Assessing the Economic Impact of Cruise Ship Passengers Visiting Destination Markets: The Case of Bar Harbor, Maine

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Assessing the Economic Impact of Cruise Ship Passengers Visiting Bar Harbor, Maine

- Project overview
- Who visits Bar Harbor on cruise ships?
- What do they buy?
- What’s the economic impact?
- Strategies for capturing future benefits
- Questions ???
Number of Cruise Ships Visiting Bar Harbor, Maine

Year

Ships

2002
64

2008
97

2016
117
Number of Cruise Ship Passengers Visiting Bar Harbor, Maine

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>120,000</td>
</tr>
<tr>
<td>2008</td>
<td>144,000</td>
</tr>
<tr>
<td>2016</td>
<td>163,000</td>
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</tbody>
</table>
Number of Cruise Ships Visiting Bar Harbor, Maine: 2002 vs. 2016

<table>
<thead>
<tr>
<th>Month</th>
<th>2002</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>May</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>June</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>July</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Aug</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Sept</td>
<td>38</td>
<td>41</td>
</tr>
<tr>
<td>Oct</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>
Project Goals

- Develop a demographic profile of cruise ship passengers
- Identify passenger activities while in port
- Estimate cruise ship passenger expenditures
- Estimate the economic impact of passenger spending
- Identify strategies to enhance benefits of cruise ship tourism
Project Design

- Four-page paper survey with about 30 questions
- Handed surveys to 4,768 passengers from 31 ship visits as they returned to ship
- Distributed surveys on 24 different days between May and October 2016
- Students distributed surveys and tabulated the results
Cruise Ship Passengers Surveyed

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of surveys distributed</td>
<td>4,768</td>
</tr>
<tr>
<td>Number of surveys received</td>
<td>2,231</td>
</tr>
<tr>
<td>Survey response rate</td>
<td>46.8%</td>
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</tbody>
</table>
Who Visits Bar Harbor on Cruise Ships?

- About 90% are 50 and older
- 70% have at least a 4-year college degree
- 54% have household incomes > $100,000
- 62% have taken at least 5 other cruises
- 68% first time to Bar Harbor
Who Visits Bar Harbor on Cruise Ships?

- 87% of respondents from U.S.
- 23% from FL, PA, and NY
- 21% from CA, TX, OH, and AZ
- 22 countries - Canada, New Zealand, UK…
- Extends Maine’s tourism market
Where Do Passengers Visit While in Port?

- Downtown Bar Harbor
- Ship sponsored tours
- Local tours and activities
Time Spent in Port

- Over 80% of the survey respondents were “off the ship” for four hours or more
- 44% walked the shore path
- Over 50% read at least one “Museum in the Streets” sign
- About 60% visited Acadia National Park
- About 46% took a cruise-line sponsored tour
How Much Do Passengers Spend?

- 96% visit at least one store; 33% visit 10+
- 75% spent money in 1-4 stores; 13% in 5-9 stores
- The typical passenger spent $74.00 in port
- Including cruise-sponsored tours, the typical passenger spent $108.00
What Do Passengers Buy?

- Meals and Drinks ($24.60)
- Clothing ($14.36)
- Souvenirs ($11.83)
- Art and Jewelry ($8.02)
- Recreation & Transportation ($5.34)
- Other Retail Items (3.64)
- Grocery & Pharmacy Items ($2.44)
  - Books and Paper Goods ($2.17)
  - Home Furnishings ($1.70)
What’s the Economic Impact?

<table>
<thead>
<tr>
<th></th>
<th>Direct Impact</th>
<th>Multiplier Effects</th>
<th>Total Impact</th>
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</thead>
<tbody>
<tr>
<td>Spending</td>
<td>$14,963,520</td>
<td>$5,280,046</td>
<td>$20,243,566</td>
</tr>
<tr>
<td>Employment</td>
<td>329</td>
<td>50</td>
<td>379</td>
</tr>
<tr>
<td>Labor Income</td>
<td>$3,813,346</td>
<td>$1,571,449</td>
<td>$5,384,795</td>
</tr>
</tbody>
</table>
Strategies for Capturing Future Benefits

Community Infrastructure:
- Town website designed for cruise tourists
- Shore path signage
- Travel assistance from dock to shops

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
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