Capturing the Benefits of Cruise Ship Tourism in Portland, Maine

Todd M. Gabe
Professor of Economics
School of Economics
University of Maine

James C. McConnon, Jr.
Extension Specialist and Professor of Economics
University of Maine
Capturing the Benefits of Cruise Ship Tourism in Portland, Maine

- Project overview
- Who visits Portland on cruise ships?
- How much do they spend?
- What do they buy?
- What is the economic impact?
- What are some strategies for capturing future benefits?
Typical New England Cruise Ship Route

Celebrity Cruise Lines
Number of Cruise Ships Visiting Portland, Maine*

*Port of Portland website
Number of Cruise Ship Passengers Visiting Portland, Maine*

*Port of Portland website
<table>
<thead>
<tr>
<th>Month</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>5,413</td>
</tr>
<tr>
<td>Aug</td>
<td>6,571</td>
</tr>
<tr>
<td>Sept</td>
<td>21,025</td>
</tr>
<tr>
<td>Oct</td>
<td>14,122</td>
</tr>
<tr>
<td>Nov</td>
<td>710</td>
</tr>
</tbody>
</table>

* Port of Portland website
Project Goals

- Develop a demographic profile of cruise ship passengers visiting Portland, Maine
- Estimate cruise ship passenger expenditures while in port for selected categories
- Estimate the economic impact of cruise ship passenger spending on the Portland area economy
- Provide a positive learning experience for UMaine students
- Identify possible marketing and development strategies to enhance benefits of cruise ship tourism
Project Design

- Two-page paper survey with 15 questions
- Handed surveys in postage-paid return envelopes to 2,484 passengers as they returned to ship
- Distributed surveys on seven different days during September and October 2008
- Students helped distribute surveys and tabulate the results
### Cruise Ship Passengers Surveyed

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of surveys distributed</td>
<td>2,484</td>
</tr>
<tr>
<td>Number of surveys received</td>
<td>1,287</td>
</tr>
<tr>
<td>Survey response rate</td>
<td>51.8%</td>
</tr>
</tbody>
</table>
Who Visits Portland on Cruise Ships?

- Average respondent is 62 years old
- 60% have at least a college degree
- 40% have household incomes > $100,000
- 40% have taken at least 5 other cruises
- 75% first time to Portland
Who Visits Portland on Cruise Ships?

- 95% of respondents from U.S.
- 5% from United Kingdom, Canada, etc.
- 44 states and Puerto Rico
- 30% from MD, VA and PA
- 20% from CA, TX, MO and AZ
- Extends Maine’s tourism market
Where Do Passengers Visit While in Port?

- Downtown Portland
- Ship Sponsored Tours:
  - Portland
  - Kennebunkport
  - Freeport
- Local Portland Area Tours
How Much Do Passengers Spend?

- The typical passenger spent $80.51
- Varies by ship from $62.77 to $97.25
- Including cruise-sponsored tours, the typical passenger spent $109.68
What Do Passengers Buy?

- Food and Beverages ($28.10, 78%)
- Apparel Items ($21.18, 33%)
- Other Retail Items ($6.42, 27%)
- Fine Art and Jewelry ($6.15, 9%)
- Local Tours ($6.02, 19%)
- Household Items ($4.97, 13%)
- Transportation ($4.72, 16%)
  - Drug and Beauty Items ($2.00, 14%)
  - Rentals ($0.95, 1%)
What’s the Economic Impact?

- $80.51 to $109.68 in average expenditures
- $5.8 to $8.0 million in sales revenue
- 69 to 96 full-and part-time jobs
- $2.0 to $3.2 million in wages and salaries
Strategies for Capturing Future Benefits

- **Community Infrastructure:**
  - Staffed visitor center
  - Student led walking tours
  - Free local bus/van service

- **Entrepreneurial Possibilities:**
  - Interpretive guiding services
  - Local agri-tourism excursions
  - Local artisan products
Strategies for Capturing Future Benefits

- Educational/Training Opportunities:
  - Marketing tips for local businesses
  - Exploring entrepreneurial possibilities
  - Providing excellent customer service
  - Offering community-based activities
To obtain a copy of our paper visit:

www.umaine.edu/soe