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Connecting Cruise Lines with Local Supply Chains for Enhancing Customer Experience: A Platform Application in Greece

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- Sector characteristics and network mapping in Greece
- The cruise supply chain
- An emerging opportunity for cruise destinations in Greece
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The cruise sector: main trends

- ➔ Highly experience-oriented product with great diversity with regard to destinations and services provided
- ➔ Heavy investments of the cruise industry on on-board and off-board services
- ➔ With regard to off-board services, cooperation with local authorities and business communities is important so that local landmarks, historical monuments, products, activities, excursions, etc. are better promoted



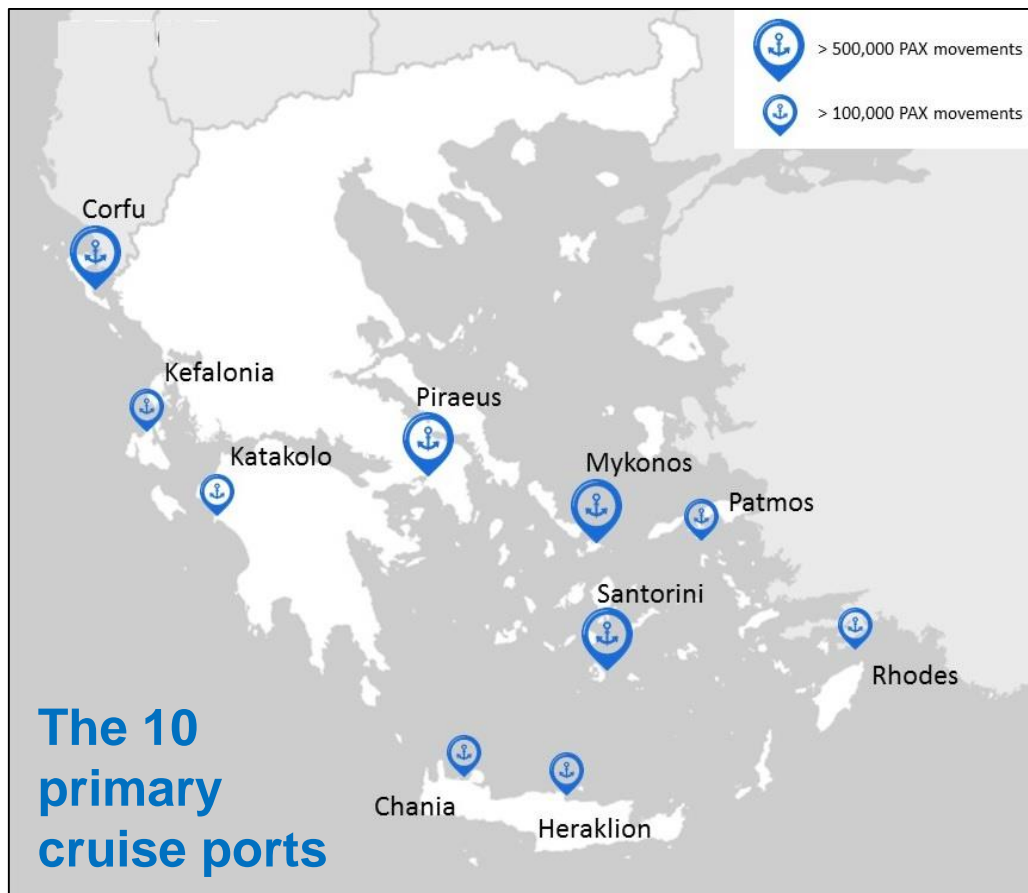
The cruise sector: status in Europe

- It is one of the cornerstones of the EU **Blue Economy**: contributed by € 47.86 billion in 2017 (*16.9% increase compared to 2015*)
- This upward trend is being supported by three key factors:
 - Europe is the world's 2nd biggest cruise passenger market (*6.96 million passengers embarked on a cruise in 2017*)
 - The MED region remains the 2nd most popular cruise destination, after the Caribbean
 - European shipyards hold a leading position in the building of new cruise vessels (*€ 5.6 billion spent on new orders in 2017*)



Sector characteristics in Greece

- Limited home-porting activities (just 4 home-ports in 2019, down from 7 that were in the past)
- Leading position in MED and East-MED cruise itineraries (2-3 Greek destinations on average included)
- Total economic impact: € 913 million in 2017 (of which € 546 were direct expenditures) creating a total of 10.721 jobs
- The Greek cruise network comprises of 56 ports (10 primary and 46 secondary)
- In 2019, 3.899 cruise vessels and 5.537.500 passengers visited those ports





Cruise network mapping in Greece

Mapping of itineraries (Apr-Dec 2019)

- 277 unique legs identified included in 829 itineraries provided by 28 cruise companies operating in the MED and East-MED region
- 94.6% MED cruises, 5.4% world cruises, less than 0.1% cruises within Greece

Connecting regions

Main: Adriatic, East and West MED

Secondary: Western Ionian, East South MED, Red Sea and Black Sea

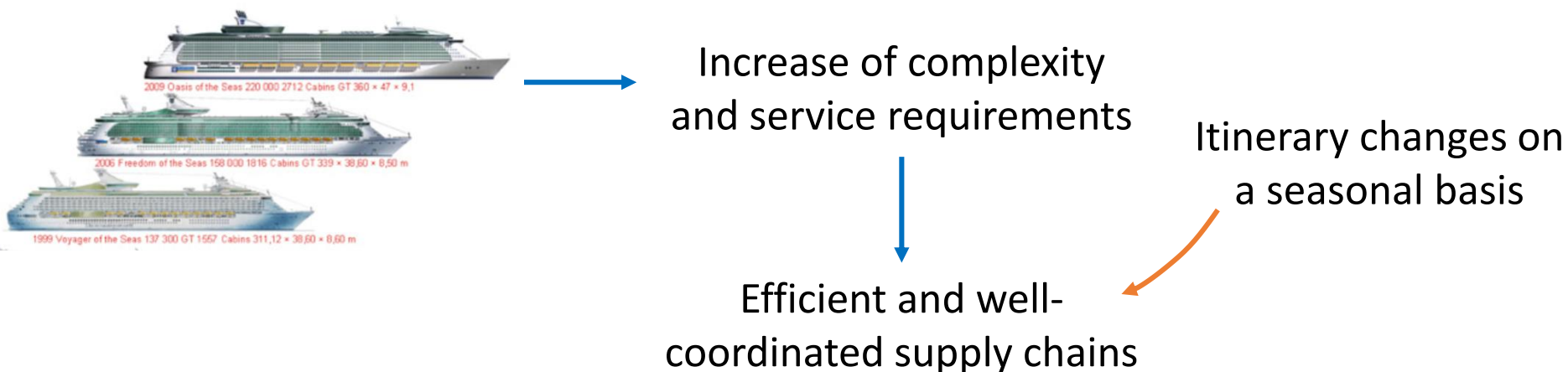
Intra-connectivity: connections between 42 cruise ports in Greece identified

**Network to be expanded in 2020 (333 unique legs in 891 itineraries), but multiple cancellations made due to COVID-19*





The cruise supply chain (1/2)



Decision making factors

Cruise product

Geographical area of operation

Costs

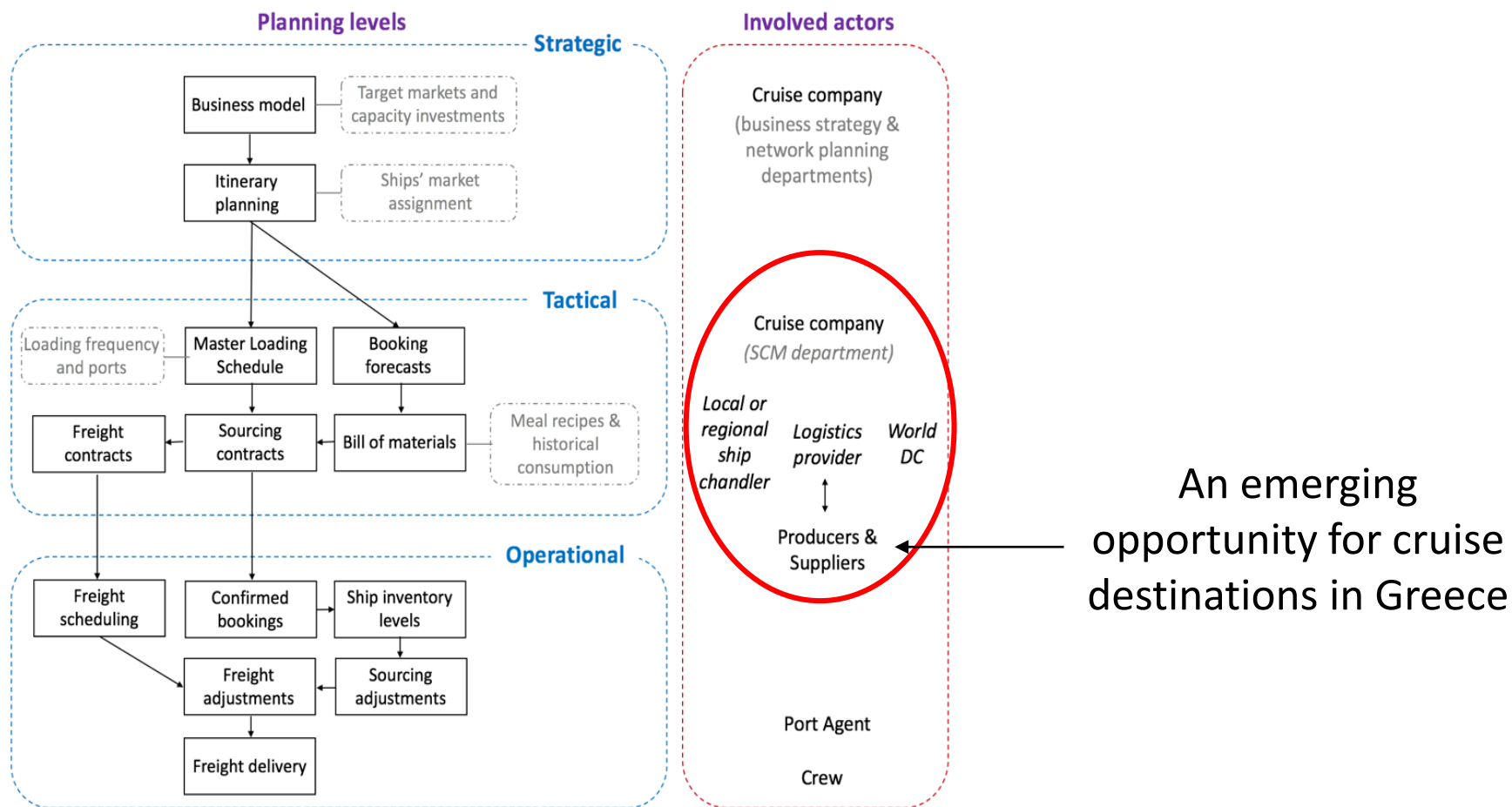
Characteristics of the cruise company

Passengers' profile and preferences

Other factors



The cruise supply chain (2/2)

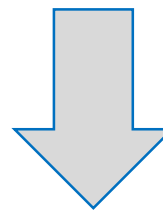




An emerging opportunity for cruise destinations in Greece



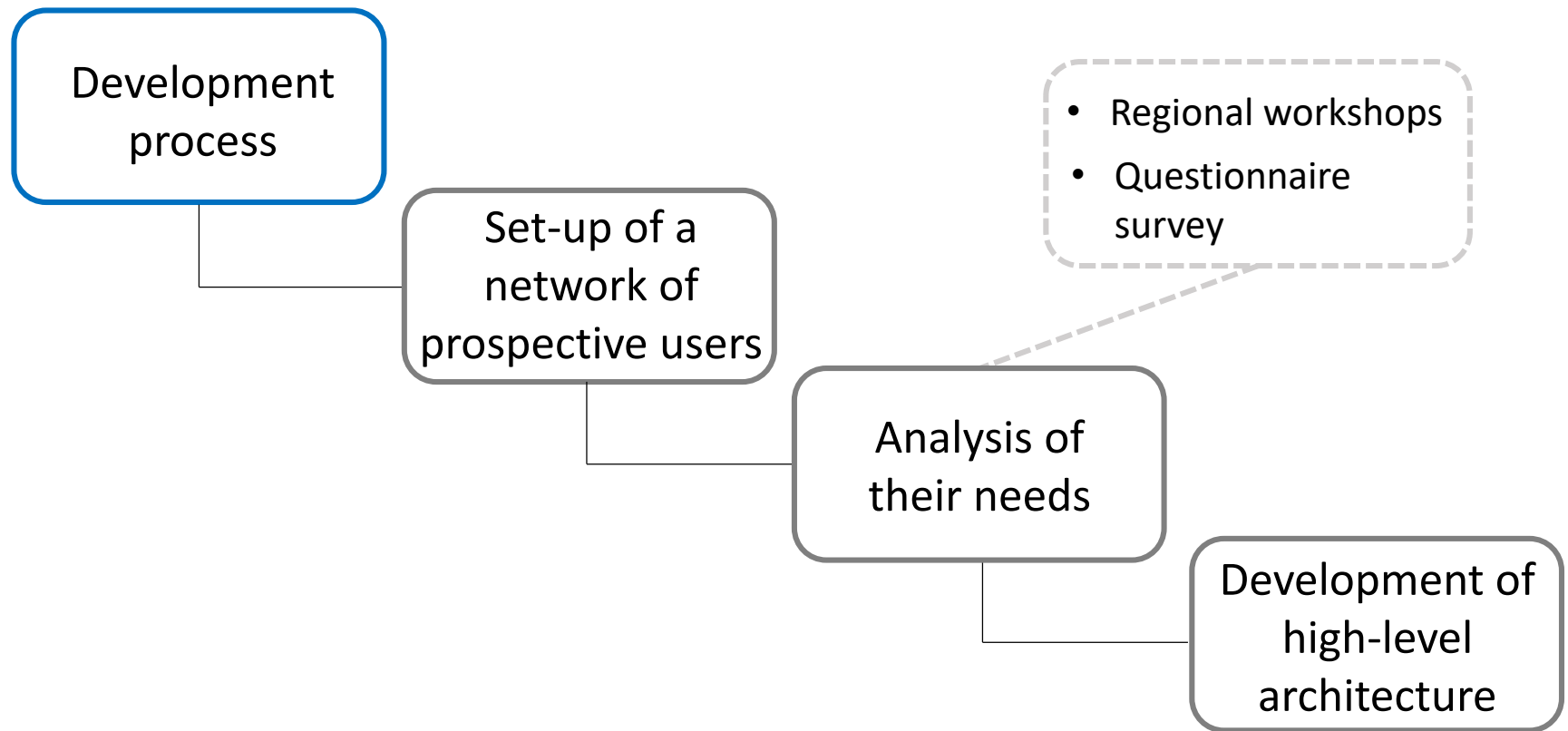
Add a 'tasting' experience at cruise destinations of Greece by promoting to cruise passengers, and integrating into cruise supply chains, local products which are unique and of incomparable quality



Local producers / suppliers should be better connected with cruise companies



A platform solution for integrating local products into cruise supply chains





Feedback from regional workshops

Info

- Three regional workshops held in Rhodes, Chios & Chania during May – June 2019
- 10-12 representatives on average from the key stakeholder groups targeted participated in each workshop

Feedback

- Concept positively evaluated. Certain requirements to be met were expressed:

Cruise companies

- Offer of high-quality products (relevant standards & certificates provided)
- Detailed information on every product available (origin, weight, packaging, etc.)
- Orders processed and delivered on time

Local producers / suppliers

- Setting of time windows for ensuring that there is adequate time to process and deliver an order on time
- Users of the platform should be able to evaluate users that they have partnered with, highlighting any under-performance, problems, etc.



Sharing of information with port authorities



Feedback from questionnaires (1/2)

Info

- Questionnaire developed for each stakeholder category
- 14 multiple-choice questions addressing key functions of the platform
- 43 responses from local producers / suppliers and 13 from cruise companies (Jan-Feb 2020)



Based on feedback received from the regional workshops

Feedback

Users' registration	<ul style="list-style-type: none">• Central account preferred over multiple ones connected to one profile
Users' profiling	<ul style="list-style-type: none">• Profile information to be manually inserted into the platform
Products	<ul style="list-style-type: none">• The platform should mostly facilitate the supply of food and beverages• For each product, an analytical description of its characteristics should be provided, along with the available volume, packaging details and place of origin• Products should be categorized per type and port of call, while a free-text search function should also be offered
Order placing & processing	<ul style="list-style-type: none">• Cruise companies should place their orders and local producers / suppliers can then provide their economic offer. Cruise companies will then examine all offers and select the more preferable.



Feedback from questionnaires (2/2)

Feedback

Order
placing &
processing

- Product standards / certificates will be provided to the platform by the local producers / suppliers. The platform administrator will be responsible to check. Cruise companies can request additional certificates in necessary.
- Once an agreement for an order is established, direct communication between the two parties should be facilitated
- Specific time windows should be set ensuring that local producers / suppliers have enough time to process each order and deliver it on time.

Evaluation
of users

- The platform should require users to evaluate the ones with whom they have partnered with.
- Certain aspects should be evaluated and an overall score should be given to users. Both information will be visible to all platform users.
- Under-performing users (considering a specific number of evaluations) will be given a warning or penalty



Conclusions and future steps

Setting of the platform's high-level architecture



Start the development process (following the SCRUM framework)



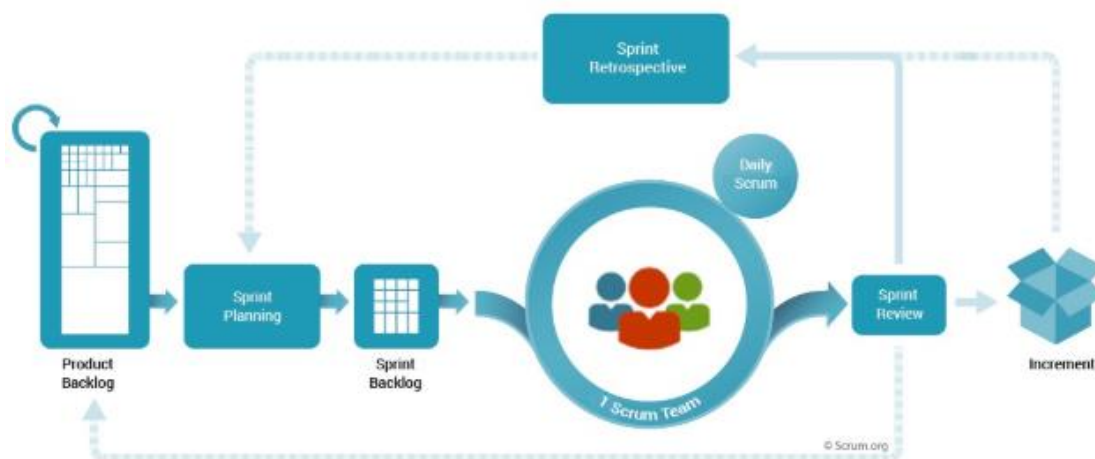
Pilot-test and evaluate the platform in selected cruise ports of call



Address evaluation comments and produce final version of the platform



Set-up the platform's business strategy and marketing plan, selecting also an appropriate governance model



Thank you for your attention !!

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