



# Why should a port care whether local retailers make any money out of visiting cruise passengers?

The often highly critical Port Welcome reviews in this magazine over the past couple of years have clearly hit a nerve within the cruise port community. But, as Tony Peisley reports, the response has been entirely positive.

It was a good question – why should a port care whether local retailers make any money out of visiting cruise passengers or not?

It came during a seminar – prompted in part by a Port Welcome feature in this magazine – at a recent Cruise Baltic meeting devoted to maximising spending from cruise visitors at a destination.

And the simple answer is that, for most port town or city communities, it is not automatic for them to welcome an influx of cruise passengers into their streets, shops and restaurants.

In fact, Cruise Baltic members heard that nobody outside the tourism industry really likes significant numbers of any kind of tourist in their towns and cities, as they believe they simply create crowds and queues.

The only argument in their favour which will persuade those most negative about their presence is an economic one – which is why so many ports and destinations are now investing in economic impact studies.

Show people that cruise tourism is bringing significant revenue and supports or creates local jobs and there is far more chance that the community will support a port when it wants to expand services to attract more cruise ships.

Doing everything possible to maximise the income from cruise tourism can make the difference between a port – particularly one that is state-owned – being given the go-ahead to invest in new infrastructure and that permission being refused.

But it has become clear through the Port Welcome reviews that in many cruise destinations there is insufficient connection between the port and tourism sector and the local retailers. This is a lose-lose situation, as the retailers are missing out on potential revenue from the cruise sector while the cruise stakeholders are losing the kudos (and political clout) of delivering a higher level of economic benefit to their local community.

This situation was addressed by two

key speakers at December's Cruise Baltic meeting: Henrik Thomsen of tax-free shopping specialist Global Blue Denmark and Jan Rentz-Petersen of Town Shop Retail.

Thomsen's company had surveyed some of the key Baltic cruise ports. "Cities are not involving retailers enough to optimise their potential to increase passenger and crew spending ashore," he revealed, quoting his survey's findings.

"Retailers in Tallinn, for example, feel that the attitude and support from the city could be better. In Riga they say that passengers are exploring the city but not shopping; while in Copenhagen some complained that 2010 was their worst year ever, with next to no turnover from cruise passengers.

"Also, three jewellers have told me they will have nothing more to do with cruise passengers. This follows their decision not to pay the higher charge being asked by one company which promotes port-of-call retailers onboard its ships.

"Not only did they lose the benefit of that promotion but they also heard that their stores were being described as 'over-priced' by the onboard port lecturers."

Rentz-Petersen set up Town Shop Retail in 1997 and now has eight shops, of which seven are in Copenhagen – including two in Langelinie and one in Freeport.

"The one in Freeport is a converted container, with a removable roof so it can be moved easily and used for other functions out of season," he said. "The inside has been designed to look like a traditional Danish house and, in season, it is a container 'Town Shop' (we also have a 'Town Bar-shop' facility).

"We have soft drinks and telephone cards for the crew, along with foodstuffs such as noodles which some nationalities enjoy but cannot easily find onboard or elsewhere in Copenhagen.

"Our experience is that most tourists – including cruise visitors – have no actual plan and tend to act impulsively when they go ashore. That is what makes the welcome at the port so important, as at this stage they are seeking information which will dictate what they do during their time ashore.

"Most destinations give the visitors a brochure and a map, but that is not enough.

"It is therefore important for retailers to co-operate and communicate with the port and city to make sure the visitors get the right information to guide them to the right spending opportunities. Often destinations just do not enter into dialogue with the retailers at all.

"For our part we make sure the shops are well dressed with lots of different merchandise, including some specifically for different nationalities. We know, for example, that Italians particularly like porcelain while North Americans always go for T-shirts.

"We accept all major currencies and credit cards, and we play fair on exchange rates as trying to make money on that just annoys visitors. Value for money is crucial as the first customers from a ship become your ambassadors, telling other passengers which are the best value shops.

"Making sure staff have the right attitude – friendly and welcoming – is very important, as it can double the potential spend – with most visitors not having a set spending budget in mind when they go ashore.

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"Staff being able to speak English and other languages such as French, German, Spanish and Italian is also important."

Copenhagen remains the leading Baltic homeport, with 135 of its 304 cruise calls in 2010 being turnarounds. There is a 19% increase in calls (to 361) scheduled in 2011, which the Cruise Copenhagen Network estimates will produce an extra DKK1 billion in revenue for the city.

As well as various marketing initiatives to increase pre- and post-cruise stays and to raise awareness of the destination within the cruise sector and the travel trade and among consumers, the network has also focused on the all-important aspect of the dockside welcome for cruise visitors.

About half of cruise visitors take an organised, usually ship-sold, tour; the other half go ashore independently, and some of the tour-takers also do some independent exploring. Cruise Baltic's latest strategy document highlights the difficulty of influencing the activity of these independent visitors – and maximising their spending – without a proactive quayside tourist service.

As a result a service crew is now being employed to meet and greet, deliver logistical information, and promote network partners (including retailers). This service is in addition to entertainment and events set up for specific ship arrivals.

Visitor response to the service crew in 2010 was positive, with nearly everyone surveyed rating their presence as either important (18%) or very important (78%). For the 2011 season there are plans for the

service crew to use distinctive trishaws with colourful parasols.

The Cruise Copenhagen Network is also working to improve the relationship between the port and the city community through ship visits, cruise line local charity support, and the involvement of locals as 'Friends of the Port' ambassadors.

"The most important thing is to make sure that each visitor feels that they have received a very special welcome," said the Network's Chairman Ole Andersen.

From most of the other Baltic destinations reviewed in *DWCD's* March 2010 Port Welcome feature, there have been similarly positive responses.

At Helsinki – where a record number of calls are expected this year, following 247 (and more than 340,000 passengers) last year – Cruise Network Manager Tuja Aavikko said: "Our South Harbour pier is within walking distance of the city centre but, as was correctly observed, the information and guiding is missing.

"In the Hernesaari area (which has two quays) we have had a person from tourist information at the quayside, but what can one person do when a ship the size of Star Princess arrives?"

"But there will be improvements when the whole Hernesaari area changes from an industrial site to a new cruise, residential, cultural and leisure complex.

"The city planning department is in charge of this project, which starts with temporary solutions for summer 2011 designed to tempt passengers off the ship who might otherwise stay onboard. These

will include guiding from the piers to the city centre, as a pilot project to develop the guiding in other parts of the city.

"There will also be a sightseeing vessel pier a short walk from the ships, so that a bus transfer to Market Place is not required.

"A walking/biking route from the piers to the city centre will include an area designated for local merchants and entrepreneurs. We are inviting them to come to workshops to discuss the new development."

This is part of Helsinki's contribution to the EU URBACT/CTUR project to use cruise tourism to regenerate urban and harbour building heritage and to strengthen the port-city links and the urban tourism sector. It is based on the belief that cruise traffic, linked with port heritage, is an economic and social generator.

Helene Viotti of the Gotland Tourist Association and Guide and Cruise Service said: "Since the 2009 Visby visit reviewed in *DWCD* there have been some improvements including a new souvenir shop in the tourist information centre and a new cruise map of Visby, in seven languages, with the shopping area highlighted.

"On our website – [www.gotland.info](http://www.gotland.info) – there is a calendar of ship calls, so retailers can find out when and which ships are coming on which days, and what the nationalities of the passengers will be.

"Our local cruise network also has an ongoing discussion with retailers about the kind of welcome cruise visitors should be receiving."

Although not the St Petersburg cruise facility reviewed in the article, the new Marine Facade passenger port responded by highlighting its own welcome activities. They include hiring a team of young people to help passengers during the passport and customs control process and also to offer them any general assistance they require.

During the season there are also three souvenir shops, an information booth, a café, a post office, and vending and cash machines at each terminal. A duty-free shop is being installed at a third terminal in time for this year's season, and a new feature – an art gallery – is being added to one terminal. For the crew there is an Internet café with some traditional national products on sale, too.

Speaking for Marine Facade, Olga Titova said: "We agree that St Petersburg has a lot to offer in terms of spending that is not fully available to all cruise passengers.

"Although we have not heard of any further easing of the visa regime for tourists, we will continue to do our best to improve the level of cruise visitor spending."

At Tallinn a new harbour market selling regional handicrafts as well as domestic consumer goods such as fruit and vegetables opened at the end of last year on the ground floor of the former Terminal C. This will be open 24/7, year-round – for the local population as well as for ferry and cruise passengers.

The Port of Tallinn's Ingrid Berezin pointed out the difficulty of getting information about a destination onboard some ships – with one line even reluctant to give out details of taxi stand locations, as it makes money out of the shuttle bus service it offers.

But she was positive about the Cruise Baltic meeting. "It let us share knowledge and information on how to improve our cruise product and how to increase spending at our destinations – as satisfaction and spending go together."

Tiina Kiibus, from Tallinn City Tourist Office and Convention Bureau, said: "We are now opening the tourist information desk at the port all day instead of just the half-day.

"We are pleased about any revenue from entrepreneurship, but our mission is to try to attract visitors' attention first to Estonian products – hence the Hansaturg (Hansa market)."

Town Shop Retail's Rentz-Petersen said: "Both the *DWCD* feature and the Cruise Baltic meeting gave me an idea how to welcome our customers in Skagen, Denmark this summer.

"Because it is such a popular tourist destination, with 1 million visitors every year, its shopkeepers generally could not care less about attracting passengers from a few cruise ships. I do not like that attitude, and this year my shop will display banners explicitly welcoming passengers from whichever ship is in town that day."

Aarhus, Denmark, has also picked up an idea mentioned in *DWCD*. It is now offering money-off coupons at local stores and attractions specifically for its cruise visitors.

Other Scandinavian port welcome initiatives include the crew service centre opened at Eidfjord, Norway which offers free Internet and telephone call access, and reduced entrance fees to local attractions.

Also in Norway, Stavanger has a team of volunteer Cruise Hosts to hand out maps and give directions to passengers. There is also free Internet access for crew members, who also have a free pass to any city museum.

Further afield, Kirkwall (Scotland) – also criticised in a *DWCD* Port Welcome review – has expanded its team of multilingual guides and introduced new smartphone app technology through the quayside meet-and-greet service to enhance visitors' shopping and other experiences. This is in preparation for a major berth expansion to accommodate larger ships, which should be in place for late summer 2012.

In Portland, England, the 2010 arrival of a record 10,000 cruise visitors – each spending an average of more than £50 ashore – has prompted the local Weymouth College to run a cruise module as part of its travel and tourism national diploma course. The students now come down to the port to greet passengers and promote local attractions.

The new Falmouth cruise port development in Jamaica opened for business in January, but there is an ongoing programme of 'sensitisation' for local residents so that they understand the needs of cruise visitors and the benefits they bring.

In 2004 a local family firm set up a crew convenience store at the New Orleans cruise terminal. It has since set up

a similar store in Mobile, Alabama and has just won the contract to operate the newly built cruise crew lounge at the cruise terminal there.

As well as providing free Internet and telephone services for crew, they have gone to suppliers around the world to find food delicacies – like Papaya pickles – to appeal to crew members who are missing home. They also offer a money-wiring service.

The firm is apparently doing very well but, when it applied for the latest contract, it was still the only bidder – so it is clear the cruise sector still has much to do to make sure the message about the business opportunities represented by visiting crew and passengers gets out there.

Cruise Baltic director Bo Larsen said: "The fact that our meeting on the subject was very highly rated (4.4 out of 5) tells me that the discussion will result in more initiatives and raise the performance in this area right across our member ports." □

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Tiina Kiibus