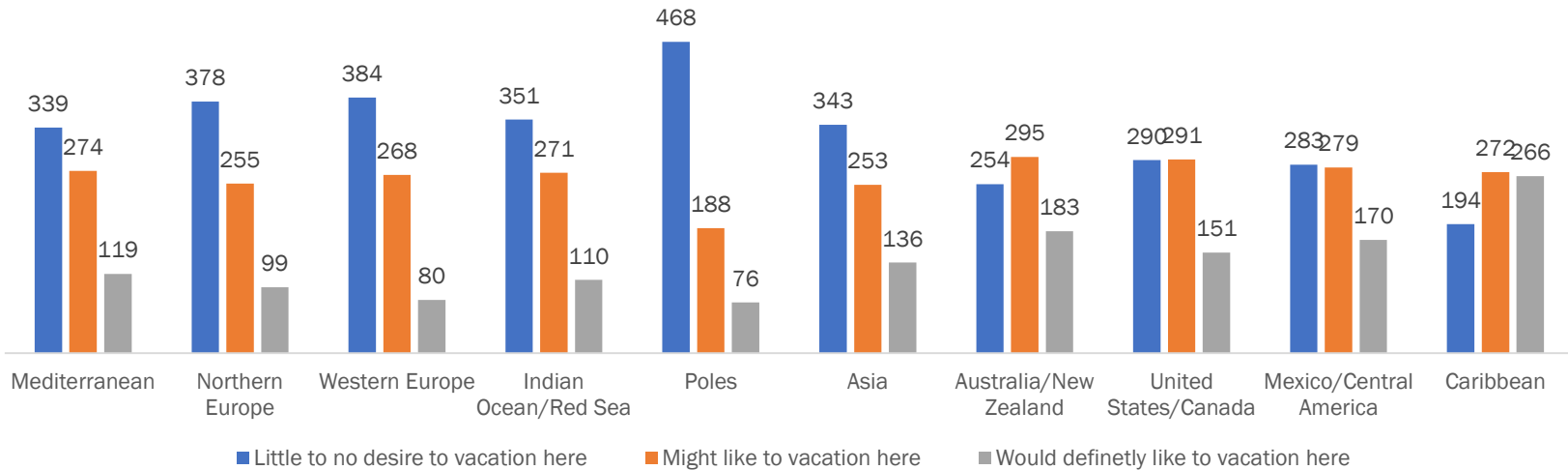
Q15: Where would you like to go on a cruise over the next five years? (In the winter) French Cruise Survey (n=557)



Appendix: Survey Questions – Seasonal Travel Preferences

Q15: Where would you like to go on a cruise over the next five years? (In the winter) International Cruise Survey (n=732)

Where would you like to travel on vacation over the next 5 years?(Winter)



Appendix: Survey Questions – Pricing

Q16-21: Please use these options for the following 6 questions:

	Tailor-Made French Cruise	French-Style Cruise	International Cruise Experience
Passenger Demographic	French (About 60% French)	International	International
Language Spoken by Staff and Entertainment	Predominantly French	All major languages	All major languages
Language (Signage and Announcements)	Predominantly French	Predominantly French	All major languages
Entertainment Theme	100% Culturally French	50% Culturally French, 50% International	100% Culturally International
Cuisine	All French meals and accoutrements	50% Culturally French, 50% International	Diverse set of International Cuisines
Interior Design	French-style	French-style	Generic

Appendix: Survey Questions – Pricing

Q16: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is too expensive to consider?

Mean	1.855€
Median	1.500€
Interquartile Range	1.000€- 2.200€

French Cruise Survey (n=557)

Mean	2.237€
Median	1.500€
Interquartile Range	989€-2.632€

International Cruise Survey (n=732)

*Means include possible outliers

Appendix: Survey Questions – Pricing

Q16: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is getting expensive, but you still might consider it?

Mean	1.347€
Median	1.000€
Interquartile Range	650€-1.750€

French Cruise Survey (n=557)

Mean	1.533€
Median	1.152€
Interquartile Range	700€-1.832€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q16: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is a bargain – a great buy for the money

Mean	964€
Median	800€
Interquartile Range	500€-1.200€

French Cruise Survey (n=557)

Mean	1.050€
Median	800€
Interquartile Range	500€-1.316€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q16: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is so inexpensive that you would question the quality and not consider it?

Mean	575€
Median	500€
Interquartile Range	250€-850€

French Cruise Survey (n=557)

Mean	720€
Median	500€
Interquartile Range	300€-872€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q17: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is too expensive to consider?

Mean	1.813€
Median	1.500€
Interquartile Range	900€-2.000€

French Cruise Survey (n=557)

Mean	2.182€
Median	1.500€
Interquartile Range	1.000€-2.632€

International Cruise Survey (n=732)

*Means include possible outliers

Appendix: Survey Questions – Pricing

Q17: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is getting expensive, but you still might consider it?

Mean	1.328€
Median	1.000€
Interquartile Range	650€-1.500€

French Cruise Survey (n=557)

Mean	1.689€
Median	1.100€
Interquartile Range	733€-1.832€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q17: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is a bargain – a great buy for the money

Mean	945€
Median	750€
Interquartile Range	500€-1.200€

French Cruise Survey (n=557)

Mean	1.066€
Median	816€
Interquartile Range	500€-1.316€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q17: Consider this French summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is so inexpensive that you would question the quality and not consider it?

Mean	618€
Median	450€
Interquartile Range	250€-800€

French Cruise Survey (n=557)

Mean	1.983€
Median	500€
Interquartile Range	300€-860€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q18: Consider this International summer cruise profile for the following question

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is too expensive to consider?

Mean	1.922€
Median	1.500€
Interquartile Range	900€-2.500€

French Cruise Survey (n=557)

Mean	2.240€
Median	1.632€
Interquartile Range	1.000€-2.667€

International Cruise Survey (n=732)

*Means include possible outliers

Appendix: Survey Questions – Pricing

Q18: Consider this International summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is getting expensive, but you still might consider it?

Mean	1426€
Median	1.000€
Interquartile Range	700€-1.800€

French Cruise Survey (n=557)

Mean	1.567€
Median	1.174€
Interquartile Range	750€-1.919€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q18: Consider this International summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is a bargain – a great buy for the money

Mean	1.050€
Median	800€
Interquartile Range	500€-1.400€

French Cruise Survey (n=557)

Mean	1.108€
Median	853€
Interquartile Range	526€-1.316€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q18: Consider this International summer cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Mediterranean
Time	In the summer
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is so inexpensive that you would question the quality and not consider it?

Mean	743€
Median	500€
Interquartile Range	300€-878€

French Cruise Survey (n=557)

Mean	706€
Median	500€
Interquartile Range	300€-824€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q19: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is too expensive to consider?

Mean	2.157€
Median	1.800€
Interquartile Range	1.000€-2.500€

French Cruise Survey (n=557)

Mean	2.566€
Median	1.962€
Interquartile Range	1.200€-3.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q19: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is getting expensive, but you still might consider it?

Mean	1.606€
Median	1.300€
Interquartile Range	800€-2.000€

French Cruise Survey (n=557)

Mean	1.805€
Median	1.374€
Interquartile Range	900€-2.100€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q19: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is a bargain – a great buy for the money

Mean	1.210€
Median	1.000€
Interquartile Range	580€-1.000€

French Cruise Survey (n=557)

Mean	1.318€
Median	1.000€
Interquartile Range	658€-1.635€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q19: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	Tailor-Made French Cruise

At what price would you begin to think the product is so inexpensive that you would question the quality and not consider it?

Mean	743€
Median	500€
Interquartile Range	300€-1.000€

French Cruise Survey (n=557)

Mean	470€
Median	654€
Interquartile Range	395€-1.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q20: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is too expensive to consider?

Mean	2.245€
Median	1.700€
Interquartile Range	1.000€-2.500€

French Cruise Survey (n=557)

Mean	2.442€
Median	1.832€
Interquartile Range	1.100€-3.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q20: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is getting expensive, but you still might consider it?

Mean	1.570€
Median	1.200€
Interquartile Range	800€-2.000€

French Cruise Survey (n=557)

Mean	1.726€
Median	1.316€
Interquartile Range	855€-2.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q20: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is a bargain – a great buy for the money

Mean	1.162€
Median	1.000€
Interquartile Range	600€-1.500€

French Cruise Survey (n=557)

Mean	1.238€
Median	987€
Interquartile Range	600€-1.500€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q20: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	French-Style Cruise

At what price would you begin to think the product is so inexpensive that you would question the quality and not consider it?

Mean	725€
Median	500€
Interquartile Range	300€-900€

French Cruise Survey (n=557)

Mean	1.017€
Median	646€
Interquartile Range	395€-987€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q21: Consider this International winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is too expensive to consider?

Mean	2.122€
Median	1.750€
Interquartile Range	1.000€ - 2.500€

French Cruise Survey (n=557)

Mean	2.675€
Median	1.962€
Interquartile Range	1.184€-3.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q21: Consider this International winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is getting expensive, but you still might consider it?

Mean	1.640€
Median	1.250€
Interquartile Range	800€-2.000€

French Cruise Survey (n=557)

Mean	1.834€
Median	1.374€
Interquartile Range	900€-2.180€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q21: Consider this International winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is a bargain – a great buy for the money

Mean	1.213€
Median	1.000€
Interquartile Range	600€-1.500€

French Cruise Survey (n=557)

Mean	1.335€
Median	1.000€
Interquartile Range	650€-1.635€

International Cruise Survey (n=732)

Appendix: Survey Questions – Pricing

Q21: Consider this French winter cruise profile for the following question:

Duration	7 nights
Package	Standard all-inclusive (Meals, both non-alcoholic and standard alcoholic beverages)
Destination	Caribbean
Time	In the winter
Room type	Interior room
Cruise Type	International Cruise Experience

At what price would you begin to think the product is so inexpensive that you would question the quality and not consider it?

Mean	778€
Median	500€
Interquartile Range	300€-1.000€

French Cruise Survey (n=557)

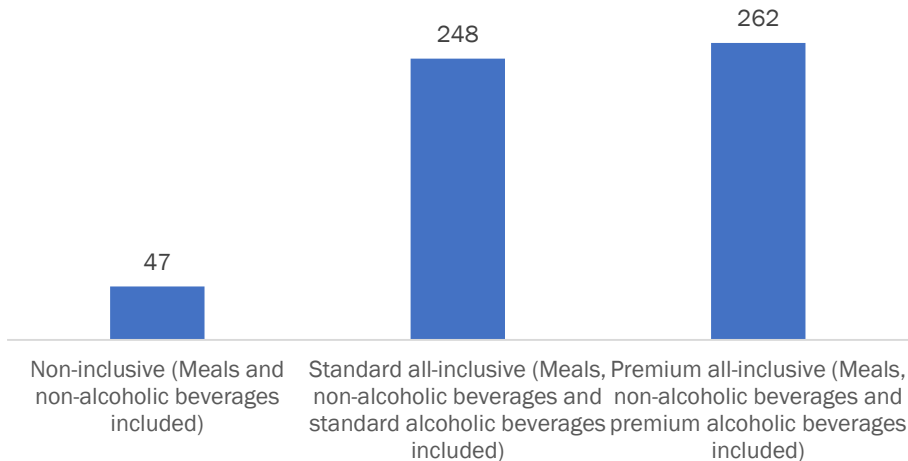
Mean	839€
Median	600€
Interquartile Range	349€-1.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

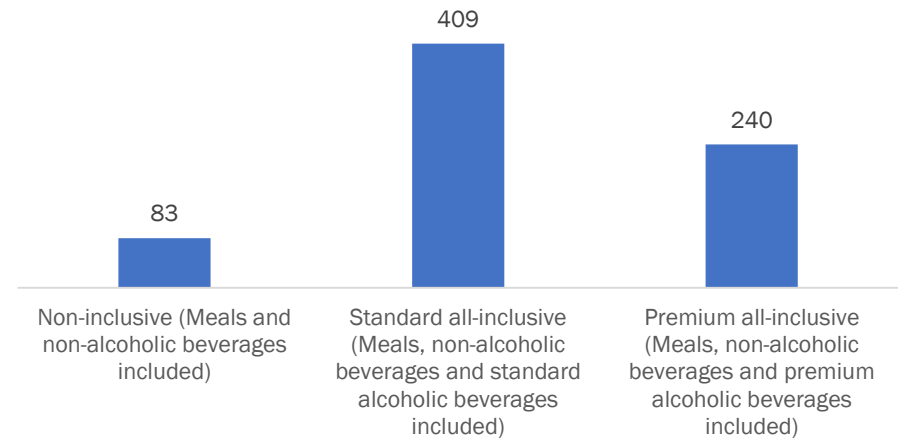
Q22: Which of the following package are the most likely for you to include in your cruise experience?

What package would you choose for your cruise experience?



French Cruise Survey (n=557)

What package would you choose for your cruise experience?



International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q23: At what price would you begin to think the premium all-inclusive package (meals, non-alcoholic beverages and premium alcoholic beverages included) is..... too expensive to consider?

Mean	1.625€
Median	1.000€
Interquartile Range	500€-2.500€

French Cruise Survey (n=557)

Mean	1.975€
Median	1.316€
Interquartile Range	600€ - 2.961€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q23: At what price would you begin to think the premium all-inclusive package (meals, non-alcoholic beverages and premium alcoholic beverages included) is..... getting expensive, but you still might consider it?

Mean	1.263€
Median	900€
Interquartile Range	300€-1.800€

French Cruise Survey (n=557)

Mean	1.675€
Median	1.085€
Interquartile Range	465€-2.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q23: At what price would you begin to think the premium all-inclusive package (meals, non-alcoholic beverages and premium alcoholic beverages included) is.....a bargain – a great buy for the money?

Mean	952€
Median	650€
Interquartile Range	200€-1.300€

French Cruise Survey (n=557)

Mean	1.118€
Median	872€
Interquartile Range	324€- 1.600€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q23: At what price would you begin to think the premium all-inclusive package (meals, non-alcoholic beverages and premium alcoholic beverages included) is.....so inexpensive that you would question the quality and not consider it?

Mean	611€
Median	350€
Interquartile Range	100€-800€

French Cruise Survey (n=557)

Mean	1.605€
Median	500€
Interquartile Range	150€- 1.000€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q24: If you already purchased a standard all-inclusive package (meals, non-alcoholic beverages and standard alcoholic beverages), how much more would you pay for the following premium options?

	Per Drink		Per Day	
	Mean		Mean	
Premium wine	Mean	37€	Mean	67€
	Median	8€	Median	15€
	IQR	2€-16€	IQR	5€-30€
Premium beer	Mean	16€	Mean	40€
	Median	5€	Median	10€
	IQR	1€-10€	IQR	2€-25€
Premium liquor	Mean	18€	Mean	33€
	Median	6€	Median	15€
	IQR	1€-20€	IQR	1€-30€

French Cruise Survey (n=557)

	Per Drink		Per Day	
	Mean		Mean	
Premium wine	Mean	267€	Mean	111€
	Median	5€	Median	15€
	IQR	2€-15€	IQR	7€-46€
Premium beer	Mean	195€	Mean	19€
	Median	4€	Median	10€
	IQR	2€-10€	IQR	5€-20€
Premium liquor	Mean	155€	Mean	24€
	Median	5€	Median	10€
	IQR	3€-12€	IQR	5€-25€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q24: If you already purchased a non-inclusive package (meals and non-alcoholic beverages included), how much would you pay for the following drinks?

	Per Drink		Per Day (for unlimited drinks)	
	Mean		Mean	
Wine	Mean	5€	Mean	9€
	Median	3€	Median	7€
	IQR	0€-8€	IQR	0€-15€
Beer	Mean	2€	Mean	5€
	Median	2€	Median	1€
	IQR	0€-4€	IQR	0€-10€
Liquor	Mean	3€	Mean	6€
	Median	0€	Median	0€
	IQR	0€-5€	IQR	0€-10€

French Cruise Survey (n=557)

	Per Drink		Per Day (for unlimited drinks)	
	Mean		Mean	
Wine	Mean	10,7€	Mean	32,7€
	Median	4.6€	Median	9,2€
	IQR	2,5€-9,2€	IQR	4,6€-19,7€
Beer	Mean	14,6€	Mean	11,1€
	Median	5,8€	Median	6,6€
	IQR	2,6€-18,3€	IQR	1€-18€
Liquor	Mean	13,5€	Mean	16,8€
	Median	4,7€	Median	6,6€
	IQR	2€-13,3€	IQR	1€-18,1€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q24: If you already purchased a non-inclusive package (meals and non-alcoholic beverages included), how much would you pay for the following drinks? *continued*

	Per Drink		Per Day (for unlimited drinks)	
	Mean		Mean	
Premium wine	Mean	8€	Mean	14€
	Median	0€	Median	0€
	IQR	0€-10€	IQR	0€-23€
Premium beer	Mean	4€	Mean	8€
	Median	0€	Median	0€
	IQR	0€-6€	IQR	0€-11€
Premium liquor	Mean	6€	Mean	13€
	Median	0€	Median	0€
	IQR	0€-8€	IQR	0€-14€

French Cruise Survey (n=557)

	Per Drink		Per Day (for unlimited drinks)	
	Mean		Mean	
Premium wine	Mean	17,1€	Mean	22,6€
	Median	8.1€	Median	10€
	IQR	3,9€-18,3€	IQR	2,7€ - 23,3€
Premium beer	Mean	4,2€	Mean	15,9€
	Median	3,9€	Median	10€
	IQR	2€-5,3€	IQR	4€-23,3€
Premium liquor	Mean	9,4€	Mean	77,6€
	Median	3,9€	Median	9,5€
	IQR	0,5€-5,8€	IQR	1,5€-23€

International Cruise Survey (n=732)

Appendix: Survey Questions – Package Pricing

Q25: If you purchased a non-inclusive package, roughly how many of the following beverages would you purchase everyday?

	Number	
Non-alcoholic beverages	Mean	12
	Median	3
	IQR	2-5
Wine	Mean	9
	Median	2
	IQR	1-3
Beer	Mean	7
	Median	1
	IQR	0-3
Liquor	Mean	9
	Median	1
	IQR	0-3

French Cruise Survey (n=557)

	Number	
Non-alcoholic beverages	Mean	101
	Median	4
	IQR	2-6
Wine	Mean	32
	Median	2
	IQR	1-3
Beer	Mean	25
	Median	1
	IQR	0-3
Liquor	Mean	24
	Median	1
	IQR	0-2

International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

Q26: How much in total did you spend per day on your last cruise trip (per person)?

How much total did you spend on your last cruise per day (per person)



French Cruise Survey (n=557)

How much in total did you spend per day on your last cruise trip (per person)?



International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

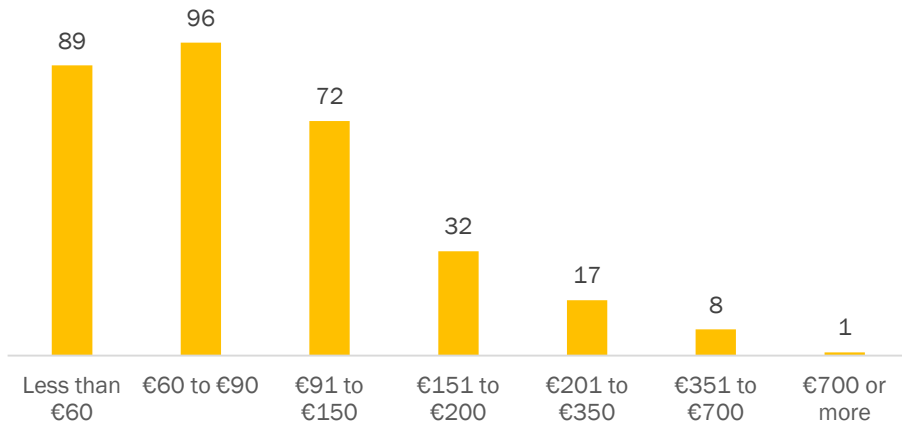
Q27: How much in total are you willing to spend per day on a cruise vacation (per person)?

How much total are you WILLING to spend per day (per person)



French Cruise Survey (n=557)

How much total are you WILLING to spend per day (per person)

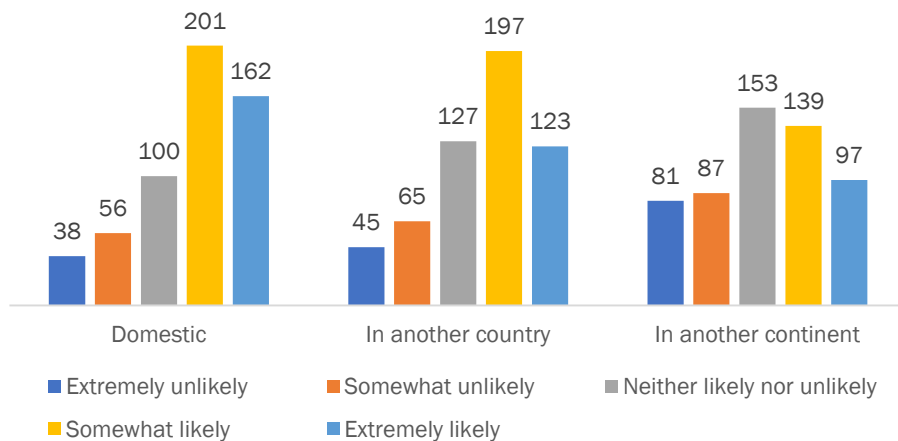


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

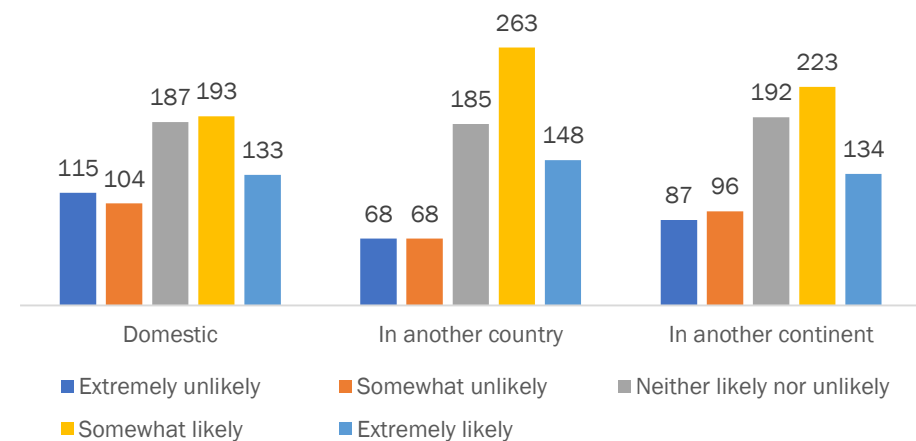
Q28: How likely are you to travel to a cruise port that is ... ? (1=Extremely unlikely to 5=Extremely likely)

How likely are you to travel to a cruise port that is...?



French Cruise Survey (n=557)

How likely are you to travel to a cruise port that is...?



International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

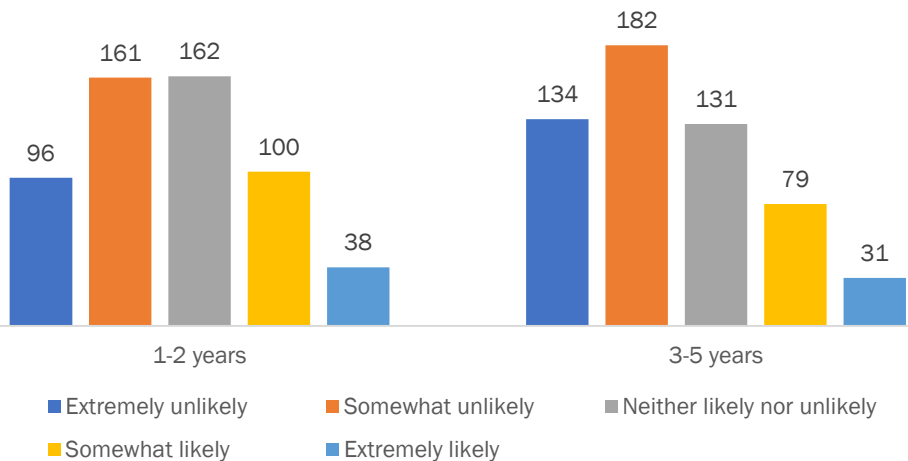
Q29-31: Please use these options for the following 3 questions:

	Tailor-Made French Cruise	French-Style Cruise	International Cruise Experience
Passenger Demographic	French (About 60% French)	International	International
Language Spoken by Staff and Entertainment	Predominantly French	All major languages	All major languages
Language (Signage and Announcements)	Predominantly French	Predominantly French	All major languages
Entertainment Theme	100% Culturally French	50% Culturally French, 50% International	100% Culturally International
Cuisine	All French meals and accoutrements	50% Culturally French, 50% International	Diverse set of International Cuisines
Interior Design	French-style	French-style	Generic

Appendix: Survey Questions – Cruise History and Preferences

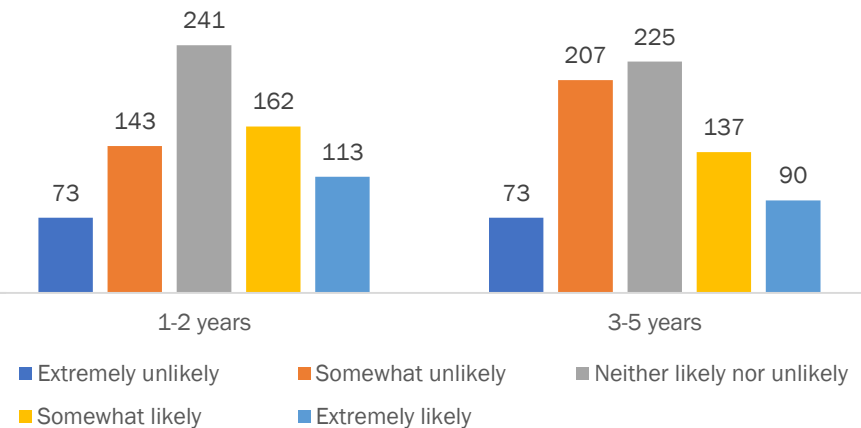
Q29: How likely are you to go on a Tailor-Made French Cruise? (1=Extremely unlikely to 5=Extremely likely)

How likely are you to go on a Tailor-Made French cruise?



French Cruise Survey (n=557)

How likely are you to go on a Tailor-Made French cruise?

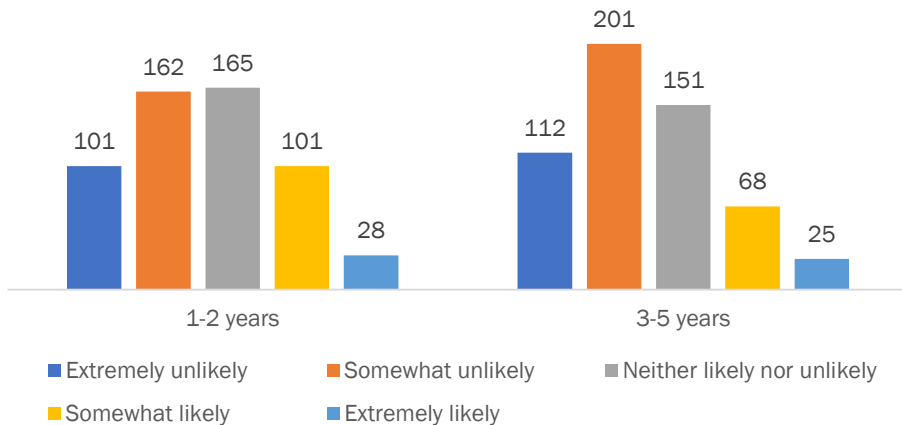


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

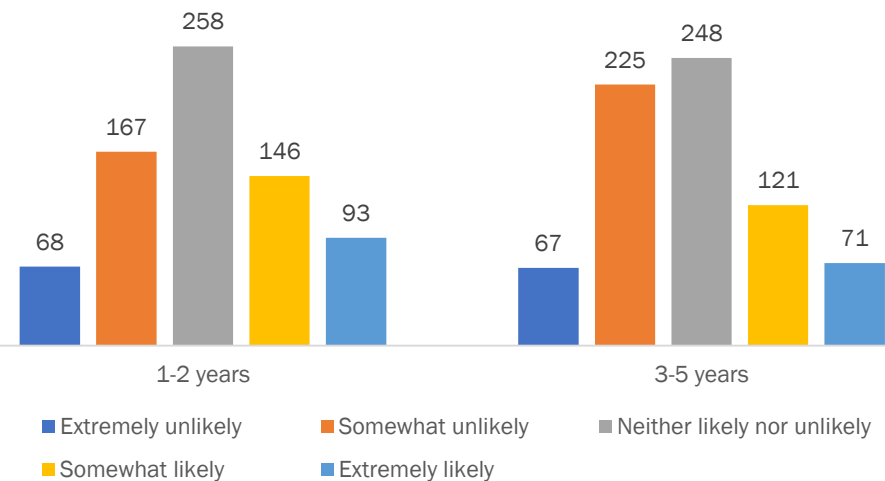
Q30: How likely are you to go on a French-Style Cruise? (1=Extremely unlikely to 5=Extremely likely)

How likely are you to go on a French-Style cruise?



French Cruise Survey (n=557)

How likely are you to go on a French-Style cruise?

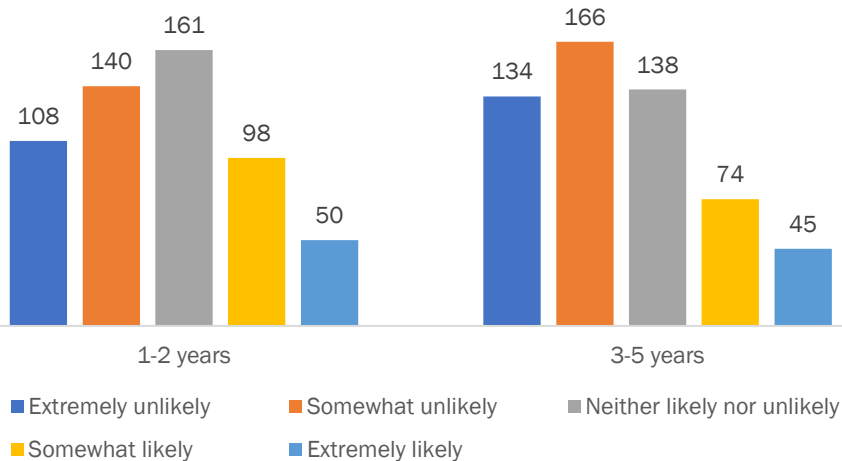


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

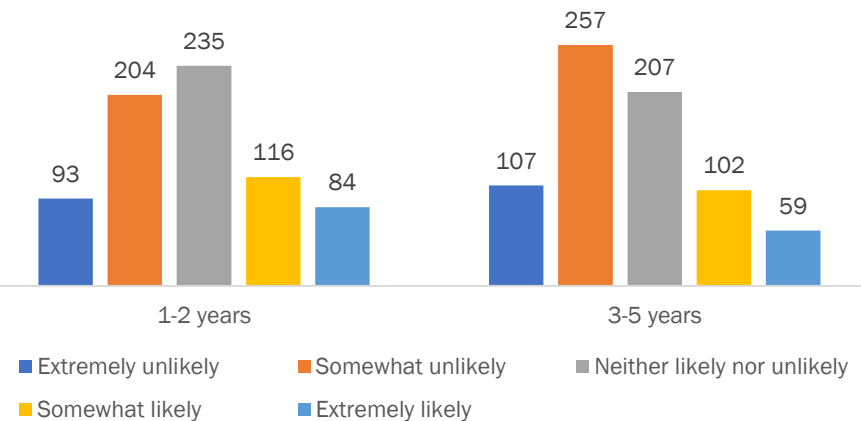
Q31: How likely are you to go on an International Cruise Experience?
 (1=Extremely unlikely to 5=Extremely likely)

How likely are you to go on an International cruise?



French Cruise Survey (n=557)

How likely are you to go on an international cruise?

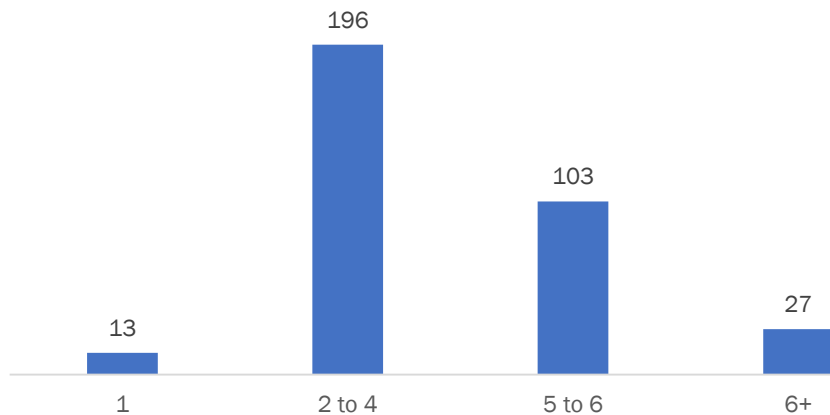


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

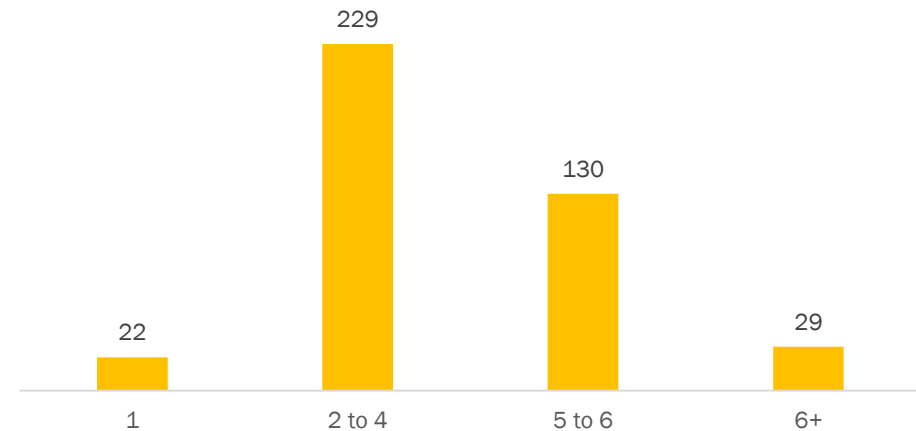
Q32: How many new ports do you like to visit in one cruise trip?

How many new ports would you like to visit in one cruise trip?



French Cruise Survey (n=557)

How many new ports would you like to visit in one cruise trip?

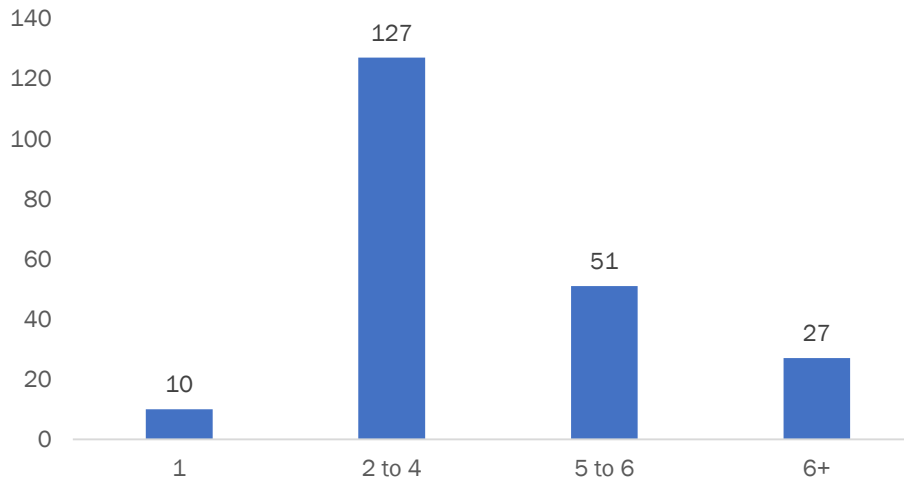


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

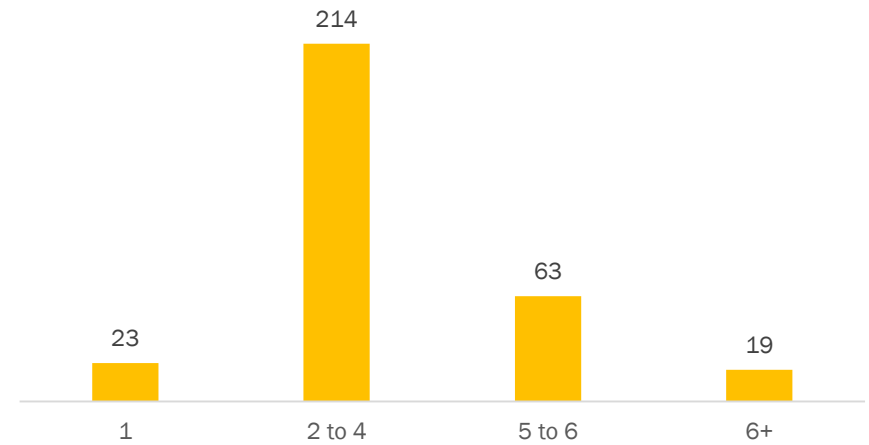
Q33: How many new locations do you like to visit in one vacation?

How many new locations would you like to visit in one vacation?



French Cruise Survey (n=557)

How many new locations would you like to visit in one vacation?

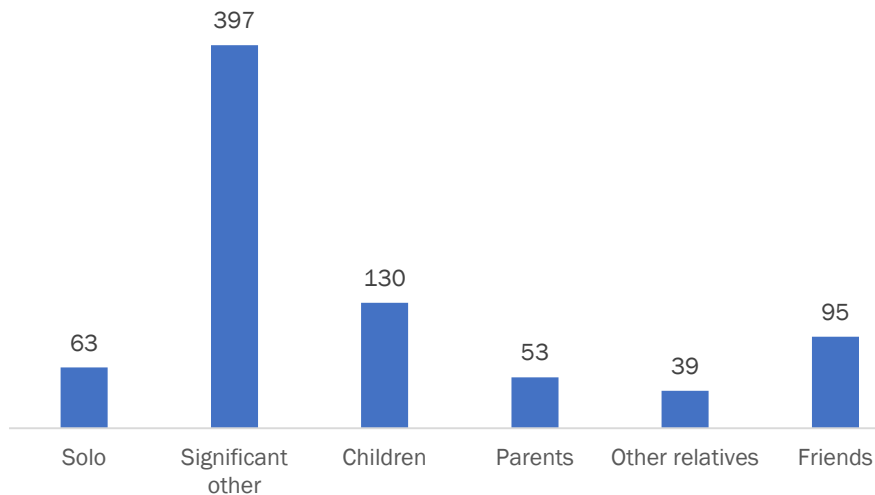


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

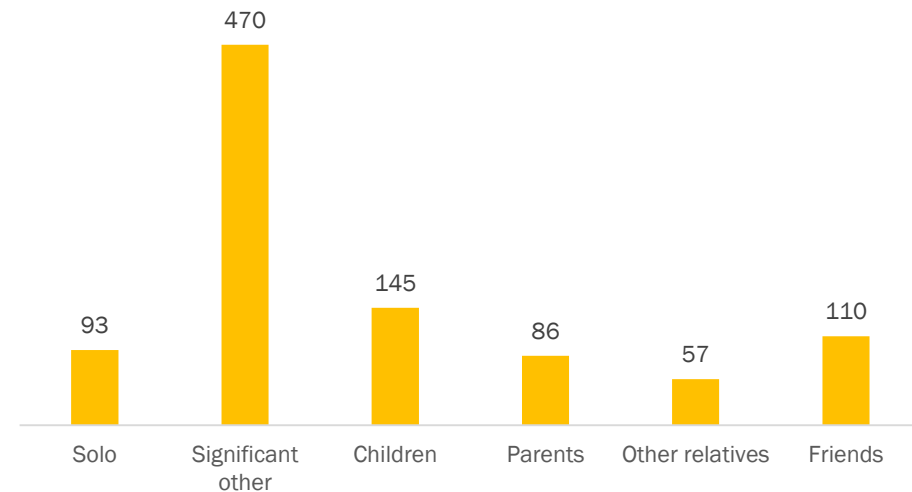
Q34: With whom did you travel on your last cruise vacation? (Click all that apply)

With whom did you travel with your last cruise?



French Cruise Survey (n=557)

With whom did you travel with your last cruise?

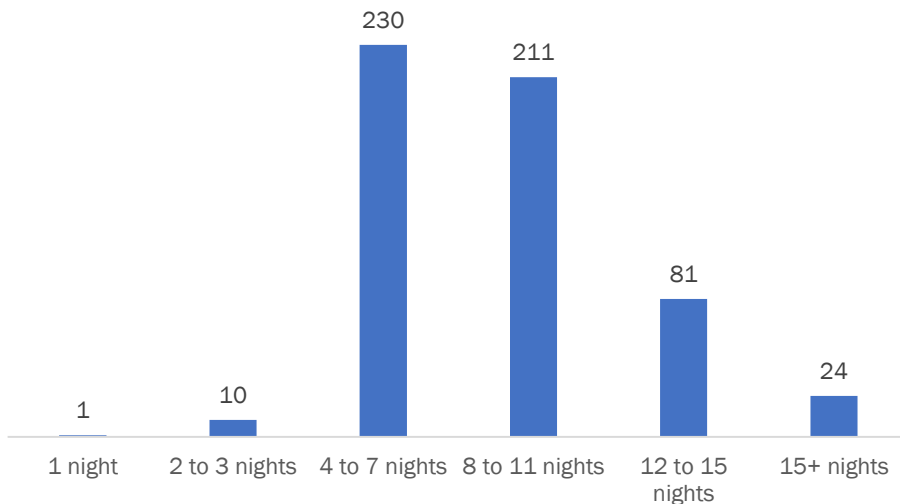


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

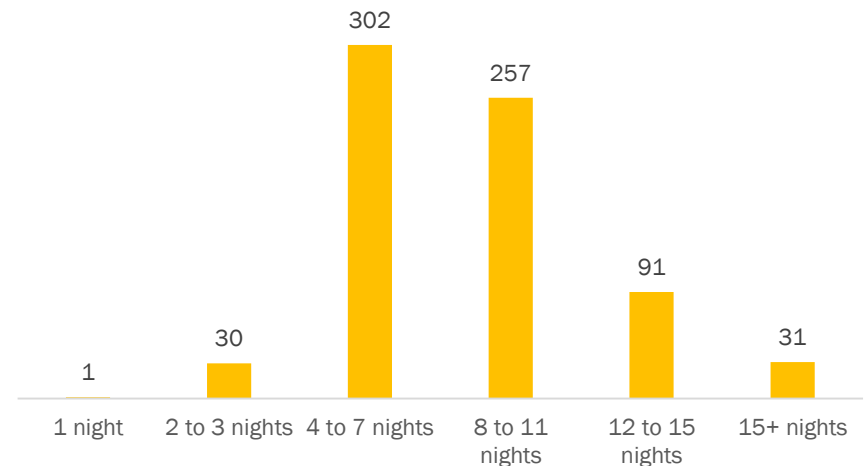
Q35: If you were to go on a cruise, what would be your preferred cruise vacation length?

Preferred cruise vacation length



French Cruise Survey (n=557)

Preferred cruise vacation length

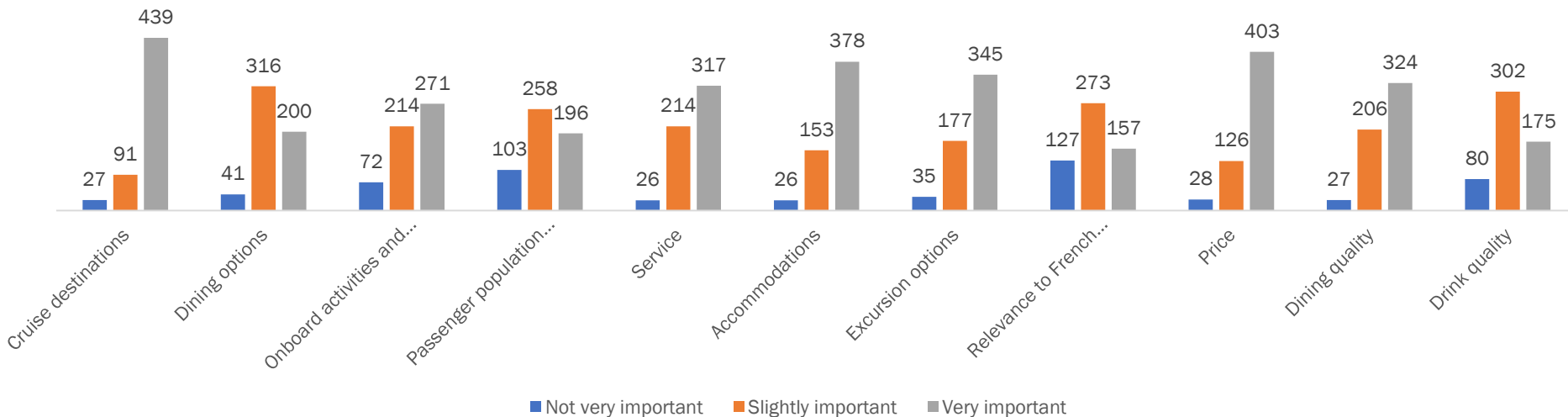


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

Q36: Which factors would influence your decision in selecting a cruise? French Cruise Survey (n=557)

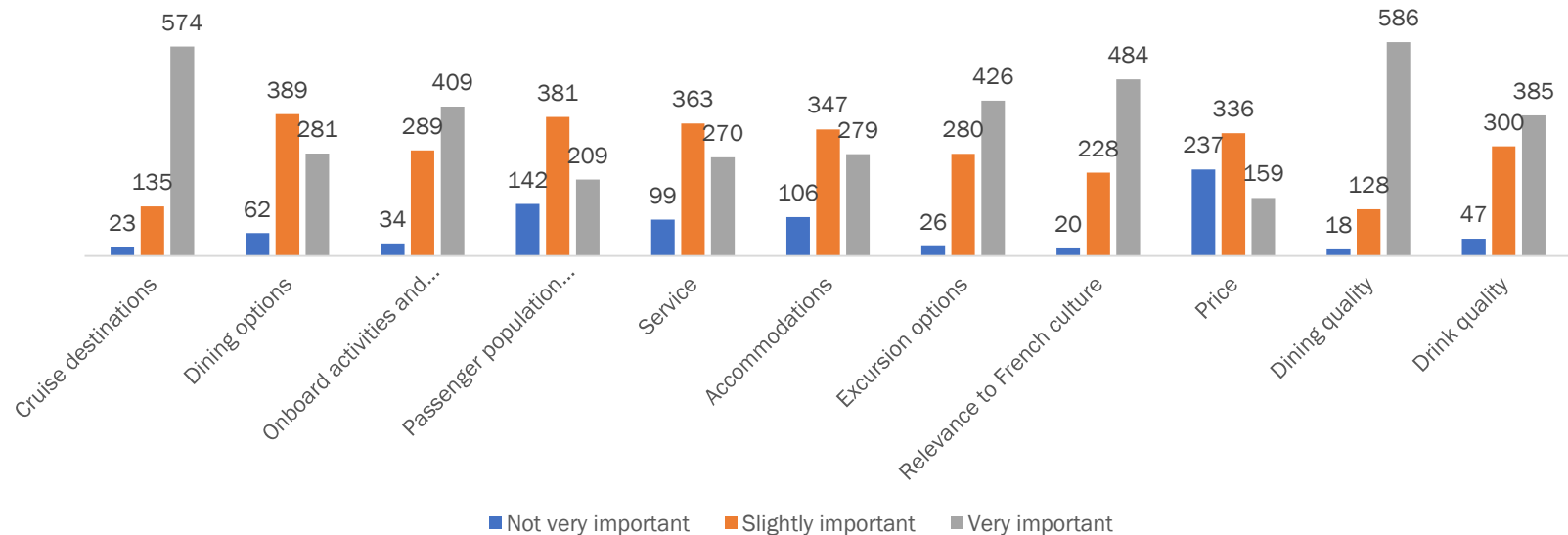
Factors influence decisions when choosing cruise



Appendix: Survey Questions – Cruise History and Preferences

Q36: Which factors would influence your decision in selecting a cruise?
International Cruise Survey (n=732)

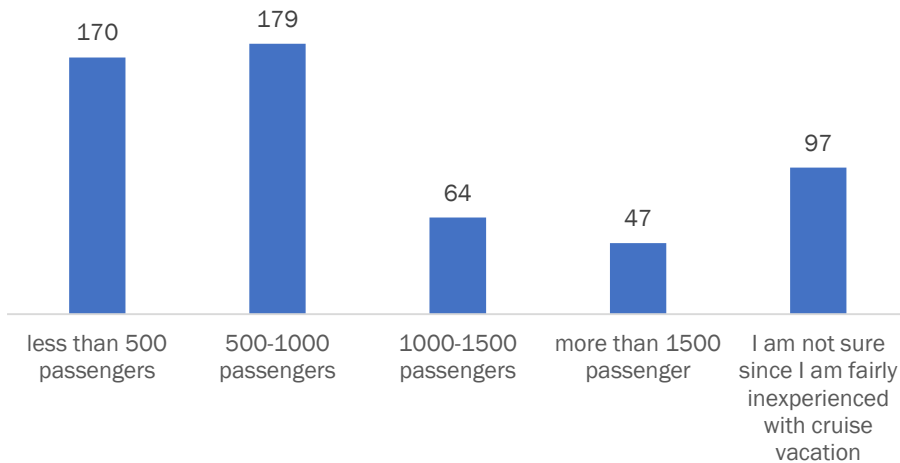
Factors influence decisions when choosing cruise



Appendix: Survey Questions – Cruise History and Preferences

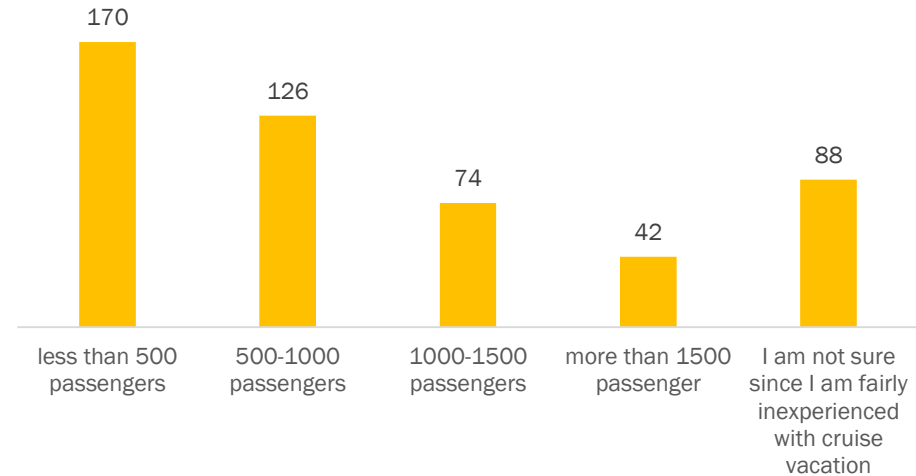
Q45: A cruise ship with _____ capacity would attract to me the most.

A cruise ship with _____ capacity would attract me the most



French Cruise Survey (n=557)

A cruise ship with _____ capacity would attract me the most

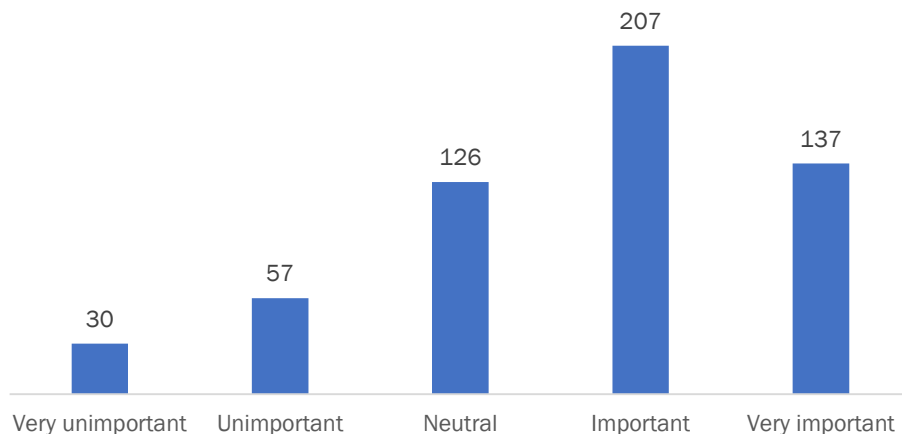


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

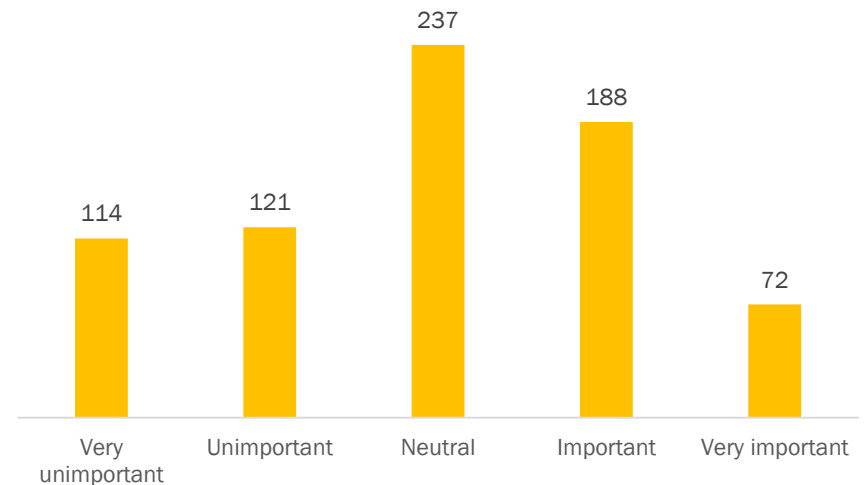
Q46: How important is it if the announcements, signage, & crew members speak French?

How important is it that announcements, signage, and crew speak French?



French Cruise Survey (n=557)

How important is it that announcements, signage, and crew speak French?

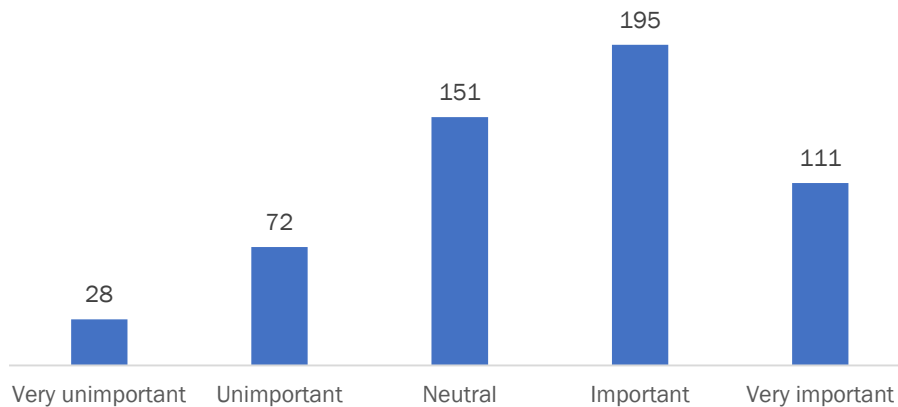


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

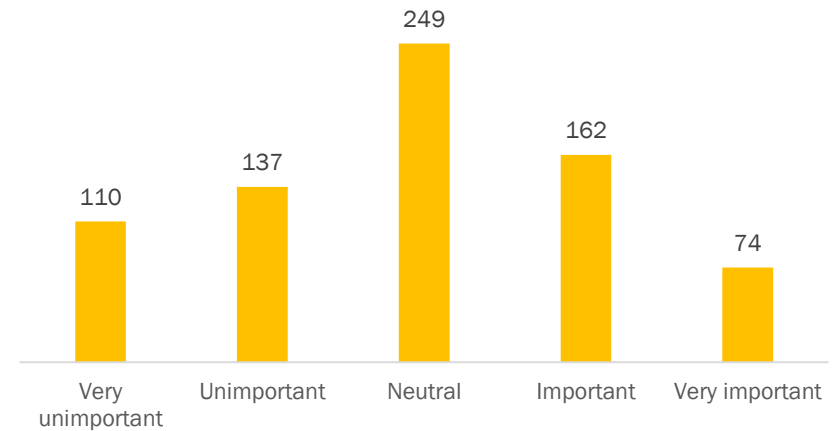
Q47: How important is it if the entertainments are in French?

How important is it if entertainments are in French?



French Cruise Survey (n=557)

How important is it that entertainments are in French?

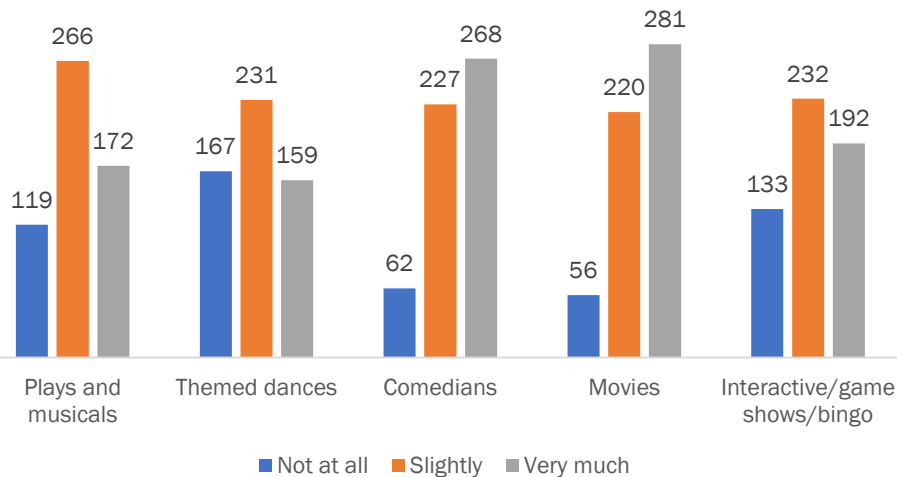


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

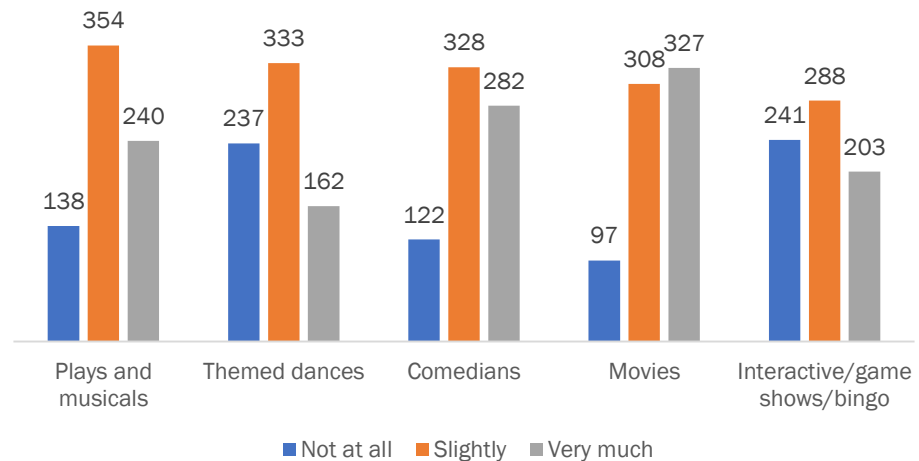
Q48: How do the following entertainments interest you?

How do the following entertainments interest you?



French Cruise Survey (n=557)

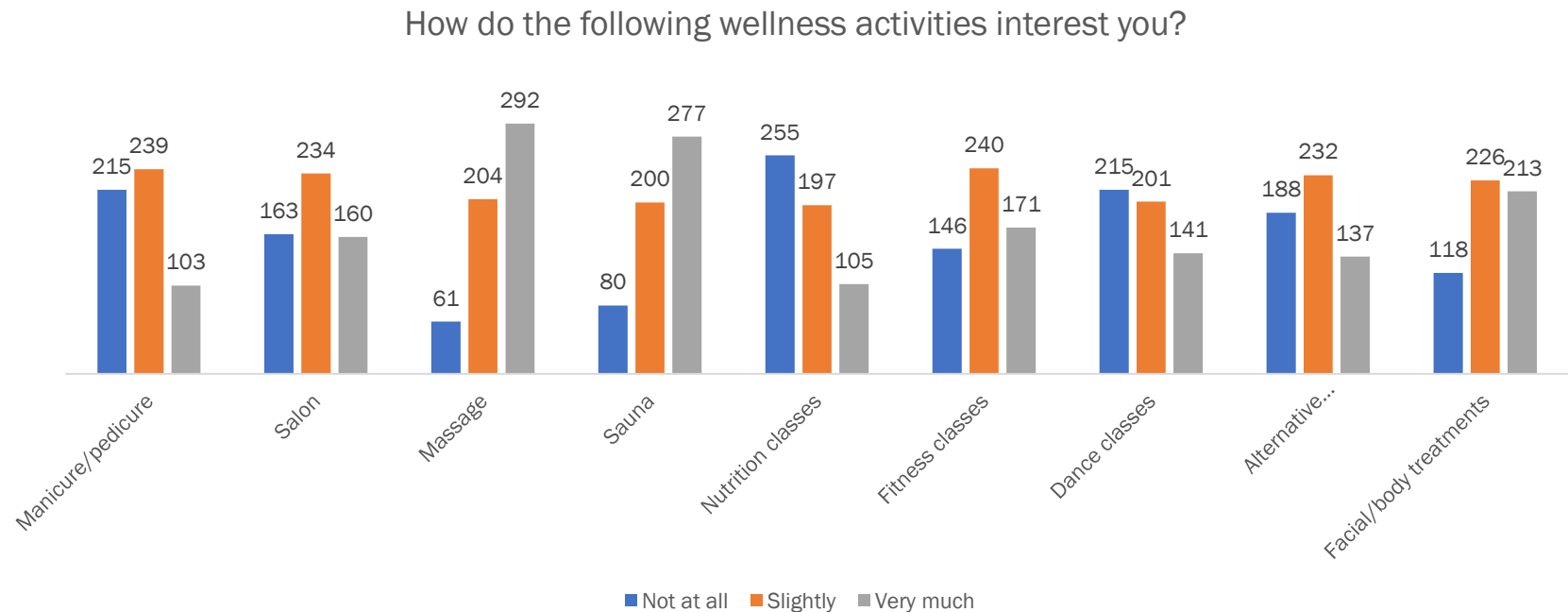
How do the following entertainments interest you?



International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

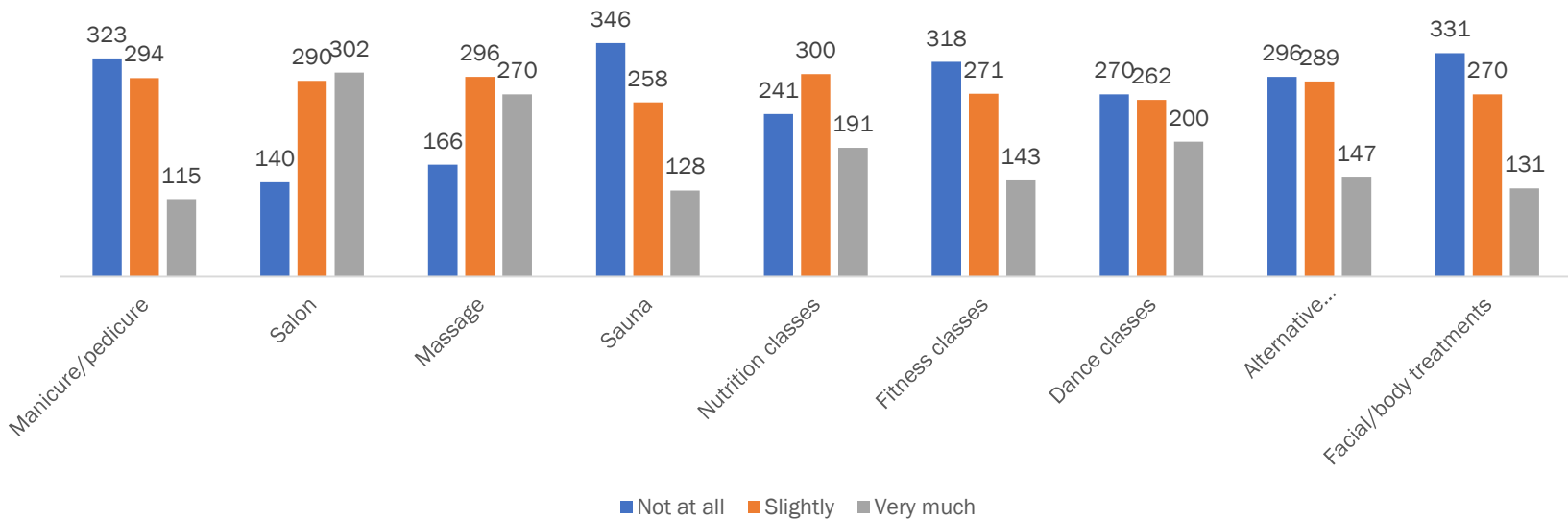
Q49: How do the following wellness activities interest you? French Cruise Survey (n=557)



Appendix: Survey Questions – Cruise History and Preferences

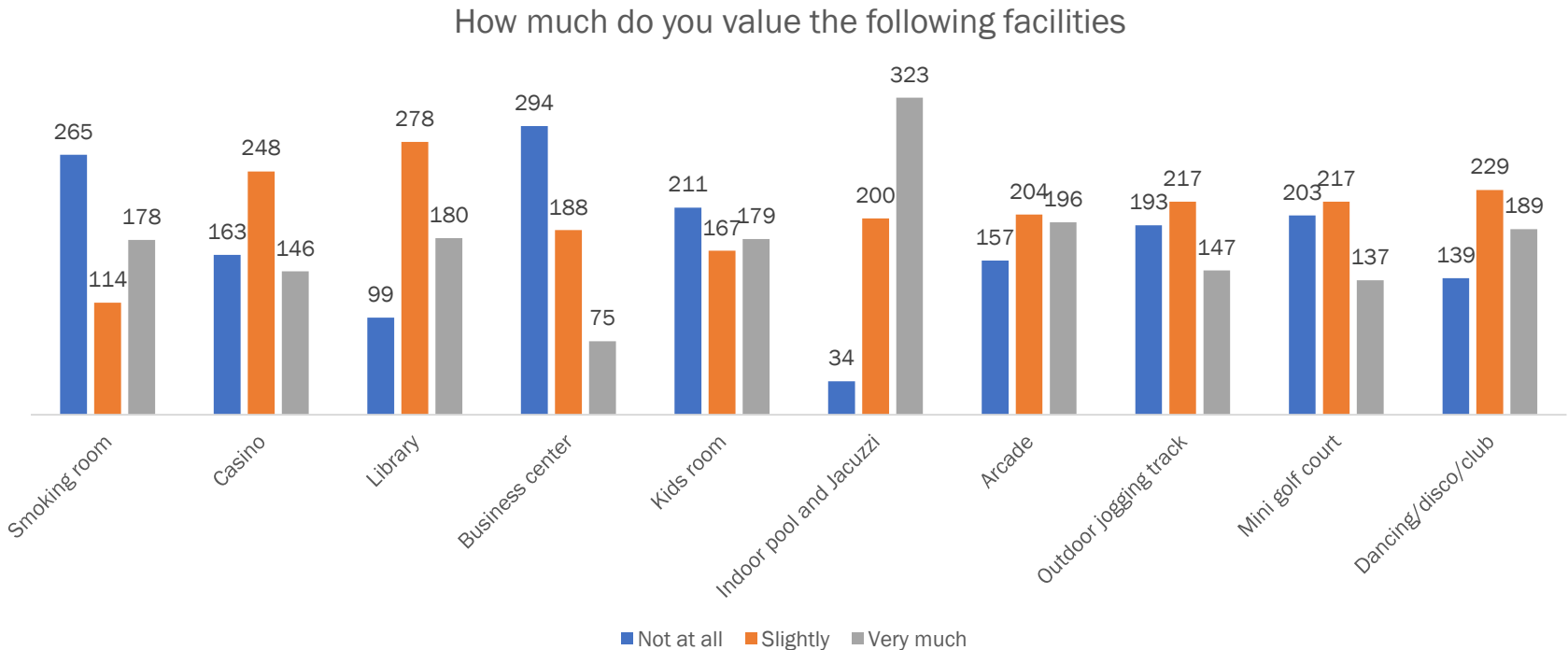
Q49: How do the following wellness activities interest you? International Cruise Survey (n=732)

How do the following wellness activities interest you?



Appendix: Survey Questions – Cruise History and Preferences

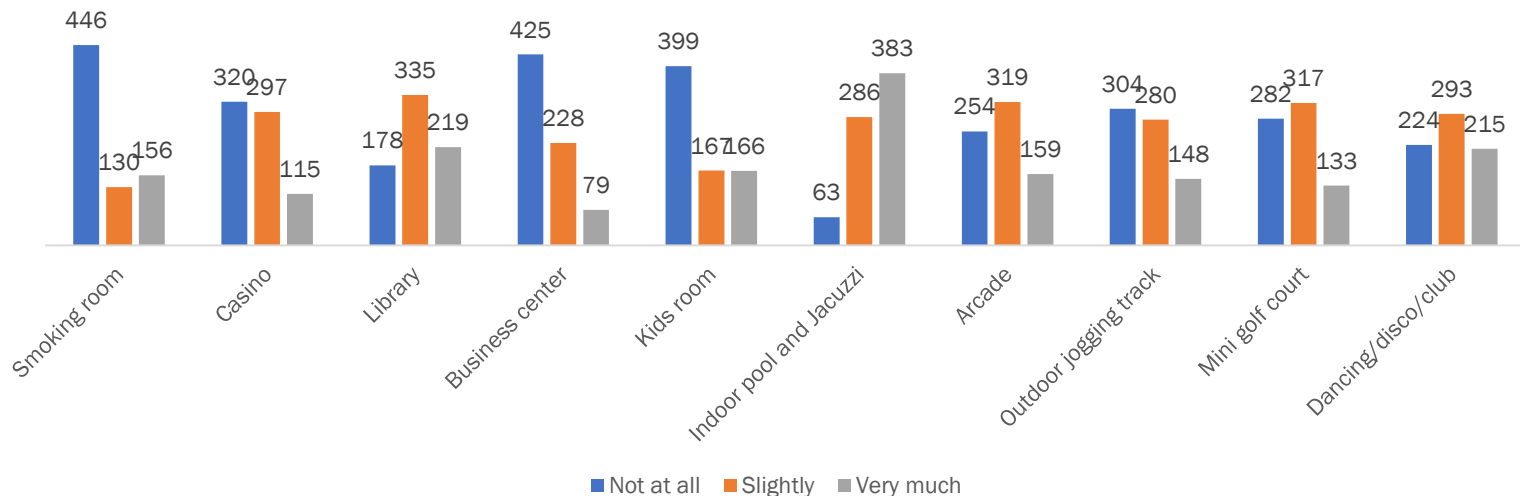
Q50: How much do you value the following facilities? French Cruise Survey (n=557)



Appendix: Survey Questions – Cruise History and Preferences

Q50: How much do you value the following facilities? International Cruise Survey (n=732)

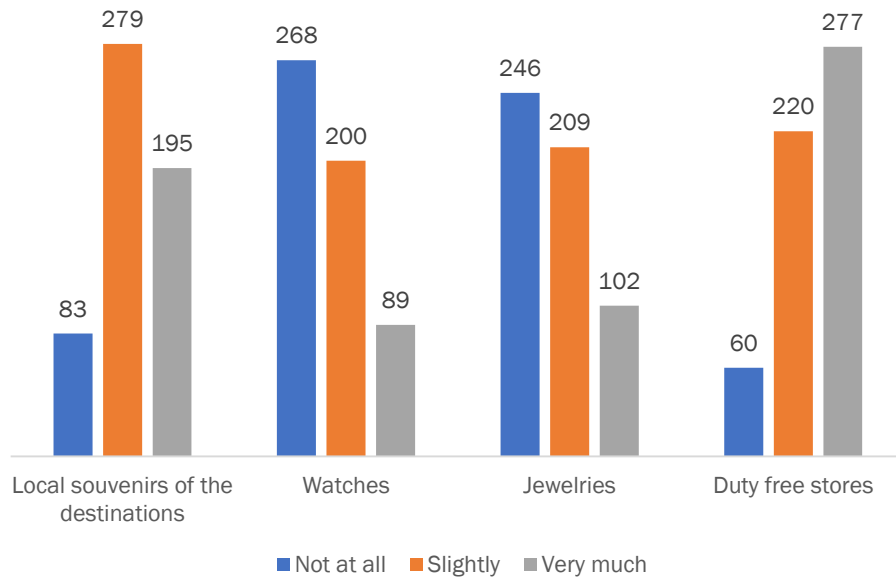
How much do you value the following facilities?



Appendix: Survey Questions – Cruise History and Preferences

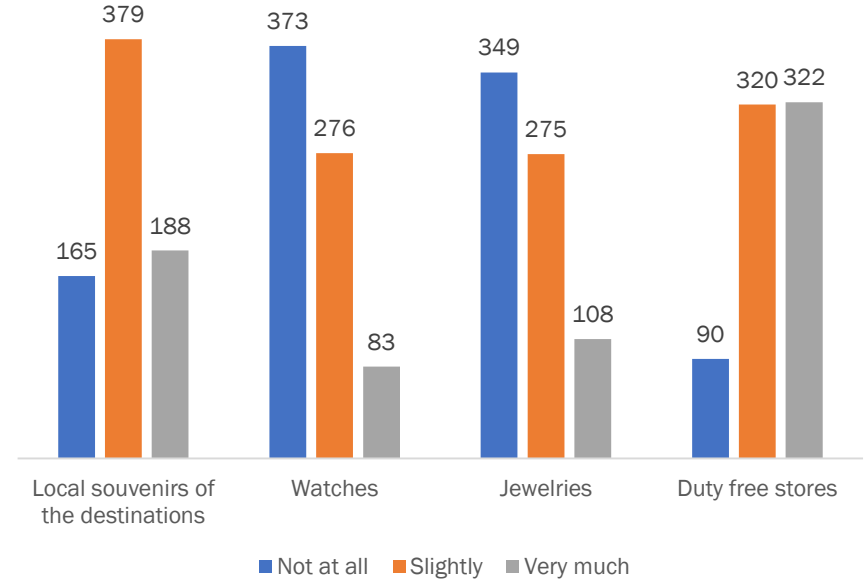
Q51: How do the following types of onboard shops interest you?

How do the following onboard shops interest you?



French Cruise Survey (n=557)

How do the following onboard shops interest you?

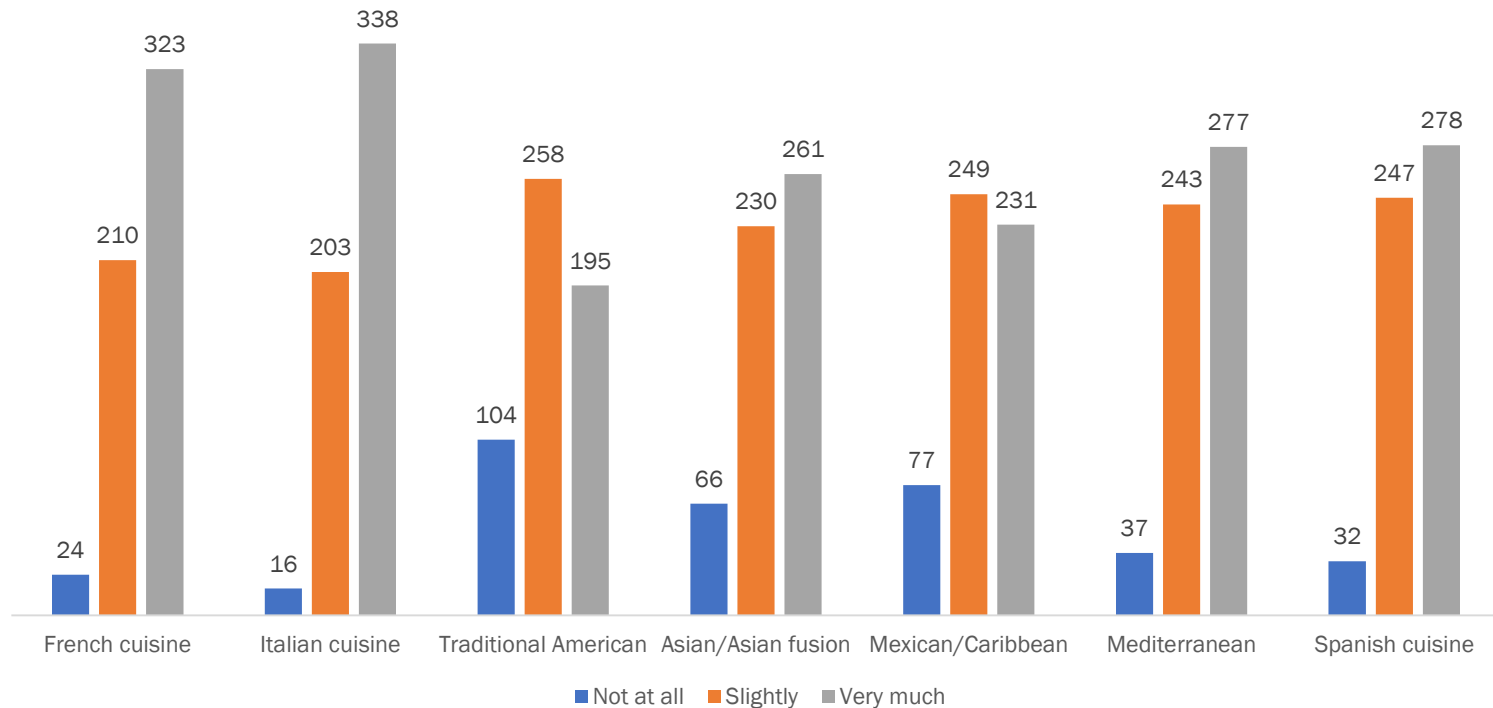


International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

Q52: How much do you prefer to have the following cuisine(s) on a cruise? French Cruise Survey (n=557)

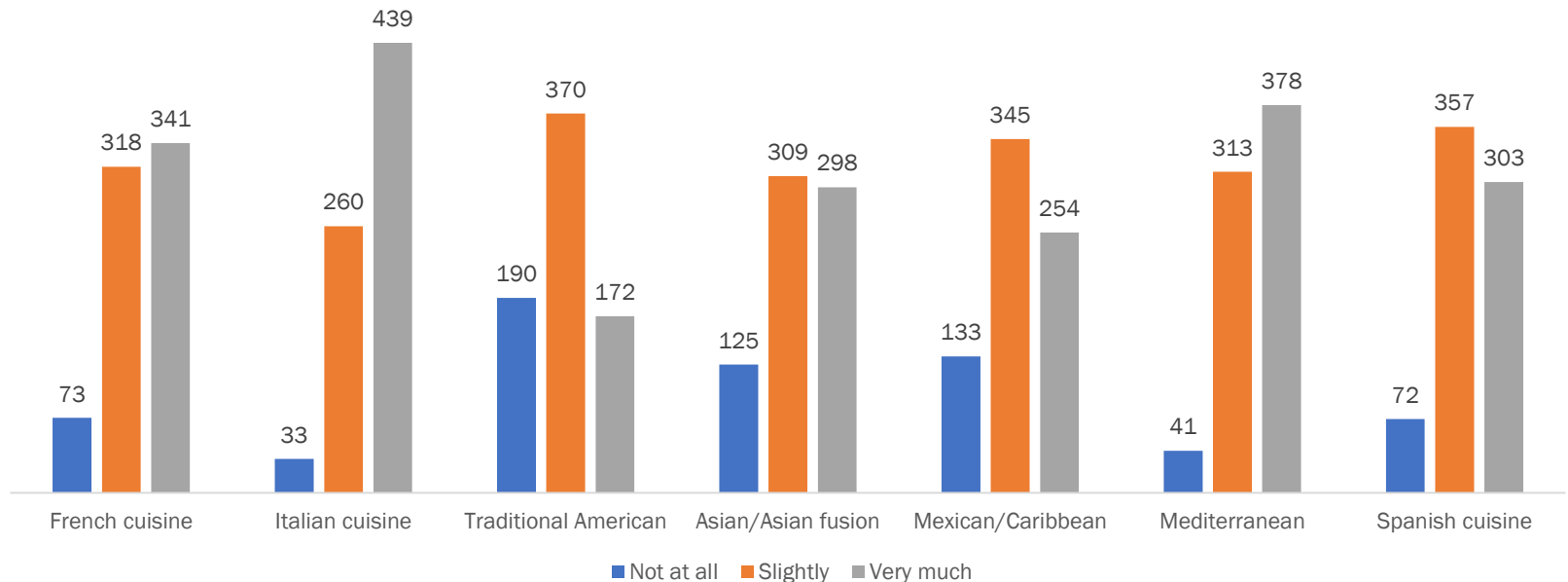
How much do you prefer to have the following cuisine(s) on a cruise?



Appendix: Survey Questions – Cruise History and Preferences

Q52: How much do you prefer to have the following cuisine(s) on a cruise?
International Cruise Survey (n=732)

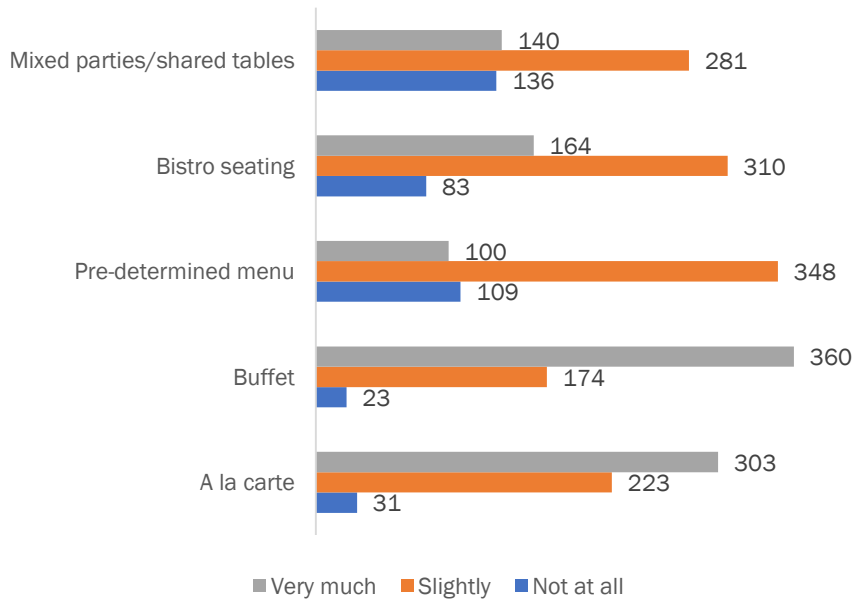
How much do you prefer to have the following cuisine(s) on a cruise?



Appendix: Survey Questions – Cruise History and Preferences

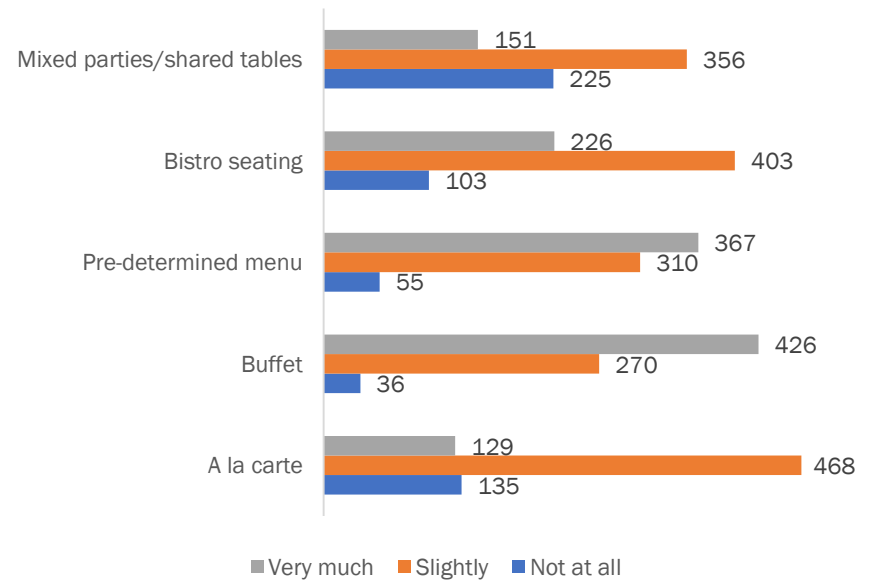
Q53: How much do you value the following options regarding dining styles and seating types?

How much do you value the following options regarding dining styles and seating types



French Cruise Survey (n=557)

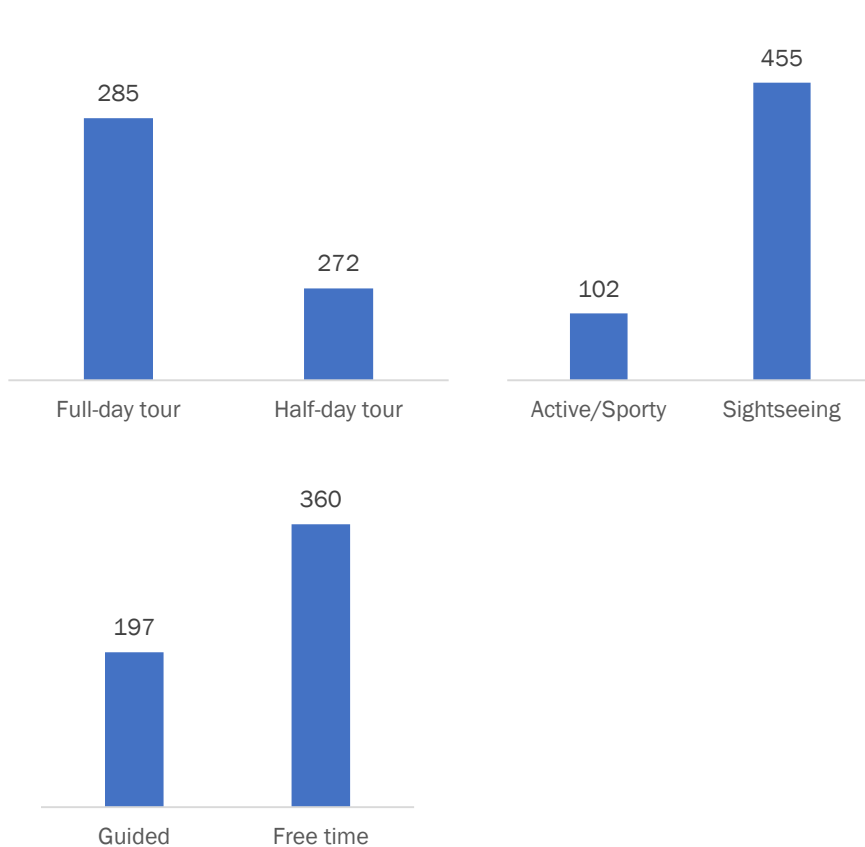
How much do you value the following options regarding dining styles and seating types?



International Cruise Survey (n=732)

Appendix: Survey Questions – Cruise History and Preferences

Q54: What types of shore excursion would you prefer?



French Cruise Survey (n=557)

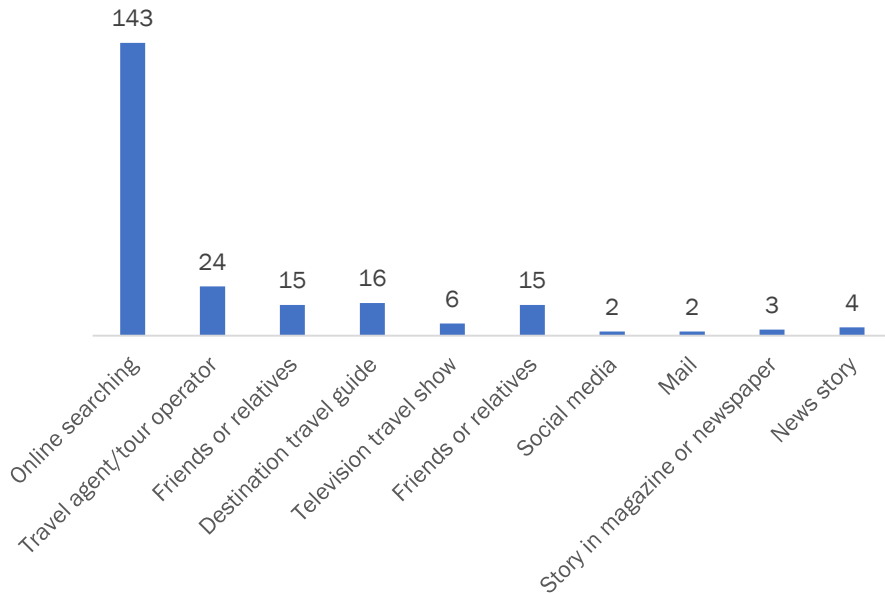


International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

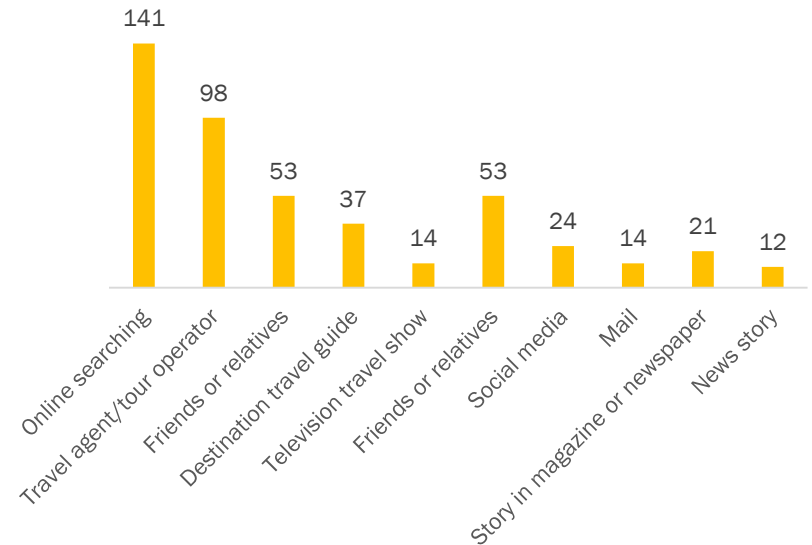
Q57: Where did you find out about your last cruise trip?

Where did you find out about the last cruise?



French Cruise Survey (n=557)

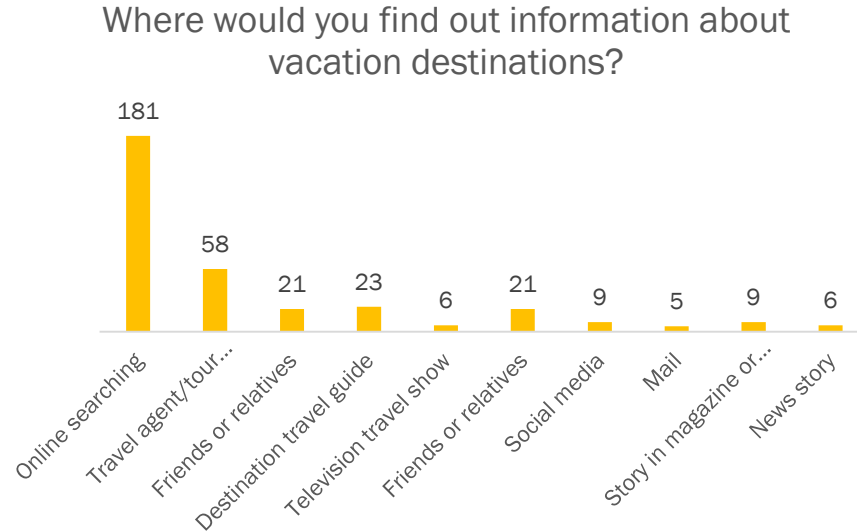
Where did you find out about the last cruise?



International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

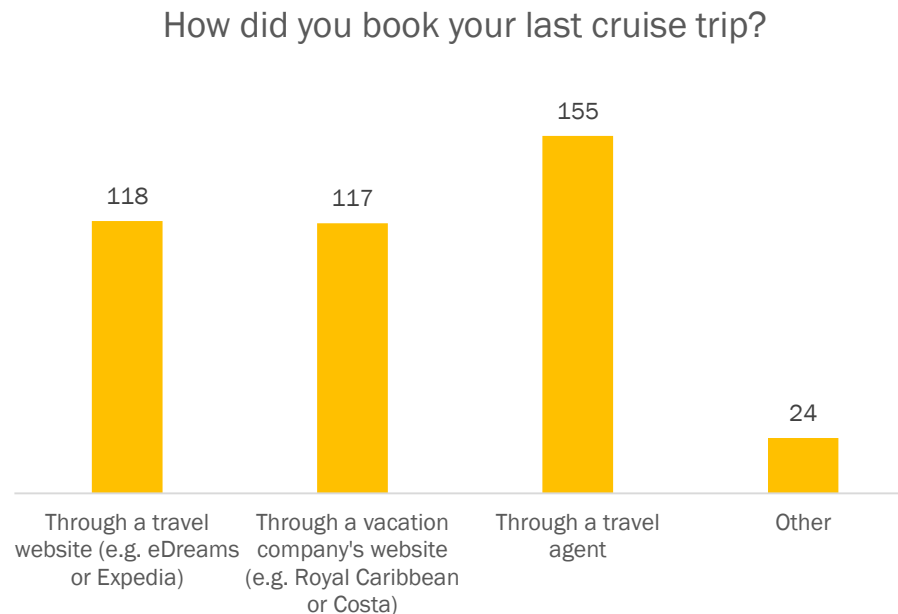
Q58: Where did you find out information about vacation destinations?



International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

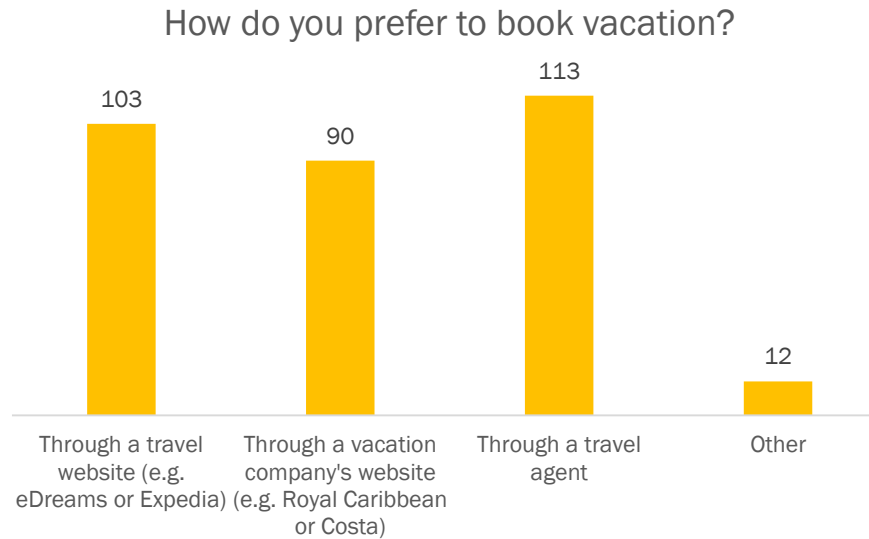
Q58: How did you book your last cruise trip?



International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

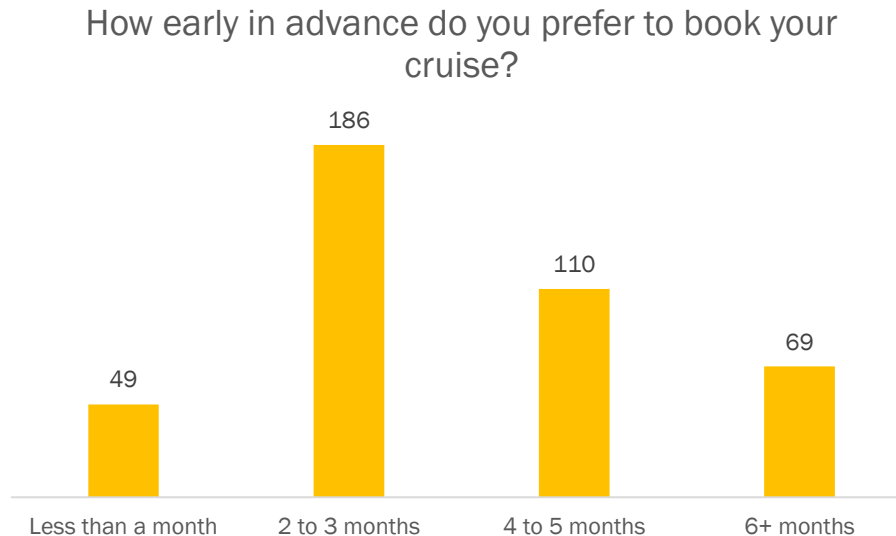
Q59: How do you prefer to book vacations?



International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

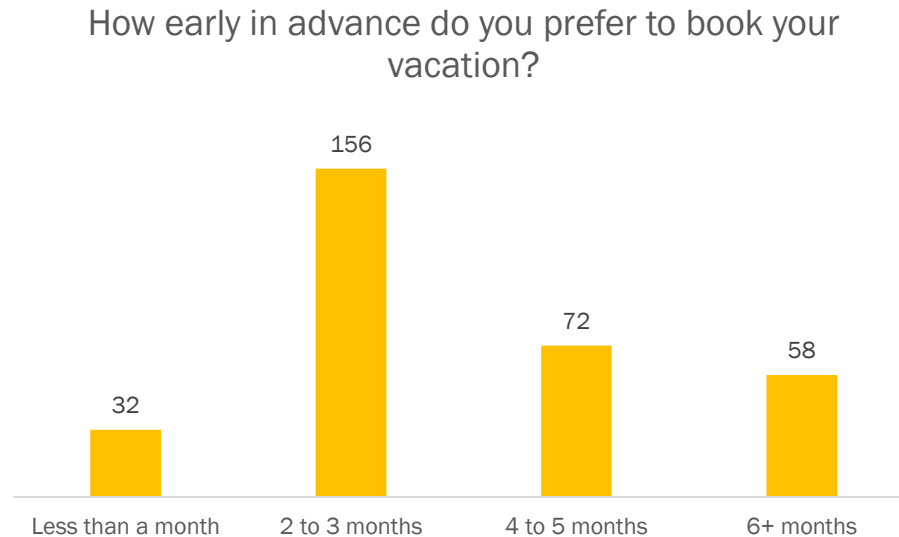
Q60: How early in advance do you prefer to book your cruise?



International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

Q61: How early in advance do you prefer to book your vacation?

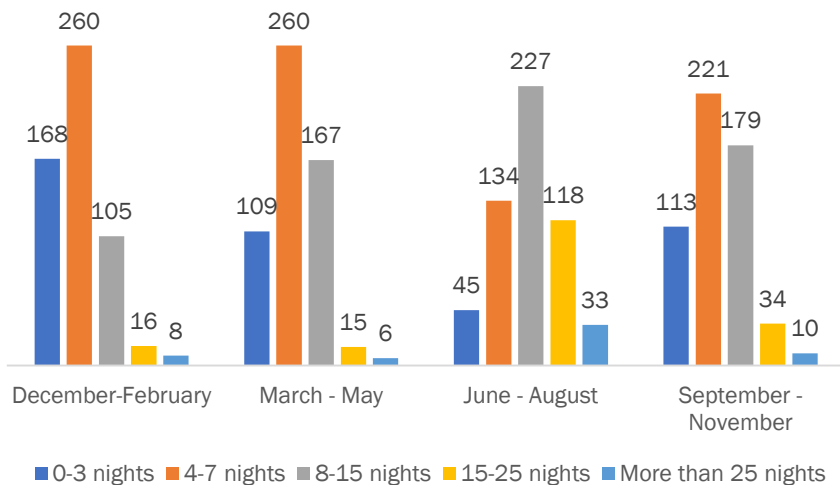


International Cruise Survey (n=732)

Appendix: Survey Questions – Booking

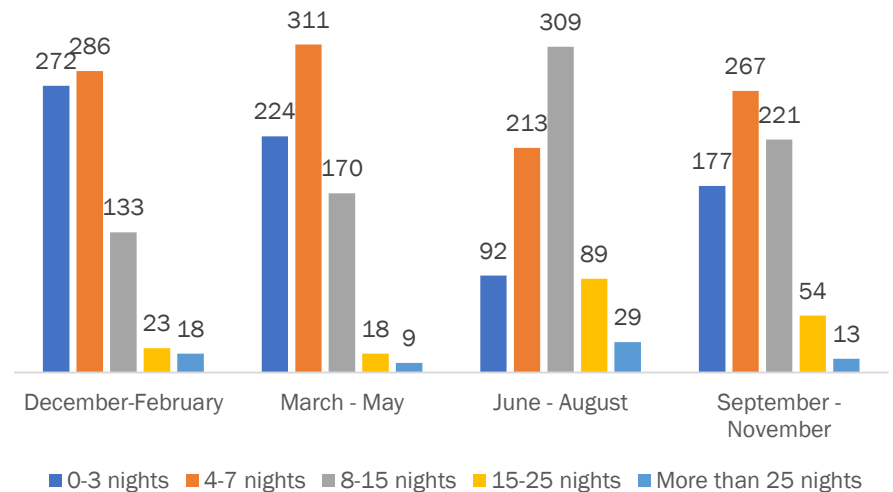
Q62: Out of all your vacation time, how many days do you spend in each season for vacation?

Out of all your vacation time, how many days do you spend in each season for vacation?



French Cruise Survey (n=557)

Out of all your vacation time, how many days do you spend in each season for vacation?



International Cruise Survey (n=732)