

## Choppy Waters Ahead for Carnival and Other Leading Cruise Brands

*Harris Interactive study shows several top cruise brands' Quality, Trust & Purchase Intent scores declining in wake of recent Carnival Triumph Mishap*

**New York, N.Y. – March 4, 2013** – With the images and stories from the Carnival Triumph's recent struggle to deliver its beleaguered passengers ashore still fresh in Americans' minds, it might seem natural for perceptions of the Carnival Cruise Line brand to have dropped following this crisis. However, Quality, Trust and Purchase Intent scores recorded in the week following when the Triumph returned to shore show significant drops (compared to scores recorded prior to the incident) not just for Carnival, but for many other top cruise brands as well.

These are some of the results of **The Harris Poll** of 2,230 U.S. adults surveyed online between February 19 and 21, 2013 by **Harris Interactive**; results are compared, where applicable, to **Harris Poll EquiTrend®** data collected between January 11, 2013 and February 8, 2013 (the Carnival Triumph incident lasted from February 10-14, 2013).

### Industry Leaders Rocked by Rough Perceptual Waters

Looking at specific perceptual measures, Carnival Cruise Lines' perceived **Quality** score is down significantly, from 6.40 before the incident to 5.25 after – an 18% drop. This decline is not limited to the Carnival brand alone, though: perceived Quality for Disney Cruise Line (7.66-7.06), Holland America Cruise Line (7.29-6.88), Royal Caribbean International (7.20-6.93) and Norwegian Cruise Line (7.08-6.76) all show significant drops as well, as does the average score of all seven cruise brands included in the re-field (7.05-6.54).

A significant drop also can be seen in Carnival's **Trust** score (6.13-5.11, a 17% drop); as with Quality, Trust is also down significantly for many of Carnival's chief rivals: Disney Cruise Line (7.28-6.79), Holland America Cruise Line (7.10-6.62), Norwegian Cruise Line (6.95-6.42) and Celebrity Cruises (6.70-6.35). The average Trust score across the seven cruise brands included in the re-field has also lost significant ground (6.79-6.28).

### Purchase Intent Adrift

Perhaps most importantly for Carnival, its **Purchase Intent** score is down 13% (6.10-5.29); this is accompanied by fewer significant competitor brand drops than other measures, with only Norwegian (7.22-6.28) and Royal Caribbean (6.95-6.61) following suit. However, average Purchase Intent (6.64-6.23) shows a significant drop. What's more, while three of the seven re-tested brands (and the cross-brand average) show significant drops, none of the tested brands show significant growth.

### Bumpy Seas Ahead for Cruise Industry

Looking at the cruise industry in comparison to another vacation standby, air travel, the majority of Americans agree that air travel is *much more reliable* than taking cruises (57%) and half agree that air travel is *much safer* than taking cruises (50%).

- Air travel would appear to have its strongest proponents in the Midwest, with Americans in this region more likely than those in any other to perceive air travel as both much more reliable (55% NE, 63% MW, 56% S, 55% W) and much safer (45% NE, 58% MW, 47% S, 51% W) than taking cruises.

- Additionally, men are more likely than women to perceive air travel as much more reliable (61%-53%) and much safer (53%-47%) than taking cruises.
- Those who have ever flown on a commercial airline are also more likely to agree that air travel is both much more reliable (59%-52%) and much safer (52%-45%) than taking cruises, while those who have ever taken cruises are *less* likely than those who haven't to agree with both statements (46%-64% and 40%-55%, respectively).

Over half of Americans (53%) agree that they're less likely to take a cruise now than they were a year ago, though this sentiment appears to be stronger among those who have never taken a cruise (58%) than among those who have (43%) – indicating that long term impacts from this incident could hit first-time cruise sales the hardest.

Just over one-third of Americans (35%) agree that cruises are “worry-free,” and past cruise experience appears to have a considerable positive influence on this perception: those who have taken a cruise (53%) are more than twice as likely to agree that cruises are “worry free” as those who have not (25%).

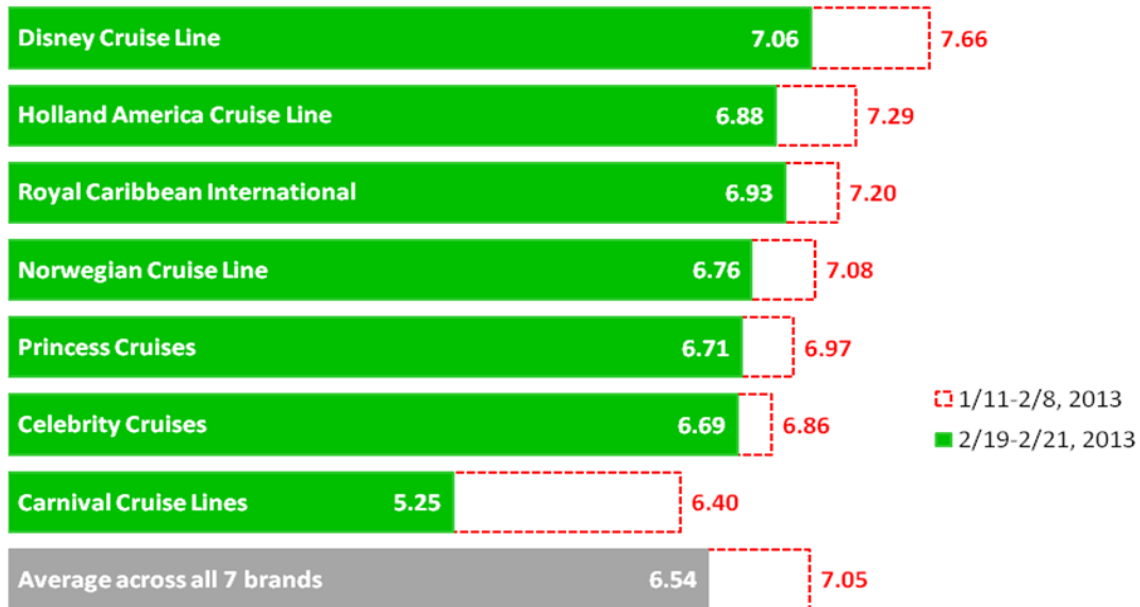
### **So what?**

The cruise industry has seen incidents like this before, and has survived them. Will this time be different? It's impossible to predict in the long term. In the short term, though, Americans are showing wariness toward Carnival in particular and the cruise industry in general. “Not only is purchase intent in decline for Carnival – it's down across the industry's top brands, on average,” points out Harris Poll Insights Vice President Deana Percassi. “What's more, while purchase intent is dropping for some brands, those lost potential sales are not being captured by any of the other tested cruise lines. Those potential customers are simply sailing away.”

Of further concern to the industry is that nearly six in ten (58%) of those who have never taken a cruise indicate being less likely to take one now than they were a year ago. Cautions Percassi, “Even if the industry can earn back cruise likelihood among past customers, it's those who have never been on a cruise who represent new business – without which no industry can grow.”

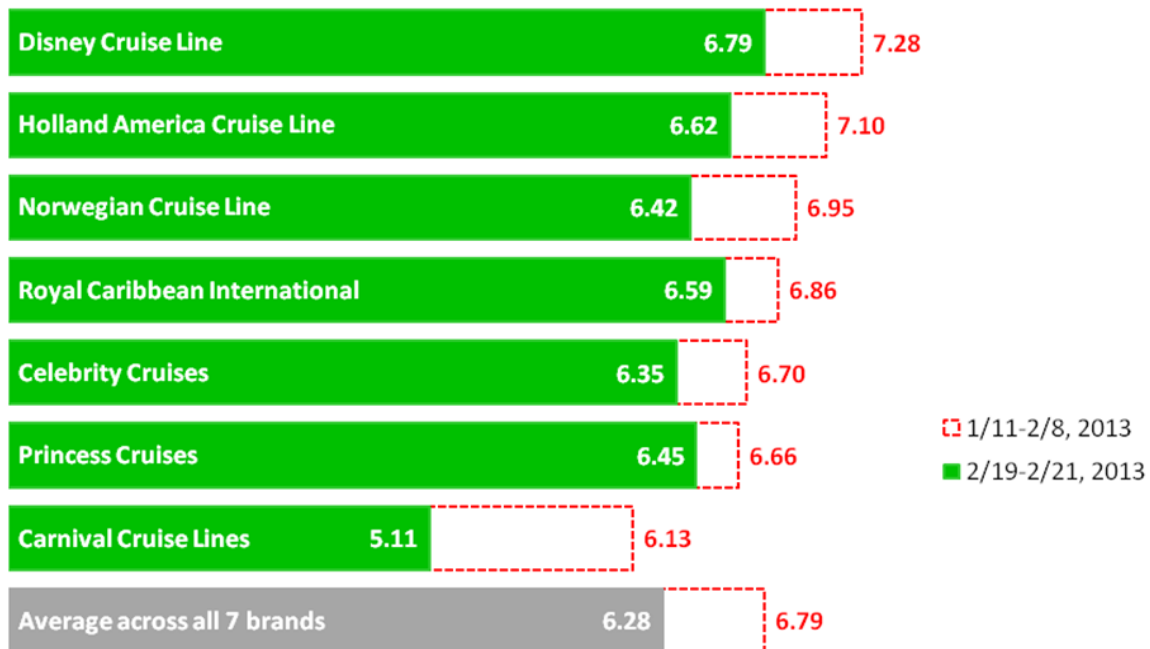
**Table 1  
QUALITY**

Base: U.S. adults familiar with each brand



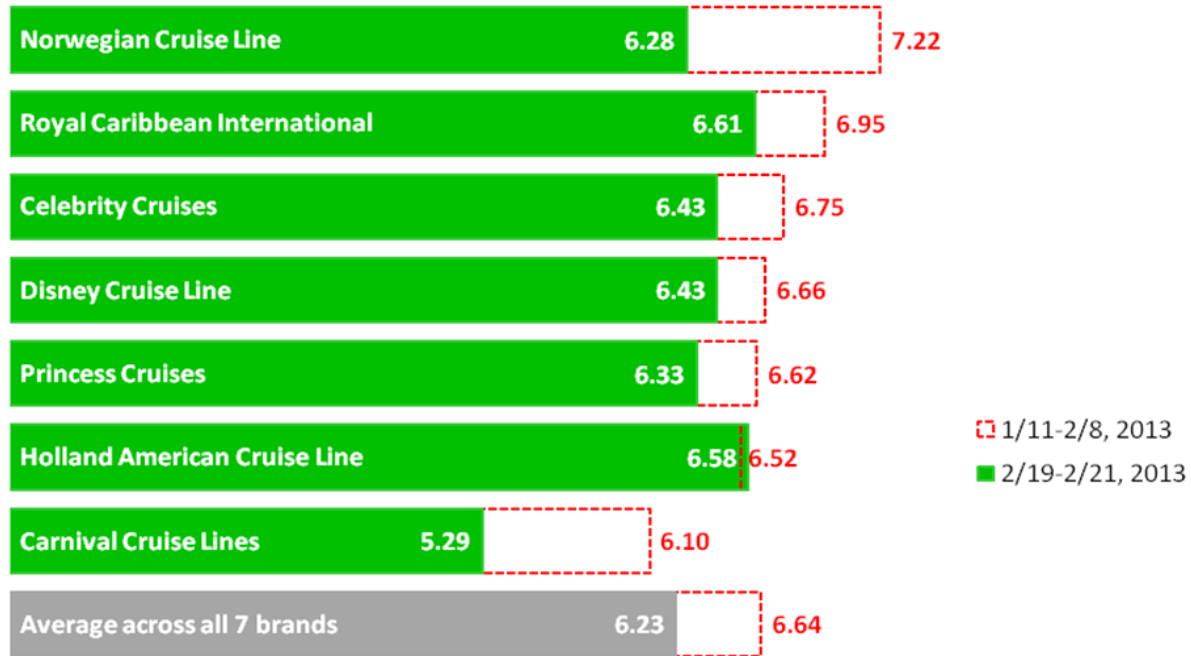
**TABLE 2  
TRUST**

Base: U.S. adults familiar with each brand



**TABLE 3  
PURCHASE INTENT**

Base: U.S. adults familiar with each brand



**TABLE 4a  
AGREEMENT WITH AIR TRAVEL / CRUISE STATEMENTS  
Summary Table**

"Please indicate how strongly you agree or disagree with the following statements."

Base: U.S. adults

|   | "Strongly" +<br>"Somewhat"<br>Agree<br>(NET) | Strongly<br>Agree | Somewhat<br>Agree | "Strongly" +<br>"Somewhat"<br>Disagree<br>(NET) | Somewhat<br>Disagree | Strongly<br>Disagree |
|---|--|-------------------|-------------------|---|----------------------|----------------------|
|   | %  | %                 | %                 | %   | %                    | %                    |
| Air travel is much more reliable than taking cruises        | 57   | 17                | 40                | 43  | 33                   | 10                   |
| I am less likely to take a cruise now than I was a year ago | 53   | 25                | 28                | 47  | 26                   | 21                   |
| Air travel is much safer than taking cruises                | 50   | 14                | 36                | 50  | 39                   | 11                   |
| Cruises are "worry-free"                                    | 35   | 8                 | 27                | 65  | 36                   | 29                   |

Note: Percentages may not add up exactly to 100% due to rounding.

**TABLE 4b**  
**AGREEMENT WITH AIR TRAVEL / CRUISE STATEMENTS**  
**[Summary of “Strongly Agree” + “Somewhat Agree” (NET) Ratings]**  
**By Region, Gender, Ever Taken a Cruise & Ever Flown on a Commercial Airline**  
 "Please indicate how strongly you agree or disagree with the following statements."

Base: U.S. adults

|   | Total     | Region    |         |       |      | Gender |        | Have Ever Taken a Cruise |    | Have Ever Flown on a Commercial Airline |    |
|---|-----------|-----------|---------|-------|------|--------|--------|--------------------------|----|---|----|
|   |           | Northeast | Midwest | South | West | Male   | Female | Yes                      | No | Yes                                     | No |
|   |           | %         | %       | %     | %    | %      | %      | %                        | %  | %                                       | %  |
| Air travel is much more reliable than taking cruises        | <b>57</b> | 55        | 63      | 56    | 55   | 61     | 53     | 46                       | 64 | 59                                      | 52 |
| I am less likely to take a cruise now than I was a year ago | <b>53</b> | 53        | 55      | 53    | 49   | 53     | 52     | 43                       | 58 | 50                                      | 59 |
| Air travel is much safer than taking cruises                | <b>50</b> | 45        | 58      | 47    | 51   | 53     | 47     | 40                       | 55 | 52                                      | 45 |
| Cruises are “worry-free”                                    | <b>35</b> | 38        | 33      | 37    | 34   | 38     | 33     | 53                       | 25 | 36                                      | 35 |

Note: Percentages may not add up exactly to 100% due to rounding.

## Methodology

This **Harris Poll** was conducted online within the United States between February 19 and 21, 2013 among 2,230 adults (aged 18 and over). Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents’ propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

## About Harris Poll EquiTrend®

Where applicable, results have been measured against scores for the 2013 Harris Poll EquiTrend® study.

Harris Poll EquiTrend is a leading Brand Equity tracking study conducted by Harris Interactive that measures and compares brand health for more than 1,500 brands. The study was conducted online from January 11 through

February 8, 2013 and analyzes the responses of over 38,500 consumers on key measures of brand health - including how well the public knows a brand, how positively they think of the brand and their consideration to do business with or donate to a brand. Each brand is rated approximately 1,000 times, with scores based on responses among those respondents familiar with each brand. Harris Interactive has conducted its EquiTrend study regularly since 1989, and can offer yearly trended data from 2005. The Equity Score, a key take-away from EquiTrend, has been validated against financial performance by Georgetown University. Full results from the 2013 Harris Poll EquiTrend study will be released later this month.

***These statements conform to the principles of disclosure of the National Council on Public Polls.***

*The results of this Harris Poll may not be used in advertising, marketing or promotion without the prior written permission of Harris Interactive.*

***The Harris Poll® #11, March 4, 2013***

By Larry Shannon-Missal, Harris Poll Research Manager

### **About Harris Interactive**

Harris Interactive is one of the world's leading market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for ***the Harris Poll®*** and for pioneering innovative research methodologies, Harris offers proprietary solutions in the areas of market and customer insight, corporate brand and reputation strategy, and marketing, advertising, public relations and communications research. Harris possesses expertise in a wide range of industries including health care, technology, public affairs, energy, telecommunications, financial services, insurance, media, retail, restaurant, and consumer package goods. Additionally, Harris has a portfolio of multi-client offerings that complement our custom solutions while maximizing our client's research investment. Serving clients in more than 196 countries and territories through our North American and European offices, Harris specializes in delivering research solutions that help us - and our clients—stay ahead of what's next. For more information, please visit [www.harrisinteractive.com](http://www.harrisinteractive.com).