



Challenges and Future trends: Ports and Passengers in Europe – The Baltic Range (Klaipėda, Riga, Tallinn and Kaliningrad)

speaker



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- **10 years of market research and analysis experience in the Baltics**
- **ESOMAR member**
- **quantitative and qualitative research methods, specialized tools**
- **www.spinter.lt**

objectives of the study



- **to assess the experience by cruise passengers arriving at the ports of Klaipėda and Riga**
 - *including the viewpoints of cruise passengers of shore excursions and events, places visited, organization, services of the cruise-related travel agencies etc*
- **to provide a general market assessment for passenger development in the Baltic Range**

why is it so important to satisfy cruise passengers' needs & demands?



- **passengers' opinion and experience is important to cruise lines while planning itineraries**
- **economic impact for the local businesses, port, country and whole region – cruise tourists are relaxed & ready to spend more**
- **social impact – the more cruise passengers, the more direct and indirect jobs created**
- **repeated visits together with families/ friends – more money to “hospitality” sector**

Baltic Sea region – a multi-country destination



Cruise Baltic Countries	Destinations
ESTONIA	Tallinn
DENMARK	Copenhagen, Elsinore, Ronne
FINLAND	Helsinki, Mariehamn, Turku
GERMANY	Rostock
LATVIA	Riga
LITHUANIA	Klaipeda
NORWAY	Oslo
POLAND	Gdynia
RUSSIA	St. Petersburg
SWEDEN	Stockholm, Goteborg, Helsingborg, Kalmar, Karlskrona, Malmo, Visby

10 countries



19 port members



Europe

- many of the most popular sites in Europe are **accessible** to cruise travellers
- Europe is relatively **compact** and travellers can see many cities efficiently. Most cruise vessels sail at night and arrive in the next port of call early in the morning, allowing passengers a full day of sightseeing
- continued **passenger volume growth**
- an increasing range of **cruise types and itineraries**
- the increased **affordability** of cruises

Northern Europe:

- those who have visited Europe's better known ports in the Mediterranean are interested in a fresh new destination and are heading to the **Northern Europe**, and especially **Baltic**

Baltic Sea Region

Baltic Sea Range market overview & basic facts



Growth of the global cruise industry = 9%

Increase in the **Baltic region** = >13%

In 2006, **2.3 million visitors** called at 19 port members of the Cruise Baltic Project

Copenhagen – Baltic's most visited destination – 399,000 cruise passengers in 2006

St. Petersburg and **Tallinn** take the 2nd and 3rd place by the numbers of cruise passengers in Baltic region

443 million euros annual **turnover** + 11,500 **jobs** are generated by cruise tourism around the Baltic Sea

In the biggest ports cruise tourists make up $\frac{1}{4}$ of all tourists, and in Klaipeda and Gdynia they **outnumber** other tourists

423 cruises are expected in the Baltic Sea region during 2007

Baltic and Norwegian fjords are getting more and more popular with North American **luxury operators**

Up to 30% of cruise passengers are expected **to return** to the Baltic Sea Region

why Baltic Sea region?

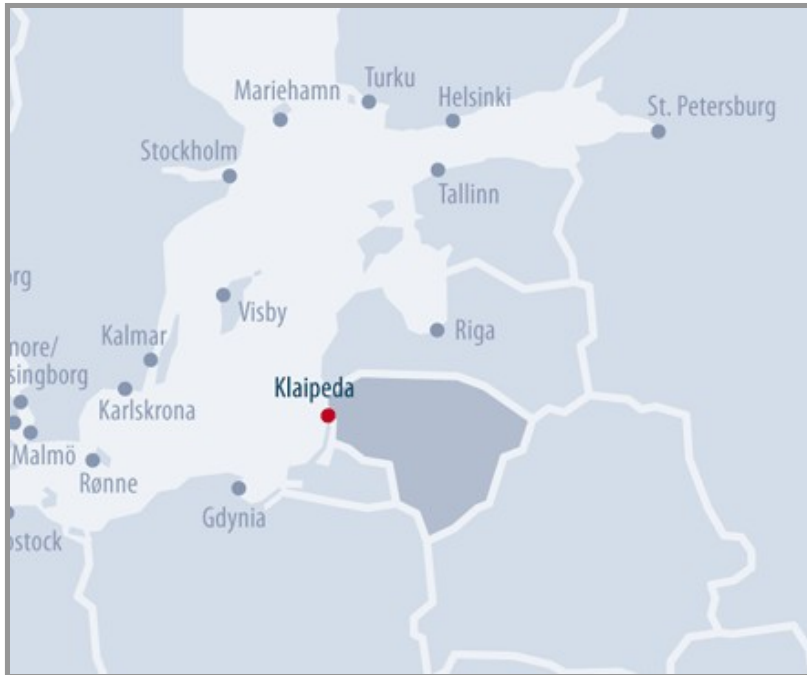


- Still **new** and “**undiscovered**” destination – when former Iron Curtain was lifted, Baltic became a popular cruising area, e.g. Americans travel a lot, but not in the countries of Baltic region
- Variety of **destinations**
- Variety of **cultures** in one region
- Variety of **thematic products** – exciting destinations, more choices and activities compared to Alaska and Caribbean
- **High quality** in terms of technical facilities and tourism offers
- **Safe & peaceful** – no wars
- **Profitable** for cruise lines – higher yields
- Many ports with good **airlift**
- Nearly **all-year-round**
- It is presumed that more **intellectual** and more **curious** cruise tourists are choosing this region

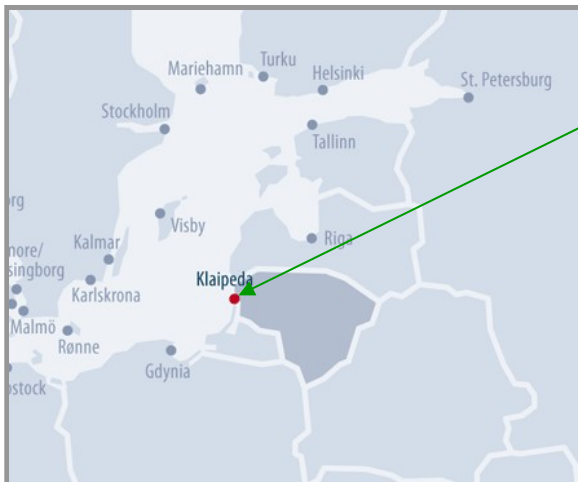
Main thematic products branded and promoted by Cruise Baltic Project

- ...Nordic Light and Mild Climate...*
- ...Kings and Tsars...*
- ...Modern Architecture and Design...*
- ...City Life and Outdoor Events...*
- ...Great Shopping and Fine Food...*
- ...Ancient and Modern...*

port of Klaipėda



- a deep-water port
- provides services complying with the requirements of the European Union
- not a capital city (unlike Riga & Tallinn)
- the Cruise terminal (dedicated cruise quay) was built in 2003 – it is situated in the historic centre of the town
- the draught of the entrance channel is 15 m, and the draught of the port navigation channel is 13-14.5 m; cruise liners up to 315 m visit Klaipėda
- distance to airport is about 25 km



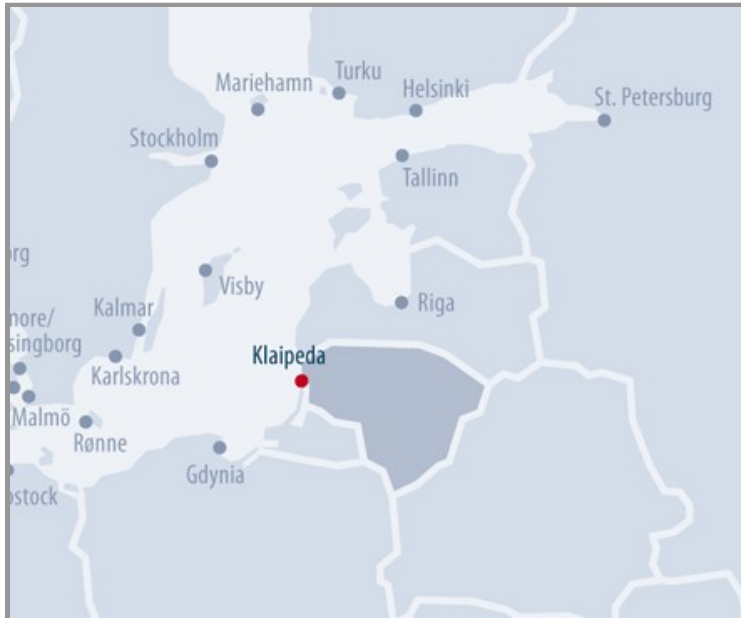
Cruise Situation in Port of Klaipeda

- In 2006, the number of cruise passengers **increased** up to 400% if compared to the cruise passengers' statistics of the year 2000
- The numbers of cruise vessels **decreased** due to increased capacity of the cruise vessels calling to Klaipeda. There is a strong **trend about the bigger capacity vessels** to be accepted and serviced.
- During the 6 months in 2007, Klaipeda counts up to 11 600 cruise passengers, 42,8% **more** if compared the same period of year 2006

Statistics	Number of vessels	Growth	Number of tourists	Growth
■ 2003	28	-	8786	-
■ 2004	48	+71%	14206	+62%
■ 2005	59	+23%	24107	+70%
■ 2006	49	-20%	25014	+4%
■ 2007*	67	+37%	35000	+40%

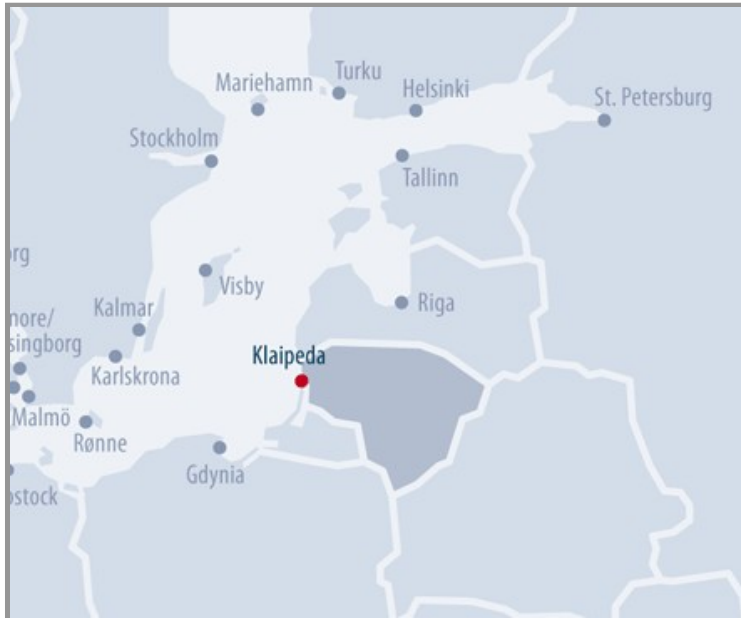
* Future estimations

interreg III C project PORT-NET



- The cruise business conference „*The tendencies of transportation of passengers in EU: perspectives of cruise shipping in the Baltic region*” was organized by SE Klaipėda State Seaport Authority in May 23-24 2007.
- It is an important cruise business event that adds to the strengthening of cruise business positions of this region.
- During the Workshop “*Passenger Traffic Trends in the EU – especially cruise within the Baltic Range*” cruise shipping studies and expected results were presented as well as the main goals of studies in Klaipėda and Riga.

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The following objectives of the study were presented during the workshop in Klaipeda:

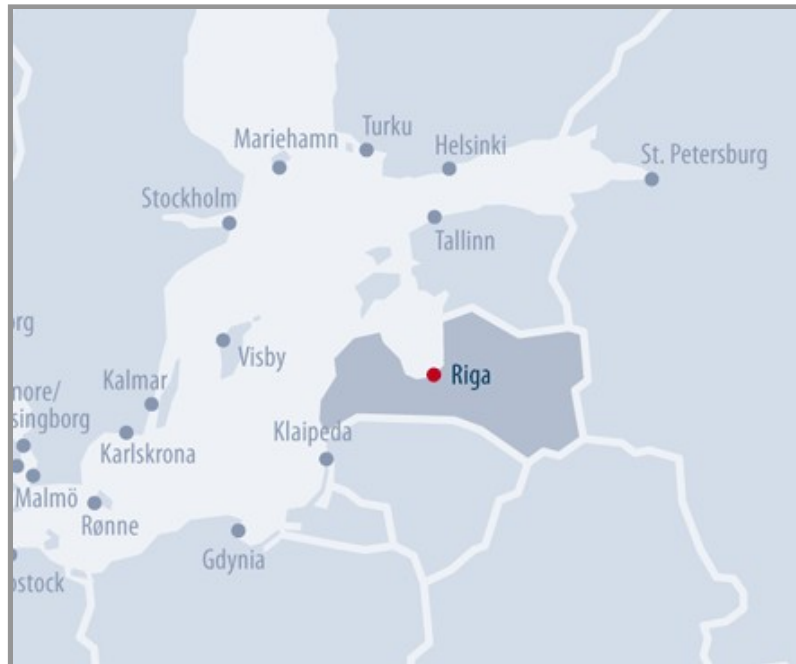
The aim:

- To provide detail feedback from passengers who visited Port of Klaipeda about their stay in the city.

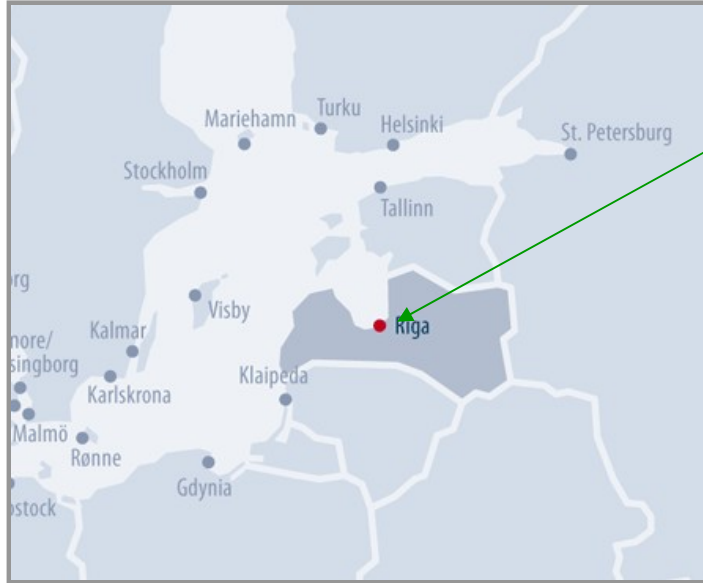
The information to be received:

- The awareness and sources of information about Klaipeda and Riga (as a bench group)
- The expectations towards stay in Klaipeda before arriving & the satisfaction of expectations
- The places/excursions tourists have visited & the evaluation of technical organization of excursions
- How much money cruise passengers have spent and for what purposes
- What they like/ what is missed

port of Riga



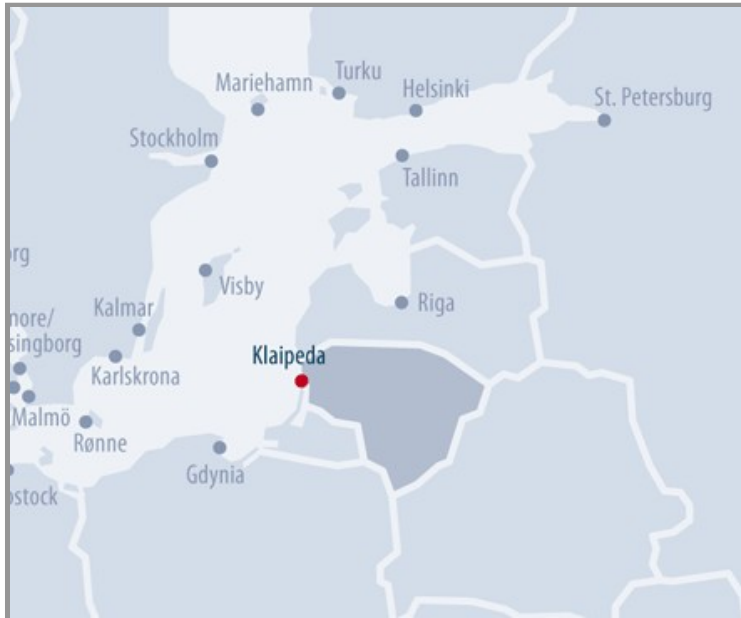
- the oldest port of an international trade route
- a favourite port of call for cruise ships sailing to the Baltic and Northern Europe
- cruise vessels are accommodated in the Riga Passenger Terminal, Riga Central Terminal, Baltic Container Terminal and Russian Island Port
- Riga accepts vessels of 300 m length and 10.3 m draught.
- Distance to airport is about 13 km



Cruise Situation in Port of Riga

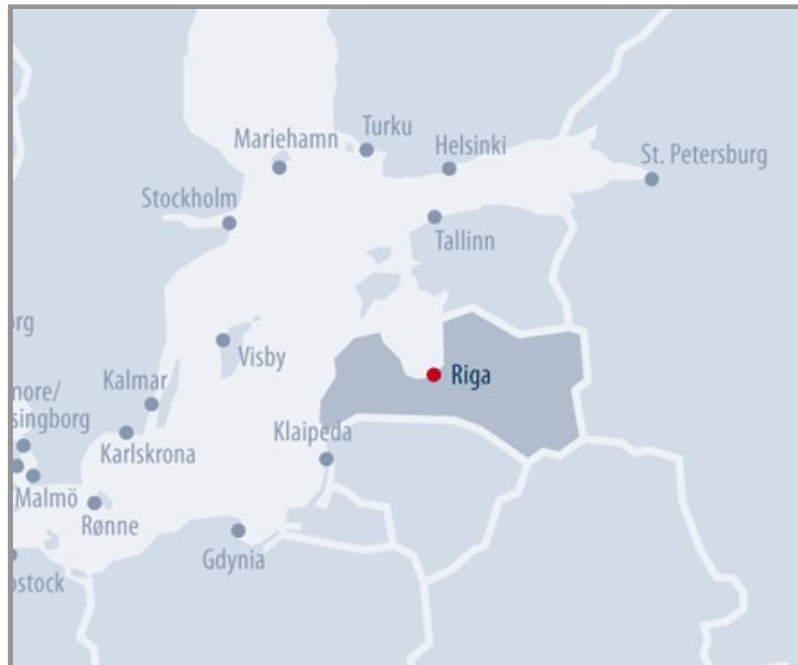
- Riga was one of the fastest growing destinations through recent years in the Baltic region
- In 2006 it had 81 654 cruise passengers. The number of cruise passengers was up to 68 753 in 2005. The increase in this number in 2006 compared to 2005 was 15,8%
- The main problem is that the Passenger Terminal in the Port of Riga is limited to accept large cruise liners due to the insufficient draught of Daugava river in the passengers' port area. It is up to 7.7 m
- Bigger liners are accepted in industrial areas. If situation does not change it might cause a dissatisfaction of cruise passengers and influence the future trends of cruise tourism in the Port of Riga

methodology



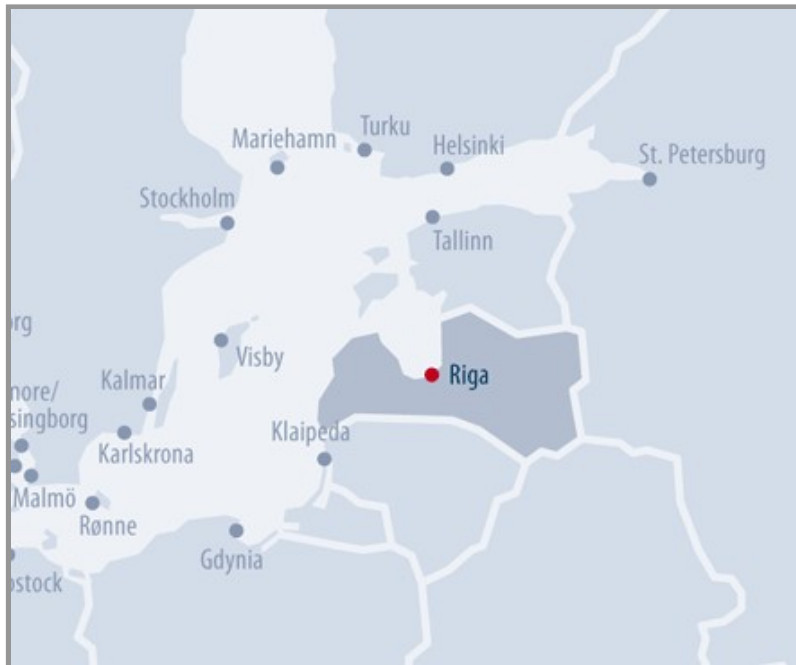
- **Research objective:** To find out passengers' satisfaction of expectations, evaluation of visited places, evaluation of technical organization of excursions, spent money sums during visit period.
- **Research period:** August, 2007.
- **Research location:** Lithuania
- **Sample size:** 753 respondents.
- **TG:** passengers who visited Port of Klaipeda
- **Survey method:** *face-to-face interview* conducted with the use of a standardized questionnaire.
- **Sampling method:** *Simple random sampling* is applied in this survey. It guarantees that each passenger has an equal chance of being chosen.
- **Data analysis:** Data analysis is conducted with the use of SPSS/ PC. Research results in total (percentage) are available in this presentation and answer distribution by socio-demographic characteristics is presented in the Result Tables (see Appendices).

port of Riga: methodology



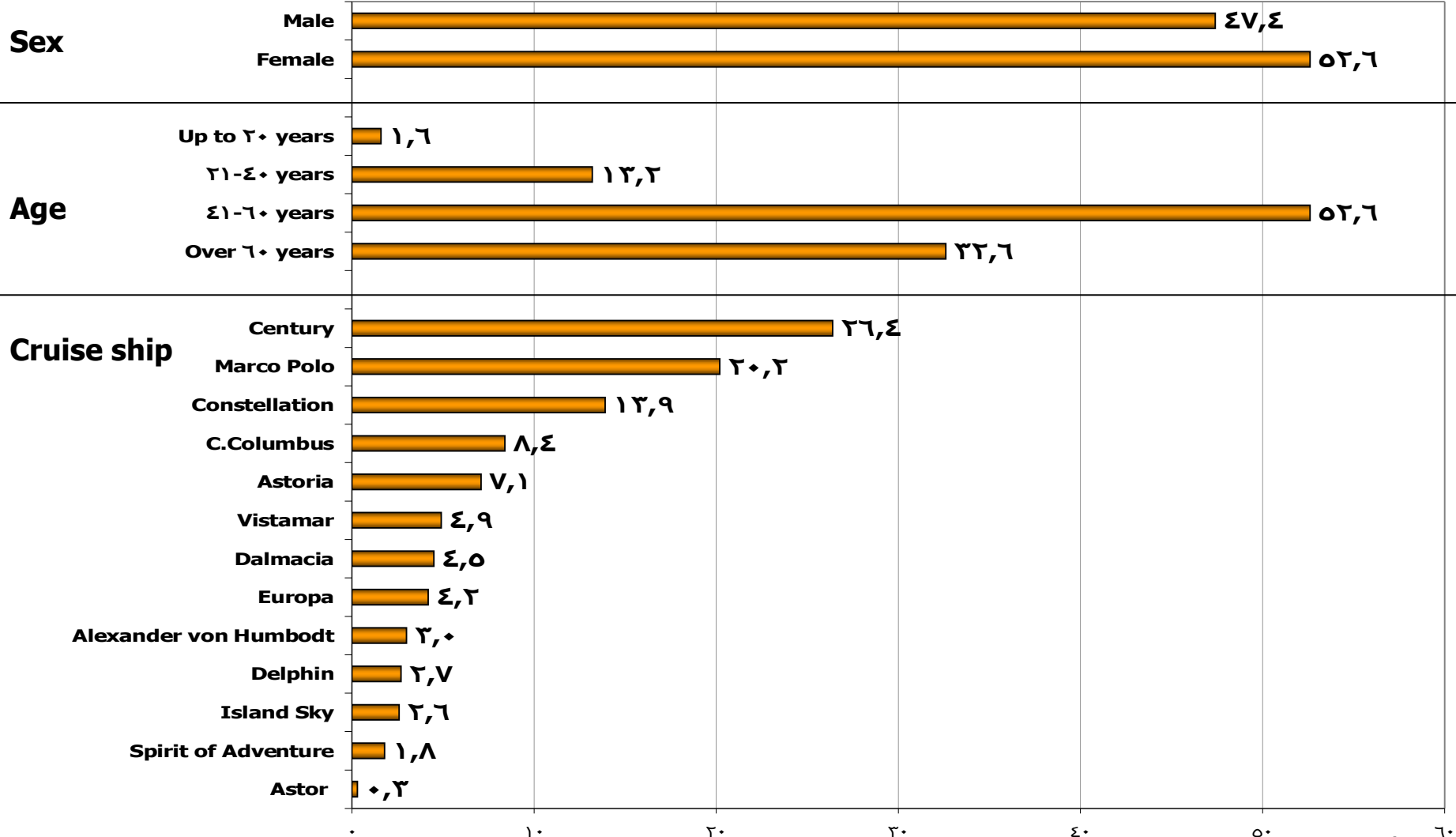
- **Research period:** August, 2007
- **Research location:** Latvia
- **Sample size:** 153 respondents

results



Klaipeda

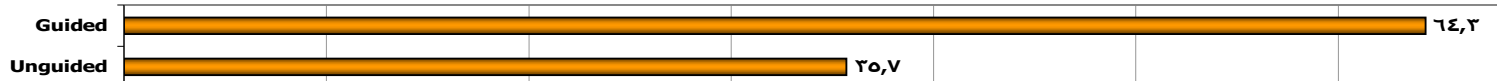
Respondents' Social-Demographic Characteristics I



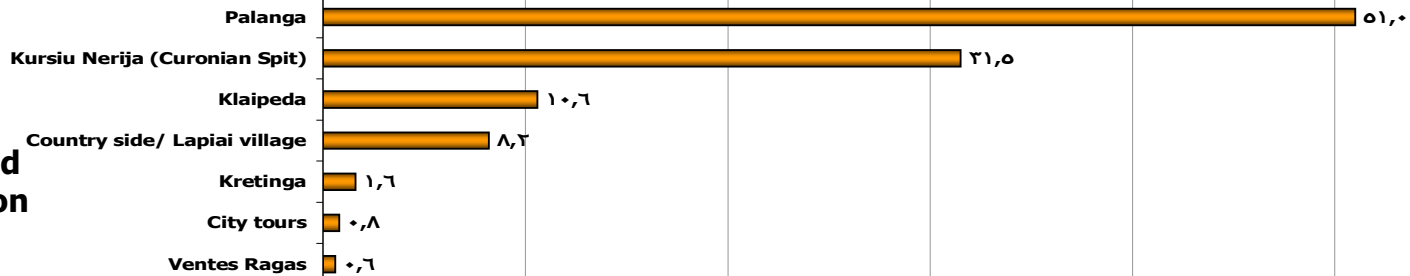
Klaipeda

Respondents' Social-Demographic Characteristics II

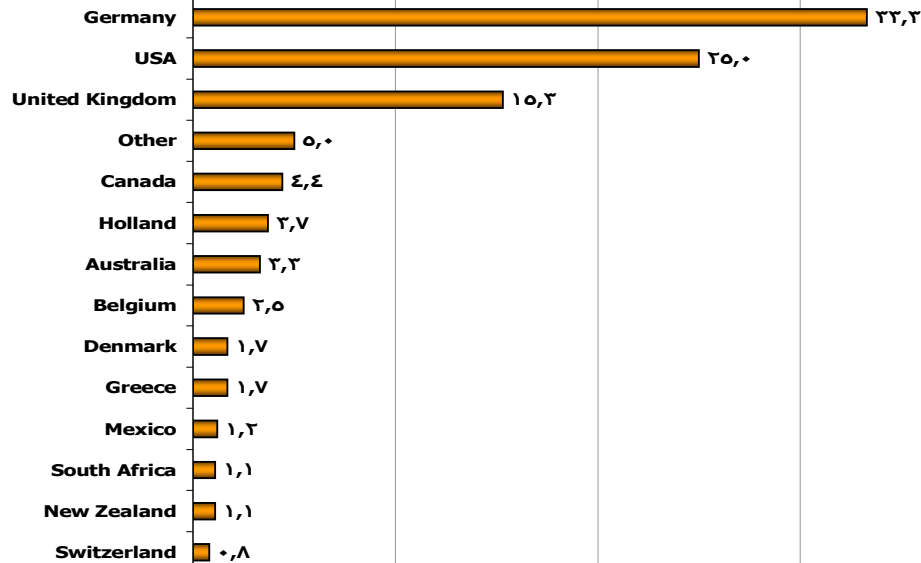
Respondent type



Attended excursion

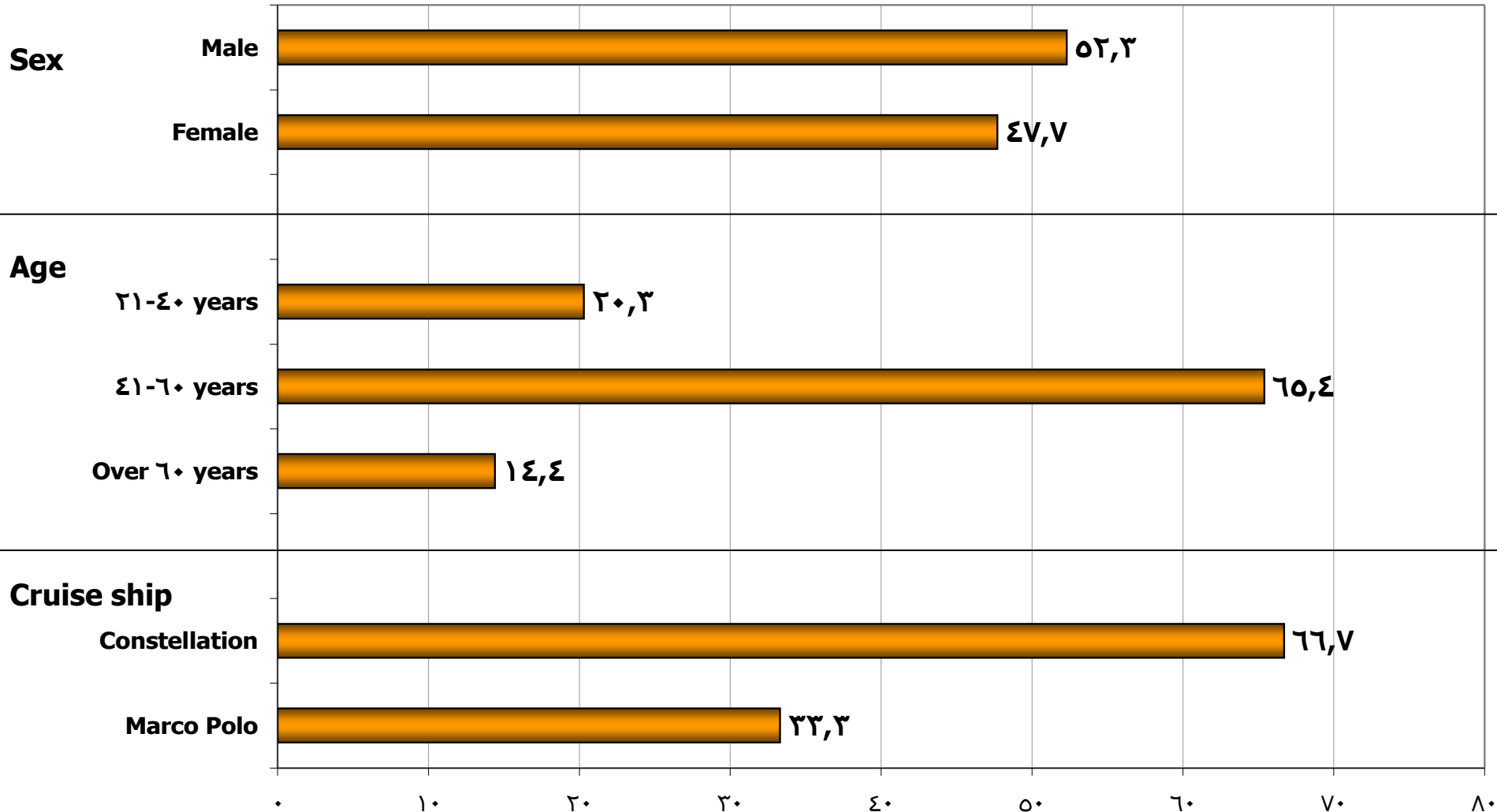


Country of residence



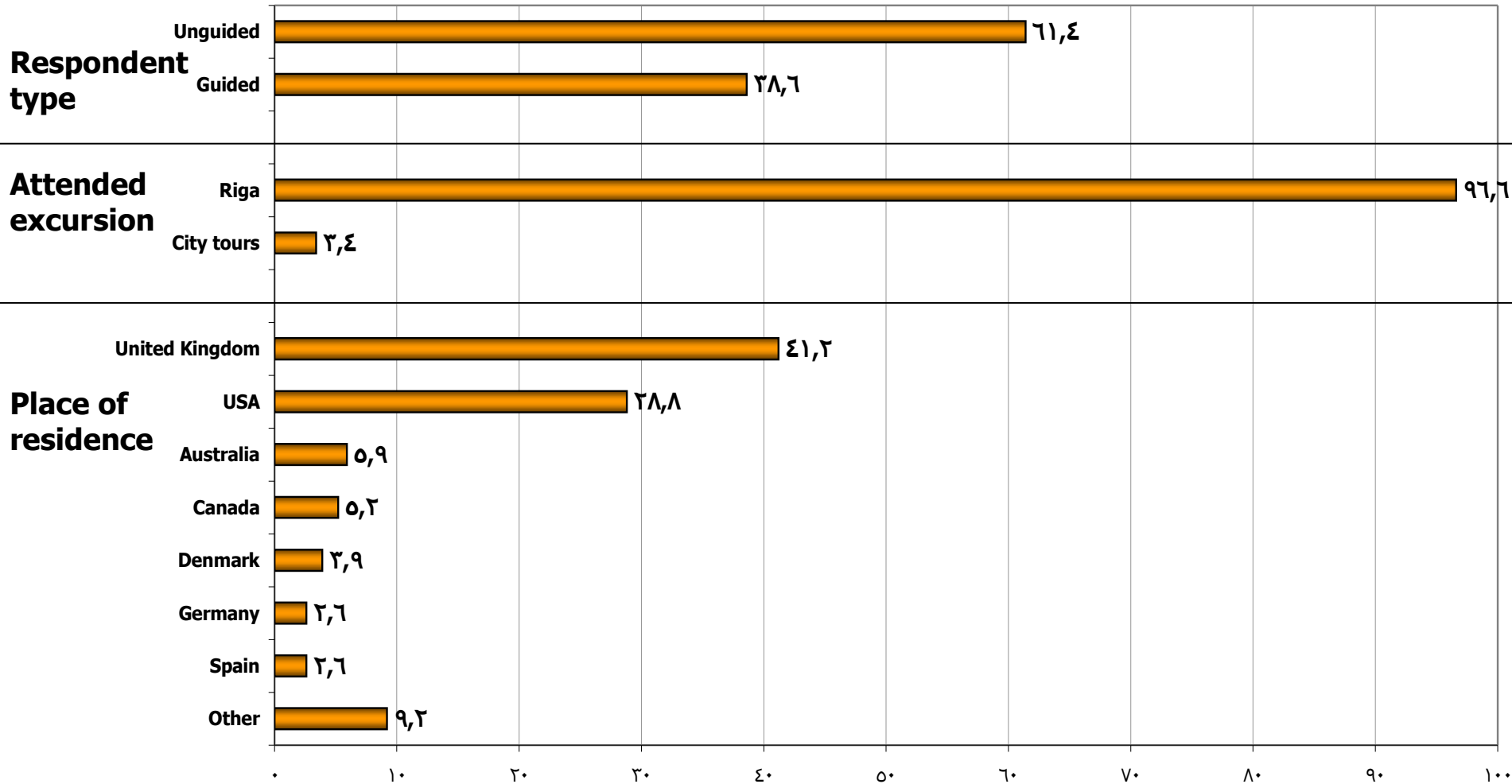
Riga

Respondents' Social-Demographic Characteristics I



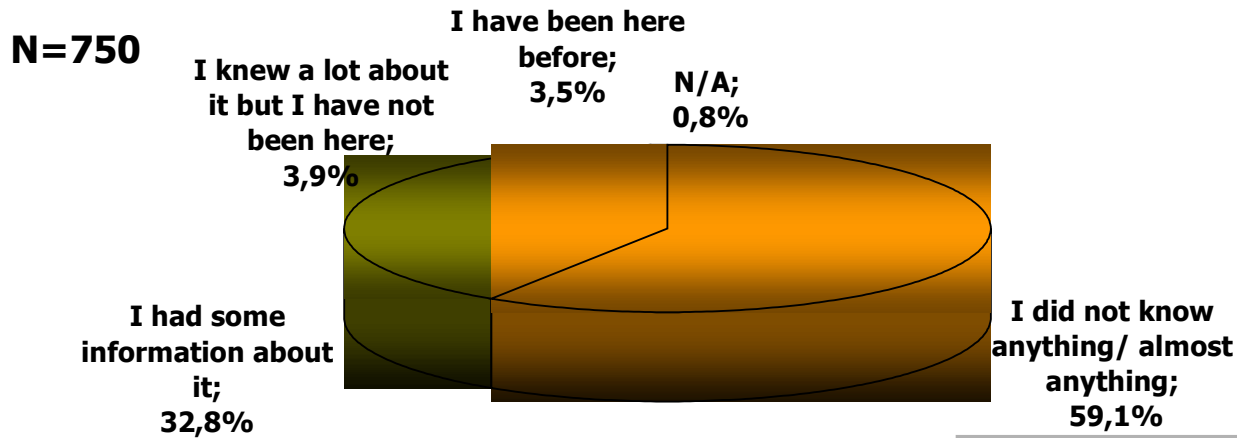
Riga

Respondents' Social-Demographic Characteristics II



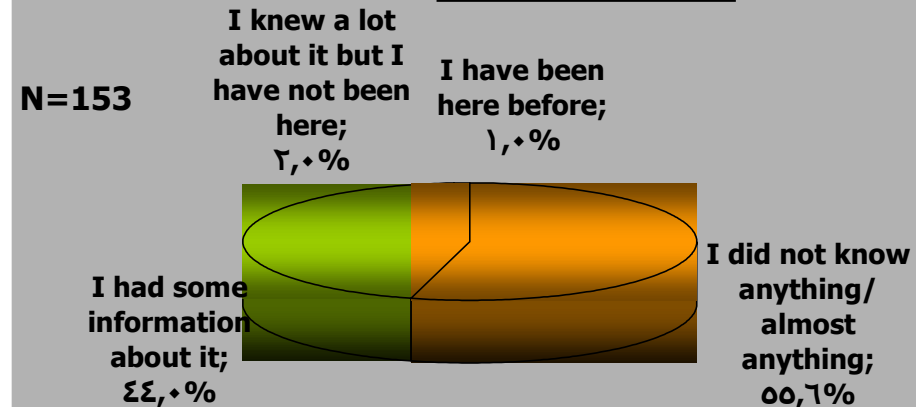
What did You know about Klaipeda/Riga before this visit? (%)

Klaipeda



Guided respondents more often stated that they had some information about Klaipeda.

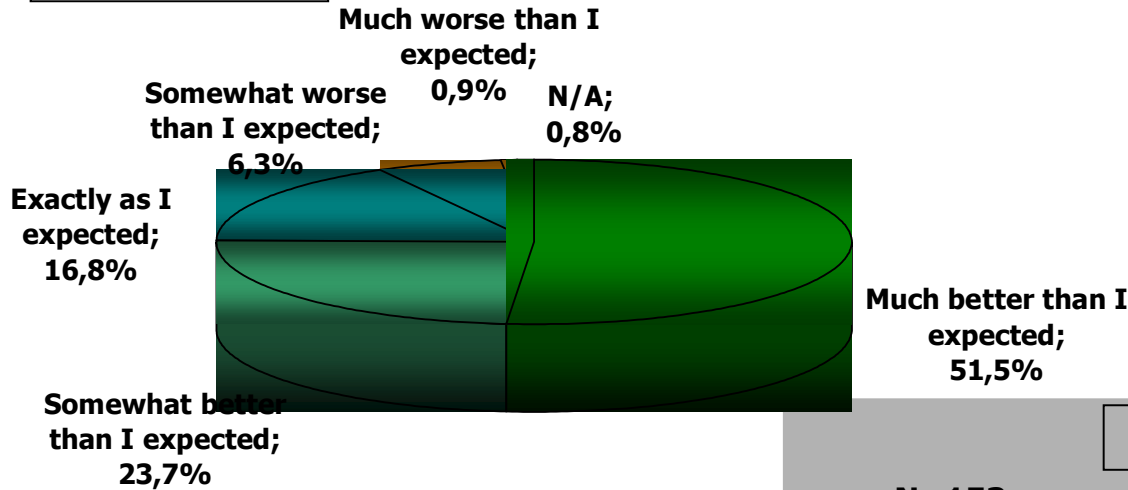
Riga



How would You rate your impressions in general after visiting Klaipeda/Riga (%)

Klaipeda

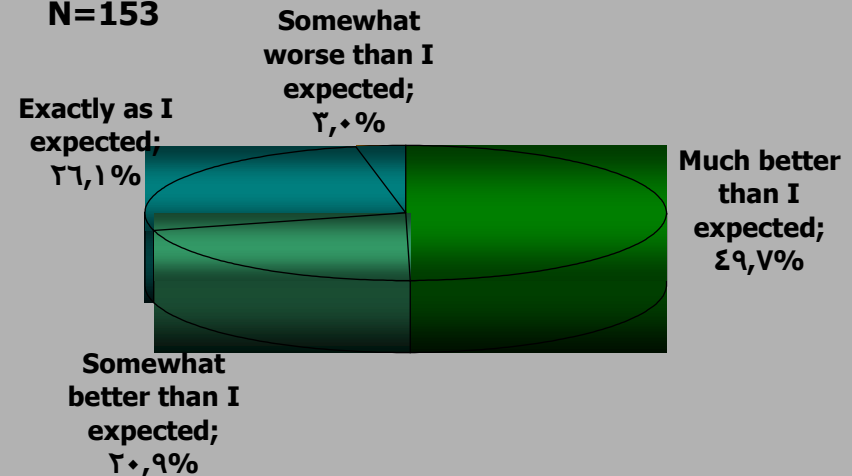
N=750



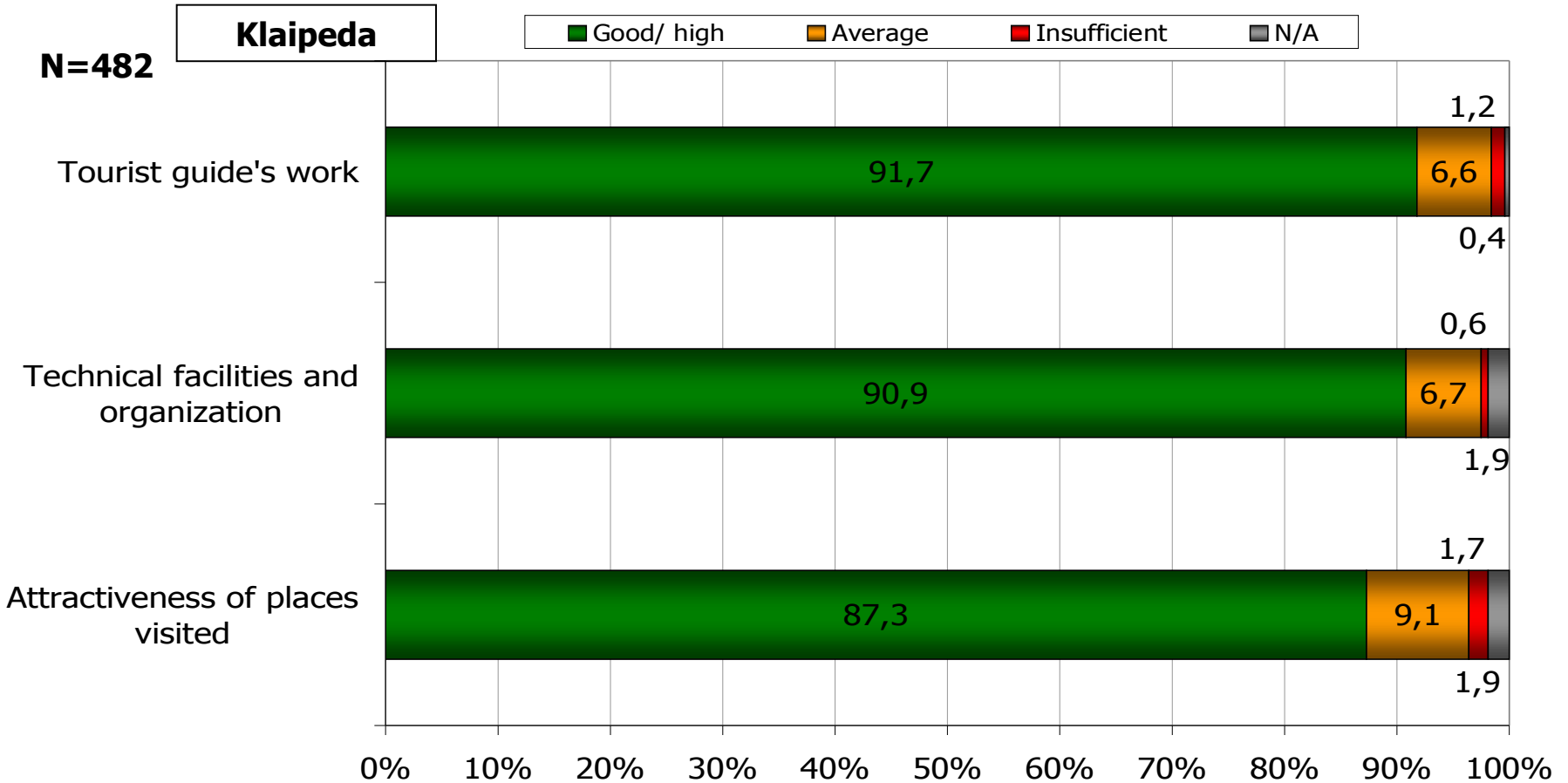
Guided respondents, under good weather conditions more often said that impressions after visiting Klaipeda was much better than they expected.

Riga

N=153



How would You rate the excursion You have just attended? (%)



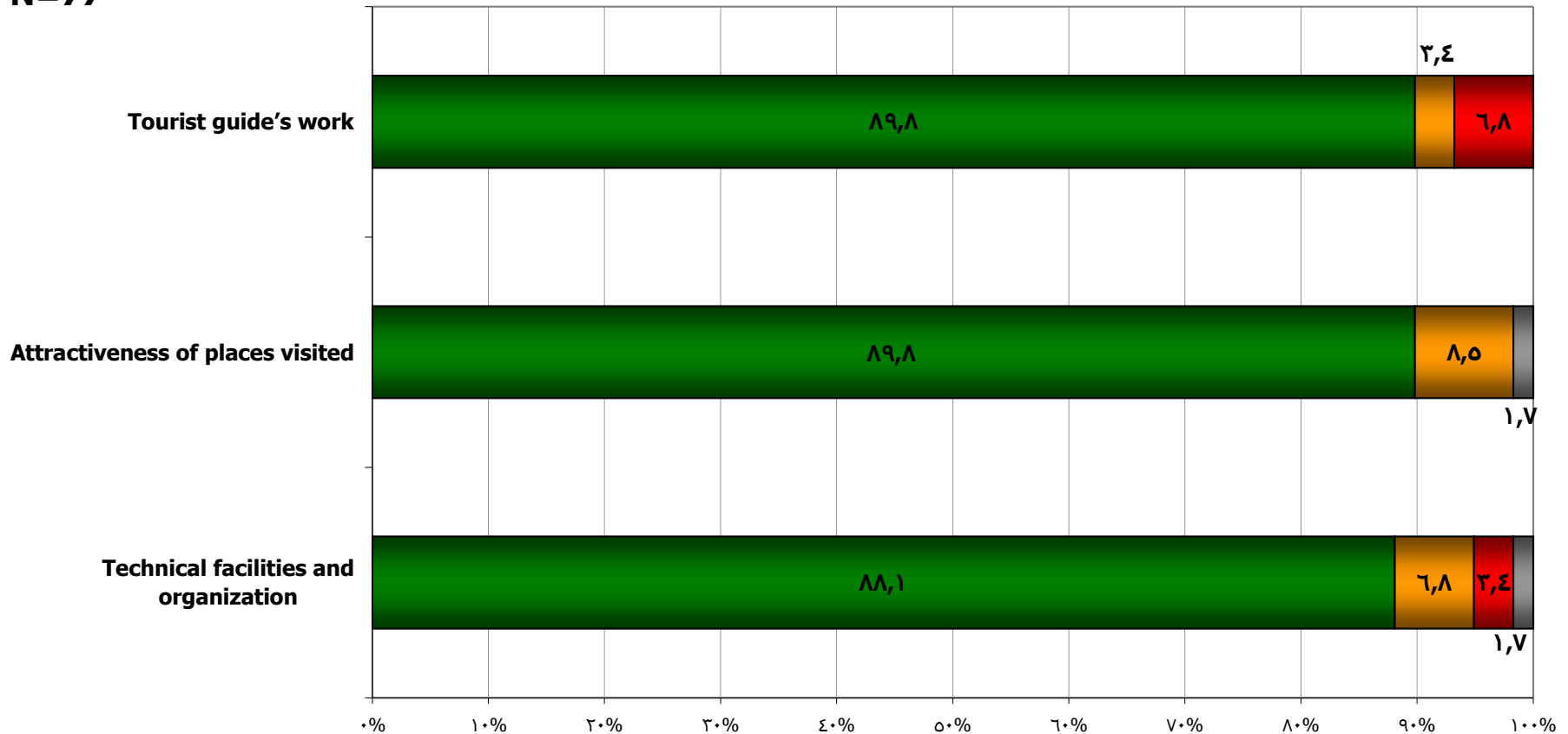
** Only guided respondents were asked this question*

How would You rate the excursion You have just attended? (%)

N=77

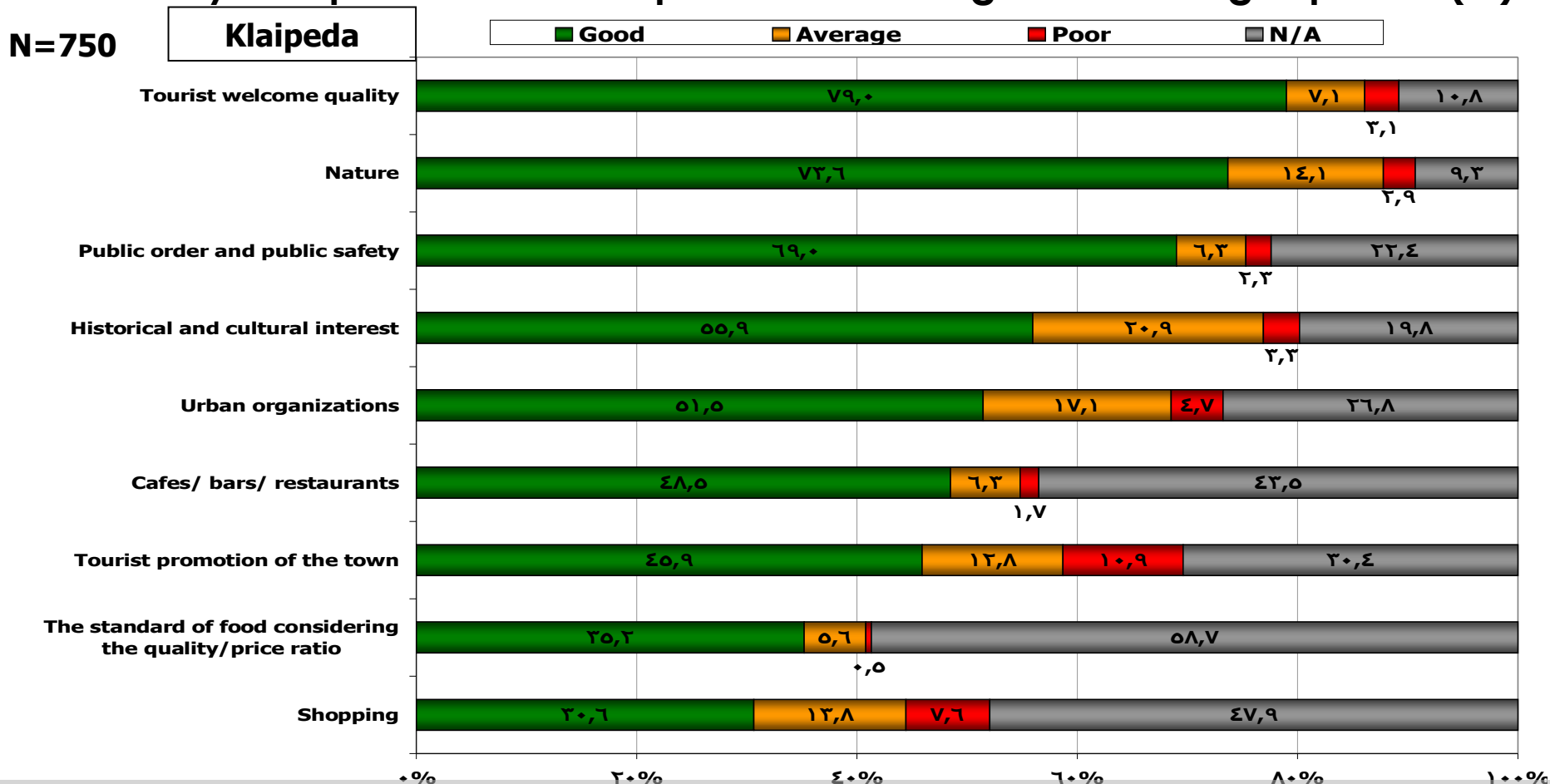
Riga

■ Good / High
 ■ Average
 ■ Insufficient
 ■ No evaluation/ no experience



** Only guided respondents were asked this question*

What is your opinion about Klaipeda considering the following aspects? (%)



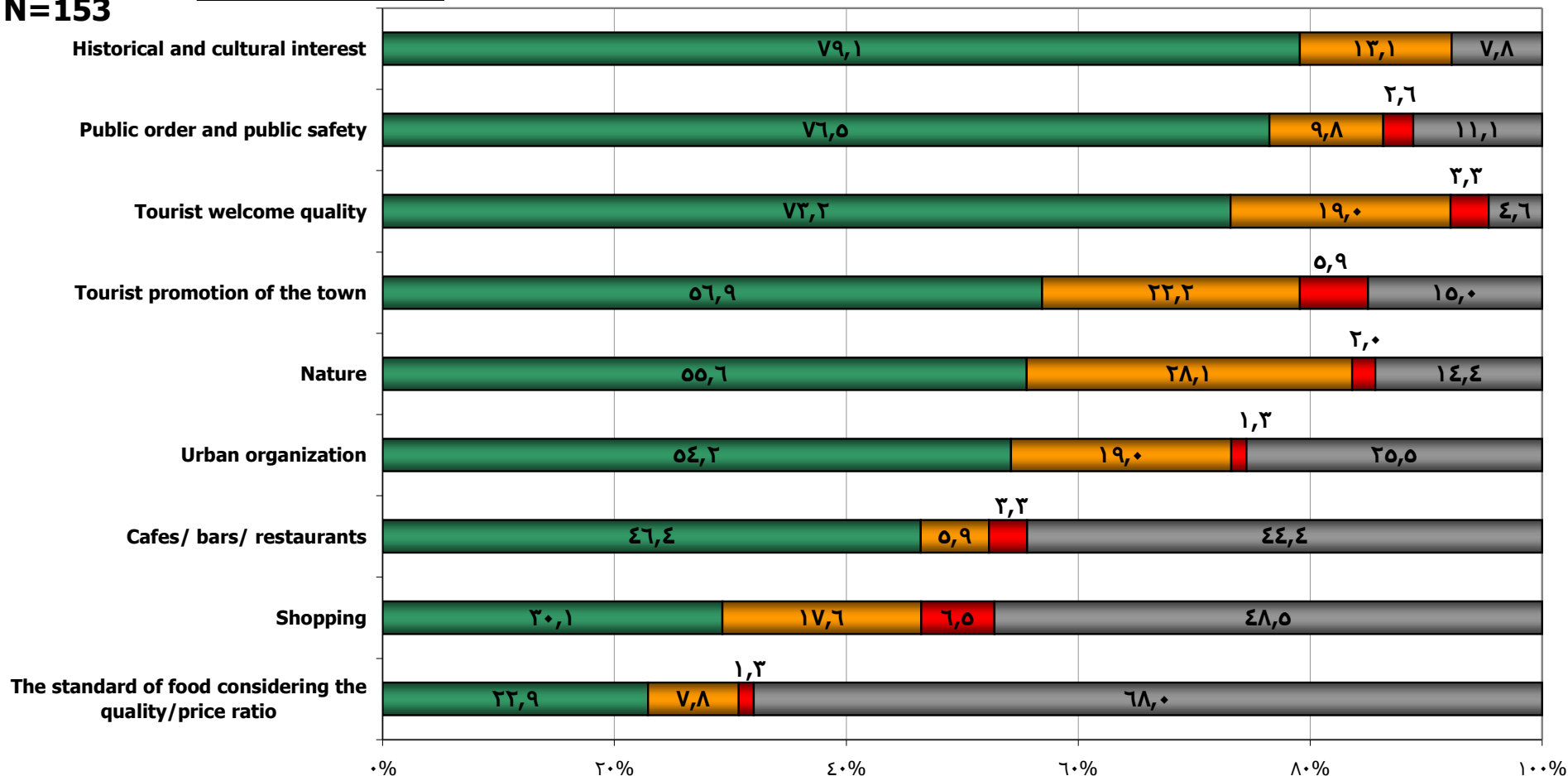
Guided respondents more often rated Klaipeda nature, historical and cultural aspect as good. Unguided respondents more often rated shopping and tourist promotion of the town as good. Respondents under bad weather conditions more often rated urban organization as good. Male respondents, under good weather conditions more often stated opinion, that public order and public safety in Klaipeda is good. Male respondents, under average weather conditions more often rated cafes, bars and restaurants and standard of food considering the quality/price ratio as good.

What is your opinion about Riga considering the following aspects? (%)

Riga

Good Average Poor No evaluation/ no experience

N=153



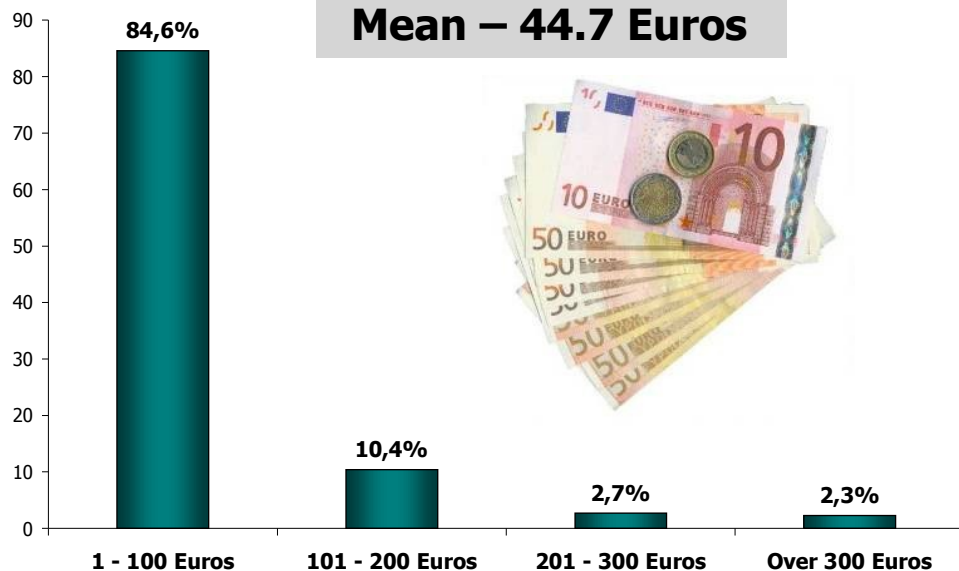
Guided, women respondents more often rated nature as good. Guided visitors more often evaluated historical and cultural interest as good. Unguided respondents more often stated, that shopping and cafes/bars/restaurants were good.

How much did You spend, approximately, during the visit of the city? (%)

Klaipeda

N=527

Mean – 44.7 Euros



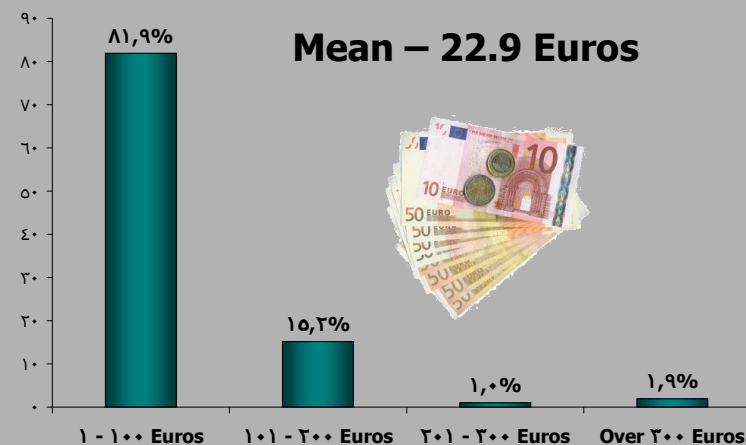
Mode – 10,0
 Median – 29,4
 Minimum – 0,74
 Maximum – 742,03

•**28.9%** of interviewed cruise passengers did not spend anything in Klaipeda;
 •excluding these respondents, the mean of expenses is **60.9 EUR**

Riga

N=113

Mean – 22.9 Euros



Mode – 10,0
 Median – 21,52
 Minimum – 1,43
 Maximum – 222,61

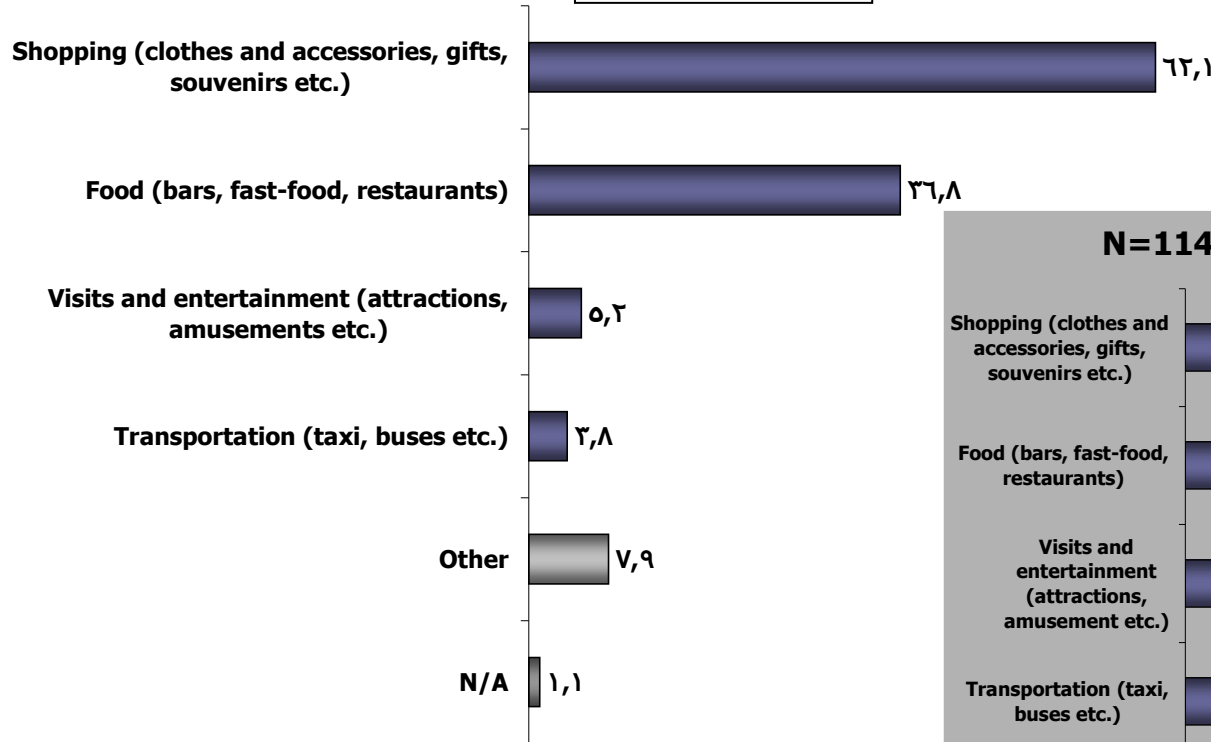
•**31.4%** of interviewed cruise passengers did not spend anything in Riga;
 •excluding these respondents, the mean of expenses is **33.3 EUR**

Guided visitors more often said that they had spent up to 100 Euros.

What did You spend the largest part of your money on? (%)

N=548

Klaipeda

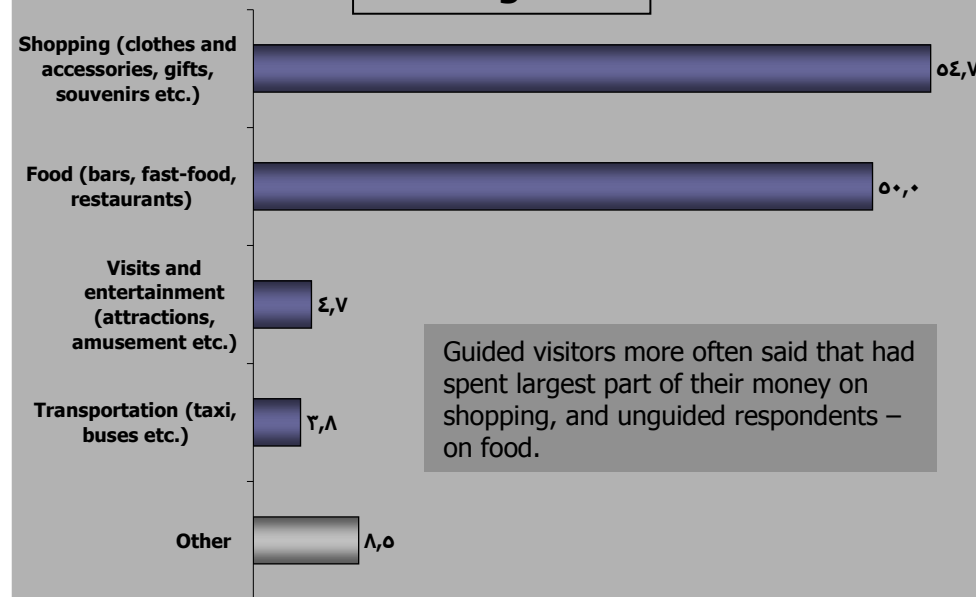


Male respondents more often said that they spent largest part of their money on food.

* Multiple answer option. Sum of answers is over 100%

N=114

Riga



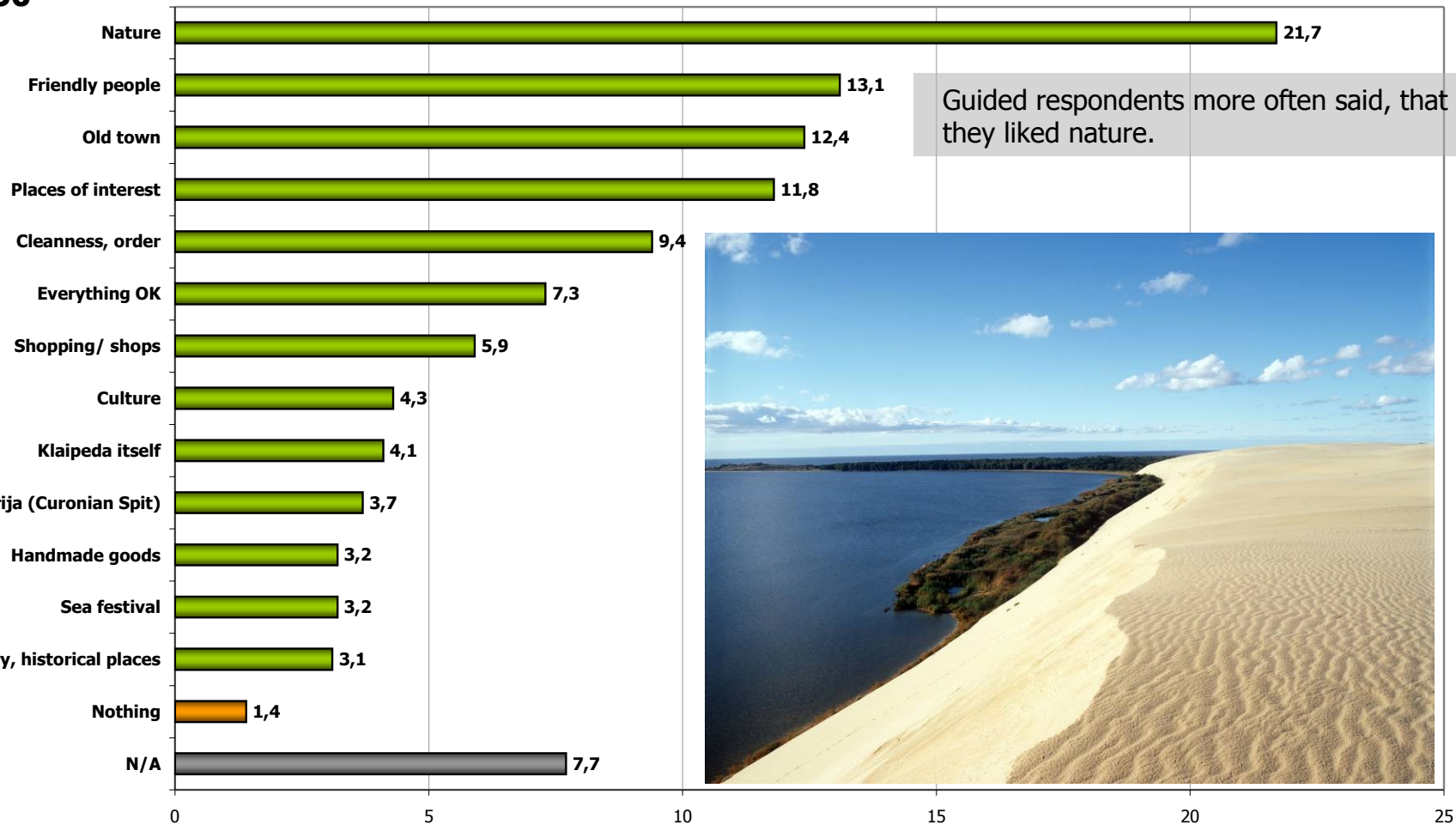
Guided visitors more often said that had spent largest part of their money on shopping, and unguided respondents – on food.

Was there anything You liked during your stay in Klaipeda?

What did You like the most during this stay? (%)

Klaipeda

N=750

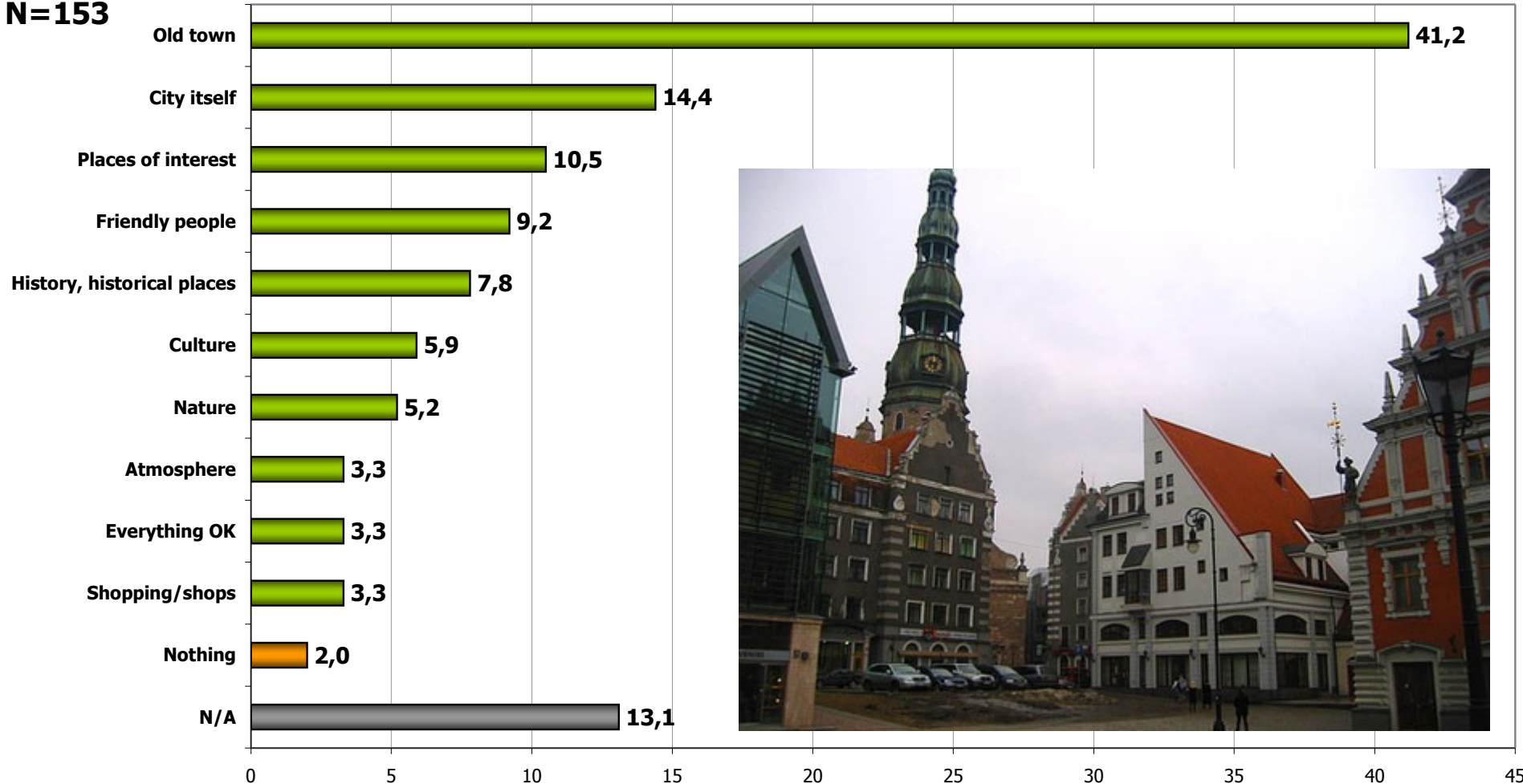


Guided respondents more often said, that they liked nature.

Was there anything You liked during your stay in Riga? What did You like the most during this stay? (%)

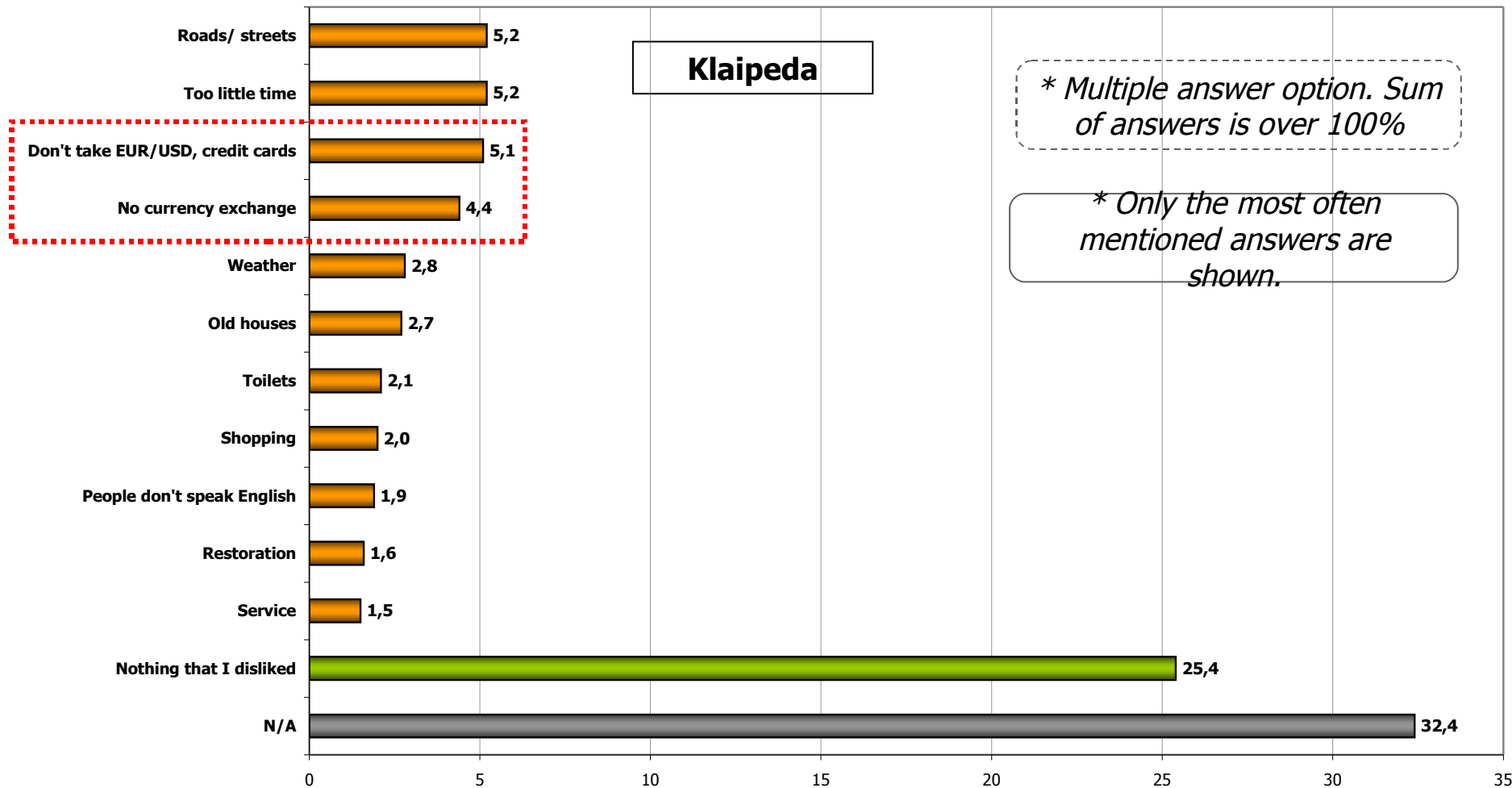
Riga

N=153



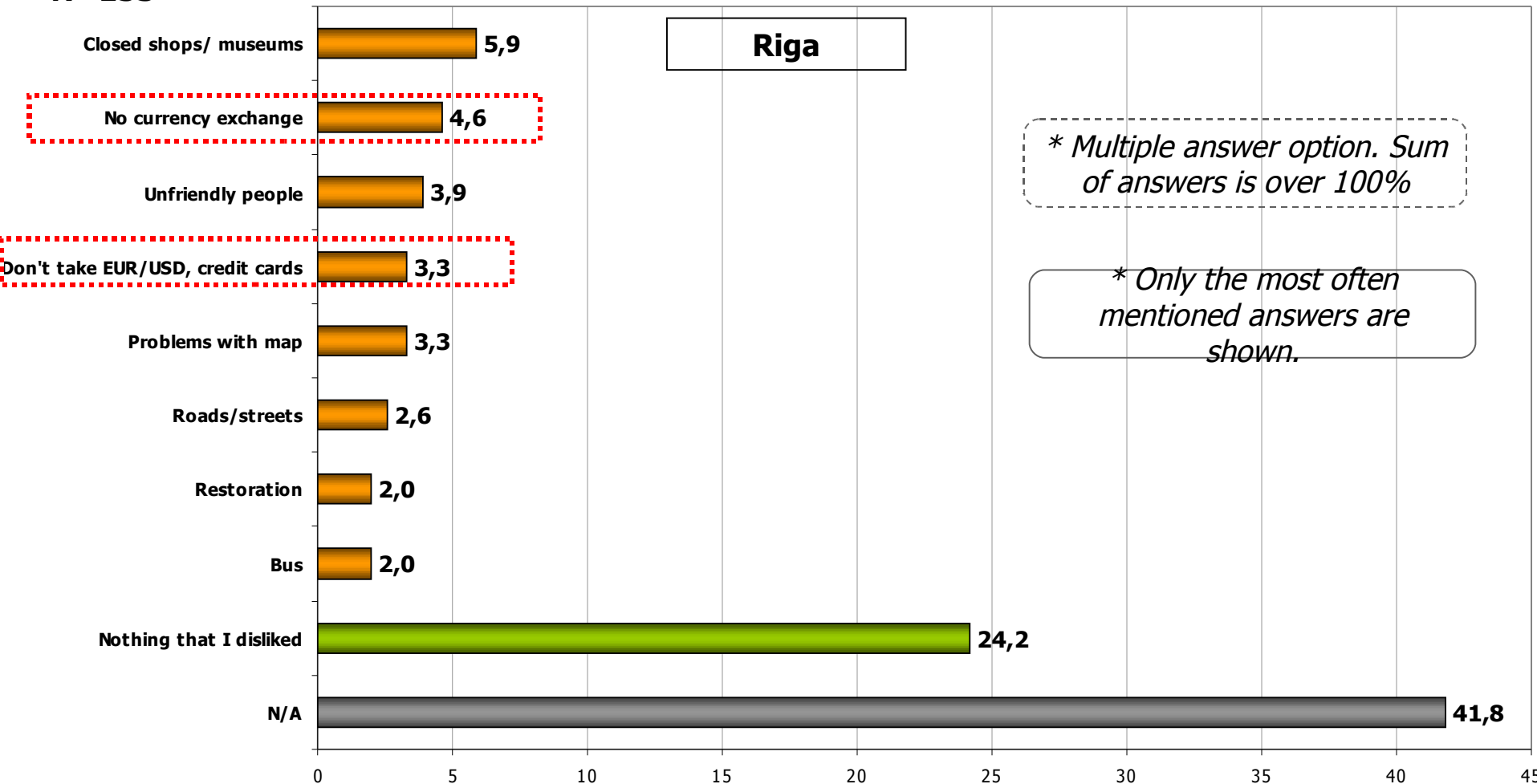
Was there anything You disliked during your stay in Klaipeda? What did You dislike the most during this stay? (%)

N=750



Was there anything You disliked during your stay in Riga? What did You dislike the most during this stay? (%)

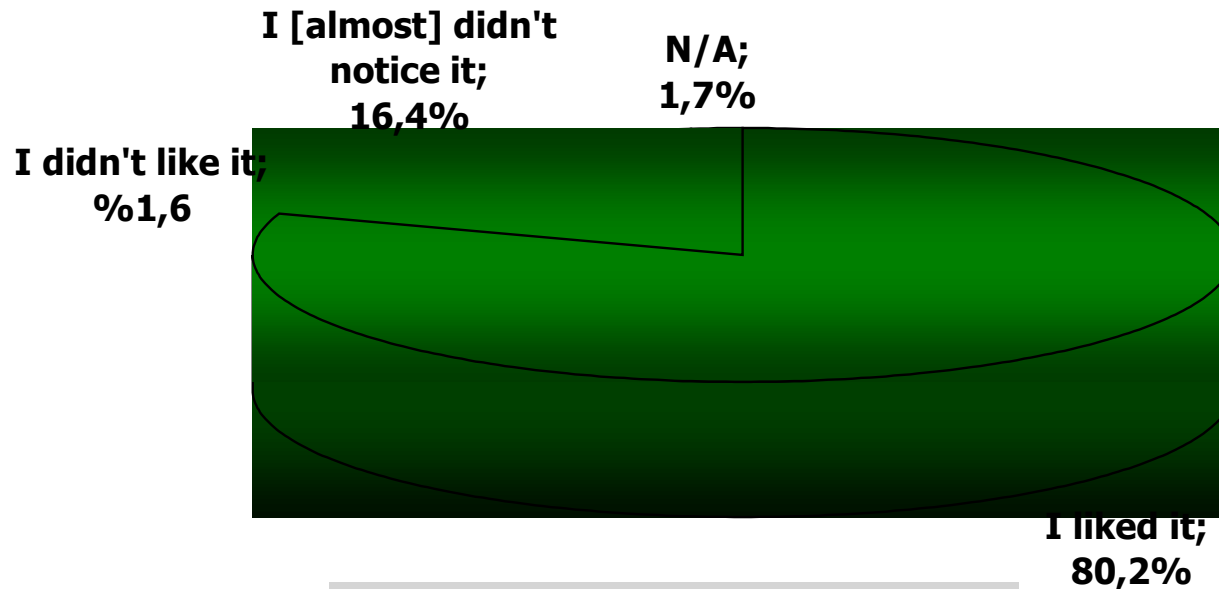
N=153



What about the cruise tourist welcome? Did you like it or not? (%)

N=750

Klaipeda



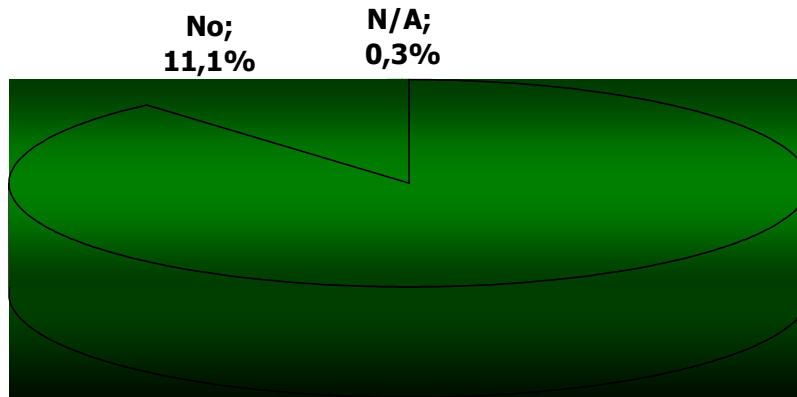
Under bad weather conditions respondents more often said that they almost didn't noticed cruise tourist welcome. Visitors from UK more often stated that they liked it.

**There was no cruise tourist welcome for the interviewed vessels in Riga.*

Would You like to come back to Lithuania/Latvia? (%)

Klaipeda

N=750

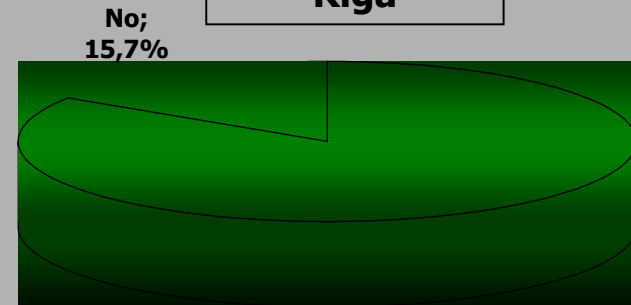


Yes;
88,7%

Guided respondents more often declared that they would like to come back to Lithuania.

Riga

N=153



Yes;
84,3%

Guided respondents more often expressed opinion that they would like to come back to Latvia.

Summary

- The main service standards (distinguished by Cruise Baltic) are fulfilled in both Klaipeda and Riga.
- As for compulsory level, both, ports have a dedicated cruise pier and clean and well-maintained port areas. However, in Riga, the biggest cruise vessels have no possibility to enter the passenger terminal in the port due to limited draught. The vessels are moored in the industrial areas, and passengers are provided with shuttle buses – no possibility to walk to the downtown. In Klaipeda passengers can either walk or choose offered transportation at the pier. Clear signs are indicating the main objects.
- Resting areas for cruise tourists could be better organized in both ports. No sheltered area for cruise tourists under the bad weather conditions is available.
- The tourist information is available in tourist information centres (mobile TIC at the pier and old town in Klaipeda). In Riga the situation is slightly different – passengers of the bigger vessels mostly visit the TIC in the old town since the vessels stand in the industrial area.
- Considering the voluntary level, transfer services (taxis) and related information (taxi stands with telephone number displayed) is available in Klaipeda. The information could be better communicated in Riga. Multi-service shops (souvenirs, postcards etc.) are available in the old towns and TIC. The credit card acceptance and cash machine problems should be solved for higher cruise tourists' satisfaction. The personalized greeting (orchestras, national music and dances) is warmly evaluated by cruise passengers in Klaipeda. No cruise tourist welcome was arranged for the interviewed vessels at the pier in the port of Riga.

Summary

- Many countries – many currencies. Despite the fact that most of Baltic Sea region countries are EU members, euro is still not the official currency in most of the countries, thus the problem of small cash exists – tourists are unhappy as they cannot exchange money, and the city and small local businesses do not receive possible income. Both currencies are accepted – but few local businesses consider obtaining the special equipment to accept euros. Cruise passengers would like to have a possibility to exchange their money and to back exchange the local currency after they come back to the vessel. Also, the problem of exchange is more actual for guided tourists who go for shore excursions to small towns and villages around the port;
- Problem 1 – where to change local currency – dedicated cash machine at the terminal should be arranged or cruise lines could offer this possibility (especially the back exchange) at the vessel;
- Problem 2 – how much to change – the acceptance of credit cards could solve the problem – the municipality and the local businesses could help solving the problem; tourists could be provided with information about possibility to shop with “no limits”;
- To promote the country – both, Riga and Klaipeda have rather low awareness (56-59% did not know anything) among the interviewed cruise tourists; majority only knows the names of the cities and countries; therefore, the deeper communication of both, countries and ports is more than welcome among the cruise tourists;
- Not enough free time – guided cruise tourists miss more time for shopping, eating and relaxing during the shore excursions; in general, they wish to more deeply experience the local culture and to bring home something special; it is a good future trend
- Shopping – on Sundays most of shops (except the biggest Akropolis mall) and museums are closed in Klaipeda. Also, respondents had no possibility to visit museums and churches in Riga.



Thank You!
Questions?