

Challenges and Opportunities



Saint John, New Brunswick, is one of the most popular ports in Atlantic Canada.

Canada New England must work to become better known for all the region has to offer before cruise traffic will grow significantly, according to cruise line executives who spoke at the recent 12th annual Canada New England Cruise Symposium in Saint John, New Brunswick, June 8 - 10.

While fall cruise traffic is strong, only a few ships sail regularly during the summer months, when there is a variety of attractions and activities geared to families.

A keynote speaker was Rob Moore, Canadian minister of state (for small business and tourism), who articulated Canada's support for the development of tourism products, including helping tourists from around the world reach Canada; streamlining of customs and border procedures; promoting Canada as a destination of choice; and enhancing the visitor experience through all facets of services and hospitality.

Saint John

Saint John also hosted the first cruise symposium 12 years ago, according to Betty MacMillan, manager of business development for the Saint John Port Authority. Since then, cruise traffic in Saint John has grown to 200,000 passengers a year, and projections call for 300,000 by 2015. The port opened its new \$19 million Marco Polo terminal in 2009.

Bernie Wood, marketing manager, for Cruise Atlantic Canada, an association of Canadian Atlantic ports, said that altogether there will be 467 calls and more than 900,000 passengers in 2010, generating a direct economic impact of some \$95 million.

Rene Trepanier, executive director of Cruise the Saint Lawrence, outlined the development of six new ports in his region and said that the message to cruise lines is as follows: "We want your business."

Carol Sheedy, director general for Eastern Canada for Parks Canada, said that Parks Canada has been diversifying its product experiences, developing what she called "menus" for cruise passengers, ranging from authentic and cultural explorers to those who don't want any hassles.

More destination awareness and product development are needed to build traffic, said Joanne Salzedo, director of shore excursions and product development for Norwegian Cruise Line. "People must be made aware of all you have to offer. Create active experiences and get the message out there, especially for the summer market, when people want to come with their children – be generational friendly," she said.

Building Summer Traffic

Among the lines sailing to Canada New England during the summer is Holland America Line. Said Captain Simon Douwes, director of deployment and itin-

erary planning: "We have sailed one-week cruises between Boston and Montreal (with the 1,258-passenger Maasdam) for the past 10 years. Every September, we add a second ship for fall foliage cruises."

Celebrity Cruises sailed seven-day Canada cruises from Cape Liberty during the summer, and Marc Miller, manager of deployment and itinerary planning for Celebrity, as well for sister brands Royal Caribbean International and Azamara Club Cruises, said that for more summer capacity to be introduced into the market, "these cruises need to be as profitable as alternative deployments." In September, Celebrity shifted to 14-day Canada cruises.

Next year, however, Celebrity will not be sailing to Canada New England during the summer, while evaluating the performance of the 2010 season, before deciding on 2012, according to Miller. The cruise line will continue to sail fall cruises in 2011, however.

Royal Caribbean sailed two nine-day cruises from Baltimore during this past summer and will sail three summer cruises in 2011.

During the fall, Royal Caribbean also sails the Jewel of the Seas from Boston and the Explorer of the Seas from Cape Liberty to Canada New England.

Miller noted that the region would be ideal for the smaller ships of the sister brand Azamara Club Cruises, but with only two ships, it is hard to justify taking them out of Europe, he added.

Meanwhile, Carnival Cruise Lines sails the Carnival Glory and Triumph on four- and five-day cruises to Saint John and Halifax during the summer and seven days in the fall.

Speaking for MSC Cruises, Albino Di Lorenzo, operations manager, said that MSC was testing the fall market in 2010 and is also committed to 2011, while studying 2012. This year, 30 percent of the bookings were from Europe, but with the falling euro, Di Lorenzo suggested that the company has had to reevaluate its marketing approach.

"This is a very interesting area and could have big appeal to passengers," he continued, "but the area is not well known, and the cruise lines sailing here have some problems selling their cruises.

"It is also the second most expensive region to operate in – after Alaska."

Added Douwes: "Fuel is by far the most significant cost. Port costs are not particularly high and insignificant com-

Family Attractions

After 20 years, Saint John has reached the one million passenger mark, but expects future growth to come at a much faster pace. This year, some 200,000 passengers were forecast and 300,000 a year by 2015.

Ships dock at the new Marco Polo cruise terminal downtown, where there is room for two ships, with additional berth space for a third ship at Long Wharf.

Saint John is on the mainland in the Bay of Fundy, which has the most extreme tide changes in the world – up to 50 feet or more. And at the time of writing, the Bay of Fundy had been nominated as a possible candidate for a revised list of the seven wonders of the world.

Shore excursions provide passengers opportunities to watch the tide's vertical change and walk on the exposed ocean floor.

The tide also pushes nutrients to the surface where the Bay of Fundy meets the Bay of Maine, and the area is a feeding ground for different species of whales, fish and birds.

Whale watching trips are available from Saint John, along with jet boat rides, tours to the nearby countryside, the resort town of St. Andrews and the fishing village of St. Martins. There are also city tours of Saint John, including tastings of the local brew, Moosehead beer. Moosehead Breweries, founded in 1867, claims to be Canada's oldest independent brewery. It is still run by the sixth generation descendants of the original founders.

More active tours are kayaking, nature walks and golfing.

Carnival Cruise Lines lists no less than 21 shore excursions in Saint John on its website, and Holland America Line, 11.

For passengers not going on shore excursions, there is a nice downtown area to walk around in, especially convenient if they start at the Marco Polo cruise terminal. Attractions include the Market Square with shops and restaurants, as well as the New Brunswick Museum with its remarkable natural sciences collection.

Saint John is the largest city in the province of New Brunswick with a population of about 70,000.

pared to fuel costs. Shore excursion revenues are good; they are average."

Di Lorenzo noted that flights into and out of Quebec were also a little "problematic," but that he had found great cooperation and that the port authority had been helpful in finding solutions.

"Even if there is airlift, we have to consider the cost too, so most of our itineraries are roundtrip," said Miller.

"Canada scores high in our guest ratings, so we just need to make the economics work," he added.

Tom Spina, director of cruise operations for NY Cruise, said that 17 percent of the passengers sailing from New York were from international sources and another 17 percent were from New York



Milking cows is one of the shore attractions offered in Saint John. (photo: Aquila Tours)

City. In addition to MSC, AIDA also turns around in New York and will have two ships sailing to Canada New England from New York in the fall of 2011.

ECA

Effective as early as August 2012, south of the 60th parallel north and 200 nautical miles out to sea, the seas around Canada and the U.S. will be designated an Emission Control Area (ECA), limiting the amount of NOx, SOx and PM that can be released, according to Paul Topping, manager of environmental protection for Transport Canada.

"The ECA will have a very dramatic cost impact," said Thomas Dow, vice president of public affairs for Carnival

'Excellence' in Shore Excursions

Based on Saint John, New Brunswick, Aquila Tours has specialized in shore excursions for cruise passengers and is the principal tour operator in Saint John. The company has also recently launched a tour guide training program on an international scale.

Founded in 1982, "we can look back on nearly 30 years of experience," said Melanie Colpitts, director of Aquila's Center for Cruise Excellence. During that time, Aquila has earned accolades and awards for its programs and customer service. With its workload now concentrated during the cruise season, it spends the winters training guides. "We have programs for tour operators that want to get into the cruise business or want to improve their existing operations. We also have programs for guides," Colpitts said.

Tour Operator and Guide Training

Aquila can help tour operators package their product to cruise lines. More recently, the company has also launched an online training program for tour guides, whom, Colpitts said, can make or break a shore excursion experience.

One of the customers for the tour guide training program is Tura Turizm of Istanbul.

The guide program covers everything from hospitality to service excellence, according to Colpitts, as well as risk management and being able to deal

with difficult situations, such as missing passengers when the coach is supposed to be leaving.

The program includes six lessons on different key topics that also include presentation and story-telling skills, facilitating better communications with passengers.

Participants who successfully complete the program, verified by testing, will receive an international certification in tour guide excellence from Aquila.

Changing Passengers and Tours

Meanwhile, passengers are changing and shore excursions are changing, too, Colpitts explained. "What we sold 15 years ago is no longer relevant today. It is a completely different ballgame. People are more active; they look for adventure and to be engaged."

Aquila offers cruise lines from 15 to 20 different tours. Colpitts said her company has the capacity to handle up to three ships in port at the same time, although it may stagger departure times and offer more half-day tours to avoid lines and crowding for the most popular activities and sites.

Tours range from hiking with nature guides to visiting nearby fishing villages, walking on the bottom of the Bay of Fundy, lunch on the beach, jet boat rides or trolley tours of Saint John, even visiting working farms and being able to milk cows by hand.

"We have tours to appeal to all ages and interests," Colpitts added.

Corporation. "This is particularly threatening for the Canada trade as the ships will be within the ECA all the time. We are looking forward to working with you to come up with solutions," he told the audience of mostly representatives from regional ports.

According to Richard Pruitt, director of environmental programs for Royal Caribbean Cruises, the ECA will require capital improvements to the engines and fuel costs will double. "We think the EPA has underestimated the cost impact by half. We estimate the fuel costs to be an extra \$15 to \$20 per passenger, per day," he added.

John Heylen, senior manager of fleet operations for Carnival UK, estimated the extra cost would amount to \$5 per passenger day for the Queen Mary 2 on a seven-day cruise out of New York with 70 percent of the time spent inside the ECA and assuming a spread of high and low sulfur fuel.

Heylen also estimated additional fuel costs for the Aurora to be \$2 per passenger day, based on a 21-day Canada New England roundtrip from the UK – with only 25 percent of the time spent in the ECA.

Planning

Crystal Morgan, director of marketing planning for Princess Cruises, reaffirmed that ports must be commercially attractive in order to optimize revenues and minimize costs to support the company's financial goals and brand position.

For 2011, Morgan said that in terms of passenger days, Princess will have 4 percent of its capacity in Canada and New England and be able to carry 62,144 passengers, compared to 46,574 this year, and 25,516 in 2005.

There is some congestion in the fall, Morgan said, which she attributed to most ships sailing seven days with weekend departures or 10-day open jaw cruises between New York and Quebec or Montreal. But that sameness or consistency of product is necessary for marketing and sales, she explained.

In Morgan's opinion, solutions can be found in cross brand cooperation, berth expansion and alternative ports.

The cruise symposium was well attended, including a record turn-out from cruise lines with some 24 executives from the U.S., Canada and Europe, in addition to representatives from regional ports, tour operators, other service providers and government bodies; and covered a variety of topics and issues. – *Angela Reale Mathisen and Oivind Mathisen*



The Aquila team: (Back row, from left) Natalie Withers, Anna Nisbet, Melanie Colpitts, Jennifer Hay and Beth Hatt. (Front row, from left) Danielle Timmons and Sara Harquail.