

# Cruise

Portland will host a record 59 cruise ships this year, carrying

**B**eginning every June, thousands of tourists descend from giant, pearly white ships onto Portland piers, wide-eyed, excited, and clutching fistfuls of cash. It's a city's dream scenario—so where does the money go?

### THREE SCENARIOS

JANE SHOPSALOT\* steps off the boat at the shiny, new Ocean Gateway megaberth and heads directly for one of the twenty or so buses lined up to whisk passengers to exotic locations like Freeport, Ken-

nebunkport, and the White Mountains. With her pre-paid shore excursion ticket to Freeport in hand, she boards the bus headed north for a couple hours of bargain shopping. All told, she'll spend \$50 for the Freeport tour and \$145 on goods and services while there. Here's who'll get what:

**Cruise line:** \$30 (an estimated 50-60 percent of the tour ticket price)

**Intercruises:** \$5 (this international corporate 'middle man' gets an estimated industry average of 10-15 percent for each ticket)

**Local tour operator:** \$15

**Shops:** \$145 (chain outlets and local boutiques)

SARAH STAYSLOCAL\* chooses a Portland tour after which she strolls around the Old Port. She'll spend \$50



# Control

over 89,000 passengers. Show us the money! **BY KAREN E. HOFREITER**

on the tour and \$75 on goods and services.

**Tour breakdown:** See above

**Food establishments:** \$30

**Apparel:** \$25

**Household items:** \$20

JOHN NAVIGATOR\* works on the ship as one of almost 1,000 crew members. He has this day in port off. He heads out on the free shuttle to the Maine Mall. He needs batteries and a new pair of jeans, for which he's planning on using his 25 percent off coupon for Banana Republic from a coupon book complimentary of his employer. He'll spend about \$45.

**National apparel chain store:** \$40

**National electronics chain store:** \$5

## CATCHING THE FIRST WAVE

A number of waterfront businesses have successfully adapted to take advantage of the cruise-ship influence. At DiMillo's on the Water, passengers account for 15 to 20 percent of lunch busi-

ness when a ship pulls in.

"We are definitely busier on days the liners are in town," says Steve DiMillo, Sr. "There's no denying our location [on Long Wharf] helps, and so does our focus on serving up local flavor."

Topher Mallory, owner of Mexicali Blues chain, also surfs the wave. With two boutique retail attractions on Moulton Street and four more stores in Southern Maine, "We certainly notice the difference when cruise ships are in town. The increase in tourists was a catalyst for opening our second store on Moulton a year ago."

The objective, he says, is to predispose their disposable income the moment they tie up to the dock.

"We make an effort to reach the multichannel consumer through social media and e-commerce. We make passengers aware of our online store, we follow up with them through our Facebook page..."

## STILL LOOKING FOR THE CRYSTAL BALL

Not that everyone feels the bump. Shops located further from



the waterfront and boutiques selling specialty merchandise like fine art, jewelry, and beauty products admit to feeling adrift.

"We might see some, but it's a very small percentage," says Rachel Lynn Watson, manager and buyer for Bliss, a boutique on Exchange Street.

extra staff and increase inventory."

## FIRST IMPRESSIONS

To better understand Portland's opportunities, let's consider what we do right now the moment a ship pulls up to a pier.

Janice Beitzer, executive director of

## SECOND IMPRESSIONS

As for what the passengers are seeing when they look through their portholes beyond the futuristic architecture of the Ocean Gateway Terminal, the city claims, "Portland has a great [berthing] location, welcoming and attractive. Some ships drop you off at ports located in industrial parks."

A quick stroll down Hancock Street, which spills off the gangplank of Ocean Gateway, tells a different story—vast expanses of parking lots and empty storefronts abound.

The need for high-end retail here, fulfilling the original visions for Ocean Gateway, is palpable, and it's a bit hard to believe at first glance that the charm of the Old Port is less than a quarter mile away. As one passenger on *cruisecritic.com* puts it, "Recommendation—Stay on the ship!!!! [Exiting] the boat... sidewalks were in horrible shape.... Many buildings [were] vacant with graffiti and litter throughout the streets. Public restrooms were awful, and I honestly felt unsafe."

Contrast that with a review of Bar Harbor from the same site: "A beautiful trip into port and an equally beautiful port town! The views in the harbor are outstanding!"

City planners take note: The future waits for us at the foot of the pier.

## OPPORTUNITY CALLING

Cardente Real Estate is dangling gorgeous office space as bait for high-end retailers: "5,400 SF on the ground floor of the Ocean Gateway Garage at the corner of India and Fore Streets. One block up from Portland's Ocean Gateway Terminal and eastern waterfront. This retail space is ideally located next to the new Marriott Residence Inn, close to the Old Port [with] great access and exposure to all the cruise ship passengers disembarking from the Ocean Gateway Terminal."

Alluring: the \$18 per square foot rate that compares to \$30 in the Old Port.

## CASH SEND-OFF?

Meanwhile, the urban myth that busses lined up at the head of the pier are all headed out of town would lead anyone to ask, "Why are they driving income away from Portland?"

It's an understandable perception, especially when the average tourist off to Freeport spends double what they would spend if they stayed in Portland.

The UMO study tells a different story. Less than five percent of passengers head to



"The corner of Hancock and Fore Streets is the perfect corridor for Portland to locate a new set of high-end stores. Imagine Burberry, Angela Adams, Michael Good, Ralph Lauren..."

“Sure we have **public transportation** but it is **not** the same as a **free** step-off **trolley** that would put **all** of Portland's **stores, restaurants, and museums** at **tourists' feet.**”

Nelly Hall, proprietor of CS Boutique on Fore Street, says "It's difficult for many of us to predict the impact we will see, and it varies [without much of a trend] from ship to ship," she says. "The perception is that we can include cruise passenger patronage into our business plans, that cruise tourism is our bread and butter. But for me and other [merchants] I've spoken with, it's a challenge to know when to add

Portland Downtown District, says, "The CVB and PDD have met the cruise ships for 15 years. Info agents in L.L. Bean gear are there right as people get off the cruise ships. *Every* passenger receives a Downtown Portland directory. We have several visitor booths and 'experiential learning' booths—informative but with no sales involved—on the dock, along with a band—sometimes Don Campbell."

### **KNEE DEEP IN THE HOOPLA**

Cruise Line International estimates the cruise industry contributed \$34.5 million in direct spending to Maine's economy in 2009 (up 19 percent from 2008), but these figures come from numbers furnished by CruiseMaineUSA—the very consulting company that works to market cruise tourism to Maine and Maine to cruise lines, so it's in their best interest to keep the rose-colored glasses on.

In all, cruise tourism accounts for a little less than one-half a percent of Maine's estimated eight billion dollar tourism industry. The spillover possibilities are what we make of them.

“**Creating a retail attraction around Ocean Gateway sounds like job one for our new mayor & city manager. Drumming up new business should be their priority.**”

Freeport, and Freeport spending accounts for less than ten percent of total spending.

Additionally, according to Patrick Arnold, executive director of Discover Portland & Beyond, a consortium of local merchant and visitor organizations, “A variety of shore excursion destinations entices passengers to book a cruise, and plays favorably with the cruise lines when deciding which ports to visit. Having tours to popular places like Freeport helps keep the ships coming to Portland in the first place.”

And it shouldn't be overlooked that, while the City of Portland bears many of

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**DOLLARS & SENSE**



the costs associated with hosting cruise ships (including infrastructure creation and maintenance and marketing to cruise lines and visitors), it also receives money from the ships themselves (such as per-head passenger fees, dockage, tug boats, waste management, and fuel).

**THINK GLOBALLY, SHOP LOCALLY**

Regardless, could Portland be doing a better job in some respects to capture more dollars?

Shore excursions are typically booked in advance, so the number one way to make the bucks stop here is to entice more people to get off—and stay off—the ships. According to industry averages, around 30 percent of passengers stay onboard at a port-of-call. If they do get off the ship, many passengers choose to return at lunch and spend the afternoon participating in the endless multitude of onboard activities. So how to lure them onshore?

The takeaway that may be eluding us is high-end retailers and local artisans have an interdependent appeal. As one traveler puts it, "I tend to buy from local shops, but I like to see that upscale stores are in the area." National brands also have the cash to advertise in the cruise-line-provided local shopping guides (no Portland retailers currently advertise presumably because it is cost-prohibitive). Properly used, such advertising would encourage passengers to step off the ship, get in the shopping mix, and eventually work their way to local businesses in the Old Port, finding the 'local, artisan' merchandise the vast majority of them are looking for (UMO study).



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The opportunity is there—high profile businesses like Shipyard Brewing Co. are already set to locate in the ground floor of the Marriott Residence Inn.

With luck, we won't miss the boat. ■

▶▶ More: Visit Online Extras at [portlandmonthly.com](http://portlandmonthly.com).



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