

ABERDEEN CITY REGION DEAL:

Powering Tomorrow's World



Report Name	Cruise Update
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Governance	City Region Deal Joint Committee

1:	Purpose of the Report
1.1	To update the Aberdeen City Region Deal on the objectives and plans for the Cruise Ship market in light of the construction of the new Aberdeen South Harbour.

2:	Recommendations for Action
	It is recommended that the Joint Committee –
2.1	Notes the objectives and plans for the cruise ship market.

3:	Summary of Key Information
3.1	On 30 th August 2018, as part of a discussion on maximising the economic benefits of the new Aberdeen South Harbour, the Aberdeen City Region Deal Joint Committee requested a progress report on the plans and objectives for the cruise ship market in terms of the Aberdeen harbour expansion.
3.2	In response to this request, this paper provides an update on the following:- <ul style="list-style-type: none">• Objectives• Economic potential (tourism)• Tourism product development activity• Business development activity• Quayside experience plans• Embarkation point / Cruise Terminal <p>A summary infographic is included in Appendix 1 to explain how cruise business is contracted is also attached.</p>

3: Summary of Key Information

Objective of the Cruise Aberdeenshire programme

3.2 CruiseAberdeenshire is a consortium of Aberdeen City Council, Aberdeen Harbour Board, Aberdeenshire Council, Scottish Enterprise and VisitAberdeenshire. The objective of the group is to help establish Aberdeen as a leading destination for cruise ship visits, to ensure that the tourism product meets the demand of the cruise market and to help cruise contribute to the Destination Strategy target of £1 billion visitors spend per annum by 2025

Economic potential (tourism)

3.3 European industry estimation is that circa €80 of economic benefit is achieved per disembarking passenger (Cruise Europe, 2018). In 2017, 25 small ships called into Aberdeen's existing harbour resulting in approximately 2500 visitors disembarking and an economic impact of €200,000.

3.4 On average 60% of cruise passengers opt for one of the cruise company excursions. Of the remaining 40% a very small number stay on board in port and the remainder explore the area under their own steam. The majority are likely to visit Aberdeen itself.

3.5 Despite the relatively low direct economic impact per head of cruise passengers, there is significant reputational value for the destination in providing a seamless, high quality experience:

- For many passengers, a cruise visit acts as an invitation to return, stay longer and spend more.
- Many cruise ship operators are also mainstream travel companies of global significance (eg TUI) with influence over more lucrative travel business.
- Cruise business also acts as a catalyst to develop tourism product that can be sold through other distribution channels.

Tourism product development activity

3.6 While the current tourism product set is already very attractive to the cruise market, it was understood early on that product development work was required to ensure an excellent fit between the experience and customer expectations.

3.7 The cruise industry is diverse. Cruise companies operate in different markets with different visitor profiles. What might be an attractive excursion option to one company or demographic is not necessarily attractive to another.

3.8 VisitAberdeenshire, along with AHB is working with local businesses to make them aware of the opportunities in the cruise market, and how their product might be enhanced or developed for diverse cruise markets and demographics. Outputs include:

- A "**Being Cruise Ready**" **Business Opportunity Guide** has been produced to help answer many of the questions businesses may have.

3: Summary of Key Information

- Two '**Cruise Ready**' workshops were delivered early in 2018 and a further workshop is scheduled for November 2018.
- **One to one advice** and presentations to local industry and community groups

Examples of recent new product development for the cruise market are as follows:

- **Aberdeen Highland Cattle** – A visit to a farm near Banchory which breeds highland cattle. Already popular with existing cruise and conference business
- **The Craigievar Express** - A visitor experience developed by Grampian Transport Museum in conjunction with Craigievar Castle (NTS).
- **Kincairdine Castle** – The castle is offering an afternoon tea with the laird who also gives a private tour of the garden.
- **Royal Lochnagar Distillery** – *Meet the Manager* tour
- **Duke of Rothesay Pavilion**, Highland Games Centre in Braemar due to open early in 2019.

3.9 Based on the current range of products and the new products recently developed or under development, VisitAberdeenshire has put together a very wide range of excursion itinerary options. Itinerary development and product development will continue to evolve as cruise companies operating larger vessels select Aberdeen as a destination port.

3.10 Working with the Scottish Tourist Guides Association (STGA) the Cruise Aberdeenshire partnership will ensure that sufficient qualified guides will be available by May 2020. An STGA Green Badge course will shortly be promoted, starting in January 2019 with completion in September 2019, delivered by the University of Aberdeen. This will result in approximately 30 additional guides.

Business Development Activity

3.11 Recent business development activity has included a joint sales mission with Aberdeen Harbour to Germany targeting 4 cruise companies. The response to the new south harbour and to the destination product offering has been very positive.

3.12 A 4 day familiarisation visit was organised and delivered for Intercruise, one of the large cruise excursion companies who have already been contracted as the shore excursion provider for one of the cruise ships visiting in 2020 and are regularly contracted by other cruise companies.

3.13 Further business development activity is planned over the next few months at B2B forums in the UK, in Europe and in north America where cruise companies, and excursion operators will be present.

Quayside experience

Quayside Entertainment

3: Summary of Key Information

- 3.14 Destinations onshore, were considered the full 'package' in terms of cruise passenger experience. In recent years, however, this package has been extended to include the experience passengers have arriving into and departing from the port itself.
- 3.15 Quayside entertainment on arrival helps to shape a first impression of a location for passengers, but the departure experience in particular has developed as an opportunity for locations to provide a themed experience, helping to differentiate their location from others on the itinerary, whilst leaving a lasting impression on the passenger (not to mention on the shore excursion and cruise line representatives).
- 3.16 Scottish ports have been no different, and they all, in some way or another, provide quayside entertainment. For most Scottish Ports a piper is almost a basic essential (where appropriate), whilst other ports have differentiated themselves through visits by 'Viking squads' or the ability for customers to shop on the quayside for low-cost Scottish themed gifts.
- 3.17 Aberdeen Harbour Board are committed to providing the essential piper for every cruise vessel arrival and departure, and are considering the potential/practicalities for quayside retail, but there is potential for the city and region to develop a programme of entertainment that could truly differentiate Aberdeen from other destinations, and provide an authentic insight into local talent and culture. CruiseAberdeenshire are therefore looking to secure support from external bodies who might have the expertise to develop and manage a programme of quayside cruise passenger entertainment.

Meet & Greet

- 3.18 All Scottish Ports have personnel on 'meet and greet' duties during the cruise season – often these are harbour board staff. For the larger, more active ports, however, where this is a more onerous task, volunteer groups have formed who not only provide meet and greet services, but who also provide visitor attraction and tourism information to passengers and crew. This service is particularly popular with passengers, and these visitor guides have even been invited to sail with the vessel on the previous evening before that vessels arrives in port so that they can provide information for passengers in advance of their arrival.
- 3.19 The development of such a group would be a great asset for the city and region's cruise offering, and CruiseAberdeenshire are currently exploring ways in which such a group may be developed and supported.

Embarkation port / Cruise Terminal

- 3.20 Few Scottish Ports have a dedicated/ permanent Cruise Terminal. The reason for this can be that activity does not justify the investment, or based on the fact that cruise activity is seasonal, and therefore a permanent quayside terminal can remain redundant for the rest of the year, taking up valuable laydown area on a quayside.

3:	Summary of Key Information
3.21	The need for a terminal building, indeed, is dependent on the type of cruise operation underway. For a 'call port', where passengers only arrive on the vessel, visit the destination and then depart on the same vessel, there is little requirement for quayside structures. In these cases, there are minimal border force requirements, and security operations can be served by a temporary and/or mobile structure (as currently in use at Aberdeen North Harbour).
3.22	For a 'turn port' however, where cruise itineraries commence and end, the requirement is greater in that border force and security procedures determine the need for processes such as body/ baggage screening and identity/nationality checks to be carried out.
3.23	Presently Aberdeen Harbour is predominantly a call port, but the unique combination of a large port, in the form of South Harbour, which will have the ability to accommodate vessels of up to 300 metres alongside, along with the proximity of an international airport, and plentiful hotel accommodation, means that Aberdeen is increasingly being viewed as a potential turn port.
3.24	Aberdeen Harbour Board will continue to review need for a permanent cruise terminal building as the development progresses.

4:	Finance and Risk
4.1	There are no financial implications for the Aberdeen City Region Deal as a result of this report.

Appendix 1

Cruise Market Distribution Channels

