



Kirkwall Survey Report

Introduction

As part of a larger study of cruising's economic impact in Europe, undertaken by the consultants for the European Cruise Council, most of the cruise lines calling at Kirkwall were invited to participate in surveys of passengers and crew, which were conducted on board the cruise ships during the months of June to August 2008. Apart from assessing the economic impact of cruise calls in the region, this was also used to obtain data on passenger demographics, behaviour and satisfaction levels and the results from both aspects of the surveys are considered here.

Passenger and crew surveys were designed to collect data for onshore spending and visit satisfaction by both passengers and crew. While the crew survey was slightly shorter than the passenger survey, both surveys were designed to collect the following information in relation to visit satisfaction:

- o Hours spent ashore;
- o Satisfaction with visit, including shore tour, prices, shopping, and so on;
- o Likelihood to recommend and return for a land-based vacation; and
- o Demographic characteristics, including country of residence, age group and income.

On any given cruise itinerary, passenger and crew surveys were placed in all passenger cabins and crew quarters following a single destination call. The surveys were completed by the passengers and crew in the privacy of their cabins and returned to a designated office on the cruise ship. Thus, passengers and crew were only surveyed once during a cruise itinerary and for a single destination.

Passenger Visits and Demographics

A total of 658 passenger surveys were completed and returned for tabulation following cruise calls at Kirkwall. Table 1 shows the major attributes of passenger visits to Kirkwall derived from the passenger surveys.

Table 1: Major Attributes of Passenger Surveys

Item	Responses	Per cent	Notes
Total Respondents	658	100.0	
Turnaround Passengers	9	1.4	
In-transit passengers	649	98.6	
Number Ashore	622	94.5	% In-transit
Average Hours Ashore	4.94		
Respondents Making Onshore Purchases	529	85.0	% Of those ashore
Average Size of Expenditure Party (Persons)	1.83		
Purchased an Onshore Tour	407	76.9	% Of those purchasing
Purchased Onshore Tour from:		Of above	
- Cruise Line	288	70.8	
- Travel agent	43	10.6	
- Onshore/ other	76	18.6	
Toured On Own/ Did not Tour	215	34.6	% Of those ashore

Source: G. P. Wild (International) Limited and BREA.

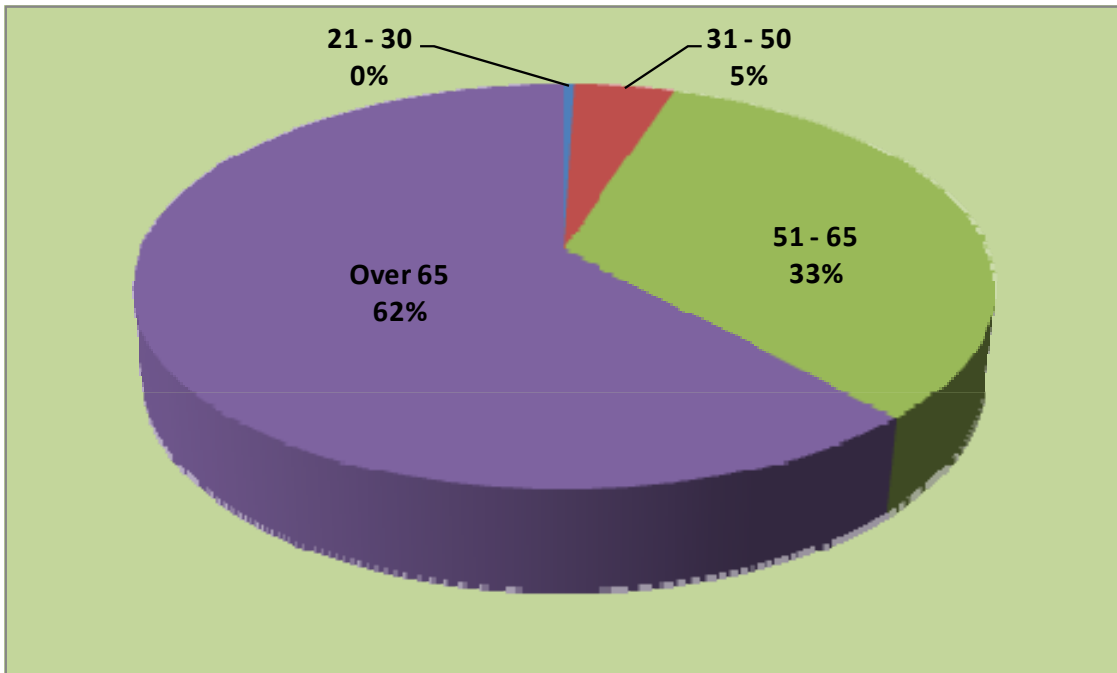
- o Over 98% of passengers were in-transit passengers.
- o Of these 94.5% disembarked and visited Kirkwall during the cruise ship call.
- o On average, passengers spent nearly 4.9 hours ashore.

- o Of the passengers who went ashore, 85% made at least one purchase, including shore excursions, while ashore.
- o Sixty-five per cent (65%) of the passengers that went ashore and up to 77% of those who made onshore purchases also purchased a shore excursion. Of these the majority (71%) purchased their tour through the cruise line. A total of 29% purchased their tour onshore or from a travel agent.
- o The typical cruise party in Kirkwall consisted of 1.8 passengers.

The data derived from the 1.4% of respondents who answered the survey indicating they were turnaround passengers is statistically unreliable because of the sample size and internal inconsistencies in the responses. Consequently, the following analysis is limited to the transit passengers and their expenditures.

The age analysis of the cruise tourists is shown in Figure 1. The average age of the respondents is estimated at 66 years with 95% of the respondents being over 50 years old and 62% over 65. Less than 1% were 30 or under.

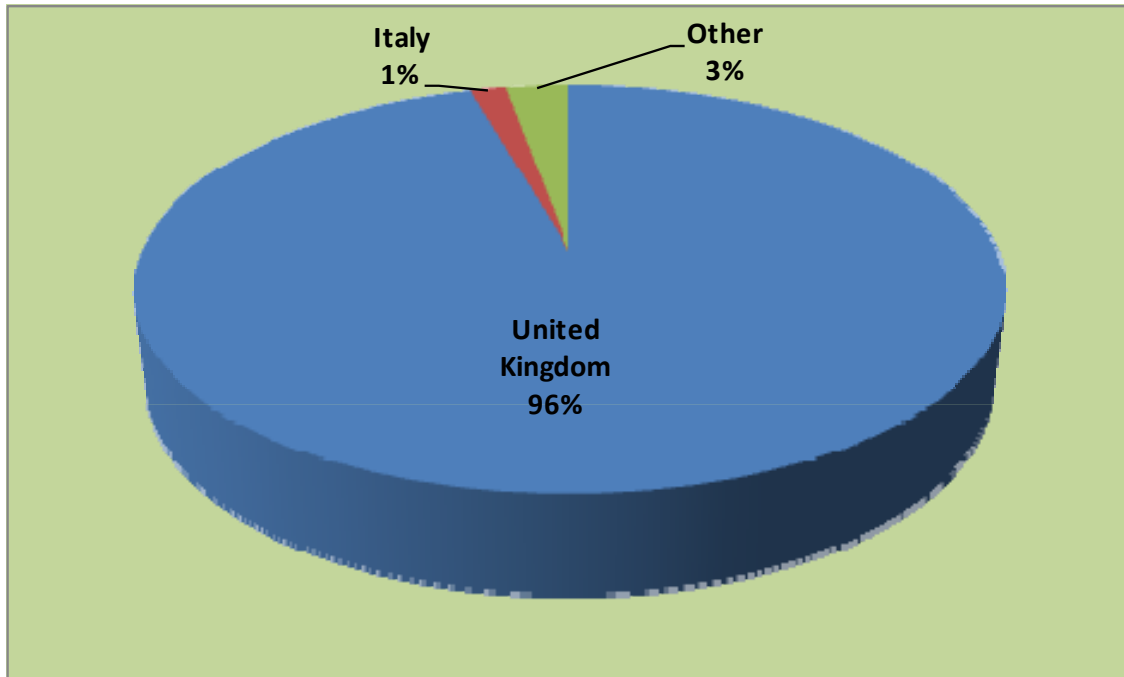
Figure 1: Analysis of the Age of Cruise Tourists Visiting Kirkwall 2008



Source: G. P. Wild (International) Limited and BREA.

As set out in Figure 2, residents of the UK accounted for 96% of the responding passengers, with those from Italy accounting for 1%.

Figure 2: Residence of Cruise Tourists calling at Port of Kirkwall - 2008



Source: G. P. Wild (International) Limited and BREA.

Passenger Satisfaction

The passenger survey also asked the passengers to rate their satisfaction with their destination visit according to a number of parameters, as shown in Table 2. A 7-point scale was used with 7 being the highest score, indicating they were extremely satisfied, and 1 being the lowest score, which meant that they were not at all satisfied.

Table 2: Passenger Visit Satisfaction

Satisfaction Categories	Mean Score ①
Initial Shoreside Welcome	5.81
Guided Tour	6.15
Shopping Experience	5.26
Historic Sites/Museums	5.95
Variety of things to see and do	5.18
Friendliness of Residents	6.05
Courtesy of Employees	6.12
Variety of Shops	4.99
Overall Prices	5.18
Taxis/Local Transportation	5.80
Overall Visit	5.98
Visit Met Expectations	5.60
Likelihood of Recommending Resort Vacation	4.58
Likelihood of Return for Resort Vacation	2.95

① Scale is 1 to 7 with 7 being the highest score. The mean scores can be interpreted as follows: Extremely Satisfied/Likely/ Greatly exceeded: greater than 5.8; Very Satisfied/Likely: 4.6 to 5.8; Somewhat Satisfied/Likely: 3.4 to 4.6; Not Too Satisfied/Likely: 2.0 to 3.4; Not At All Satisfied/Likely/ Fell Far short: less than 2.0.

Source: G. P. Wild (International) Limited and BREA.



As indicated in the table, cruise tourists were, in general, very satisfied with their cruise call at Kirkwall. Among the key findings are the following:

- o Overall, passengers were extremely satisfied with their visit to Kirkwall with the overall visit scoring a mean of 6.0 and “Visit Met Expectations” receiving an average score of 5.6, indicating that the visit exceeded expectations.
- o Passengers indicated that were extremely satisfied through scores above 5.8 with the initial shoreside welcome, guided tour, historic sites and museums, the friendliness of residents and the courtesy of employees.
- o Passengers were also very satisfied with all other aspects of their visit, namely shopping experience, variety of things to see and do, variety of shops, overall prices and taxis and local transportation.
- o Passengers were only somewhat likely to recommend a resort vacation in the region to family or friends (4.6) and were not too likely to return themselves (2.9).

Crew Visits and Demographics

One hundred and twenty-one (121) crew surveys were completed and returned for tabulation. Table 3 shows the major attributes of crew visits to Kirkwall derived from these crew surveys.

- o Approximately 38% of crewmembers on average went ashore in Kirkwall;
- o On average, crewmembers spent 3.1 hours ashore.

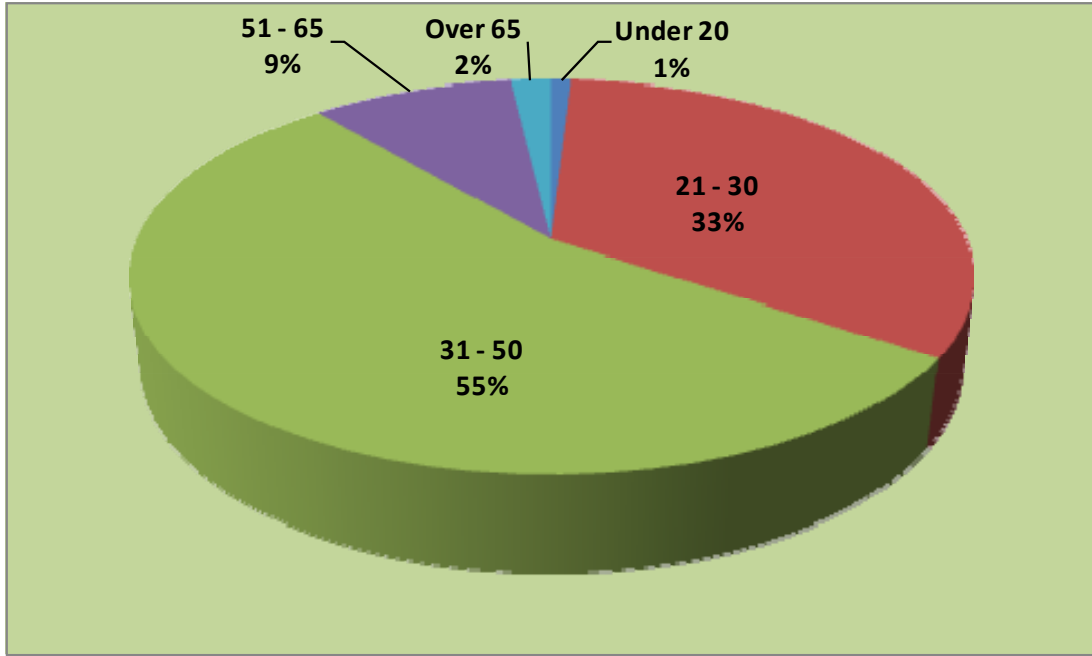
Table 3: Major Attributes of Crew Surveys

Item	No	Per cent
Total Respondents	121	
Number Ashore	47	38.3
Number ashore in the past month	10	8.3
Average Hours Ashore	3.09	

Source: G. P. Wild (International) Limited and BREA.

The age profile depicted in Figure 3 is markedly different from that of the passengers. The average age of the respondents is estimated at 37.4 years with 89% aged up to 50 years old and 34% up to 30.

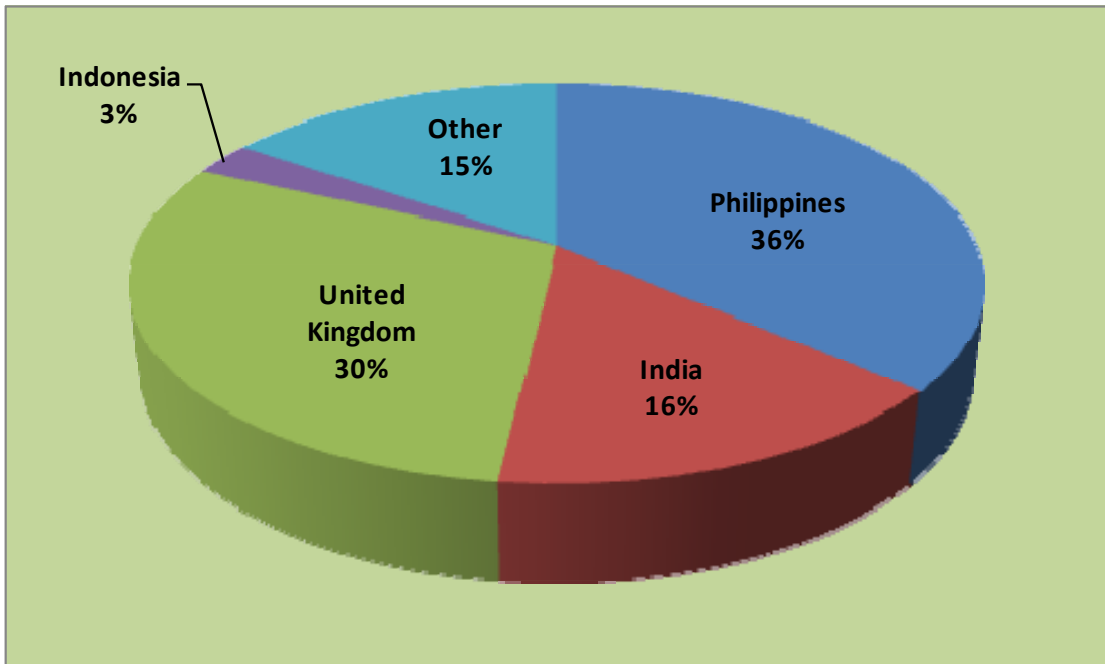
Figure 3: Crew Age



Source: G. P. Wild (International) Limited and BREA.

As shown in Figure 4, which analyzes the nationality profile of the crews responding, the largest nationality group was the Philippines with 36% of the respondents, followed by the UK with 30% and India with 16%.

Figure 4: Crew Residence



Source: G. P. Wild (International) Limited and BREA.



Crew Satisfaction

The crew survey also asked the crewmembers to rate their satisfaction with their destination visit according to a number of parameters, as shown in Table 4. As defined in relation to the passenger surveys, a 7-point scale was used. As indicated in the table, the sea staff were, in general, satisfied with their cruise call at Kirkwall. Among the key findings are the following:

- o Overall, crewmembers were very satisfied with their visit to Kirkwall with satisfaction with the overall visit scoring a mean of 5.1.
- o Scores of 5.8 or over indicated that on average the crewmembers were extremely satisfied with guided tours and courtesy of employees.
- o Scores indicating that the respondents were very satisfied on average were given to shopping experience, historic sites and museums, variety of things to see and do, friendliness of residents, variety of shops, overall prices and taxis and local transportation.
- o Crewmembers were very likely to recommend a resort vacation in the region to family or friends (4.7).

Table 4: Crew Visit Satisfaction

Satisfaction Categories	Mean Score ①
Guided Tour	6.38
Shopping Experience	4.64
Historic Sites/Museums	5.80
Variety of things to see and do	4.68
Friendliness of Residents	5.73
Courtesy of Employees	5.85
Variety of Shops	4.84
Overall Prices	4.96
Taxis/Local Transportation	5.64
Overall Visit	5.11
Likelihood of Recommending Resort Vacation	4.74

① Scale is 1 to 7 with 7 being the highest score. The mean scores can be interpreted as follows: Extremely Satisfied/Likely/ Greatly exceeded: greater than 5.8; Very Satisfied/Likely: 4.6 to 5.8; Somewhat Satisfied/Likely: 3.4 to 4.6; Not Too Satisfied/Likely: 2.0 to 3.4; Not At All Satisfied/Likely/ Fell Far short: less than 2.0.

Source: G. P. Wild (International) Limited and BREA.

Cruise Tourism Expenditures

Combining the expenditure data collected from the passenger and crew surveys with data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, estimates of total cruise tourism expenditures were developed for each participating destination.

Cruise tourism expenditures in destination ports are composed of a broad range of spending including:

- o Onshore expenditures by passengers which are concentrated in shore excursions and retail purchases of clothing, jewellery and local crafts and souvenirs;
- o Onshore expenditures by crew which are concentrated in purchases of food and beverages in restaurants and retail purchases of souvenirs and clothing;
- o Expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities, such as water and power and navigation services; and



- o Purchases of supplies, such as food, hotel supplies and other equipment, by the cruise lines from local businesses.

According to data collected by G. P. Wild, 29,180 cruise passengers arrived aboard cruise ships in Kirkwall or other ports in the Orkneys during the 2007-cruise year. This represented 8.1% of the 362,000 passengers that visited UK ports as in-transit passengers during the 2007 cruise year.¹ Based upon the survey data discussed above, we estimated that 94.5% of these arriving passengers, or 27,575 passengers, disembarked and visited Kirkwall. Of these, 85%, or 23,440 passengers, actually made at least one onshore purchase. Utilizing additional data provided by the visiting cruise lines on the average ratio of passengers to crew, we have estimated that 13,260 crew were aboard the cruise ships that called at Kirkwall. Of these, 38%, or 5,040-crew, were estimated to have disembarked and visited the port city. These passenger and crew visits along with additional expenditures by the cruise lines generated a total of **€3.04 million** in cruise tourism expenditures in Kirkwall during the 2007 cruise year. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

Per passenger spending estimates were derived from the 529 surveys completed by passengers that went ashore and made at least one purchase during the survey period. As shown in Table 5, each passenger cruise party spent an average of €100.99. The average spend per cruise party is the sum of the weighted spending in each of the nine categories. For example, 35.5% of the survey respondents reported spending an average of €16.01 at a local restaurant or bar. Spread over the 529 cruise parties that made purchases while visiting Kirkwall, this represents an average of €5.69 per party. Similar calculations were made for each expenditure category and then summed to arrive at the €100.99 per party onshore expenditure figure. On a per passenger basis, the average expenditure was **€56.11**. This represents the sum of per party expenditures, €100.99 divided by the average size of a cruise party in Kirkwall, 1.8 passengers.

Table 5 – Estimated Passenger Spending in Kirkwall, 2007 Cruise Year²

Purchase Categories	Average Spend per Party	Share of All Onshore Purchasers	Weighted Average Spend per Party
F&B at Restaurants & Bars	€ 16.01	35.5%	€ 5.69
Taxis/Ground Transportation	€ 22.54	7.8%	€ 1.75
Watches & Jewellery	€ 132.32	4.7%	€ 6.25
Clothing	€ 36.08	11.9%	€ 4.30
Entertainment	€ 0.00	0.0%	€ 0.00
Other Purchases	€ 46.94	29.9%	€ 14.02
Local Crafts and Souvenirs	€ 38.08	33.5%	€ 12.74
Museums and Galleries	€ 42.57	10.0%	€ 4.26
Shore Excursions	€ 67.56	76.9%	€ 51.98
Total Spend per Cruise Party			€ 100.99
Average Size of a Cruise Party			1.8
Total Spend per Cruise Passenger			€56.11
Cruise Passenger Visits			23,440
Total Cruise Passenger Expenditures			€1,315,218

Source: G. P. Wild (International) Limited and BREA.

For the entire 2007 cruise year, the estimated 23,440 cruise passengers who made an onshore visit to Kirkwall and made at least one purchase spent a total of **€1.32 million** in Kirkwall and the surrounding area.

Due to the small sample size for crew respondents, the per-crew spending estimates were derived from a set of 2,400 surveys completed by crewmembers at seven participating ports of the UK and

¹ GPWild and BREA, Contribution of Cruise Tourism to the Economies of Europe 2007, prepared for the European Cruise Council, December 2008.

² The average shore excursion expenditure is a weighted average of the onshore purchases, and the portion of the onboard purchases and purchases from travel agents paid to local tour operators.



Ireland³ during the survey period. Of these, 1,870 recorded onshore expenditures. As shown in Table 6, each crewmember spent an average of €29.54 in the seven ports. The average spend per crew member is the sum of the weighted spending in each of the eleven categories. For example, 20% of the survey respondents reported spending an average of €20.08 for food and beverages. Spread over the 1,870 crewmembers that visited these ports and made expenditures, this represents an average of €4.01 per crewmember. Similar calculations were made for each expenditure category and then summed to arrive at the €29.54 per crew onshore expenditure figure.

Table 6 – Estimated Crew Spending in Kirkwall, 2007 Cruise Year

Purchase Categories	Average Spend per Crew	Share of All Onshore Visits	Average Spend per Crew
F&B at Restaurants & Bars	€ 20.08	20.0%	€ 4.01
Taxis/Ground Transportation	€ 11.84	10.4%	€ 1.23
Watches & Jewellery	€ 45.60	2.7%	€ 1.24
Clothing	€ 45.10	13.8%	€ 6.24
Internet & Telephone	€ 21.44	14.9%	€ 3.19
Other Retail	€ 57.11	6.9%	€ 3.96
Local Crafts & Souvenirs	€ 35.76	3.8%	€ 1.36
Museums & Galleries	€ 11.77	0.9%	€ 0.11
Entertainment/Night Clubs/Casinos	€ 66.00	0.7%	€ 0.49
All Other Purchases	€ 72.09	8.1%	€ 5.81
Tours	€ 69.70	2.7%	€ 1.90
Total Spend per Crew			€ 29.54
Cruise Passenger Visits			5,040
Total Crew Expenditures			€ 148,882

Source: G. P. Wild (International) Limited and BREA.

For the entire 2007 cruise year, the estimated 5,040 crew who visited Kirkwall spent an estimated total of **€148,882** in Kirkwall and the surrounding region.

In addition to payments to local tour operators for shore excursions purchased by passengers onboard their cruise ships that were included in passenger expenditures, cruise lines made local payments for port fees, navigation services, utilities and other supplies, such as food and beverages, equipment and other hotel supplies. As a part of the ECC study referenced above, cruise lines operating in Europe provided data on their operating and administrative expenditures by country. These data indicated that the cruise lines spent an average of €20 per passenger arrival for port fees, navigation services and utilities at UK ports. Another €34 was spent for supplies, including food and beverages, equipment and hotel supplies. With a reported 29,180 passenger arrivals in Kirkwall, we estimated that the cruise lines spent **€1.58 million** during the 2007 cruise year [29,180 x (€20 + €34)].⁴

Table 7 – Total Direct Expenditures of Cruise Tourism in Kirkwall, 2007 Cruise Year

Category	Spending (€ Millions)
Passenger Expenditures	€ 1.32
Crew Expenditures	€ 0.14
Cruise Line Expenditures	€ 1.58
Total Expenditures	€ 3.04

Source: G. P. Wild (International) Limited and BREA.

Table 7 summarizes the €3.04 million in estimated total cruise tourism expenditures generated in Kirkwall during the 2007 cruise year.

³ These seven ports are: Cork, Dover, Dublin, Kirkwall, Lerwick, Newcastle and Southampton.

⁴ Cruise line expenditures for administrative expenses, fuel and staff have been excluded from this calculation as they are tied more heavily to embarkation ports and headquarter locations.



Economic Contribution of Cruise Tourism Expenditures

The economic impact analysis prepared for the European Cruise Council that was previously referenced showed that the U.K. was a significant centre for cruising in Europe. An estimated 953,000 passengers visited UK ports on turnaround and in-transit calls in 2007. Overall, passengers, crew and cruise lines spent a total of €2 billion in direct cruise tourism expenditures in the United Kingdom.⁵

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for the United Kingdom. As a consequence of these expenditures an estimated 43,375 residents of the U.K. were employed as a result of the total impacts of these direct expenditures. From their employment, these workers received an estimated €1.7 billion in wages and salaries.^{6,7}

The total economic contribution of cruise tourism expenditures is the sum of the direct, indirect and induced impacts. The indirect contribution results from the spending of the local businesses that serve the cruise sector for those goods and services that they require to conduct their business. For example, tour operators must purchase or rent vehicles and equipment to transport passengers; fuel to operate their vehicles; utility services, such as electricity and water, for their offices; and insurance for property and employees. The induced impacts are generated by the spending of the directly impacted employees on consumer goods services, such as housing, groceries, education and health services.

These impacts, fully explained in the ECC study, were estimated using an input-output model of the U.K. economy. This model is a statistical representation of the economic structure of the U. K. economy, including the industrial composition of GDP, the wage share of GDP by industry and the average wage by industry, as well as the relative importance of imports.

The following economic impacts for Kirkwall were estimated using the same input-output model. The €3.04 million in direct expenditures generated in Kirkwall were used as an input to this model. Thus, the estimated impacts are not limited to the Kirkwall area alone but refer to the overall economy of the United Kingdom. As shown in Table 8, the €3.04 million in total cruise tourism expenditures in Kirkwall generated an estimated total employment impact of 64 FTE jobs paying €2.5 million in annual wages.⁸

Table 8 – Total Economic Impacts of Cruise Tourism in the U.K. and Kirkwall, 2007 Cruise Year

Item	The U.K.	Kirkwall
Total Direct Expenditures (€ Millions)	€ 2,001	€ 3.0
Direct Employment Impact	20,403	27
Direct Compensation Impacts (€ Millions)	€ 809	€ 0.9
Total Employment Impact	43,375	64
Total Wages Impact (€ Millions)	€ 1,723	€ 2.5

Source: G. P. Wild (International) Limited and BREA.

⁵ This figure also includes the administrative and overhead expenses of the cruise lines domiciled in the UK, including the compensation of nearly 9,000 UK landside and sea staff employees of the cruise lines. Again, these impacts are not included in the Kirkwall analysis.

⁶ Employment is measured as annualized full-time equivalent employment (FTE) and wages are annual equivalents.

⁷ These figures include the UK employees of the cruise lines and their compensation referenced above.

⁸ These impacts exclude expenditures made by the cruise lines for capital goods, primarily ship refurbishment, administrative expenses, travel agent commissions and other expenses that could not be allocated directly to Kirkwall.