



Developing Shore Excursions for Great Lakes Cruises A Workbook



**DEVELOPING SHORE
EXCURSIONS FOR
GREAT LAKES CRUISES**

A WORKBOOK

Prepared for
Investment and Development Office
Ministry of Tourism

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This manual was prepared on behalf of the Ontario Ministry of Tourism (Investment and Development Office) and the Great Lakes Cruising Coalition by The Economic Planning Group of Canada and Ambassatours Gray Line (Halifax).

The manual and accompanying worksheets can be downloaded from the Ministry of Tourism's website at www.tourism.gov.on.ca .

For more information contact:

Alan Rimmington
Investment and Development Office
Ontario Ministry of Tourism
900 Bay Street, 9th Floor
Toronto, Ontario
M7A 2E1

Tel: (416) 325 8866
Fax: (416) 327 2506
Email: alan.rimmington@mtr.gov.on.ca
Web: www.tourism.gov.on.ca

Stephen Burnett, Executive Director
Great Lakes Cruising Coalition
420 Regent Street
Barrifield Village
Kingston, Ontario
K7K 5R3

Tel: (613) 544 7857
Fax: (613) 546 1576
Email: stephenburnett@sympatico.ca
Web: www.greatlakescruisingcoalition.com

**CHAPTER 1:
INTRODUCTION**

CHAPTER 1: INTRODUCTION

Great Lakes cruising has been enjoying a renaissance. Travel by ship on the Great Lakes flourished in the first half of the 20th century but passenger ships had largely vanished from the lakes by the 1970s. However, with the growth in cruise travel internationally, a growing number of companies and vessels have been offering cruise programs on the Great Lakes. This process is being assisted through the support of organizations like the Great Lakes Cruising Coalition. A 2004 study by that organization indicated that nine cruise ships operating on the Great Lakes generated economic values of almost \$50 million in Canada that year.

Unfortunately, recent events have interrupted this positive trend, at least for a while. The fallout of 9-11, particularly the heightened USA border controls, security concerns and the imposition of onerous piloting requirements on the Great Lakes, as well as the general malaise in tourism from the USA have all taken their toll in the past few years. Hopefully, these situations will ease and allow growth in Great Lakes cruising to recover in the not-too-distant future.

Great Lakes cruising provides economic benefits for communities on the lakes, in particular as a result of shore excursion programs that can help attract ships and earn revenues for the community and its businesses. Shore programs are an essential component of the overall cruise experience, and are fundamental to the success of cruises generally. It is important that the cruise lines have access to quality shore excursion programs, and they usually look to the local community and its businesses to play a major role in this regard. In fact, the availability of unique, interesting and experiential shore excursions has a considerable impact on selecting ports of call.

What It Takes to be Successful, in Brief

There are a number of complexities involved in a mutually successful relationship between the cruise operator and the community and its businesses. The following key elements need to be in place:

- Basic essential services for the cruise ships such as appropriate dockage, waste collection, water, supplies and services, etc.
- Infrastructure for passengers and crew including easy access to shopping and services, taxis, telephones, basic information on the area, directional signage, etc.
- A welcoming community and businesses, offering an excellent hospitality and a high standard of customer service.
- Well-designed shore excursion programs that respond to the interests and characteristics of the passengers, and provide them with unique and memorable experiences.

- ❑ Competent ground operators in place to provide shore excursions and support services, and to provide customized services upon request.
- ❑ Service suppliers that understand the dynamics of such programs and are willing to accommodate the unique needs of the cruise lines.
- ❑ A solid arrangement between the cruise operator and those providing shore excursion services, including arrangements for communications with respect to shore excursion bookings and operational issues on a cruise-by-cruise basis.
- ❑ Contingency plans, arrangements and agreements with respect to the diversity of problems that can arise from time to time, including financial liabilities.

Overall, there needs to be a collaborative approach within the community to developing and supporting cruise ship visits.

While 'doing it right' can be good for the community, and for shore excursion planners and operators; 'doing it wrong' can lead to small and large horrors. 'Doing it right' means delivering shore excursions through mutually successful working arrangements with the cruise line and the ships themselves, one that also makes for happy cruise clientele.

This workshop has been designed to provide the training that cruise ship shore excursion planners and suppliers need to 'do it right'. The manual and the seminar program will provide an understanding of the issues and elements associated with a successful shore excursion program, and the tools to help develop and deliver such programs.

A Sector of Unprecedented Growth

The international cruise industry has seen significant growth in the past twenty years and expectations are that passenger volumes will continue to increase. Key indicators about the cruise market include:

The North American cruise market grew at an average of 8.2% per year from 1980 through 2004.

Total North American passengers increased from 1.43 million in 1980, to 3.64 million in 1990 and 9.1 million in 2004 (on CLIA¹ member-line ships).

34% of the potential North American cruise target market (25 years plus; HHI over \$40,000 – representing some 44% of US population) have been cruising meaning that there is a large potential market still to be tapped; 51% of those who have cruised have done so in the past three years.

Worldwide passenger volumes were 12.7 million on 255 ships, operating at 95% capacity in 2004.

Recent Trends in Cruise Ships and Itineraries

The growing demand for cruising has spawned major increases in the worldwide cruising capacity over the past ten years, much of it in new mega ships. While the increases in capacity have slowed somewhat in the last couple of years, the industry is continuing to evolve in many different ways.

There are several different categories of cruise lines. The mass-market cruise lines (e.g. Carnival Cruise Lines, Princess Cruise Lines, etc.) have large ships and tend to offer itineraries in traditional cruising areas such as the Caribbean, Mediterranean, East Coast of North America, Alaska. These ships are too large to cruise in the Great Lakes/St. Lawrence – they cannot fit through the locks.

There are also cruise lines that use much smaller ships, such as Clipper Cruise Lines, and an adventure/expedition segment, again using generally smaller ships. The Great Lakes Cruising Coalition has estimated that there are some 130 smaller cruise ships worldwide that could potentially cruise on the Great Lakes/St. Lawrence system.

¹ CLIA – Cruise Lines International Association

**CHAPTER 2:
THE CRUISE INDUSTRY
INTERNATIONALLY**

Some of the trends in the cruise industry include:

- ❑ The mass-market cruise lines are developing bigger and bigger ships. As a result, they
 - Achieve better economies of scale
 - Have a lower cost per passenger = more affordable ticket prices = more cruise passengers
 - Offer more choices for dining on board
 - Offer more choices for activities on-board such as cyber-café, golf, spas, bungee jumping, nightclubs, acting classes, etc. etc.
 - Encourage more spending on-board, and on shore excursions – to compensate for the relatively low ticket prices

- ❑ The picture is different for small ships and adventure cruise lines:
 - They do not benefit from the economies of scale
 - They require a higher staff to passenger ratio to accommodate their programs and positioning. Therefore, their operating costs per passenger tend to be higher.
 - They are more dependent on the base cruise fare, which tends to be higher, with relatively small passenger capacities, discounting the ticket prices to attract more passengers or generating increased revenue from on-board sales cannot generate significant amounts of increased revenue.
 - One result is that their clientele tend to be more affluent, somewhat older and more experienced and demanding travellers.

- ❑ There are more ships operating from more ports around the US. This means that cruise departure points are more accessible by driving, thereby making cruises more affordable and helping increase demand.

- ❑ There are more repeat cruisers, many of them multiple repeats, and there is increased capacity in the marketplace. As a result, cruise lines are seeking new and different itineraries, and new and exotic ports, as well as new and different on-board and on-shore excursions to encourage repeat visitors.

- ❑ 2005 has seen a big growth in demand for European itineraries and there are strong growth prospects for cruising in this market; there is also growing interest in Asian destinations.

- ❑ There is a trend towards a diverse mix of cruise products being available – both from large corporations and a variety of smaller suppliers, such as:

- Standard 7 day warm weather cruises
 - Mini 3 – 5 day cruises
 - Expedition and adventure cruises to exotic destinations
 - Around the world and extended cruises
 - Itineraries to new and unique ports – in Asia, Europe, Australia, etc.
 - Themed cruises – e.g. jazz, cooking, antiques, wine – often featuring onboard lectures or celebrities
- 2 – 5 day cruises have seen the biggest growth – they represent 31% of the market compared to 24% in 1980. However, 6 – 8 day cruises still represent over 55% of the market

**CHAPTER 3:
CRUISING IN THE GREAT LAKES**

History of Great Lakes Cruising

The Great Lakes have had a long and interesting history of passenger ship travel, which gradually died out as rail and road travel developed. But since the mid-1990's, cruising has made something of a comeback in the region. An interesting article on this entitled "Great Lakes Cruising in the Wake of Charles Dickens and Mark Twain" by the Great Lakes Cruising Coalition provides a good perspective on the history, and is presented in Appendix I.

What's Happening Today in the Great Lakes

There are five cruise lines offering itineraries on the Great Lakes/St. Lawrence in 2006, with two of them cruising only in the St. Lawrence River. The five cruise lines are:

- Clipper Cruise Lines
- American Canadian Caribbean Line
- Hapag Lloyd
- St. Lawrence Cruise Lines
- Heritage Cruise Lines

Clipper Cruise Lines

A small ship cruise line with four vessels that offers cruises to exotic and unique destinations around the world, Clipper Cruise Lines has been named one of the top ten small ship cruise lines in the world by readers of Conde Nast Traveler magazine. Their itineraries feature areas of natural beauty, cultural interest and historical significance along with adventure, such as the High Arctic, Antarctica and the Far East. Their clientele are sophisticated, educated people seeking experiences and educational perspectives. Their ships travel with a naturalist and/or historian on board.

Clipper Cruise Lines' 2006 program in the Great Lakes includes:

- 1 ship (Nantucket Clipper)
- 3 itineraries, illustrated on the next page (2 of them include Canadian ports; the third goes only to US ports)
- 11 departures (6 include Canadian ports) are planned for 2006





American Canadian Caribbean Line (ACCL)

The originator of small ship cruising, ACCL was started in 1966. It now has three ships with itineraries along the east coast of Canada and the US, the inland waterways and Great Lakes, and the Caribbean and Gulf of Mexico. The ships offer an informal atmosphere (e.g. relaxed dress code, BYOB), and itineraries feature smaller ports with nature and history appeals.



ACCL's program on the Great Lakes/St. Lawrence in 2006 is:

- ❑ 5 itineraries on 3 ships - Grande Mariner; Niagara Prince and Grand Caribe. Two of these ships travel on the Great Lakes, the third only on the St. Lawrence and inland waterways through New York
- ❑ 3 of the itineraries include the Great Lakes, 2 of the itineraries are on the St. Lawrence River/inland waterways only
- ❑ 22 departures in total are planned for 2006

However, there are no port stops in Canada in 2006 due to the hassles of security and customs clearance required when the ships return to US ports. These stops may be re-instated in the future if the security/customs process can be streamlined.

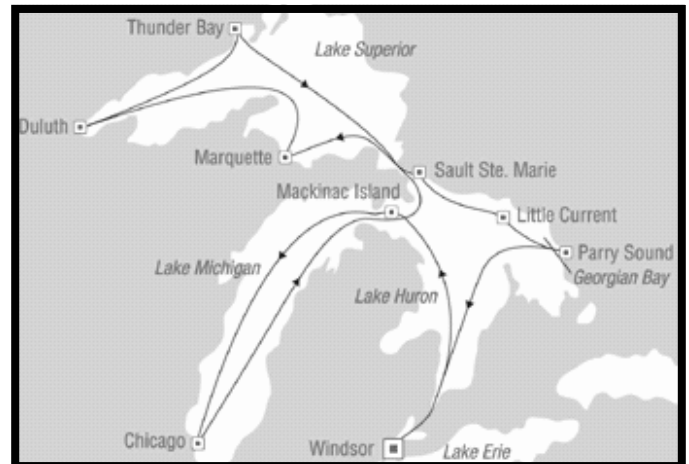
Hapag Lloyd

This company offers first-class, expedition style cruising to locations around the world on a fleet of 4 vessels. They cater to the upscale, discriminating traveler from the US, Canada and international markets. The company places a significant focus on their shore excursions.



- ❑ 3 itineraries with one departure each
- ❑ All are in the fall (the first one starts Sept. 20)
- ❑ Port stops include a variety of Canadian ports around the Great Lakes, as illustrated. (1 itinerary is the reverse of the one shown on the left).

At present all of their shore excursions on Great Lakes cruises are delivered by one ground operator for Canadian ports and one for American ports



St. Lawrence Cruise Lines and Heritage Cruise Lines

These cruise lines operate in the St. Lawrence River/Ottawa River only and do not go on to the Great Lakes.

St. Lawrence Cruise Lines operates the MV Canadian Empress which holds 66 passengers and cruises between Kingston, Ottawa, Montreal and Quebec City. Three different itineraries are offered of 3 – 6 days, with 33 departures in total scheduled for 2006.



Heritage Cruise Lines operates the MV Georgian Clipper, a 9 cabin ship which operated on Georgian Bay and the North Channel until 2003/4. It was in drydock in 2005 and in 2006 has been relocated to the St. Lawrence/Thousand Islands. Its 2006 schedule is for 27 departures on a 6 night itinerary from Kingston, to Picton, Prince Edward County, Brockville, Gananoque and back to Kingston.

Summary of 2006 Cruise Activity on the Great Lakes/St. Lawrence River

Cruise Line	# of Ships Operating on Great Lakes	# of Itineraries on the Great Lakes	# of Departures Scheduled on Great Lakes (1)	# of Departures Scheduled that include Canadian Ports	Canadian Port Visits Great Lakes/St. Lawrence (3)
Clipper Cruise Lines	1	3	11	6	12/8 (4)
American Canadian Caribbean Line	2	3	11 + ? (2)	0	0
Hapag Lloyd	1	3	3	3	17
Total	5	9	25+	9	29/37

Notes:

- (1) Each itinerary can be offered more than once; each time an itinerary is offered counts as one departure. The total number of times the itineraries are planned to be offered in 2006 equals the total number of departures.
- (2) The number of departures on Lake Superior Grande Tour is not known.
- (3) The second number represents the number of port visits to ports on the St. Lawrence River (in Ontario), i.e. Kingston and Prescott.
- (4) 12 Canadian port visits includes 6 stops on Welland Canal for Niagara Falls visit.

The 37 total port visits scheduled for 2006 are as follows (assuming all scheduled departures and itineraries operate as promoted):

Prescott	4	Welland Canal	6	Sault Ste. Marie	3
Kingston	4	Windsor	5	Little Current	1
Toronto	6	Thunder Bay	3	Parry Sound	3
Tombermory	2				

Issues and Opportunities with Great Lakes Cruising

Issues and Challenges

There has been a decline in the number of ships on the Great Lakes, and in the number of Canadian port calls in the past couple of years, and particularly in those scheduled for 2006. This is due to issues related to security and border controls, as well as to the pilotage requirements and associated costs.

While recognizing the need for security, cruise lines expressed concerns about the inability for their ships to go back and forth between Canadian and US ports without a time consuming security and customs process which necessitates frequent line-ups and is not customer friendly. A need to have similar security processes in each port was identified, and to make the process as simple and timely as possible. This is due to Coasting Regulations, a discussion of which follows below.

In some cases, the market response to cruise tours offered has not been up to expectations and some comment was expressed that the Great Lakes is not a particularly exotic destination, given the range of choices available in world-wide cruising today.

Coasting Regulations

Both Canada and the USA have regulations that reserve port to port voyages within their country exclusively for home flag vessels with domestic crews. These are set out in Canada's Coasting Regulations and the USA's Jones Act. Foreign flag vessels can visit their ports but only on 'foreign' voyages, and visit only one of the country's ports on a particular voyage to or from a foreign port.

The consequence of this is that vessels cruising the Great Lakes need to come from and then proceed to a 'foreign' port each time they visit a port in either Canada or the USA if they are not a flag ship of that country. For example, a Canadian flag ship can make multiple visits to Canadian ports in succession, but if they visit a USA port, they must do so as a foreign voyage and subsequently return to and enter Canada without stopping at any other American ports in between. The same is true, in reverse, for American ships. A truly foreign ship cannot make successive stops in either country, forcing it into a back and forth, multiple entry/exit itinerary. Each entry requires that all passengers and crew clear customs and immigration on each entry.

All this is costly and time consuming to the cruise operator and the passenger as well, and clearly a deterrent to the growth of Great Lakes cruising. It is made all the worse more recently with the heightened border controls.

In Canada's case, a foreign flag vessel can avoid some of this problem by obtaining a one-year exception from Transport Canada under a Coasting Trade Exemption Order, but this is only possible if no Canadian flag vessel that is potentially available to provide a similar service objects to the order. As a consequence of this, companies are potentially discouraged from establishing a Great Lakes cruise program using a foreign flag vessel, since they are unsure from one year to the next whether they will continue to be able to operate their program. In the absence of an exemption order, they are forced into the back and forth, multiple entry model.

Opportunities

There are, however, opportunities for addressing the challenges identified above:

- ❑ Collaborate on efforts liberalize the Transport Canada Coasting Regulations to the model used for Canadian Saltwater Coastal waters. (This would permit Canadian port to port cruise voyages by foreign flag vessels as long as one of the ports of call was a US port.)

- ❑ Collaborate on efforts to mitigate border/port security measures.
- ❑ Collaborate on efforts to roll-back the pilotage requirements and costs.

There are also a number of positive factors supporting future growth:

- ❑ With the growth in mega ships and capacity generally, this is encouraging the repositioning of smaller ships to new cruise areas, including the Great Lakes, which is restricted to small vessels, hence not vulnerable to mega ship encroachment.
- ❑ The Canadian ports on the lakes are generally more interesting to cruise passengers.
- ❑ The Canadian domestic market is underdeveloped.
- ❑ A cruise operator that makes a concerted market development effort has a large market close at hand to work with.

There are seen to be opportunities for ports to attract cruise ships by working together in designing suggested itineraries that offer unique and interesting experiences, and by facilitating arrangements for ground operations more generally. The effectiveness of this effort could be further enhanced through staging a marketplace for ports and ground operators to showcase their offerings to cruise operators, ideally accompanied by a fam tour.

Challenges and Needs related to Port Visits and Shore Excursions on the Great Lakes

As part of the background research for this seminar program, interviews were conducted with representatives of a number of ports, and with representatives of the cruise lines that currently offer itineraries on the Great Lakes. They offered a variety of comments about issues and challenges specific to port facilities and services, and to shore excursion programs. These comments are provided in Appendix II. Needs identified related to shore excursion programs have been incorporated, where possible, into the later sections of this manual that address the detailed planning of shore excursion programs.

Role and Activities of the Great Lakes Cruise Coalition (GLCC)

This section (see the next page) is quoted from their website – www.greatlakescruisingcoalition.com . An article describing a recent sales mission led by the coalition is provided in Appendix I.

The Great Lakes Cruising Coalition is an organization which advocates passenger cruising on the Great Lakes. It represents the publicly owned assets and is comprised of American & Canadian Port Cities and towns, various significant Port Authorities, several U.S. States, the Canadian Province of Ontario and the St Lawrence Seaway. We have been in existence since 1997 and our members represent important destinations around the Great Lakes.

The GLCC was formed as a result of imaginative thinking, which envisaged world class cruise ships "steaming" along the St. Lawrence Seaway, navigating the fascinating system of locks, thereby "climbing the Niagara Escarpment"... and cruising into the Great Lakes.

We believe the Great Lakes, which resemble "Inland Seas", have yet to be discovered by the world wide cruise community and we also believe they represent the last un-cruised waters in the world. Our mission is to create an atmosphere, which will attract the world-wide cruise industry and impress upon them how magnificent and rewarding that cruising the Great Lakes can be for their guests.

OUR GOALS

The GLCC has several goals, which are designed to pave the way for cruise ship owners and operators to bring their vessels into our magnificent lakes.

- We work with ship owners and operators, furnishing them with technical information, to assist their Marine Operations, making them aware of what they are required to do when entering this region.
- We know where the best marine handling agents are in our Great Lakes port cities and we make these available to ship owners and operators
- We introduce regionally knowledgeable GLCC members who can bring valuable local resources to their attention
- We work with the regional Travel Industry, making them aware of passenger cruise opportunities on the Great Lakes

TECHNICAL EXPERTISE

We are in touch with local media in each region of the Great Lakes and our members are encouraged to spread the news of passenger ship movements in their cities.

A technical manual designed to assist ship owners and operators with maritime planning from their entry point in the Gulf of St Lawrence and through all five Great Lakes. This manual allows prospective ship operators to plan for their entire North American operation, including such items as water level monitoring, air draft changes, fuel supplies and effluent disposal, plus availability of dock space and anchoring locations.

GLCC MEMBERS

Our members represent important towns, cities, ports and port authorities on both the Great Lakes and the St. Lawrence Seaway system. We are active in bringing Great Lakes information to the shipping companies and to their itinerary planners for a first hand look at what we have to offer.

Our Strength is in Our Members and Our Members are the Great Lakes.

**CHAPTER 4:
THE CRUISE CONSUMER—
CHARACTERISTICS AND SHORE
EXCURSION INTERESTS**

CHAPTER 4: THE CRUISE CONSUMER—CHARACTERISTICS AND SHORE EXCURSION INTERESTS

Who are Today's Cruise Consumers?

Traditionally, the cruise consumer was a senior citizen looking for a relatively sedentary experience, but, as with many travel market segments, this profile has changed in the past 10 – 15 years and is continuing to evolve.

Today's cruisers²:

- Are older than average (median age of 47 compared to 35.3 for all US residents in 2000)
- Have higher levels of household income
- Are better educated – 65% are college graduates
- Tend to be married
- Are employed full time (58%) or retired (19%)



Cruise passengers are younger than they used to be (or at least young at heart!) and there are more younger passengers, particularly on the mass market cruise lines. This means:



- More interest in activities and adventure
- More diverse and active programming, both on board and on shore excursions
- More itinerary alternatives

It also has implications for the types of shore excursions that are of appeal as will be explored in the next section.

The small ship cruise market, which is of particular interest to the Great Lakes ports, is somewhat different:

- These ships tend to be positioned towards the higher end of the market.
- The small ship cruise lines travel to different and more exotic and unique destinations, and they tend to have a greater focus on experiential and educational elements – history, culture, and nature.
- The market is older, but still active. For example, the median age reported for Hapag Lloyd's market is 64 years.
- The market is sophisticated, well-travelled, interested in learning and unique experiences and also demanding with high expectations

² Source: Cruise Lines International Association 2004 Market Profile

Shore Excursion Interests and Expectations

Shore excursions are an important part of the cruise experience – both for the passenger and for the cruise line. For passengers, they offer an opportunity to experience the essence of the destination, through a sightseeing tour or through a more intensive experience that incorporates culture, history, nature or adventure, or some combination thereof.

For the cruise lines, the shore excursion experiences available are a factor in making itinerary decisions and selecting ports of call. It is the shore excursions that differentiate the port and provide the diversity and uniqueness of experience that passengers are seeking. With an increasingly competitive marketplace, and demand from passengers for new destinations and something different, the market appeal of a port has become one of the main considerations in selecting ports of call. (Of course, safety and security issues, operational and logistical factors are key considerations as well).

For the mass market cruise lines, shore excursions are an important revenue generator – and their interest and approach to shore excursions is almost exclusively oriented to driving more revenue. However, for the small ship cruise lines, particularly those that cater to a higher end market, the focus tends to be more on providing a unique, high quality passenger experience and there can be less concern about generating revenues. These cruise lines are seeking the the best overall experience for the passengers' dollar.

The types of shore excursions that are showing increasing appeal to today's markets include:

- Active tours – kayaking, cycling, horseback riding, walking tours, scuba diving (though some of these can be expensive due to equipment rental costs and this limits demand)
- Tours involving special natural features such as wildlife, icebergs, glaciers in Alaska or unique cultural experiences such as a First Nations experience (entertainment, food, history)
- Tours that involve food and wine, and learning about local products (for high end markets)
- Tours that include interaction with local people and their culture such as storytelling, music, food
- Tours that incorporate local history, with a well-qualified and knowledgeable guide
- Tours that are unique and offer something exclusive, such as a 'behind the scenes' experience – e.g. in Halifax, 'Be a Soldier for a Day' at the Halifax Citadel National Historic Site

Passengers on the small ship cruise lines tend to be more knowledgeable about the destination and more interested in experiences. This means that:

- They are seeking something different in shore excursions – a ‘behind the scenes’ experience, something not available to the average visitor
- Educational, unique, experiential, cultural, hands-on are all important characteristics for shore excursions
- Quality and service are critical; hassles and line-ups are to be avoided
- Excursions that are of national historic significance, cultural significance or exceptional scenic beauty are popular
- There must be differentiation between ports – all the ports on one itinerary cannot offer the same type of shore excursions

Many of the small ship cruise lines carry onboard interpreters or specialists who may be involved in developing or delivering shore excursion programs.

Independently organized excursions are becoming more popular, whereby a family or group traveling together makes their own arrangements prior to their cruise for a customized tour at a particular destination. These tend to be small, exclusive excursions using private cars/taxis or small vans and often offer the opportunity for a more enriched experience than the typical shore excursion.

Ground operators and suppliers who develop and offer shore excursions must:

- Meet the needs of the cruise tourist – this means understanding the demographics and interests of the passengers. Is it a younger clientele who want adventure and action or an older clientele who want to learn about the history of the area or meet local residents? Or is it a mix of both, in which case a variety of shore excursion options need to be available.
- Consider the physical activity abilities of the passengers. If most of the passengers are elderly, accessibility will be an important issue.
- Understand the motivations of the cruise line – Is revenue their primary objective? Or are they focused on delivering a ‘WOW’ customer experience so as to exceed customer expectations? Or is it a combination of both?
- Consider where the ship has been and what its next few ports of call are – and what types of shore excursions are being offered at these other destinations.

The Great Lakes cruising area is competing with cruising areas around the world, many offering exotic, once-in-a-lifetime experiences. For the Great Lakes to compete successfully, the shore excursions here must offer something different, unique and of high quality. There has been frustration expressed by the cruise lines operating on the Great Lakes that the shore excursions offered do not incorporate truly unique and appealing experiences. It will be important to pay particular attention to developing shore excursions that are unique and truly respond to the high expectations of cruise passengers.

There are many other things to be considered in designing shore excursions; these will be addressed in Chapter 6.

Examples of Shore Excursions Offered at Great Lakes Ports

The following are some of the shore excursions offered at Great Lakes Ports.

Parry Sound

- Island Queen Boat Tour
- Flightseeing

Little Current

- Pow Wow at M'Chigeeng First Nation
- Hiking
- Golf
- Art/Museum tour
- Great Spirit Circle Driving Tour

Clipper Cruise Lines Comments on Their Shore Excursion Program

- ➔ We prefer tours featuring historic and cultural highlights, natural history with a focus on special/unique features
- ➔ Some walking is OK – but maximum is 1- 2 miles
- ➔ We do not usually include meals unless the meal is something different

American Canadian Caribbean Line Comments on Their Shore Excursion Program

- ➔ Usually only one shore excursion is offered due to the small number of passengers
- ➔ Excursions include:
 - City Tours
 - Educational Tours
 - Tours that showcase special features of the area

Sault Ste. Marie

- Agawa Canyon Wilderness Train (full day)
- Lake Superior Interpretive tour (by coach)
- City tour with stops at attractions
- Visit to a First Nations village

Toledo

- Museum and zoo tour
- Holy Toledo Tour – of historic churches

Detroit

- Henry Ford Museum
- Frankenmuth themed town
- Professional sports events

Hapag Lloyd Comments on Their Shore Excursion Program

- ➔ We prefer to offer 2 – 5 options per port, depending on length of stay; if the visit is very short, no organized excursions are offered
- ➔ They have a ground operator that organizes all their Canadian tours
- ➔ Excursions include a helicopter tour, Island Queen boat tour, Agawa Canyon train trip, city tours, Pow Wow on Manitoulin and walking tours.
- ➔ We need some German speaking tour guides

Examples of Shore Excursions Elsewhere

A variety of different types of shore excursion programs are described here. If you are looking for ideas, visit

www.cruise critic.com (Click on their Destinations section, and then a specific port/community) which provides descriptions of shore excursion ideas and many of the larger cruise lines describe their shore excursion options in detail on their web sites.

Some Canadian Shore Excursions

Halifax Citadel National Historic Site

- Soldier for a Day
- The Queen's Shilling
- Victorian Tea and Tour

Soldier for a Day

Ready. Aim. Fire! Spend a day in the Victorian Army for the ultimate in historical experiences. This highly interactive program allows visitors to dress in period uniform, to experience 19th century military drill, discipline and accommodation and even get a taste of Victorian-era food. The crack of rifle fire signals the end of your day.

→ Site tour, morning and afternoon refreshments, historically-themed lunch, a gift, time for site exploration and shopping included.

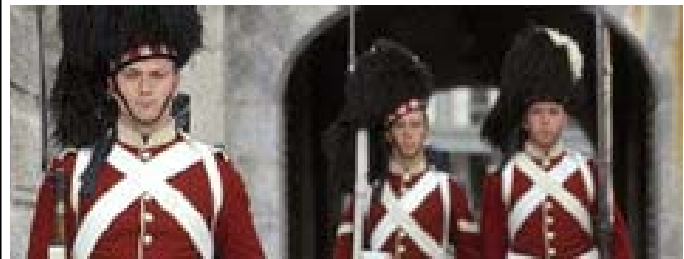
→ Duration: 7 hours. \$299

The Queen's Shilling

In the Victorian period, to "take the Queen's Shilling" became a code-phrase for an individual's enlistment in the army. Enlist with us for this half-day program to lend your hand to a cannon's crew, get up close and personal with the Highland bagpipe and walk the walls of the Citadel with a 19th century soldier as your guide.

→ Refreshments, a gift, time for site exploration and shopping included.

→ Duration: 3 hours.



Jet Boat Ride, Saint John, NB

The 10-passenger **Jet Boat Ride** on the Reversing Falls is a white-knuckler, and that's just for those watching from afar! The 20-minute ride through whirlpool rapids and towering waves is a surefire way to get drenched, even though passengers are provided with heavy rain gear. The ride is definitely not for those with heart conditions.

Flowers, Farms, New Brunswick Charms

This shore excursion that combines a hands-on tour of a local farm with a visit to nearby Darlings Island, and the beautiful Enan Lane Gardens. The dairy farm stop includes the opportunity to milk a cow by hand, always an intriguing activity for city slickers.

St. John's Newfoundland In Focus

Embark on this introduction to Photography tour and photograph some of the amazing landscapes of St. John's, Newfoundland.

A blindfolded person might confuse St. John's with San Francisco as they moved up and down the numerous hills; their ear's popping from the changes in elevation. Join a renowned local photographer and explore some of the landscapes and seascapes of St. John's Newfoundland, the first city (geographically speaking) of the new world. Colourful architecture, dramatic coastal landscapes, hills and valleys, plus lush forest trails will all serve as a backdrop as you review photographic composition and content with a skilled local host. Bring your conventional camera with lots of film or your digital camera and get prepared to capture some Newfoundland memories. Novices will enjoy a fun learning adventure in a dramatic setting as they learn to better understand their equipment. Professionals will enjoy swapping stories and techniques with an experienced local expert

M'Chigeeng and Pow Wow, Manitoulin Island

This shore excursion **transports you to the world** of the Indians on the "Island of the Great Manitou". The biggest freshwater island in the world has been inhabited for centuries by the natives and to this day one third of the island's population belongs to the Ojibwe and Ottawa tribes. In their community in the middle of the island they celebrate life with the "Pow Wow", invite you to traditional dance performances and stories told by the Elders and show you works of art and costumes.

Some Alaskan Shore Excursions

Gold Creek Salmon Bake

More than a meal, this is a true Alaskan cookout. This has been Alaska's original "all-you-can-eat" outdoor salmon bake for over 30 years! At Gold Creek Salmon Bake, Alaskan-caught salmon will be grilling over an open alderwood fire. Your meal also includes barbecued ribs, chicken, baked beans, rice pilaf, a variety of salads, corn bread and beverages. Live musical entertainment is provided as you dine beside Salmon Creek, nestled in the foliage of Southeast Alaska's rain forest, under that will protect you from any sort of weather. After dining, roast marshmallows over a campfire or view the Salmon Creek waterfall, where, in season, salmon spawn and the remnants of a historic stamp mill and gold mine are located. This true Alaskan cookout is a taste of the Last Frontier's history. **Length: 1.5 hours US\$39**

Gold Panning Adventure

Relive Juneau's gold rush history and pan for gold in the authentic setting of Last Chance Basin. A costumed prospector will accompany you on a narrated van ride through a historic residential area en route to Last Chance Basin. Trace the route taken by Joe Juneau and Richard Harris in their search for gold over 100 years ago. Near the famous Alaska-Juneau gold mine, one of the world's largest hard rock mining operations, you will get hands-on experience panning for gold in the creek. "Guaranteed gold" for everyone! Your prospector/guide recaptures the history of Juneau's gold discovery and hard rock mining as you view remnants of the mine. **Length: 2 hours US\$49**

Chartered Salmon Fishing

Fully guided and all gear and licensing included. The serene, cold waters off Ketchikan, known as the "Salmon Capital of the World," abound in five varieties of North Pacific salmon. Afterboarding your boat, you'll sail out in fully-equipped fishing boats ranging in size from 28 to 44 feet. Your experienced skipper knows where the fishing is at its best and everything you need will be provided. Beverages and an Alaskan smoked salmon snack will be served during the excursion.

Your catch may be processed into Frozen Fillets or Hot Smoked and vacuum sealed in plastic pouches and shipped to your home (US addresses only) or Canned Fresh or Smoked and Canned for shipment anywhere in the world. A credit card is required at the time of order and final billing will be shipped with order. We regret that fish cannot be stored on board the ship.

Bring appropriate outdoor clothing. As a bonus for reserving with us, your Alaska State one-day fishing license is included. During the King Salmon season, the additional \$10 King Salmon stamp is also complimentary from us. No guarantees are made with respect to catching fish. **Length: 4 hours US\$199**

Sitka Highlights & Tlingit Tribal Show

Experience the contrasting cultures of this historical city from its Russian roots and architecture to the native totems of the the Tlingit Indians. Enjoy narrative from the Tlingit perspective, providing a fascinating glimpse into the past and present. As a special highlight of this tour we have arranged for a presentation of authentic Tlingit Indian dances and music. Rich in both cultural and visual heritage, this tour is regarded as a must for all visitors to Sitka. **Length: 3 hours \$52**

**CHAPTER 5:
ATTRACTING CRUISE SHIPS**

CHAPTER 5: ATTRACTING CRUISE SHIPS

This section presents an overview of what's involved in working with cruise ships generally. Subsequent sections focus specifically, and in greater detail, on the 'how to's' of shore excursions.

Getting involved with cruise ship visits presents several provocative questions for a community and requires a level of effort to address each. They are:

1. What is the business case for doing so? What do we get out of it?
2. What do the cruise lines look for?
3. What local resources do we have to offer? Are they a match with cruise ship needs or what needs to be done to create the match? Do we have the resources necessary to develop and deliver shore excursions?
4. How do we go about attracting cruise ships?
5. How do we mobilize the effort so as to be able to deliver on the promise?

Each of these questions is briefly addressed in this section.

The Business Case for Cruise Ship Market Development

Convincing the community (the municipal council, the business community and the general public) that attracting cruise ships to the port will be good for the community will necessitate articulating the business case for doing so. The business case should include a discussion of both the economic benefits and the other benefits that the community might see as it becomes an established port of call for cruise ships. The benefits include:

Direct economic benefits:

- Passenger spending on shore excursions
- Other passenger spending on their visit – on shopping, services, etc.
- Crew spending at the port
- Cruise line spending on provisioning and support services

Indirect and other benefits:

- Secondary spending – the multiplier effect
- Spurs waterfront cleanup, upgrading, development of public amenities that benefit the community as well
- Builds destination awareness among passengers
- Encourages return visits
- High profile public relations for tourism

The Great Lakes Cruising Coalition completed an analysis of the economic impacts of cruising on the Great Lakes in 2004, at which time there were 9 ships operating on the Lakes, with 82 departures in total. The total value to Canadian ports was estimated at almost \$50 million with direct spending as follows:

Category of Spending	Estimated Spending in Canadian Ports (Millions, CDN \$)
Cruise Land Packages	\$2.6
Sightseeing Revenue	\$2.8
Gift Purchases	\$1.0
Marine Services & Supplies	\$5.4

There are certainly opportunities for coastal communities on the Great Lakes to capitalize on the cruise sector. Doing so can be considerably assisted by the community itself, by 'getting its act together' to work successfully with cruise operators. An article from the Great Lakes Seaway Review, reproduced in Appendix I, provides a good perspective on why there is a real future in this business.

Understanding Cruise Ship Needs

Cruise ships have a number of specific requirements that must be met in selecting ports of call as well as a wide range of issues that they consider in itinerary planning. It is important that a community understand and respond to these needs when working to attract cruise ship visits.

What Do Cruise Operators Look For in a Port of Call?

- An appropriate fit with the cruise schedule, considering cruising time between ports and their preference to arrive in ports early in the day and leave late in the afternoon
- Unique and interesting things for their passengers to do and enjoy – attractions, tours, shopping and shore excursions that are unique to the area, not the same as other ports on the trip. A few good ones, rather than too many mediocre ones is the key.
- A superior visitor experience - Passenger satisfaction = Cruise line satisfaction
- Safety and security in the port area and in the community
- People and businesses ashore with the capacity to handle local transportation, deliver shore excursions and passenger services, as well as trained guides, preferably multi-lingual ones (Some cruise companies prefer to do this with their own shipboard staff, others contract with one company to do it at all their ports of call.)
- Motorcoach service (where the cruise line handles shore activities themselves)
- Convenient access to shopping
- Basic ship support facilities and services, as described on the following page

Technical and Port Infrastructure Requirements

- Diesel fuel (not necessary at all stops)
- Waste collection
- Water

- Supplies, such as provisions, laundry services, (in some cases; essential if it is a turn-around port)
- Customs clearance
- Dockage (appropriate length and width) and gangway, or if dockage is not available, a place to anchor and tender passengers ashore
- A docking location close to downtown
- Sufficient water depth
- A welcome centre/arrivals area for passengers
- Proximate or accessible to shopping and services

What Else Influences the Selection of Ports?

- Customs and security issues - this has become a big issue on the Great Lakes, resulting in fewer port calls in Canada

Matching Port and Community Resources with Cruise Line Needs

This task requires a hard-nosed examination of what the community has to offer and where improvements will be required to satisfy the needs of cruise lines. A detailed checklist to work with is provided in Appendix III; the key questions are addressed here:

Can we deliver a Truly Unique and Interesting Experience for Visitors?

- Can we offer truly unique, relevant, memorable experiences for visitors?
 - What makes us special, different from others?
 - What do we have that is unusual?
 - What do we have that is exciting?
 - What do we have that is educational?
 - Do we make or do anything here that is unique and interesting?
- Are tours currently available?
 - Are they unique, interesting, fun and/or educational?
 - Do they combine experiences with services (shopping, dining, transportation) and interpretation?
 - Or, are there natural, cultural, activity/adventure resources on which packages/tours could be developed?
 - Can they be authentic, of quality, involving local people?
 - Not too long, not too short?
 - Affordable?
 - Can they be reliably and consistently provided?
 - Can they be exclusive? (Not offered by others at lower prices)
- Can we put together a Special Welcome program?
 - What about a Cruise Ship Greeter on the dock; Entertainment; Music?
 - The community needs to make it clear that they are welcoming and want the ships and passengers to visit
- Can we deliver quality in customer hospitality and service?

Can we Satisfy the General Visitor Infrastructure and Service Needs?

- Can we provide information at arrival
 - Downtown walking tour map, brochure
 - Someone to do a talk about the area; provide information on stores and restaurants, brochures, maps, etc.
- Are shopping and attractions fairly close and accessible?
 - Can guests walk into town?
 - If so, are there sidewalks leading to the shopping and attractions?
 - If not, can shuttle services be provided?
 - Is there public transportation or taxi service available?
 - Is there signage – directional and interpretive?
- Is there access to ATMs, banks, and other basic services, such as a pharmacy?
- Are there dock area services?
 - Washrooms
 - Public telephones
 - Email
 - Parking
 - Taxis and car rentals
 - What is there for ship staff to do?

What about Shore Excursion Services?

- Is there someone to develop and deliver quality shore excursions? (See the discussion about optional approaches later in this section, and the details on planning shore excursions in Sections 6 and 7)
- Are there motorcoaches available that are clean, modern, well-maintained?
- Are there guides available – knowledgeable, educated, consistent level of service and knowledge, reliable; bilingual service if needed (e.g. German)?
- Can the cruise line's exclusivity be provided, and protected?
 - Prohibit solicitation and sale of tours within the port area
 - Exclusive port area access for approved cruise line suppliers
 - Non-competition from ground operators (they only sell the cruise line's excursion on or near the ship)

Attracting Cruise Ships

Once the community is ready to approach cruise lines and encourage them to visit the port, it will be important to first identify the best prospects. Consider the following factors in doing so:

- The positioning of the port and the community. Does it fit with the client mix of the cruise operator?
- Whether the port stop fits well into their itinerary
- Whether the necessary technical support services for the ship are available

If you can talk to the cruise line (or someone who knows their operation), find these things out:

- How do you decide what ports to visit?
- What are your previous and next ports of call? (If not already known)
- What kinds of visitor experiences would you like to see?
- What are the kinds of ground operator services you require?
- What are the ship's requirements for a port?

This information will help you tailor a customized information package for the particular cruise line. The next step is taking your offer to the market, by participating in GLCC marketing initiatives, such as the SeaTrade Cruise Shipping Convention (the major international marketplace between the cruise industry and its suppliers, including port representatives; it is usually held in Miami in March) and/or through direct contact with the cruise line.

Mobilizing the Effort to Deliver on the Promise

There are two key areas where significant effort is required to deliver the services and programs the cruise line is expecting at the port. The first is shore excursions; the second is the technical matter related to the port and the needs for ship supplies.

There are essentially four ways in which cruise lines operate with respect to shore excursions:

1. The cruise company does it all themselves – plans, organizes and operates shore excursions, dealing directly with the port as well as the businesses and individuals at the destination, or
2. They contract with one company to travel from port to port to operate their shore excursions, or
3. They work with ground operators at each port to design, organize and manage the shore excursions, or
4. They work through a central organization at the destination, such as the Chamber, the local destination tourism organization (DMO) or the municipality, which in turn coordinates things on their behalf. There are two variations of this model:
 - a. The local organization simply assists in planning and coordination, with the cruise line purchasing the services directly from the supplier and/or ground operator.
 - b. In addition to planning and coordination, the central organization also manages the delivery of the shore excursions as well.

This rest of this manual focuses on how to plan shore excursions under models 3 and 4.

Dealing with the port on technical matters and with ship chandlers (suppliers of services and provisions at the port) is either done directly by the cruise line, or through a shipping agent at the destination.

The Partnership Approach

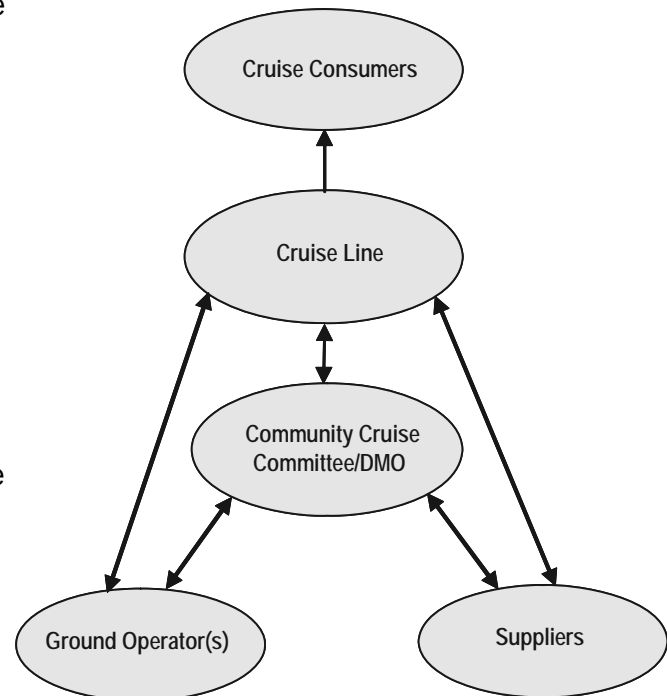
Potential partners in an organized partnership effort to work with the cruise lines might include:

- Ship chandler
- Shipping agent (a person/company conducting business on behalf of the cruise company)
- Port Authority
- Chamber of Commerce or Convention Visitor Bureau (CVB) or Destination Marketing Organization (DMO) Ground/receptive operators
- Other suppliers
- The Municipality

Model 3 requires ground operators or suppliers at the port who are prepared to cater to the cruise ship market.

In situations where there are no appropriate ground operators, model 4 may be the preferred option. A good approach under model 4 above is to establish a local/regional cruise committee to coordinate efforts. Key functions would include:

- Coordination of effort/liaison among the partners, and potentially with the cruise ship as well.
- Potentially managing the delivery of shore excursions. If so, a 24/7 cruise ship liaison person – the ‘nerve centre’ – accountable for results, will be needed. (This may be contracted out to a ground operator.)
- Advocate for needed improvements to community infrastructure and port amenities to support cruise ship visits.
- Encourage store and restaurant openings for late or early arrival and other communications with the business community.
- Promotion of the port to the cruise lines.



**CHAPTER 6:
DESIGNING SHORE EXCURSIONS**

CHAPTER 6: DESIGNING SHORE EXCURSIONS

Introduction

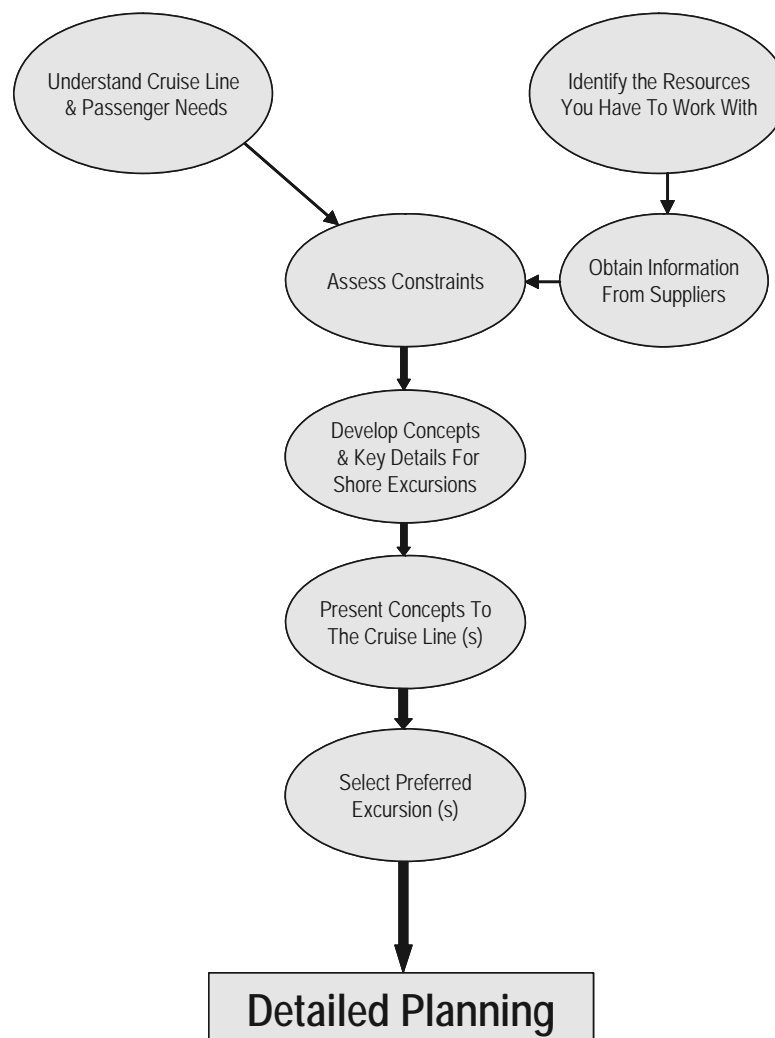
There are three stages of effort in designing successful shore excursions:

- ① **Designing the Concept and Selling it to the Cruise Line**
- ② **Detailed Planning**
- ③ **Delivering the Program**

This section of the manual deals with Stage 1. Chapter 7 addresses Stages 2 and 3.

Developing the concepts (and necessary key details) for shore excursions and selling the cruise line(s) on your ideas requires a number of tasks and some work and research on your behalf, as illustrated in the flow chart below.

Developing Shore Excursions: The Concept (s)



Each of these tasks is explored in detail in this section. Checklists to help you in planning shore excursions are provided in the appendices.

Two sets of information are critical before you can start putting some ideas together on what shore excursions you can offer in your port. First, as discussed in Section 5, you need to have a clear understanding about the needs of the cruise line, and about the likely interests and expectations of their passengers. Secondly, you need to know what you have to work with in the local area to develop your shore excursions. Once you have this information on hand, you need to obtain some basic information from the suppliers of the experiences you are considering and you need to think about what constraints you are facing that could impact the type of shore excursion that could be offered.

All of this information will be used as you identify and work up some optional concepts for shore excursions. You will also need to determine the prices since the cruise line will want to know these before making their decisions as to which ones to offer.

Next, you need input from the cruise line – which of your ideas are of interest to them (and their passengers)? With their input, you will be in a position to select the excursions that you are going to offer and be ready to work out all of the logistical details.

Information You Need About the Cruise Line You Are Targeting

The information you need includes:

About the Cruise Line, the Ship (s) and the Itinerary

- Itinerary – What are the other ports of call? What shore excursions are offered in these other ports?
- How long will the ship(s) be in port? What is the net time available for shore excursions?
- How many passengers are carried?
- What percentage of the passengers typically purchase shore excursions?
- Why does the cruise line want to offer shore excursions? Is it primarily for revenue? Is it to provide added value and experiences to passengers?
- What types of excursions do they generally look for? Passive? Active? Adventure? Nature? Etc. What has been successful in other ports?

Helpful Tips – Length of Time in Port

- It will likely take 30 – 60 minutes after the ship arrives before the passengers can disembark. And, they will have to be back on board some 30 minutes before sailing.
- Deduct this time from the time in port to see what you have to work with.
- If you only have 2 or 3 hours, plan an excursion that only requires a short travel time – 2 hours of driving for a one hour experience won't be very popular!
- An activity close to the dock can be appealing – think about bringing local entertainment, culture, storytelling or an Aboriginal dance group to a nearby community centre rather than taking the passengers on a bus ride.

- Are there any attractions or experiences in your community/area that the cruise line particularly wants to offer as part of a shore excursion?
- Are shore excursions an extra cost or are they included in the cruise price?
- What length of shore excursion is preferred?
- What is the approximate or range of prices that is appropriate?
- What are their insurance and waiver requirements?

Helpful Tips – Number of Passengers/Percentage Taking Excursions

- If there are only a small number of passengers likely to take shore excursions, you will probably only want to offer 1 or 2 choices.
- In this case, make sure the excursions have broad appeal – if you are only offering one option, don't make it an adventure kayak trip since this will significantly limit sales.

Helpful Tips – Price Point

- If you are only offering one option, make sure your excursion is reasonably priced.
- If you are offering several excursion options, you have more flexibility to offer one higher priced, more exclusive shore excursion such as flightseeing, a fishing trip, etc.

About the Passengers

- Characteristics
 - Age range
 - Income level
- Interests – Educational, History, Culture, Adventure
- Adults only vs families with children
- Level of physical activity and mobility issues
- Language – Will excursions need to be guided in another language?

Helpful Tips – Mobility of Passengers

- If mobility of the passengers is an issue, perhaps you can take the program to the ship.
- Or, if an on-shore program is preferred, make sure you minimize walking, there are no steep inclines and you have staff to assist as necessary.
- Sometimes, the ship will require alternative transportation for guests that have motorized wheelchairs. These may not be accommodated on a regular coach. Are there wheelchair buses or vans available in your area that could be used for these requests? Find this out in advance and advise the ship so that they can offer this option if they are approached by someone with a mobility issue.

Sources of information on these topics are:

- Websites of the cruise lines you are targetting. They often provide a profile of their customers and the types of experiences their cruises offer. They also describe their itineraries in detail and ports of call. Pay particular attention to the shore excursions they offer at other ports and on other itineraries. The websites of cruise lines currently operating in the Great Lakes are:
 - American Canadian Caribbean Line - www.accl-smallships.com
 - Clipper Cruise Lines - www.accl-smallships.com
 - Hapag Lloyd - www.hlkf.de/redwork/do.php?layoutid=100&node=161156&language=2
- Discussions with representatives of the cruise lines at events such as SeaTrade, or by phone
- Great Lakes Cruising Coalition
- Representatives of other ports that the cruise lines visit

Exploring the Options

Take a broad and creative look at the resources there are to work with in the vicinity of your community. These could be close at hand, i.e. right next to the dock or within up to about one hour of travel time. Further afield resources might be an option if they are particularly unique or special and if they are appropriate for the cruise line and its passengers. Think about the unique selling propositions (USP) of your area, and think ‘outside of the box’ about what visitors to the area might be interested in seeing or doing.

The types of resources to consider include:

- Major attractions such as National or Provincial Historic Sites/Attractions, particularly those that offer animation programming (e.g. Old Fort William, Fort Henry), National/Provincial Parks
- Local First Nations groups who can put on dance or drumming demonstration, or a offer a Pow Wow (Aboriginal experiences are of particular interest to European markets)
- A local sightseeing tour – by boat, bus, train or plane (‘flightseeing’)
- A brewery, winery, chocolate factory or some other facility that can provide a ‘behind the scenes’ experience with an opportunity to ‘meet the brewmaster’, for example.

Helpful Tips – Look for Truly Unique Experiences

- When seeking out experiences to include in shore excursions, keep in mind experiences that are:
- Unique
- Appealing
- Something Special
- High quality
- Offer a ‘WOW’ experience
- Something passengers could not do on their own

- Outdoor adventure activities – operators of kayak or canoe trips, guided hiking, birdwatching or other wildlife viewing
- Unique geological features such as petroglyphs
- Fall colour tour
- Local entertainment or some other activity that is uniquely representative of the culture of the area, e.g. square dancing
- Plant/business tour – of a unique farm, production of a unique product, etc.

For each resource, you need to think about a number of issues, and you will need to get some information from prospective suppliers:

- Will the experience appeal to the passengers? Will it ‘fit’ with passenger demographics and interests? A particular issue to consider is the amount of walking required of older passengers.
- Is the experience uniquely different from what is being offered at other ports on the same cruise itinerary?
- Is it authentically representative of the culture or natural heritage of the area?
- Is there an opportunity to offer a ‘behind the scenes’ experience? Is the organization likely to be prepared to develop a special program of this type for cruise ship passengers?
- Is there a business, organization or group in place to deliver the experience?
- Are you comfortable that the shore excursion would meet and exceed expectations with respect to overall quality, customer service, etc.
- How much time is needed? Will it fit with the time available? Will it allow passengers some free time ashore before or after the excursion?
- What are the implications if you have to cancel on short notice, e.g. if the cruise ship visit is cancelled due to poor weather. (Note: This is important in the context of your payment arrangements with the cruise line, who, in the vast majority of cases, will not pay any costs if the shore excursion does not operate. This issue is discussed in more detail in Chapter 7.)

Helpful Tips – Bringing in Staff, Transportation, Supplies

- In smaller, more remote communities, you may have to bring in supplies, transportation, staff, etc. just for the day so as to deliver the shore excursion. Can you justify all the planning and expense of bringing in the necessary equipment for one day? What are the implications if the excursion is cancelled on short notice? What if no one wants to take the excursion? How much will these things cost you?
- You should give some critical thought to these types of issues. A great idea for a shore excursion may not be practical if there is little opportunity to make money, and the chance of significant loss if the excursion doesn’t operate.

Information You Need from Potential Suppliers

Once you have decided which shore excursions will be offered, there will be numerous details to be worked out and negotiated with your suppliers. For now, there are some key pieces of information you need from them and some issues that you both need to have basic agreement on. These include:

- Are they willing to work with you to deliver the experience you are going to propose to the cruise line?
- What is the price/cost likely to be? Does it fit with what you have learned about the price point the cruise line is prepared to consider for shore excursions?
- How many people can they handle at one time?
- Are there any limitations – e.g. Is the experience only suitable for adults? Can it accommodate handicapped? Will there be challenges for those with limited mobility?
- Can they offer the same experience for all arrivals of the cruise ship throughout the season?
- Can they meet the cruise line’s insurance and waiver requirements? Some cruise lines have very strict requirements as to the levels of insurance that are required.
- Are they prepared to accept the realities of working with cruise ships? This includes issues such as being flexible to changes in numbers and timing right up to the last minute, being prepared to accept the payment and cancellation policies of the cruise line, etc. (See the discussion on negotiations in Chapter 7.)

The input you get from suppliers may cause you to adjust your ideas and plans.

Identifying Constraints

Before finalizing the proposed shore excursion ideas you are going to take to the cruise lines, you should identify any constraints that might negatively impact your ability to offer a quality experience (and one which makes money!). Some issues to consider:

- Is the transportation infrastructure available to get the passengers to the experience? If the trip is more than 10 – 15 minutes, school buses probably won’t work – you will need quality motorcoaches. Are there any available?
- Can the experience work in inclement weather? What options are there in this case?
- Are the suppliers willing to work with you to meet the needs and expectations of the cruise ship market? This includes sharpening their pencils on price, delivering a consistently high quality experience and flexibility in adapting to changing numbers, timing, etc. at the last minute. Also, are they prepared to be discreet about the posting of their rates when cruise ship passengers arrive – if the passengers have paid \$45 for an experience and it is posted at \$30, the cruise ship will be seen in a poor light by their passengers. These and a number of factors are explored in more detail in Section 7.
- Do you, as the organizer of the shore excursion, have the necessary level of insurance and do the suppliers you are proposing to work with?

Selling the Cruise Line on Your Proposed Excursions

Develop the Concepts

Drawing on all of the information collected, the next step is to develop the concepts for the shore excursions you are planning to propose to the cruise line. At this point, not all the details are needed but enough information for the cruise line to make a decision as to which of the shore excursions they are interested in offering to their passengers.

What is needed is a brief summary, along with a couple of pictures, including the following information:

- The key elements of the shore excursion - What attractions, activities and experiences does it include. The description should focus on the USPs (Unique Selling Propositions) – the WOW of the experience.
- The age groups it is suitable for
- The types of interests it appeals to
- The number of people that could be accommodated
- The length of the program
- The type of transportation involved, if any
- The amount of walking involved
- The potential to deliver the program in languages other than English, if this is an issue for the cruise line you are targeting
- The price – your price to the cruise line for a specified number of participants (Chapter 7 provides a detailed discussion on pricing shore excursions)

When putting your package of shore excursion options together for the cruise line, there are a few other things to think about:

- Propose more than one shore excursion, even if you think the cruise line will only want to offer one.
- Propose several different types of excursions – e.g. one or two nature or culture based, one sightseeing, perhaps one entertainment based and one that is more active
- If the cruise ship will be in port for a full day, suggest several half-day tours as well as a longer one. This will give passengers the option of taking two excursions, or just one and having some free time as well.

Some cruise lines will have a very detailed, specific format that they require for each tour that you are offering so be prepared to tailor your pitch to the needs of different cruise lines.

Pitch the Cruise Line on the Excursions

Selling the cruise line on the shore excursions you are proposing is the next step. You need to:

- Identify the person within the cruise line who makes the decisions about shore excursions. (It is also helpful if you can get to their marketing people too.)
- Call and ask for an opportunity to present your shore excursion options. Ideally, this would be done in person, either at a show such as SeaTrade or at their offices. If this is not practical, ask them to visit your website (you should have a cruise line section on the site and could provide them with a password to enter a protected area to view the shore excursions you are proposing or offer them), or you can send the information by mail. Note that cruise lines would not want potential passengers or competitors to be able to view information on the shore excursions you are offering them on your website so a protected area, accessible only to the specific cruise line, should be used if you use the website approach.
- However you communicate with them initially, ask for their agreement to a follow-up phone/conference call to discuss the opportunities.
- Try to get a decision as to their preferences during your initial communications, or shortly thereafter.

Chapter 7 discusses all of the details that go into developing and delivering shore excursions, including pricing, negotiating with cruise lines and partners and evaluation of the overall program.

Other Requirements

Businesses and organizations offering shore excursions, such as ground operators, may need to be licensed both provincially and/or by the local municipality. As well, there may be specific requirements with respect to insurance, in addition to the requirements of the cruise lines. You should check with the Ontario Ministry of Government Services as well as organizations such as the Canada Ontario Business Service Centre to find out about license and insurance requirements. Website references for these and other organizations that might be able to assist, are provided in Appendix VI.

**CHAPTER 7:
SHORE EXCURSIONS: DETAILED
PLANNING, PRICING AND
DELIVERY**

CHAPTER 7: SHORE EXCURSIONS: DETAILED PLANNING, PRICING AND DELIVERY

Planning the Details of Shore Excursions

All of the detailed logistics that need to be developed for each of the shore excursions being planned are explored in this section. In some cases, you may find that the cruise line will want to see these details (particularly prices) before making a final decision on the excursions they are prepared to offer their passengers. Later in the section, we specifically address the relationships and arrangements with the suppliers and the cruise line. A checklist is provided in Appendix IV.

Here's a list of all the details you need to work out:

- ❑ The excursion itself, including:
 - Time of pick-up at the dock
 - Length of travel time to the experience, and between experiences if there are more than one
 - Length of time at the experience
 - A detailed description of the experience (s) including the amount of walking required and the level of activity
 - Any clothing or equipment requirements, e.g. type of shoes
 - Any restrictions on participation – e.g. age, wheelchairs, etc.
 - Availability/time for washroom breaks
 - Any other stops planned, e.g. for shopping
 - What is included – e.g. if a meal or refreshments are included
 - The guide – who, language capabilities, training required, substitutes if required
 - Time of departure to ensure returning to the cruise ship in time

- ❑ Maximum capacity and the minimum number required to run the excursion (this will require some negotiations with the cruise line and the suppliers as discussed later)

- ❑ Transportation details, for example:
 - If a motorcoach is required, make arrangements for the necessary equipment, of the quality you are seeking.
 - If walking from the ship, plan out the route and time required

Helpful Tips – Best Practices for Those Delivering Shore Excursions

- Punctuality
- Reliability
- Excellent local knowledge
- Friendliness
- Outstanding customer service
- Flexibility
- Consistency

Helpful Tips – Communications

It will be important to have one person as the 'nerve centre' for communications – and someone who can respond 24-7 if necessary. The cruise line will likely want to work with only one contact person – and leave communications with the other suppliers up to this person.

As the organizer of the shore excursions, you will need one contact person at each supplier you are working with – someone who can make decisions if necessary, and make changes to final arrangements such as numbers and timing.

- ❑ Contingency arrangements
 - Alternative plans for inclement weather
 - Risk management plan to deal with situations such as illness, injury, accidents
 - Plans to deal with breakdowns in equipment
- ❑ Quality control
- ❑ Communication details (see more detailed discussion later in this section)
 - Contact person and communication method for each supplier
 - Contact person and communication method for the ship
 - Procedure for cancelling the excursion up to 24 hours in advance, if necessary
- ❑ The price you will charge the cruise line (see the more detailed discussion below on setting the price for shore excursions) and your payment arrangements (see a discussion of negotiations with the cruise line later in this section)

Pricing Shore Excursions

In establishing prices for the shore excursion(s), you first need to determine your revenue objectives.

Helpful Tips – Pricing

It is important that the price charged by the cruise line to the cruise passenger is no higher than what the passenger could purchase the experience for directly if they went ashore. This is particularly important if the shore excursion is exactly the same as a retail product that the passenger could walk off the ship and purchase.

If the shore excursion includes added value items, such as a guide, transportation or special program, it is easier to justify a higher price.

If the shore excursions are being offered by a Destination Marketing Agency or Chamber of Commerce as a service to cruise ships, making a profit may not be important. In fact, you may be prepared to cover some of the costs and/or overhead as an incentive to the cruise line.

On the other hand, if the shore excursions are being organized by a private business, making a profit will be a much more critical objective.

Whichever the case, it will be important to have a good handle on all of the costs associated with the shore excursion program.

Here are the steps to take in establishing prices. The worksheet on pricing presented in the following pages can be used to enter your actual costs and calculate prices.

1. Variable Costs:

See Page #1 of Exhibit 1. Calculate the variable costs per participant on the shore excursion. Variable costs are those that change with each change in the number of participants. They would include things like:

- a. Admission price to the attraction(s) or costs of the experiences included in the program. (This is the cost to the organizer of the shore excursion.) It will be important to negotiate a discounted rate (up to 20% or more) with the supplier(s) to allow room for mark-ups to cover administration, marketing and profit. This is the net rate referred to in Exhibit 1.
- b. Meal or refreshment costs
- c. Souvenir/gift/guidebook

Variable costs are calculated on a per-person basis (in this case, per shore excursion participant).

2. Fixed Operating Costs:

See Page #2 of Exhibit 1. Calculate the fixed operating costs per departure, per participant. These are other operating costs that may vary somewhat based on volume but only to a limited degree. For example, if the number of participants goes over 40 or so, an additional coach might be required. Fixed operating costs would include:

- a. Transportation costs – the coach, fuel, etc.
- b. Driver (if not included with the coach costs)
- c. Costs of the guide
- d. Costs of any other people that are involved in delivering the program

Once total fixed operating costs are known, divide by the maximum number of participants that can be accommodated (i.e. if the tour operates at capacity) to get a per unit/participant cost. You will then need to factor in an allowance to account for the fact that the tours will not all operate at capacity. Estimate the average percentage of capacity you expect to achieve and divide the cost per participant by this percentage (in the form of a decimal) to come up with the grossed-up cost per participant. An illustration follows:

For a tour that has a fixed cost of \$500, a capacity of 40 people and an average load factor of 70% expected:

Grossed-up fixed costs per person:
 $\$500 \text{ divided by } 40 \text{ divided by } 0.7 = \17.85

3. Fixed Marketing and Overhead Costs:

See Page #3 of Exhibit 1. Calculate fixed marketing and overhead costs. These costs would include management salaries, marketing to the cruise lines and general administration. In this case, allocate the overhead costs being assigned to this excursion program, then divide by the number of departures of the program, then divide by the number of participants at capacity to get a per-participant cost. Then gross-up the cost per participant by your average load factor.

4. Summary

See Page #4 of the worksheet. Summarize all grossed-up costs; then gross-up the total again to allow for your profit, if profit is your objective. Use this to decide on the price offer to the cruise line. You might want to build in a margin to permit price negotiations, to avoid being forced into a loss situation.

Most cruise lines want the price you offer them to include all taxes. Since they are dealing with a number of different jurisdictions, this makes it a lot easier for them. The pricing worksheets below include a line for adding the appropriate tax for items that are taxable. You will need to research which items the GST applies to and where the provincial sales tax applies. One area that will require some research is the application of the GST to what are deemed to be continuous journeys. In some cases, the transportation portion of the shore excursion may not be GST taxable. The relevant discussion can be found in a Revenue Canada Publication, "Information for the Travel and Convention Industry" (RC 4036) www.cra-arc.gc.ca/E/pub/tg/rc4036/rc4036-e.pdf . You will need to show the cruise line how much of the price is taxes, since they may be able to claim some tax rebates.

If there are significant cost variations from season to season, such as in the price of admission to an attraction or in the costs of transportation, it will be important to develop cost estimates for each season and develop a weighted average price.

Having a good handle on the costs of delivering the shore excursion will be critical when negotiating contractual arrangements with the cruise line, such as the minimum number for the shore excursion to operate and the price the cruise line pays.

Appendix V provides an example of using the pricing worksheet to develop a price for a shore excursion.

Exhibit 1 Pricing Worksheet for Shore Excursions

Pricing Worksheet for Shore Excursion: _____

Page #1: Variable Costs Per Participant		
	Retail Value per Participant	Net Cost Per Participant (1)
Attraction/Experience #1		
Attraction/Experience #2		
Attraction/Experience #3		
Meal		
Refreshments		
Souvenir/Gifts/Guidebook		
Other _____		
Other _____		
Tax on taxable items		
Total Variable Costs		

Notes:

- (1) This is the discounted rate you negotiate with the supplier. If there are significant variations in the costs in different seasons, it will be important to do this analysis for each season and then average the resulting cost.

Exhibit 1 cont'd
Pricing Worksheet for Shore Excursions cont'd

Page #2: Fixed Costs Per Departure			
	Cost Per Ex- cursion	Capacity - # of Participants	Allocated Cost Per Participant (Based on Capacity)
Motorcoach/Van			
Driver			
Guide			
Other Experts			
Other_____			
Other_____			
Tax on taxable items			
Total Fixed Costs			
Estimated Load Factor (Average Percentage) (1)			
Grossed Up Cost per Participant (2)			

(Shaded areas are not used for the calculations)

Notes:

- (1) Estimate what percentage of the capacity the tour will operate at, on average.
- (2) Divide the allocated cost per person by the load factor (as a decimal point) to estimate the grossed-up cost per participant.

Exhibit 1 cont'd
Pricing Worksheet for Shore Excursions cont'd

Page #3: Overhead and Marketing Cost Allocation					
	Cost Allocated to this Excursion Program	# of Depar- tures	Cost Allocated per De- parture	Capacity - # of Participants	Net Cost Per Participant
Marketing					
Other Over- head					
Subtotal Overhead Costs					
Load Fac- tor Gross up					
Grossed Up Cost Per Participant					

(Shaded areas are not used for the calculations)

Exhibit 1 cont'd
Pricing Worksheet for Shore Excursions cont'd

Page #4: Total Costs, and Proposed Price Per Participant	
	Grossed-up Costs Per Participant
Total Variable Costs (From Page #1)	
Total Fixed Costs (From Page #2)	
Total Overhead & Marketing Costs (From Page #3)	
TOTAL VARIABLE, FIXED & OVERHEAD COSTS	
Gross-Up Factor for Profit	
Calculated Price to Cruise Lines (Including applicable taxes)	
PROPOSED PRICE PER PARTICIPANT TO CRUISE LINE	
Total Taxes included in Price	

Negotiations and Your Relationship with the Cruise Line and the Suppliers

Relationship with the Cruise Line

As the operator of a shore excursion, you are in partnership with the cruise line and as such you need to help them achieve their objectives. These are twofold:

- To generate revenue
- To ensure a satisfied customer through a shore excursion that meets and exceeds expectations

The extent to which one or the other of these objectives takes precedence depends on the cruise line and it is important that you gain an understanding of this in your early discussions with them.

It is important to build a relationship with the cruise line – their head office staff as well as the on-board staff and good communications is critical to achieving this. Key communication needs are explored in the next sub-section – Delivering the Shore Excursion.

A key element of relationship with the cruise line is negotiating the arrangements for the shore excursions including prices and minimum numbers for excursions, timing of cancellations, and final numbers and payment procedures. Each of these topics is discussed below.

Prices

Negotiating the price that the cruise line will pay for the shore excursion can be a demanding and complex process. This is particularly true for the larger cruise ships where negotiations can focus on cents per passenger per excursion rather than dollars. For smaller cruise ships, especially those that are focussed on delivering quality customer experiences, it can be easier. Here are some of the factors you will need to agree on with the cruise line in setting prices:

- The minimum number for the excursion to operate. Usually the operator of the excursion will set this number. If the number of passengers signed up is lower than the minimum, the cruise line can decide to pay the additional costs so that the tour will operate.
- How the number of passengers taking the tour is determined – Is it the number who book in advance or the number who actually show up for the tour?
- What the payment is based on – The minimum number? The number who show up for the tour?
- Will the price paid by the cruise line vary depending on the number of passengers who take the excursion?

Some cruise lines will want to see a pricing scale – e.g. a price if there are 30, 35 or 40 passengers taking the shore excursion so you will want to be prepared for this when developing your pricing.

Arrangements re Cancellations

It is very unusual for a cruise line to agree to pay for shore excursions if the excursion does not operate, whatever the reason. If the shore excursion does not run, the cruise line will not get any revenue from passengers, so any money they pay will be out of their own pocket. It will be important to have a clear understanding with the cruise line as to your arrangements in this respect.

You need to have agreement as to how much advance notice the cruise line must provide if they are cancelling the port call (or the excursion), and no payment is expected to be made. Generally, 24 hours notice is accepted practice. In other words, if the cruise line cancels their visit within 24 hours of their scheduled arrival, there should be a pre-agreed arrangement as to the amount to be paid in lieu of agreed to minimums for the shore excursion. If they cancel more than 24 hours in advance, then there will be no payments made.

Final Numbers for Shore Excursions

A procedure and timetable for getting final numbers from the cruise ship as to the number of passengers signing up for each shore excursion is important. Again, 24 hours advance notice is the norm. However, it may be necessary to negotiate a longer advance notice for some excursions if they require bringing in special equipment or supplies.

Payment Procedures

The payment procedure varies from cruise line to cruise line. For some cruise lines, payment will come directly from the ship based on the final numbers on the excursion. For others, invoices to head office are required.

Again, make sure these procedures and the payment terms of invoices are agreed to in advance.

Relationship with the Suppliers

Relationships with the end suppliers of the shore excursions are also critical to the successful delivery of programs. This includes the attraction or experience, the transportation provider, and any other businesses that are included in the excursion program. Negotiating prices and payment arrangements with suppliers is of particular importance since they will need to reflect your arrangements with the cruise line

And, since the supplier is actually delivering the experience, you will need to be confident that delivering a quality customer experience is their top priority.

Issues critical to the relationship with suppliers include:

- ❑ Negotiating prices and payment arrangements.
 - The supplier will need to provide you with a price that is discounted from retail prices to allow room for mark-ups. A discount of 15% - 20%, similar to what would be provided to a tour operator, should be expected. This is not unreasonable since the supplier will have little in the way of marketing or overhead costs associated with the program.
 - The supplier needs to agree to the same terms with respect to cancellation times as you are able to negotiate with the cruise line.
 - The supplier also needs to agree to the same terms with respect to payment.
- ❑ The supplier must be flexible and able to make changes in schedule and numbers up to the last minute.
- ❑ It is critical that the supplier designate one person that is the liaison – and this person must be accessible in the hours leading up to the excursion and during the program.
- ❑ The supplier will need to have liability insurance – the cruise line will require that all organizations involved in delivering the shore excursion carry liability insurance, and they may specify amounts.
- ❑ The supplier must agree to deliver a top quality experience and quality customer service, on a consistent basis, i.e. from one cruise to the next.

Helpful Tips – Examples of Last Minute Changes

- Number of passengers on the excursion
- Timing of arrival
- Time available for the experience - if the ship is late arriving, the excursion program may have to be shortened so as to get back to the ship on-time
- Need to accommodate special needs – wheelchairs, seeing-eye dogs

Delivering the Shore Excursion Program

Assuming that the shore excursion has been well planned, the critical elements in delivering the shore excursion program are communications, timing and dealing with the unexpected.

Communications

Communications between all of the players in the delivery of the shore excursion program is critical. Communication techniques vary but are usually by email or phone; these should be agreed to in advance and appropriate co-ordinates provided to all players. Here are the key communication needs:

- ❑ The organizer of the shore excursion must have one person who is the ‘nerve centre’ and communications hub, and this person must be available 24-7 in the period leading up to the ship’s arrival and during its time in port.
- ❑ Communication from the ship to the shore excursion organizers re:
 - Any changes in the itinerary due to weather or mechanical issues (more than 24 hours before scheduled arrival)
 - Final numbers for the shore excursion (24 hours before arrival)
 - Any special needs of those taking the shore excursion, e.g wheelchairs, dietary restrictions
 - Any changes in arrival or departure times, or length of time in port
- ❑ Communication from the shore excursion organizer to the ship re:
 - Any changes to the program necessitated by inclement weather or other unexpected problems
 - Any problems encountered on the tour – an injury (no matter how minor), illness, upset passenger, etc.
 - Any delays in return time to the ship
- ❑ Communication from the organizer’s “nerve centre” to their staff (guides, etc.) and to suppliers re:
 - Final numbers
 - Cancellation of the program or modification due to weather
 - Disembarkation time
 - Arrival time at the experience, and any changes to this due to unexpected delays
 - Special needs
- ❑ Communication from the supplier(s) to the organizer, re:
 - Any changes that have to be made to the program or the schedule
 - Any problems that occur, no matter how minor
 - Delays

Timing

The shore excursion should be carefully scheduled and the ship, the tour guide and the suppliers should have copies of the details. It's a good idea to allow a little bit of flex time to deal with unexpected events such as traffic tie ups. The schedule might look something like this.

Shore Excursion:	
Activity	Time
Coach and tour guide arrive at the dock for final briefing	8:00 am
Ship arrives	8:30 am
Passengers disembark, are greeted by guide load on coach	9:30 – 9:45 am
Transportation to Attraction #1	9:45 to 10:15 am
Time at Attraction # 1, including lunch	10:15 – 1 pm
Load coach	1 pm to 1:15
Transportation to Shopping area	1:15 – 1:30
Time at Shopping area	1:30 – 2:30
Load coach	2:30 – 2:45
Transportation back to dock	2:45 – 3:15
Disembark passengers	3:15 – 3:30
On-board Time	4:30 pm

Any changes in timing will need to be communicated, as described above.

Dealing with the Unexpected

Dealing with the unexpected is a whole lot easier if contingency plans are in place beforehand. These were discussed earlier in this section. The contingency plans should include a list of the actions to be taken – by the tour guide/escort, the tour organizer, and, if appropriate, the supplier.

You should develop a basic risk management plan with procedures for dealing with anticipated events. The risk management process involves a series of steps that will help you identify the risks, and take action to prevent them, or to deal with what might happen. A risk management plan involves four steps:

1. Risk Identification
2. Evaluation of risks – how likely are they to occur and which would have the most significant consequences
3. Develop risk management techniques – to avoid the risk or the potential of it occurring, to reduce the consequences or to develop a contingency plan to deal with the risk if it occurs
4. Review, monitor and modify if necessary

If there are any unexpected occurrences on the shore excursion, or any injuries or illnesses among the passengers, no matter how minor, make sure you inform the cruise line.

Evaluation

Evaluating the shore excursion's success is an important step in the planning process. It will help identify problem areas that need to be adjusted for next year's program as well as successes that could be built on to offer more or different excursions in the future.

The evaluation should include feedback from all three 'partners':

- The passengers who took the excursion
- The cruise line - head office as well as the staff on-board the cruise ship(s) you dealt with
- Your supplier and other community partners

Here are some ways to get feedback from each group.

The Passengers

At a minimum, your tour escort should take the opportunity to seek verbal feedback from participants towards the end of the excursion, such as on the way back to the ship.

Alternatively, you could develop a comment card with a few key questions, and provide the tour guide with some to hand out and ask participants to complete before they finish the tour. Keep the questions simple and short. They might include:

- A rating of the overall shore excursion program, and/or its key elements on a 1 – 5 scale
- What did they like best?
- What, if anything, needs to be improved?
- Would they recommend the tour to friends and family?
- Did it meet or exceed expectations?

Some cruise lines/ships send one of their staff on the shore excursions. If so, take the opportunity to chat with them at the end of the tour and get their feedback, suggestions and concerns.

The Cruise Line

Head office staff will rely to a large extent on feedback from their on-board staff in completing their evaluation of the shore excursion and making decisions about future years. As such, it is important that you build a relationship with the on-board staff (this is particularly important with multiple arrivals from the same ship) and take the time to listen to, and respond to, their suggestions and concerns.

On the last visit of the year, arrange to meet with the on-board staff and review the shore excursion program for the whole year. Identify what worked well, what didn't work, which shore excursions received the best reaction from passengers and why and what, if anything, needs to be changed for the future.

Based on their feedback, you may want to suggest some modifications to the shore excursion program when you send a final summary to the staff you are dealing with at the cruise line's head office.

You should also take the opportunity to chat with head office staff about the program and explore whether they have any concerns or issues, and what their expectations are for the next season in terms of cruise ship visits, passenger loads, etc.

Your Suppliers and Other Community Partners

Finally, don't forget to meet with your suppliers and any other community partners at the end of the season and review their experience with the shore excursion programs you have offered. Topics to be covered should include:

- What worked, what did not
- Problem areas or challenges and how they can be overcome for the next season
- Communications and any needs for improvement to this process
- Plans for the next year – Are they willing to work with you again? Any suggestions for modifications to the shore excursion program? What are next year's prices likely to be?



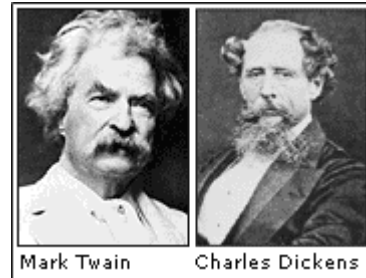
**APPENDIX I:
ARTICLES**



Great Lakes Cruising in the Wake of Charles Dickens & Mark Twain

It is April 24, 1842 and Charles Dickens on his grand tour of "North America" cruises across Lake Erie en route to Buffalo. Dickens records in his diary. "She was a fine steamship, four hundred tons burden, named the Constitution, with very few passengers aboard and had bountiful and handsome accommodation".

Later that century, on July 17, 1895 Mark Twain traveling on his "At home around the world" tour, boards the S.S. Northland in Cleveland bound for Mackinac. Twain wrote "All that has been said of this fine ocean ship on the Great Lakes is not exaggerated. Across Lake Erie to the Detroit River, Lake St Clair and the St Clair River is a most charming trip".



Cruising...perhaps more accurately described as using the Great Lakes for transportation by indigenous North Americans, had been happening long before this. But in 1865 it took on a more formal aspect when Anchor Line, formerly Erie & Western Transportation co, was formed. Then in 1868 Detroit & Cleveland Navigation was conceived and not long after, in 1883, Canadian Pacific expanded into this business with the building (in Scotland) of the Alberta, the Algoma and the Athabasca.

From this time until the early 1970's Great Lakes cruise and transportation lines emerged, merged, failed and succeeded, much in the same way that we currently see the cruise giants of the 2000's...merging, failing and succeeding elsewhere. Many cruise ships were built and names from the past still resonate on the mooring walls of Great Lakes ports, where ships such as the Noronic, the Northland, City of Cleveland, Sandbee and the Cape Eternity arrived... decked out in bunting, bands playing and thousand waving from nearby vantage points.



Queen Elizabeth and President Eisenhower officially opened the Seaway in 1959 allowing ships to transit, which are no more than 740 feet in length, 78 feet beam, with a water draft of 26 feet 3 inches and an air draft of 116 feet six inches. This precludes many of the larger high capacity cruise vessels from transiting the locks, but it does leave about 30 ships which could...if they comply with the regulations...cruise the Great Lakes.

Now spring forward to the early 1990's when several commercial ports on the Great Lakes funded an initiative to revive the long dormant international cruise industry on the same Great Lakes which Charles Dickens and Mark Twain, along with thousands others cruised. Founding members of this modern bold initiative were Duluth, Toronto, Oswego, Saugatuck-Douglas, Milwaukee, Chicago, St Joseph, Parry Sound, Owen Sound, Detroit, Toledo, Erie and Little Current.

In 2002, the cruise ship Le Levant, from Compagnie Isles Du Ponnet and Hapag Lloyd's C. Columbus enjoyed a successful Great Lakes season, as did American Canadian Caribbean Line's Niagara Prince and Grand Mariner plus the Nantucket Clipper from

APPENDIX I: ARTICLES CONT'D

Clipper Cruise Line in St Louis. Various other single ship lines also cruise in the Great Lakes/Seaway system including the Canadian Empress out of Kingston Ontario and the Georgian Clipper out of Parry Sound Ontario.

Future activities of the G.L.C.C. include more of the same relentless search for sound commercial relationships between ship owners and tour operator/charterers, plus an expansion of the membership to include more ports, cities and locations on the Great Lakes.

Great Lakes Cruising Coalition – Article About A Recent Sales Mission

Trade Mission Participants Highlight Passenger Shipping October 19, 2005 - St. Catharines

The Great Lakes St. Lawrence Seaway Trade Mission delegation delivered a thumbs-up assessment of passenger cruising opportunities for Europeans looking for new and exciting vacations. The message was delivered in London today to the Passenger Shipping Association, a group of leading cruise and ferry companies operating in the United Kingdom. Saint Lawrence Seaway Development Corporation Administrator Albert S. Jacquez and St. Lawrence Management Corporation President Richard Corfe are leading a delegation of 22 American and Canadian public and private senior maritime officials from throughout the Great Lakes region on a week-long trade mission to England and Germany. The presentation by the group representing one of North America's premier inland waterway systems seeks to generate additional interest in cruising opportunities throughout the five Canadian-U.S. Great Lakes. The world's largest fresh water lakes stretch over thousands of miles from the headwaters of the St. Lawrence River to the port of Duluth, Minn., on Lake Superior.

"More and more vacationers who have previously tried cruises to traditional destinations are opting for new maritime vistas," said Stephen Burnett, executive director of the Great Lakes Cruising Coalition (GLCC). "There is tremendous potential for new business to explore the Great Lakes and its 10,000 mile coast line: whether vacationers are looking for remote, unspoiled wilderness like that offered in Georgian Bay and North Channel ports or shopping on Chicago's Michigan Avenue Million Dollar mile, the Great Lakes have cruises that cater to everyone's desires."

The delegation raised awareness about cruise shipping on the Great Lakes, from major metropolitan cities like Toronto, Chicago, Detroit and Cleveland to small villages sporting unforgettable marine shorelines. Historical and cultural attractions are major interests for the typical cruising enthusiast of this region. In the Great Lakes St. Lawrence Seaway System, the ports that currently see the most cruise ship activity are Duluth and Toronto. The Great Lakes St. Lawrence Seaway System has more than doubled berths in the past five years and posted a two-thirds increase in the number of vessels plying its waters. Last season, total economic revenue from cruise shipping in the Seaway System was approximately US \$36 million.

"Today's presentation by the Seaway Trade Mission delegation to the British cruising industry underscores the commitment by the Seaway Corporations, Seaway system stakeholders, and the Great Lakes Cruising Coalition to aggressively promote the Seaway and North America's Great Lakes to an international audience," said Jacquez. Corfe agreed that the meeting was, "...a great opportunity to market our system directly to key British CEOs and cruise industry professionals."

APPENDIX I: ARTICLES CONT'D

"The Seaway System offers experienced and novice cruising clients a wealth of options and itineraries that permit them to discover unforgettable marine and shore vistas in a relaxed environment and a safe maritime waterway," said Corfe. "That is why over the past few years, we have focused a segment of our trade development program on attracting cruise vessels into the Great Lakes.

The Seaway Trade Mission delegates are meeting with high level representatives of European shipping companies, government officials, international maritime organizations, bulk cargo exporters, and the cruise ship industry. This trade mission, the 28th in a series over two decades, is designed to facilitate face-to-face contact with maritime industry leaders and decision-makers to promote greater user of the Great Lakes St. Lawrence Seaway System. In addition to the Administrator of the U.S. Seaway Corporation and the President of the Canadian Seaway Corporation, the 22-member delegation is comprised of the largest port and terminal operators from both countries, shipowners and operators, shipping agents, cruise industry representatives, and maritime trade specialists. The trade mission moves tomorrow to Germany where delegates meet with maritime executives in northern German ports of Hamburg, Bremen and Brake.

APPENDIX I: ARTICLES CONT'D

Recent experience has demonstrated a growing opportunity to tap into the Great Lakes cruise sector. This article from the Great Lakes Seaway Review provides a good perspective on why there is a real future in this business.

Ten Reasons why the Great Lakes make a Great Cruise Destination

2004

With all they have to offer, it is easy to see why the interest in Great Lakes Cruises is exploding.



Welland Canal

Lake Superior

Holland, Michigan

Great Lakes Lighthouse

1. Scenery

Some of the most impressive vistas of the North American midcontinent can be found along the shores of the Great Lakes. The power of the glaciers are evident in the rocky outcroppings of eastern Lake Superior. Six hundred-foot sand dunes on the east shore of Lake Michigan are a geologic wonder in themselves.

In the autumn, the most popular cruising season on the Lakes, the cast northern forest comes ablaze with fiery colors, made even more vibrant in contrast with the deep blue color of the Lakes and the northern skies. Many Great Lakes cruise ships are small enough to explore hidden coves and narrow channels, allowing a fascinating view of the native flora and fauna.

Many small ports of the Upper Lakes have the quaintness of New England fishing villages. The brilliant white portico of Grand Hotel on Mackinac Island becomes visible from miles away.

The urban scenery of the Great Lakes is as impressive as their natural areas. The skylines of Chicago and Toronto are dazzling, particularly at night. Sailing into the Duluth/Superior harbor affords a fascinating view of the city of Duluth arrayed on a steep bluff overlooking the waterfront. Milwaukee, Cleveland, Erie and Windsor have all invested heavily the past decade in the redesign of their lakefronts.

But for sheer spectacle, there is nothing in the world like a Great Lakes sunset and no place better to experience one than from the comfortable deck of a cruise ship.

APPENDIX I: ARTICLES CONT'D

2. Security

At a time when security weighs a bit more prominently on everyone's minds, the Great Lakes offer a safe domestic alternative to the global traveler.

While on the Lakes, a cruise ship is always in either U.S. or Canadian waters, and thus under the constant jurisdiction of the U.S. and Canadian Coast Guards. There is no need for a passport or other documentation typically needed for overseas travel.

Cruise ships on the Lakes are almost always in sight of land and always within hours or minutes of safe harbors. First class medical care is accessible at all times.

3. Hospitality

On board Great Lakes cruise ships, crews are consummate professionals highly trained to provide four-star service. Since cruise ships in the Lakes are relatively small, crews can get to know their passengers and cheerfully attend to any special needs.

On shore, many Great Lakes port-of-call greet each cruise ship call with a public welcome. It is not unusual for a cruise ship to be met by a brass band, flags and banners waving, and even the mayor. If you're calling in Manistee, Michigan you'll be welcomed by a crowd of local residents in historic Victorian dress and in Holland, Michigan a troupe of wooden shoe dancers.

4. Discovery

One comment feature of almost all Great Lakes cruises currently available is enrichment programming. Market research has shown that passengers interested in cruising the Great Lakes have a strong desire to learn more about the region and its uniqueness.

The cruise operators have placed on board experts and academicians from a wide array of disciplines to give lecture presentations and provide commentary on sights seen along the cruise routes. Presenters have included former astronauts who viewed the Lakes from space and undersea explorers actually lecturing as robotic submarines transmit video images of shipwrecks below in real time.

Presentation topics have included Great Lakes ecology, including fishery issues, water quality, ornithology and human impacts; Great Lakes lighthouses, hundreds of which dot the coastlines of the Lakes; and the colorful maritime history of Great Lakes with its famous shipwrecks and storms.

APPENDIX I: ARTICLES CONT'D

5. Intimacy

For most cruise companies around the world, bigger has been perceived to be better. Cruise ships in some of the major markets are now being built to carry between 2,000 and 3,000 passengers. In the Great Lakes, however, the largest cruise ship has a capacity of 400 and most of the others are in the range of 100 or less.

This allows for more personalized service of board, a quieter, more peaceful cruise experience, and the opportunity to meet fellow passengers and not get lost in a crowd.



6. Novelty

For veteran travelers and people who have taken cruises around the world, the Great Lakes represent a new destination, one that has remained virtually unknown in the modern era until recent years.

The Great Lakes cruise ship trade is experiencing an amazing revival, thanks to new investments by ship operators, new investments by ports, a good dose of entrepreneurial spirit, and a new interest in the Lakes from within the region, across North American and even in overseas markets.

Whereas there were only about 300 cruise berths sold annually on the Great Lakes as recently as 1995, there were 10,000 sold in 2001. When the German-built ship C. Columbus came up the seaway in 1997 on her maiden voyage, it marked the first time in two decades that a full-scale passenger liner, either domestic or foreign, had operated in the Great Lakes.

And this is a waterway system that at one point boasted literally hundreds of cruise ships. During the peak of marine travel in the Great Lakes, Chicago alone saw two million vessel passengers a year. The most frequently cited quote in describing the height of the industry was by marine historian Harry J. Wolf who said, "At one time, there were more people asleep on boats in the Great Lakes than on any ocean in the world."

Before 1997, the last overseas-flag passenger ships to call in the Lakes were Stella Maris in 1974 and World Discover in 1975. In 2002 some seven vessels will offer a total of over 70 cruises on the Lakes.

7. Proximity

There is no more centrally located cruise destination in North America. Within the Great Lakes basin itself is a resident population of 30 million people, but the region is also only a couple hours plane ride from the East Coast, the West Coast and the Gulf. The region is served by international airports in all its major markets.

8. History

Nowhere is the rich history of the Great Lakes region more visible than on the Lakes themselves and in their port communities. Cruise passengers travel on routes first taken by Native Americans and later by European fur traders, missionaries, military flotillas and explorers. In the northern reaches of the Lakes, many of these routes remain undeveloped and appear just as they did to the "voyageurs" centuries ago.

Some of these vestiges of those eras remain such as historic forts on Mackinac Island and at Thunder Bay dating back to the French and Indian Wars. Many Great Lakes ports were established during the great Lumber Boom era of the late 1800s and early 1900s and have entire districts of ornately restored Victorian Mansions and public buildings built by the lumber barons.

Almost every major Great Lakes port has a marine museum chronicling the great ships that have sailed on the Lakes over the years, from the barques and schooners in the ages of sail to the mighty bulk carriers of today, some over 1,000 (I think we are missing the end of this sentence)

9. Diversity

On the map, the Great Lakes are bisected north and south by the 45th parallel. By definition, this is an imaginary line, but it is actually a fairly good demarcation of the Lakes' unique split personality.

Above the 45th parallel are the resources, and below it the consumers. Above the 45th are the great spans of forests producing lumber and paper products, and the iron ore mines feeding North America's largest concentration of steelmakers. Below the 45th are those steelmakers, along with the rest of the Great Lakes basin's manufacturing might, and over 90 percent of the region's population.

This diversity makes a cruise on the Great Lakes a fascinating journey that might combine the eclectic, multicultural urbanism of such great cities as Chicago, Detroit, Toronto, Cleveland, Toledo and Milwaukee with the unblemished wilds of Georgian Bay or the boreal forest of Lake Superior's north shore.

10. Majesty

People who have never seen the Great Lakes are typically amazed at the scale of this singular natural resource.

From a geographic perspective alone, the Great Lakes/Seaway system is unique in the world. The Great Lakes cover 95,170 square miles of water surface, about 61,000 in the U.S. and 34,000 in Canada, and define a 10,000-mile coastline, which is longer than the entire U.S. Atlantic seaboard.

Free of lunar tide and with only light surface currents, they have offered a friendly environment for navigation and maritime commerce for centuries.

APPENDIX I: ARTICLES CONT'D

In 1959, fulfilling a dream dating back to the 1700s, the Lakes were linked to the Atlantic Ocean by a deep-draft channel and series of locks in the St. Lawrence River that comprised the St. Lawrence Seaway. It was a development that coincided with - and contributed to - the emergence of the North American heartland as the world's preeminent center of agricultural production and industrial might.

The Great Lakes/St. Lawrence corridor is unique for the scale and sophistication of its market, and the extensive integration of its economy. The eight Great Lakes states, and the provinces of Ontario and Quebec are home to almost 100 million people, a third of the combined U.S.-Canadian population.



David L. Knight
Great Lakes Seaway Review
221 Water Street
Boyer City, Michigan 49712 USA
Harbor@harborhouse.com
www.greatlakes-seawayreview.com

**APPENDIX II:
CHALLENGES AND NEEDS
RELATED TO PORT VISITS AND
SHORE EXCURSIONS ON THE
GREAT LAKES: INPUT FROM
INTERVIEWS WITH PORTS,
CRUISE LINES AND OTHERS**

APPENDIX II: CHALLENGES AND NEEDS RELATED TO PORT VISITS AND SHORE EXCURSIONS ON THE GREAT LAKES: INPUT FROM INTERVIEWS WITH PORTS, CRUISE LINES AND OTHERS

From the Port Perspective:

Port Issues

- Getting community buy-in and support, and active participation of businesses when there are only a few arrivals and ships are in port for a short time is a challenge. In some locations, there are only 1 – 3 visits, and /or port stops are 4 hours or less which makes it even harder to get buy in.
- There is a need to attract more ships to the Great Lakes – there has been a significant decline in Canadian port calls.
- Translation of materials – with MV Columbus many of the passengers are German.
- There is a need for expanded/new passenger facilities such as docks, arrivals areas; Toledo and Detroit have both been working on these.
- Improved waterfront development is needed in several locations.
- There is a need to provide municipalities with an understanding of the cruise industry and shore excursion packages.
- There is a need for training for local community and business on customer service, and cruise passenger expectations (including expectations of other cultures) as well as delivering great shore excursions.
- It is important for ports to recognize the non-economic benefits of cruise ship visits such as increased destination awareness and return visits (non-cruise) by passengers who are introduced to the area as part of their cruise experience.

Broader Information Needs

- How to influence cruise itineraries including getting direct contact with decision makers at the cruise lines
- What are passengers looking for in a shore excursion and dockside services, such as:
 - Entertainment
 - Services
 - How to differentiate the product
 - How to enhance the product
 - Meals – should they be provided?

APPENDIX II: CHALLENGES AND NEEDS RELATED TO PORT VISITS AND SHORE EXCURSIONS ON THE GREAT LAKES: INPUT FROM INTERVIEWS WITH PORTS, CRUISE LINES AND OTHERS

From the Cruise Line/Tour Operator Perspective

- Docks are not close to downtown in all locations; need to be clean
- Some ports require tenders due to non-availability of dockage
- Finding clean, modern well-maintained coaches can be a challenge – poor quality coaches an issue in some areas
- Some ports do not understand the expectations and needs of the guests
- The historic importance of the destination should be emphasized
- Line ups resulting from customs and security issues are a problem – cruise guests are very quality conscious and do not want to continually be having to line up for something
- Changes in customs procedures in Toronto cited as an issue – officers used to come on the ship; now passengers must leave the ship and be processed at the terminal
- For shore excursions:
 - Finding well-trained guides is an issue
 - There is a need to ensure that shore excursions and on-board presentations are of a consistent quality, one visit to the next; this is particularly an issue when passengers pay extra for shore excursions
 - Some shore excursions are too long – e.g. Agawa Canyon tour
 - More local culture needs to be built into shore excursions
 - There is demand for more interactive tours, and for opportunities to make a connection with local people; however, excursions should not be too adventurous given the older passenger demographic
 - Excursions should include the main attraction of the area
 - Would like to see more options available in some ports
 - Some characteristics and changes in the marketplace need to be understood and reflected in shore excursion offers:
 - For some ships, the majority of passengers are seniors – there is therefore a need to provide facilities for those who are physically challenged; ensure that areas where passengers are picked up are accessible and do not have steep ramps
 - There is a growing interest in niche excursions but a variety of experiences need to be offered
 - There is interest in small, exclusive excursions in private cars (2 – 4 people) offering an enriched experience

APPENDIX II: CHALLENGES AND NEEDS RELATED TO PORT VISITS AND SHORE EXCURSIONS ON THE GREAT LAKES: INPUT FROM INTERVIEWS WITH PORTS, CRUISE LINES AND OTHERS

- Passengers are more demanding – they are looking for value in excursions; cruise lines are looking for the best product and the best overall experience for the passenger’s dollar
 - Passengers are older and seek professionalism, punctuality, cleanliness
- One suggestion is to look at providing a naturalist to lead a walking tour
- Ports and ground operators should provide cruise lines with literature and images on shore excursion ideas to help with promotion
- Need German speaking tour guides on some excursions; also translated brochures
- Communications:
 - It is important for ground operators to keep in touch with the cruise line and advise of any special events, opportunities, potential problems, etc. – anything that may affect the cruise line or their visit.
 - There is a need for good, clear communication between the partners so that can they work together to handle issues and challenges, also work on pricing so that any increases are viable – there have apparently been some significant increases in shore excursion prices.
- Get the community involved:
 - Make sure the community and businesses know a cruise ship is coming in (also that businesses stay open late when a late arrival is scheduled)
 - Providing a welcome at the dock is very important – music, information kits, someone to answer questions

**APPENDIX III:
CHECKLIST “A” - IS YOUR
COMMUNITY READY FOR
CRUISE SHIP VISITS?**

APPENDIX III: CHECKLIST “A” - IS YOUR COMMUNITY READY FOR CRUISE SHIP VISITS?

Item	Yes/No/ NA	Work to be Done	Responsibility
Is the community sold on the benefits of attracting cruise ships?			
Municipal Council			
Business Community			
General Public			
Does your community have what cruise operators look for in a port of call?			
Fit with the cruise schedule			
Safe & Secure Port area			
Ability to deliver shore Excur- sions and passenger services			
Motorcoach service			
Access to shopping			
Superior Visitor Experience Overall – unique & interesting things to see and do for visi- tors (See Below)			
Technical Port needs (see Be- low)			

APPENDIX III: CHECKLIST “A” - IS YOUR COMMUNITY READY FOR CRUISE SHIP VISITS? CONT’D

Item	Yes/No/ NA	Work to be Done	Responsibility
Can your community deliver a Truly Unique & Interesting Experience for Visitors?			
Can the community offer truly unique, memorable experiences?			
Can the community put together a special welcome program?			
Can the community deliver quality customer service?			
Is there someone to develop and deliver quality shore excursions?			
Are there guides available, with foreign language skills if needed			
Can your port provide the necessary technical/service support?			
Diesel fuel (if needed)			
Waste collection			
Fresh water			
Other Supplies			
Customs clearance			
Docking or mooring area			
Sufficient Water Depth			
Arrivals Area			

APPENDIX III: CHECKLIST “A” - IS YOUR COMMUNITY READY FOR CRUISE SHIP VISITS? CONT'D

Item	Yes/No/ NA	Work to be Done	Responsibility
Does the community have the necessary general visitor infrastructure and services?			
Information – walking tour map, brochure, etc.			
Close and accessible shopping and attractions			
Sidewalks			
Shuttles			
Taxis			
Signage			
Access to ATM's, banks, services			
Services at the dock area			
Washrooms			
Public Phones			
Email			
Parking			
Something for ship staff to do			

**APPENDIX IV:
CHECKLIST “B” - TO DO LIST
FOR PLANNING AND
DELIVERING SHORE EXCURSIONS**

APPENDIX IV: CHECKLIST “B” - TO DO LIST FOR PLANNING AND DELIVERING SHORE EXCURSIONS FOR:

_____ Cruise Line			
Item	Yes/No/NA	Work to be Done	Responsibility
General Arrangements			
Have you researched the cruise line, its itineraries and its ships?			
Other ports of call			
Other shore excursions			
Length of time in port			
Number of passengers			
Types of excursions sought			
Duration of excursions and price			
Do you have an understanding of their passengers - their interests and needs?			
Have you identified the resources you have to work with for this cruise line, paying particular attention to unique, appealing experiences for their passengers?			
Do the attractions and experiences you have identified 'fit' this cruise line's passenger mix?			

APPENDIX IV: CHECKLIST “B” - TO DO LIST FOR PLANNING AND DELIVERING SHORE EXCURSIONS FOR: CONT’D

_____ Cruise Line			
Item	Yes/No/ NA	Work to be Done	Responsibility
Have you talked to the suppliers? Can they deliver?			
Are there any major constraints? How can they be overcome?			
Do you have appropriate insurance?			
Do your suppliers have appropriate insurance?			
Do you have the ground transportation needed?			
Do you have guides? And back-ups?			
Have you prepared a risk management plan?			
Have you priced the shore excursion carefully, taking into account all your costs?			
Do you have communications procedures established, with the cruise line and with suppliers?			
Do you have a contingency plan in the event of inclement weather?			

APPENDIX IV: CHECKLIST “B” - TO DO LIST FOR PLANNING AND DELIVERING SHORE EXCURSIONS FOR: CONT’D

_____ Cruise Line			
Item	Yes/No/NA	Work to be Done	Responsibility
Have you developed all the details of the shore excursion offer?			
Time of pick up			
Length of travel time			
Length of time at the experience			
Overall duration of the excursion			
Maximum capacity			
Transportation logistics			
Have you allowed for or made arrangements for all contingencies?			
Traffic delays			
Cruise ship early/late arrival			
Need for wheelchairs			
First aid			
Emergency contacts			

APPENDIX IV: CHECKLIST “B” - TO DO LIST FOR PLANNING AND DELIVERING SHORE EXCURSIONS FOR: CONT’D

_____ Cruise Line			
Item	Yes/No/ NA	Work to be Done	Responsibility
Relationship with the Cruise Line			
Have you made arrangements with the cruise line for:			
Notice of cancellation of visit			
Notice of final number of passengers taking the shore excursion (s)			
Communications re arrival and departure time			
Communications and procedures re emergencies			
Have you negotiated with the cruise line regarding:			
Time required for notice of cancellation without penalty			
Prices for the excursion			
Minimum and maximum numbers			
How numbers will be counted			
Payment procedures and timing			

APPENDIX IV: CHECKLIST “B” - TO DO LIST FOR PLANNING AND DELIVERING SHORE EXCURSIONS FOR: CONT’D

_____ Cruise Line			
Item	Yes/No/ NA	Work to be Done	Responsibility
Relationship with Suppliers			
Have you made arrangements with suppliers for:			
Quality control			
Contingencies			
Final changes to numbers			
Handling passengers requiring special care			
Details of the program and timing			
For one contact person			
Risk Management plan			
Have you negotiated with suppliers regarding:			
Prices			
Payment arrangements			
What happens if the excursion is cancelled			
Communications			
Does the supplier have appropriate liability insurance in place?			

**APPENDIX V:
EXAMPLE OF PRICING
WORKSHEET FOR SHORE
EXCURSION**

APPENDIX V: EXAMPLE OF PRICING WORKSHEET FOR SHORE EXCURSION

Page #1: Variable Costs Per Participant		
	Retail Value per Participant	Net Cost Per Participant (1)
Attraction/Experience #1	8.00	\$6.50
Attraction/Experience #2	12.00	\$10.20
Attraction/Experience #3	-	
Meal	-	
Refreshments	1.00	1.00
Souvenir/Gifts/Guidebook	-	
Other_____		
Other_____		
Tax on taxable items		\$1.24 (GST on all items)
<u>Total Variable Costs</u>		\$18.94

Notes:

- (1) This is the discounted rate you negotiate with the supplier. If there are significant variations in the costs in different seasons, it will be important to do this analysis for each season and then average the resulting cost.

**APPENDIX V: EXAMPLE OF PRICING WORKSHEET FOR
SHORE EXCURSION CONT'D**

Page #2: Fixed Costs Per Departure			
	Cost Per Excur- sion	Capacity - # of Par- ticipants	Allocated Cost Per Partici- pant (Based on Capacity)
Motorcoach/Van	\$500		
Driver	\$100		
Guide	\$100		
Other Experts			
Other _____			
Other _____			
<i>Tax on taxable items</i>			
Total Fixed Costs	\$700	40	\$17.50
Estimated Load Fac- tor <i>(Average Percentage)</i> <i>(1)</i>			80%
Grossed Up Cost per Partici- pant <i>(2)</i>			\$21.88

(Shaded areas are not used for the calculations)

Notes:

- (1) Estimate what percentage of the capacity the tour will operate at, on average.
- (2) Divide the allocated cost per person by the load factor (as a decimal point) to estimate the grossed-up cost per participant.

**APPENDIX V: EXAMPLE OF PRICING WORKSHEET FOR
SHORE EXCURSION CONT'D**

Page #3: Overhead and Marketing Cost Allocation					
	Cost Allo- cated to this Excursion Program	# of Depar- tures	Cost Allo- cated per Departure	Capacity - # of Participants	Net Cost Per Partici- pant
Marketing	2,000				
Other Overhead	3,000				
Subtotal Over- head Costs	5,000	5	\$1,000	40	\$25
Load Factor Gross up					80%
Grossed Up Cost Per Par- ticipant					\$31.25

(Shaded areas are not used for the calculations)

APPENDIX V: EXAMPLE OF PRICING WORKSHEET FOR SHORE EXCURSION CONT'D

Page #4: Total Costs, and Proposed Price Per Participant	
	Grossed-up Costs Per Participant
Total Variable Costs (From Page #1)	\$18.94
Total Fixed Costs (From Page #2)	\$21.88
Total Overhead & Marketing Costs (From Page #3)	\$31.25
TOTAL VARIABLE, FIXED & OVERHEAD COSTS	\$72.07
Gross-Up Factor for Profit	10%
Calculated Price to Cruise Lines (Including applicable taxes)	\$79.28
PROPOSED PRICE PER PARTICIPANT TO CRUISE LINE	\$79.00
Total Taxes included in Price	\$1.24

NOTE: Taxes may be applicable to other items such as some of the fixed costs and/or the marketing or overhead costs. You will need to do your own research or get advice from an accountant with respect to which items attract taxes, and which taxes are applicable.

**APPENDIX VI:
USEFUL CONTACT INFORMATION**

APPENDIX VI: USEFUL CONTACT INFORMATION

The following websites may be useful in researching relevant regulations, and in obtaining other information to assist in developing shore excursions.

Ministry of Tourism

Website: <http://www.tourism.gov.on.ca>

Investment and Development Office: <http://www.tourism.gov.on.ca/english/ido/index.html>

Regional Offices: Search at <http://www.apps.mtr.gov.on.ca/rsbcl/en/>

Ontario Tourism Marketing Partnership

Website: <http://www.tourismpartners.com>

Ontario Ministry of Government Services

Website: <http://www.mgs.gov.on.ca>

The Travel Industry Council of Ontario (TICO)

Website: <http://www.tico.on.ca>

The Canada Ontario Business Service Centre

Website: <http://www.cbcs.org/ontario>

The Travel Industry Act is available through the Canada Ontario Business Service Centre at:

http://www.cbcs.org/servlet/ContentServer?pagename=CBSC_ON%2Fdisplay&lang=en&cid=1085667966240&c=Regs

Refer to the [Regional Access Program Location Index](#), available at the following website, to find a listing of offices located throughout Ontario:

http://www.cbcs.org/servlet/ContentServer?pagename=CBSC_ON%2Fdisplay&lang=en&cid=1130304629382&c=Services

Ontario Ministry of Transportation

The Ministry of Transportation (MTO) administers a variety of legislation related to the transportation of goods and passengers, including the Motor Vehicle Transport Act.

Website: <http://www.mto.gov.on.ca>

Great Lakes Cruising Coalition

Website: <http://www.greatlakescruisingcoalition.com>