

Here's How Much Money Carnival Makes Per Passenger (Infographic)

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Cruising is a lot of things — a great vacation, a chance to explore different ports at once, and an all-inclusive, no hassle vacation. But above all, cruising is a business.

Look no further than how much cruising has grown over the decades. Since the modern cruise companies — Carnival, Royal Caribbean, etc. — came into being with small ships and limited ports of call, they've grown tremendously. Today cruise ships measure more than a thousand feet long and can carry more than four thousand passengers.

They also rake in a lot of money. Case in point: Carnival, a company of ten cruise line brands and more than 100 vessels, took in more than \$16 billion in revenue for all of 2016. And while [we recently profiled the money earned by Royal Caribbean](#), we had yet to study just how profitable Carnival is when it comes to making money on a per passenger basis.

That's why we just dug through the financial reports of one of the world's biggest cruise lines to give you a better idea of exactly how much money people spend on a cruise ship and how much profit the cruise line makes off its passengers.

How Much Carnival Passengers Spend

If you've ever bought a cruise, then you know that those headline prices you see are just the start of what you'll spend. While cruise lines often advertise the rates for a single person in an interior room, you actually pay double for your cabin as the rates are based on double occupancy. In addition, most people choose to upgrade their cabin for a higher price.

Beyond that, once onboard the ship there are plenty of opportunities to spend money. From drinks to souvenirs to the casino, you can end up spending hundreds — or even thousands — of dollars once on the ship, in addition to cruise fare.

So how much do people end up spending?

In total, Carnival — across all its cruise lines globally — took in **\$16.4 billion in revenue for 2016**. That revenue came from a total of **11,522,000 passengers** carried around the world.

In other words, **the average passenger generated \$1,422 in revenue for Carnival on their cruise**. This amount includes things like the cruise fare to get on the ship, drinks, and sales on the shipboard shops.

Of all the revenue earned by Carnival, the vast majority comes from ticket sales. In fact, 73.8% of revenue came from passenger tickets. That means of the \$1,422 spent by the average passenger, **\$1,049 was spent on cruise fares**.

Nearly a quarter — 24.8% — of revenue was from “onboard and other” spending. That encompasses things like drinks from the bar and spending at specialty restaurants. So on average, **Carnival’s passengers spend \$353 in the onboard category**. A remaining small percentage of 1.4% — or about \$20 per passenger — was earned on tours through the company.

Now, everyone understands that just because a business takes in a dollar of revenue doesn’t mean it becomes profit. Cruise lines are no different. There are major expenses that go into operating a cruise ship.

This includes:

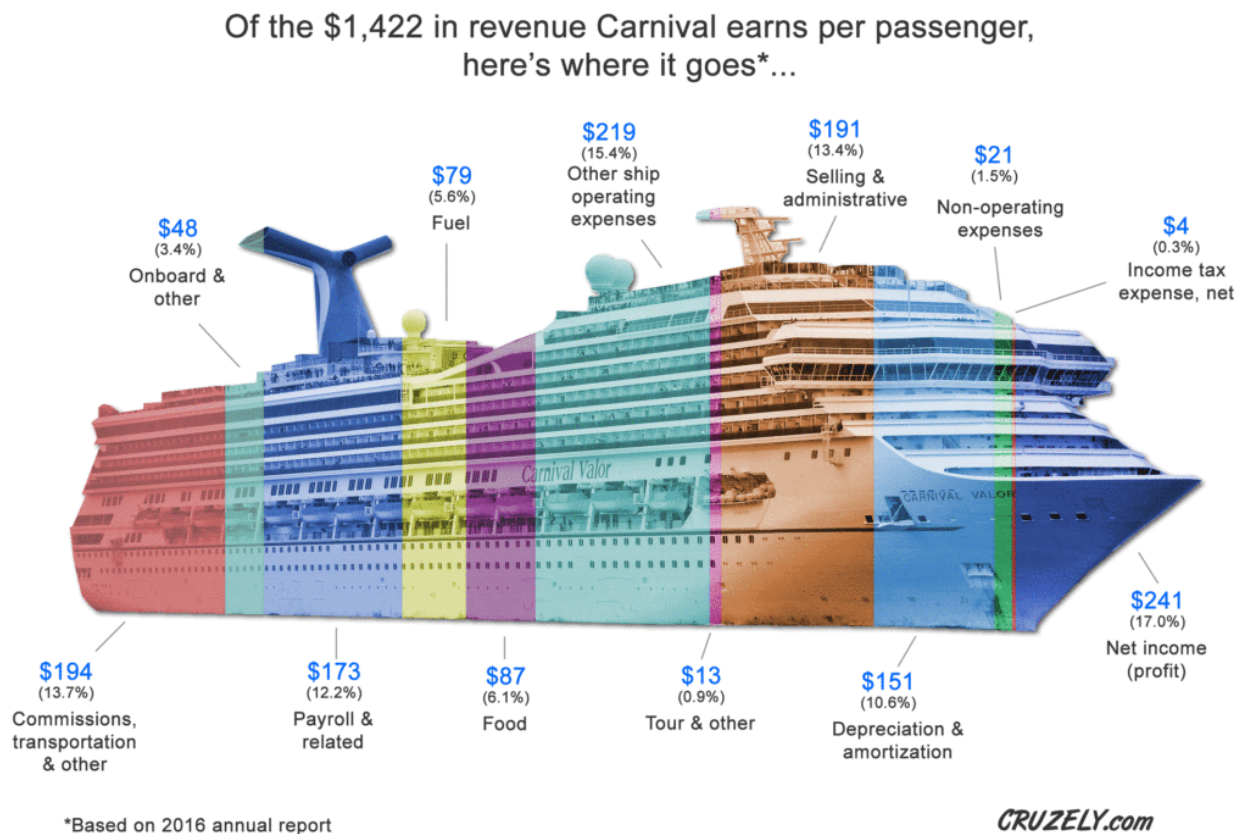
- **Commissions, transportation, and other:** A cost for things like travel agent commissions and the cost of credit/debit card fees.
- **Onboard and other cruise costs:** The costs for things sold on the ship, including alcohol and beverages, and gift shop items.
- **Payroll and related costs:** Includes the cost of payroll for all shipboard employees like waiters, entertainers, and staff. Those working on shore aren’t included here.
- **Fuel**
- **Food:** Includes both costs for guests and crew.
- **Other ship operating expenses:** A catchall for things like maintenance, insurance premiums for ships, and dry-dock expenses.

In addition, there are other costs like **depreciation, interest on debt, and taxes**.

Breakdown of Expenses and Profit

All told, after factoring in all expenses, Carnival — across all its brands around the world — saw **net income of \$2.8 billion in 2016**. That comes out to **\$241 of profit per passenger**, or about 17% of every dollar spent with the cruise line.

Below, we've broken down the revenue and costs for the average passenger on a Carnival ship:



Some of the most surprising figures? On more than \$16 billion in revenue (and nearly \$3 billion in profits), the cruise line paid only \$49 million in net income tax expenses. As well, it pulls in a profit margin of about 17%. For comparison, [Royal Caribbean had a 2015 profit margin of about 8%](#).

You can [review Carnival's entire annual report here](#).

<https://www.cruzely.com/heres-how-much-money-carnival-makes-per-passenger-infographic/#:~:text=On%20more%20than%20%2416%20billion,profit%20margin%20of%20about%2017%25>