

Change ¢ ?







Change

- The world hates change, yet it is the only thing that has brought progress. *Charles Kettering*
- He who rejects change is the architect of decay. *Harold Wilson*

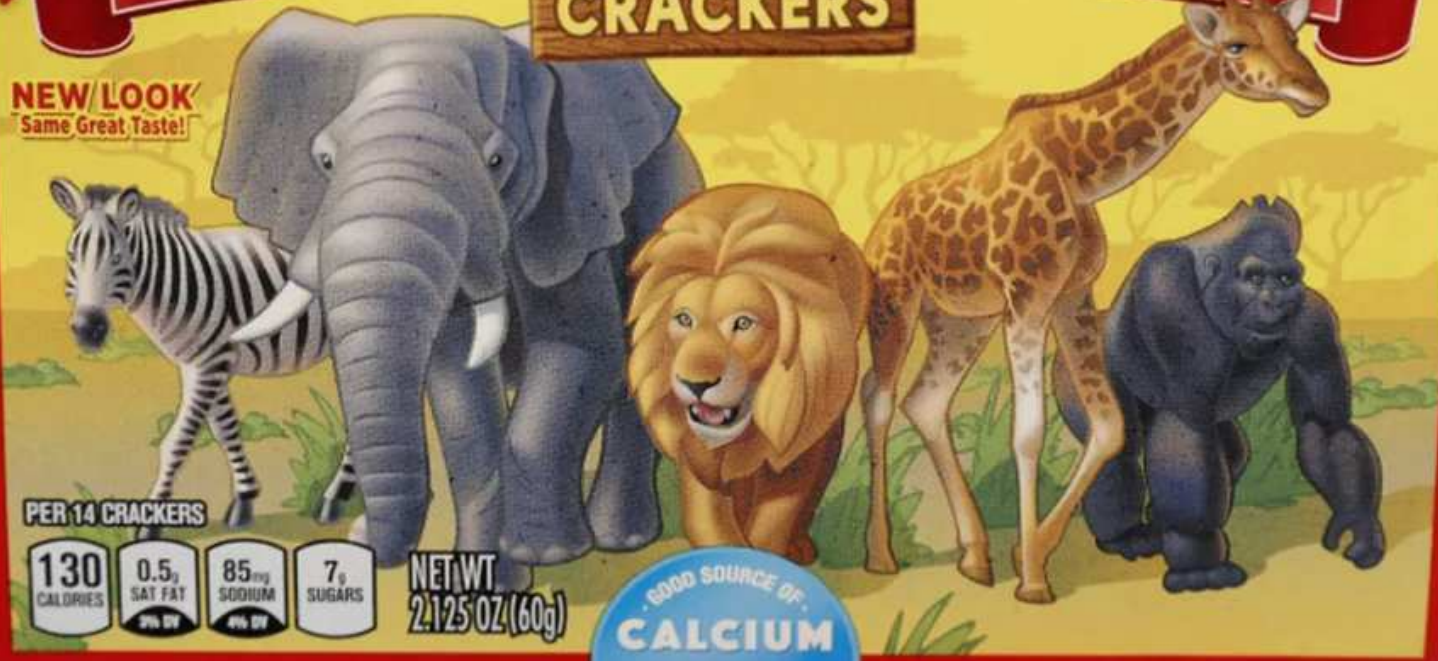




BARNUM'S ANIMALS[®]

CRACKERS

NEW LOOK!
Same Great Taste!



PER 14 CRACKERS

130
CALORIES

0.5g
SAT FAT
9% DV

85mg
SODIUM
4% DV

7g
SUGARS

NET WT
2.125 OZ (60g)

GOOD SOURCE OF
CALCIUM



Why we resist Change

1. Fear Job Loss
2. Bad Communications
3. Fear of Unknown
4. Loss of Control
5. Lack of Competence
6. Poor Timing
7. Lack of Reward
8. Bad prior Experiences
9. Peer Pressure
10. Lack of Trust and support



Not much has changed recently

March 28, 2017 – RCCL joins others in charging for room service

March 31, 2018 - Marriott International reduces group commissions by 30%

Sept. 20, 2018 – American joins UA, DL and JetBlue raising baggage fees

April 01, 2019 – NCL increases gratuities fourth time in three years

June 5, 2019 – U.S. Treasury Dept. suspends cruises to Cuba

July 24, 2019– Heritage Tours and Revealed America files bankruptcy

Sept. 23, 2019 – Thomas Cook files Compulsory Liquidation

Oct. 14, 2019 – Cox and King, Americas ceased operations

Oct. 25, 2019 – U.S. State Dept. announces ban on Cuban flights other than Havana



All is not “status quo”

- Margins from suppliers under pressure to reduce what is paid to travel advisors
- All major hotel chains moved North America group commission rates down 30% in 2018
- Resort fees now represent 15% – 20% “hidden” increase of room rates that are all non-commissionable
- New worrisome development with Marriott all-inclusives
 - Attempt to “exclude” food and beverage estimated cost from commissionable amount making a booking essentially a hotel-only booking as far as revenue is concerned



All is not “status quo”

- We are selling more cruises while our margin on sales continues to decline
- “NCF’s” Non-commissionable fees have skyrocketed in the last five years
- Cruise lines goal is to continually increase revenue into “non-commissionable” areas. We oblige by providing free labor

As you know, and something I stress in every call, we already have, by a very, very wide margin, the highest yields in the industry, not only in ticket, but in onboard. That doesn't happen by chance. It happens because we work it every hour of every day, always looking for opportunities to raise prices across our three brands, and we do. Frank Del Rio - NCL President and CEO Sept. 30, 2019 earnings call

- Our very best ally in this ongoing battle:
 - Viking Cruises which pay commission on entire booking amount
- From 2018 to 2019 our cruise margins have declined
 - .5% reduction in overall margin represents a loss of \$65,985 YTD in revenue to the company and will exceed \$75,000 by year-end



NCF's

- NCF's are cruise version of a "Resort Fee"
- Carnival Mexico 2020
 - Rate of \$169 per person
 - NCF's of \$105.64
 - NCF is 63% of cruise fare
- Princess Alaska 2020
 - Promotional rate of \$719 per person
 - NCF's of \$234.07
 - NCF is 33% of cruise fare
- RCCL Western Caribbean 2020
 - Rate of \$451 per person
 - NCF's of \$148.03
 - NCF is 33% of cruise fare

Where do we go from here?





Cruise Planning Fee

- Beginning March 1, 2020, Morris Murdock will implement a \$30 cruise planning fee per cruise booking.
- Fee should be collected up front when the deposit for the cruise is made.
- Cruise planning fee will not be optional
- Discussion regarding per person cost when Advisor may elect to “waive” cruise planning fee if they chose
- Invoicing and tracking of fees will be formalized and training offered in the coming weeks

10 Reasons you're worth a fee

- Your expert advice and experience
- Time Saver – You do all the work
- Buying Power – Relationship with our vendors
- Special offers & discounts
- Additional perks & amenities
- Monitor client's cruise for lower price or new promotion
- Recommendation of shore excursions & activities
- \$30 Shore Excursion discount coupon
- Pocket Travel app provided at no cost
- You're there before, during & after the cruise!

Happy 
Client 