

Cruise vs. Hotel Pricing - How do they compare

VENUE:	4+ STAR BAHAMAS CRUISE (RCI Navigator, Celebrity or similar)		4-STAR ORLANDO RESORT (WDW Dolphin, Gaylord or similar)	
DESTINATION:	Round-trip Orlando visiting, Nassau & Cruise Lines' Private Island		Orlando	
INCLUSIONS:	Per Diem	4 Nights	Per Diem	4 Nights
Accommodations¹: (per person/night, double occupancy)	\$150	\$600	\$150	\$836
Meals²:	All meals served from an a la carte menu in the main dining rooms to buffets, snacks & 24 hr. room service	included	Breakfast: \$26pp Lunch: \$30pp Dinner: \$50pp +18% service & 8% tax	\$536
Receptions: (one hour open bar, hot & cold canapés)	One included, 2 nd @ \$26pp	\$26	\$70pp each (x2)	\$140
Meetings³: (estimated 2-4 hour general sessions)	Standard AV equipment included minimal charge for A/V technician(\$75per hour) plus service charge for coffee breaks (\$4pp)	\$11	Flipchart, VCR, monitor, microphone, projector, screen, setup & labor, coffee breaks Estimated @ \$12,000 per meeting	\$120
Entertainment⁴:	Includes: Lavish theatrical productions, musicals, variety acts, nightclubs	included	\$85 per person (est) for theme park admission + \$130 per person for evening private venue event.	\$215
Tax:	Port fees, government taxes	\$216	Room Tax @ 9%	\$76
Gratuities:	Cabin steward, wait staff	\$44	Maid, beach & pool attendants, bell hop	\$40
Average Airfare⁴:	RT Orlando, FL	\$229	RT Orlando, FL	\$229
COST Per Person⁵:	\$1,126		(2 nd person @ 1,082pp) ⁶	\$2,192
100 Rooms for 200 persons TOTAL COST:	\$225,200		100 each @ 1 st & 2 nd person rate	\$335,200
Tax Implications Cruise vs. Hotel				
Tax Deductibility of Hotel Program (based on primary attendee only):				\$2,192
Remove 50% meals (\$268) and all entertainment (\$215) =				(\$483)
Amount for Basis of Tax Deduction =				\$1,709
Tax Rate (40%) ⁷ =				x.40
Benefit of Tax Deduction =				(\$683)
After Tax Cost (\$2,114 less \$652) =				\$1,509
“Bottom Line” Cost to Organization				
\$1,126 vs \$1,509				
Cruise program without Tax Deduction vs Hotel Program After Tax Deduction				

1. Based on 200 persons / 100 ocean-view or balcony staterooms per person double occupancy February 2010
2. Estimated, based on average banquet menu rates from resorts such as WDW Swan, Gaylord Palms, WDW Dolphin, etc.
3. Based on average A/V production costs plus 4 gallons of coffee @ \$70 per gallon
4. Estimated based on ticket prices for a theme park admission and evening private themed event at an Orlando venue.
5. Average based on Domestic Airline Fares as of 9/20 from five US cities into Orlando.
6. Cost for guest (2nd person) derived from meals, entertainment, receptions, gratuities and airfare costs.
7. Based on assumed 34% Federal, 6% State