



How to work in the Cruise Industry

A guide for tourism operators

A Focus on Shore- Ex
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A day in the life of a Shore Excursion Manager

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Cruise Industry Participants – The Structure

Cruise Line(s) e.g. Carnival, P&O, Seabourne, Royal Caribbean

Inbound Tour Operators (ITO)/ 'Shore Ex' Operator e.g. Abercrombie and Kent, Intercruise, Bob Wood Cruise Group

State & National Tourism Organisations

Port Corporations

Tourism Operators / Product Suppliers

Others e.g. Cruise Down Under, CLIA

Cruise Distribution – FROM DEMAND TO SUPPLY

CONSUMER → Cruise Specialist or Travel Agent → Cruise Line
→ Inbound Tour Operator (also known as Shore-Ex)
→ Product (Operator / Supplier) and port facility

The Bidding & Booking Process

How the ITO/Shore-ex work with the cruise company and the supplier

- Request from cruise company for a program to be delivered at each port is received by the ITO 6-12 months out
- ITO is appointed by the cruise company and a tour program is agreed 6 months out
- ITO then secures services from suppliers (tourism operators) – holding inventory at that time

N.B. The commission % generally paid to the ITO by suppliers is 25 -30%

- then.....

Once Your Product is in the Program

- Bookings made by clients prior to departure are passed on to the ship's Shore-Ex Team to manage on board (5-14 days out)
- Ship's Shore-Ex manager liaises with ITO on the progress of further tour sales – this is ongoing until 24 hours prior but can continue until the tour departs the pier

N.B.

Guests continue to book & cancel until the tour departs

* Some Ship Shore Ex Managers contact ITO's a couple of days out looking for special / private tours for some guests.

The Nature of Shore - Excursions

- They are the 'official' shore tours offered by the Cruise companies
- The availability and content of these tours is determined by the cruise company generally through the ITO as a charter ensuring that the tours are tailored to the needs of the ship (price, inclusions & timing) and their clients
- Shore-ex is considered an important revenue stream for the cruise company and can determine a destinations inclusion in a cruise itinerary
- For an operator being included in a Shore-Ex program is beneficial. You know in advance anticipated numbers, arrival dates, inclusions/exclusions and payment arrangements. Plus the promotion and marketing to the passengers is done by the ship.

N.B. Suppliers need to provide extensive information on the practical aspects of the tour plus marketing information – images etc.

Shore Excursions cont....

- These tours provide security for passengers:
 - Prepaid so they do not have to worry about cash, exchange rate etc
 - They familiarise themselves with the itinerary and the inclusions
 - They know the tours have been 'checked out' by the cruise company and are of a high quality and most importantly that the ship will await for them if there is some reason the tour has been held up.
 - The ship's company will take up their case if they have any issues or problems on the tour.

Shore Ex Trends & Today's Traveller

- It is increasingly challenging for ships to sell shore-ex as passengers become more independent and search for experiences on the internet
- Cruise passengers are increasingly price and value conscious though still expecting high standards of tours
- Travellers' needs and desires have changed

Previous Desires

Larger cars/bigger roads

High life, parties

Full agenda/hyper-activity

Fast forward

Artificial islands

Advantages, big chief treatment

Designer shoes

Now Desires

No traffic

Cooking and reading

Plenty of time

Slow down

Unspoilt nature

Fairness

Barefeet

Today's Traveller cont...

➤ They are looking to experience something that they will always want to tell:

- that's personal and individualised
- more than a 'pre-packaged' offering, it is bespoke
- they are confident in independence
- comfort is paramount
- they work hard and want a 'hassle-free' holiday
- time, attentiveness peace & space are the new luxury goods
- 60 is the new 40

Today's Traveller cont....

They seek choices in and around:

- Nature
- Retail opportunities
- Soft Adventure
- Exclusive access

The Domestic Australian Passenger

- Relatively new (though repeat cruisers are growing)
- Constantly compare Shore-ex tour prices with similar online products & experiences
- Happy to be independent as they feel they already 'know' the destination
- They will purchase if the offer is compelling ie something they would normally not experience
- They have pre-conceived ideas of Australian destinations – need 'surprise' them and build on the growing popularity of Tasmania

From CDU Conference:

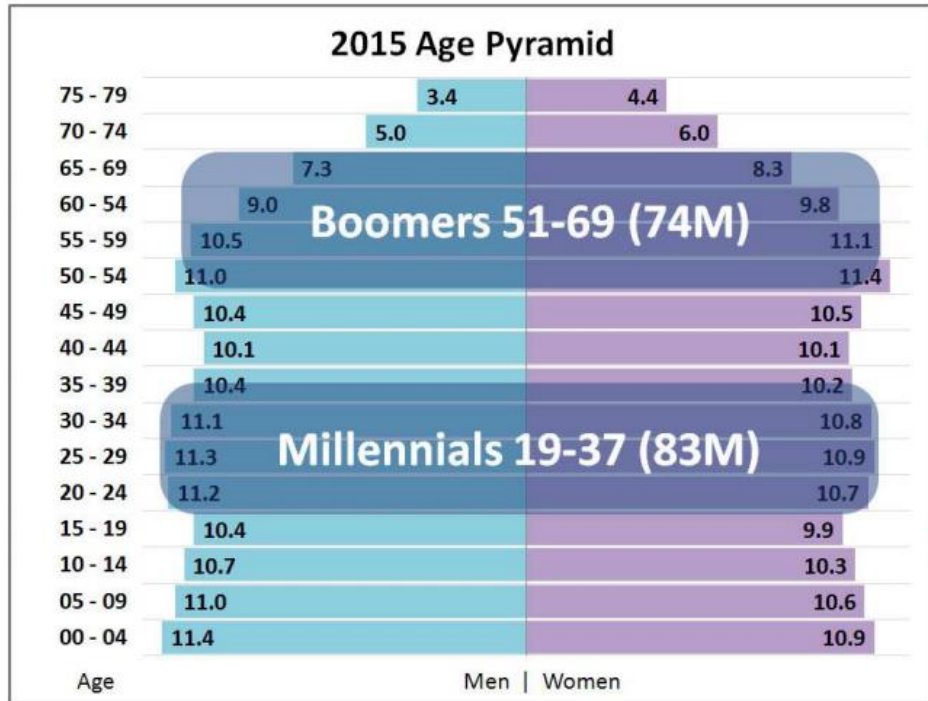
Trends for the Future –Darius Mehta Silversea

➤ Multi – Generation travel

- Kids sail free on some ships
- Luxury courting families
 - Grandparents and older grandchildren (travelled with parents)
 - All experienced travellers looking for a shared experience
 - Ticking off 'bucket list' destinations/ sharing a favourite destination
 - Re-sharing an experience with the grandchildren
- Some nationalities traditionally travel with multi-generations, particularly Asians
- Design tour experiences that are at a slower pace but still enriching
- Light adventure
- Options on the same tour that cater for different levels of activity

Grandchildren → Millennials

Millennials coming of age



Wider audience to please



BY
2030
MILLENNIALS
OUT NUMBER
BOOMERS

BY
22
MILLION



A larger demographic

'Millenials' Characteristics

- 78% would choose to spend money on a destination experience than buy something desirable
- Millenials crave more experiences; they are moving away from the materialism
- They desire to connect with other people, the community and the world
- Experiences help shape their identity & create life-long memories
- Young Boomers & Millenials : 56% activists, donate time, money, volunteering & fund raising and support or boycott businesses
- **FOMO**



Fear Of Missing Out

Fear of Missing Out (FOMO)

- Nearly 69% millennials experience FOMO
- FOMO drives millennials experiential appetite
- This will shape itineraries and shore-excursions going forward
 - Festivals – Rio Carnival / Dark Mofo (?)
 - Performing arts – Opera / Tasmanian Symphony Orchestra
 - Sporting Events – Monaco / Abu Dhabi Grand Prix / Sydney to Hobart Race (?)
 - Good Citizen Tours /Volunteer Tourism – Sustainability/ Animal Conservation
 - Enriching Experiences – Behind the Scenes tours
 - Wine tasting & blending, Make your own Gin
 - Culinary Arts
 - Private openings/art collections/concerts

Understanding the China Cruise Market

Dwain Wall, www.ylly.com

China's Potential as a Source Market

- China will become the world's largest cruise market by 2020

Products & itineraries that Appeal

- More than 99% of Chinese travellers currently cruise within Asia
- Prefer short 3-4 day cruises
- Most popular international fly cruise destinations:
 - Australia
 - Alaska
 - Caribbean
 - Dubai
 - Europe
 - Singapore
- Fly-Cruise market will grow significantly as China becomes more familiar with cruising and the middle class looks for more experiences outside China

Cruise Companies in China

- Princess Cruises
- Royal Caribbean International
- Costa
- MSC
- **Superstar Virgo :**

46-night itinerary from HK to Australia 15 Nov – 31 Dec 2015 • Will call at Geraldton, Fremantle, Albany, Adelaide, Melbourne, Burnie, Sydney, Brisbane, Cairns and Darwin

For more information:

Destination Southern Tasmania, www.southerntasmania.com.au

How to work in the Cruise Industry, a guide for Tourism Operators

Cruise Down Under, www.cruisedownunder.com/conferences

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A perfect Shore-ex Day

Questions ?