

# ITINERARY DEVELOPMENT

# OUR OBJECTIVE: PROFITABILITY OPTIMIZATION OF CCL SHIPS

Which ship should go where and for how long?

## Home Ports

- Where do we want to source our guests from?
  - ✓ How much of our capacity do we want to allocate to each market (e.g. South Florida, West Coast, US vs Europe, etc)?
- What are the risks we want to manage? (economy, currency, contract with ports, berth preference)

Current

20+ homeports

## Itineraries

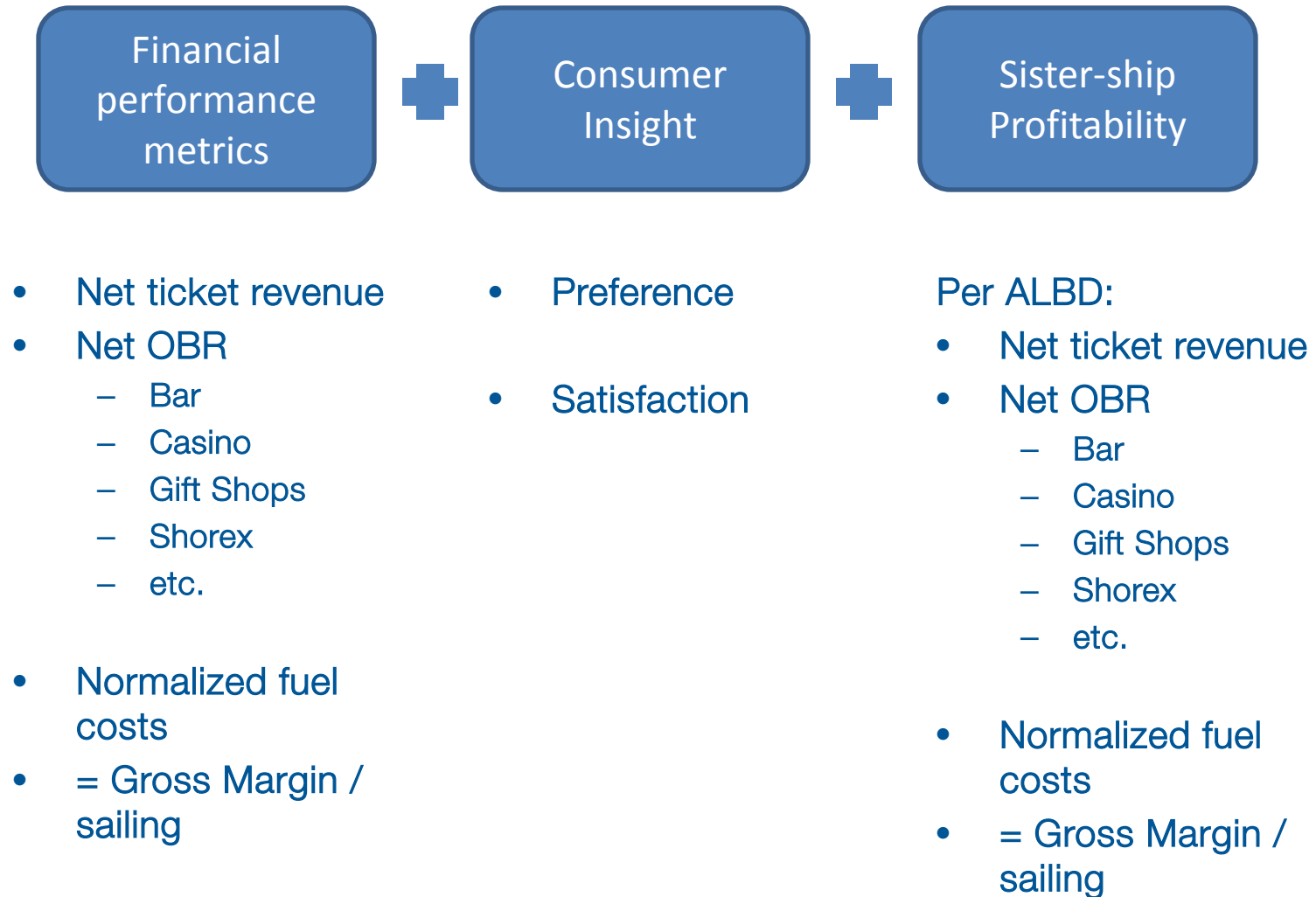
- How diverse should our itineraries be?
  - ✓ Cruise length
  - ✓ Destinations
- How can we design itineraries balancing costs, revenue and marquis value?
  - ✓ Costs: fuel, port costs, head taxes, etc
  - ✓ Marquis value: yield in ticket price based on itinerary attractiveness
  - ✓ Non ticket revenue: shore excursions...

80+ main itineraries

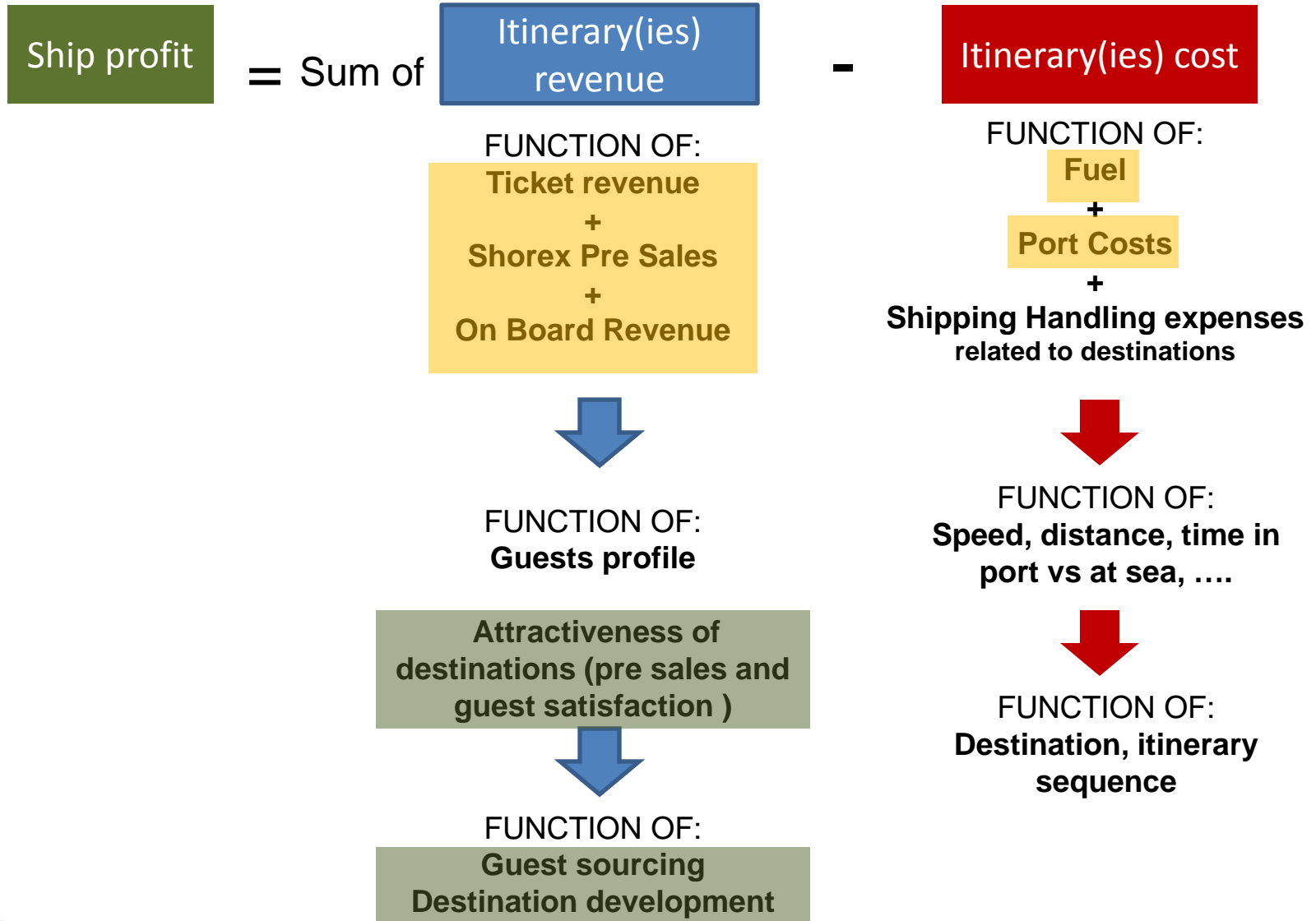
## Destinations

- What are the most attractive destinations for our guests?
  - ✓ Pre & post cruise evaluations
  - ✓ ....
- & the most attractive destinations for CCL?
  - ✓ Costs
  - ✓ Shorex revenue
- How can we improve destinations?
  - ✓ New destinations
  - ✓ New attraction: a la Mystic Mountain in Ocho Rios
  - ✓ Or simply delivering a better experience so a destination is also “acceptable” for non shorex guests; e.g. Belize

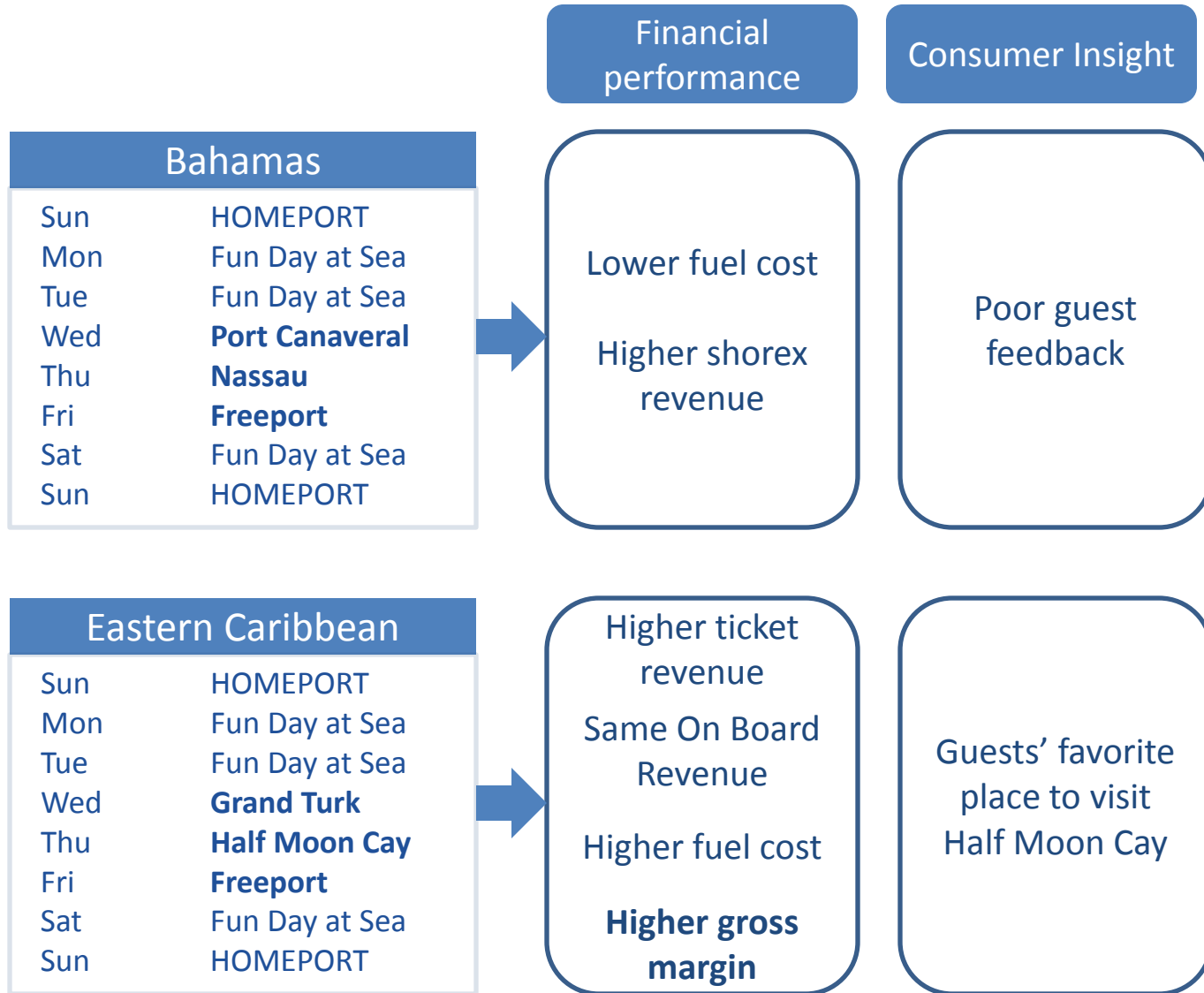
# ITINERARY DEVELOPMENT PROCESS



# FINANCIAL PERFORMANCE/ SAILING = TICKET + OBR - FUEL COSTS



# 2 SHIP ITINERARIES WITH VERY DIFFERENT PERFORMANCE



# METRICS TO REVIEW FOR SAME SHIP/DIFF ITINERARIES

- How do the occupancy levels vary between Bahamas and Eastern Caribbean?
- How about the net ticket revenue?
- On board revenue?
- Total net revenue?
- How does the fuel cost compare?
- Lastly what is the gross profit?
- What makes the guests happier on a port by port basis?

# TAKEAWAYS...

- Itinerary development goals:
  - Optimize fleet profitability
  - Strategic capacity movements (East vs West Coast)
  - Focus on guest sourcing (example do we add capacity to home ports with attractive “drive market” guest sourcing?)
  - Enhance itinerary diversity (same old?)
- Itinerary evaluation process:
  - Financial
  - Consumer insight
  - Internal benchmarks