

## FEATURES OF TOUR PRODUCT DEVELOPMENT FOR SHORE-EXCURSION SERVICES FOR CRUISE SHIP PASSENGERS

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**Introduction.** The cruise industry is one of the most dynamic and promising segments of tourism, combining the benefits of recreational, educational, eco-friendly and sports tourism.

Since 1980, the industry has recorded steady growth (an average of 7% per year), despite economic cycles of growth and decline. According to MedCruise, the global cruise industry reached 27.5 million passengers in 2016, up from 11.1 million in 2002, representing a 148% increase in 15 years [1].

This has been made possible by continuous innovative improvements to cruise ships, increasing their size and capacity [2], the trend towards gigantism, and the realisation of growing economies of scale.

The growing demand for cruise tourist products among consumers is explained by the high level of comfort on board, the possibility of realising various motives and goals of tourism (cognitive, business, educational, etc.), and the possibility of a full holiday with a full range of life support.

The key factors contributing to the growth of the global cruise industry are:

- globalisation;
- construction of large tonnage and passenger capacity ships with the widest possible range of onboard services, on the one hand, and construction of smaller ships with increased comfort, on the other hand;
- construction of special cruise ships (expeditionary, sailing, etc.);
- development of new and improved sea cruise routes;
- digitalisation of cruise tourism, use of innovative means of communication and modern information technologies;
- a wide range of active entertainment programmes on board cruise ships;
- increase in the share of first-year passengers, i.e. those who will visit the cruise for the first time [3, p. 295–296].

The COVID-19 pandemic has been a real challenge for the industry, as the cruise business has almost completely shut down in 2020 and 2021. However, already in 2021, the total global cruise industry is estimated at USD 23.8 billion, which is an increase of 81.8% compared to 2020 and a decrease of 52.9% compared to 2019 [3, p. 295].

In 2022, the total number of cruise passenger traffic in MedCruise ports reached 24.13 million, which is 310% more than in 2021 [4]. This indicates the revival of the industry in the world, which means that today the study of the cruise ship service process in ports of call is relevant.

**Analysis of recent research and publications.** The cruise tour product and the peculiarities of its development are considered in the works of the following foreign scholars: Whyte L.J., Packer J., Ballantyne R. [5], Lopes M.J., Dredge D. [6], Xiaodong Sun, Robert Kwortnik, Meihua Xu, Yui-yip Lau, Rongxin Ni [7], Papathanassis A., Beckmann I. [8], Theo Notteboom, Athanasios Pallis and Jean-Paul Rodrigue [9], Hirohito Ito, Shinya Hanaoka, Tomoya Kawasaki [10]. Much attention to the development of the tour product was also paid by domestic authors, such as: Silvanska G.N., Karp G.V. [3], Antonenko I.Y. [12], Sagalova N.O. [13] and others.

However, an analysis of the literature shows a significant gap in this area. Usually, the literature is devoted to the attractiveness of cruise destinations, analysis of the cruise market, prospects for its development, etc.

This study tries to contribute to filling this gap by highlighting the multifaceted attributes of forming a tour product for shore-excursions services and organizing effective operational activities for its implementation.

**Objectives of the article.** The purpose of the article is to clarify the essence and features of the tour product development of shore-excursion services for cruise ship passengers in ports of call.

**The main material of the study.** The cruise product combines onboard services and shore excursion services for tourists at ports of call. When designing new ships, cruise lines are constantly working to improve it in order to enhance the tour product [5]. However, the cruise route and the proposed tour product at the ports of call are of no less importance to tourists. It is safe to say that the cruise industry sells routes, not destinations.

A cruise product is a combination that includes a ship as well as an itinerary that includes ports of call along the way. In fact, the tour product of shore-excursion services for cruise ship passengers at ports of call is a central element in the choice of a cruise product by consumers [6]. In this context, cruise lines, tour operators and port cities are interested in creating a high-quality tour product for shore excursions that will satisfy the needs of consumers to the maximum. Shore excursions play two key roles in tourism:

- cruise lines offer shore excursions to differentiate their product proposition and increase their own revenue;
- tour operators and port cities offer shore excursions to strengthen the destination's brand image within cruise itineraries and to promote the destination for repeat visits by cruise passengers or as a future stopover option.

Shore excursions are thus an important element of the cruise tour product, reflecting the attractiveness of the cruise itinerary and, as a result, influencing the overall cruise experience.

Therefore, it is important to investigate what the most important characteristics of such a tour product should be and what should be the shore excursion service for cruise ship passengers in ports of call.

First, we will analyse the main approaches to the definition of the term «tour product».

According to Article 1 of the Law of Ukraine «On Tourism» [11], a tour product is a pre-designed complex of tourist services that combines at least two such services, which is sold or offered for sale at a certain price, which includes transportation services, accommodation services and other tourist services not related to transportation and accommodation (services for organizing visits to cultural, recreational and entertainment facilities, selling souvenirs, etc.)

A tour product is an offer that is united around a set of services that should meet the needs of consumers to the fullest extent possible by acquiring new characteristics that differ from those of each individual service. From the standpoint of the value approach, a tour product can be viewed as a set of services aimed at restoring the physical and emotional health of a tourist [12, p. 11].

This definition assumes the presence of only services in the product and does not actually take into account goods as elements of the tourism product, without which, as a rule, the implementation of the tour is impossible. Both domestic and foreign authors in the package of a tour product, along with intangible components (services), also distinguish material components (goods) necessary to meet the needs of the tourist during the trip [13, p. 30].

Any tour product includes up to 40% of materialized goods (e.g., tourist meals) [14, p. 41].

When describing a tour product, it is also important to take into account tourism and recreational resources, which are the basis of consumer choice of tourists and form the purpose of a trip to a particular region.

A tour product is determined by its use value, i.e. the ability to meet certain recreational needs of people. Tour operators should create a tour product that would be of maximum value to the cruise line's market segment.

The tour product of shore-excursion services for cruise ship passengers is a set of basic and additional services provided to tourists in the ports of call of a cruise ship.

The tour product of shore-excursion services reflects the transformational processes in tourism, namely: changes in the needs of modern tourists, which require not only new experiences, but also the implementation of the educational function; internationalization of the product, which is manifested in the growth of the number of ports of call within a typical route, etc.

The development of new tour products is an important element of a tourism operator's business. The effectiveness of such activities depends on the following factors:

- qualifications and experience of the company's personnel;
- proper organization of the analysis of the state of the tourism services market;
- the volume and condition of tourist and recreational resources.

However, the development and introduction of new tour products to the market is accompanied by certain elements of risk. It is estimated that in the services market, about 20% of new products that have entered the commercial development stage fail. Possible reasons for such failures include:

- incorrect identification of the cruise line's needs;
- incorrectly selected target audience;
- incorrect positioning of a new tourist product;
- miscalculations at the stage of developing a new tourism product;
- selection of unreliable partners – service providers;
- overpricing or underpricing;
- underestimation of competitors' capabilities.

Another feature of the development and introduction of new tour products to the market is a high degree of market uncertainty. However, the development and launch of a new tour product enables a tour operator to achieve the following goals

- increase sales volumes
- increase profits;
- gain a certain market share;
- create and maintain the image of an innovative enterprise.

In the process of developing a new tour product, a tour operator needs to determine

- ultimate and intermediate goals;
- tactical actions that will ensure the achievement of the goals;
- means and ways of solving these problems (technologies and sequence of actions aimed at creating a new tour product, as well as the resources required for this);
- possible revenues and expenses for the development of a new tour product, assessment of the economic efficiency and feasibility of its development.

The process of developing a new tour product consists of the following main stages:

1) Analysis of the market of tourist services and main suppliers in it – at the first stage, it is important to investigate the state of the incoming tourism market in the country and the main and new suppliers of the tourism industry, i.e., catering, entertainment, educational, business, health, sports and other facilities [15]. It is necessary to carefully analyze the activities and offers of competitors.

2) Idea generation – based on the first stage, it becomes possible to form an idea of the future tour product, its quantitative and qualitative properties. It is advisable to check the idea from the point of view of the future product's compliance with consumer needs, its ability to meet the needs of the target audience and ensure a high level of demand.

3) Development of the tour product concept – the generated idea is filled with concepts that are meaningful to the consumer, i.e., the tour product acquires specific properties that meet the needs of the target market. At this stage, the route and tour programme are formed, and the list of services is determined.

4) Formation of a tour product – this stage involves working with service providers, on the basis of which adjustments are made to the route and tour programme. An economic analysis of the tour product is carried out, i.e. the cost is calculated, the potential sales volume is estimated and the possible profit is determined.

5) Formation of a tour product proposal for a cruise company – filling in the cruise line's forms, writing a cover letter demonstrating the uniqueness of the offer.

Accordingly, the cruise company will cooperate with a travel operator whose shore-excursion product meets the company's requirements for quality of service, is in demand among cruise ship passengers and will satisfy their needs to the fullest extent possible.

It is possible to summarize the following requirements of cruise lines to the tour product of shore-excursion services:

- safety (the tour operator's responsibility for a high level of health and safety of cruise ship passengers throughout the shore excursion);
- comfort (satisfaction of needs for transportation, food, etc. at a level not lower than that provided on board the cruise ship);
- ergonomics (compliance of the tour product with the physiological and psychological needs of tourists);
- category compliance (all components of the tour product must correspond to the proposed class of service);
- sufficiency of the service (organization of shore excursion services for cruise ship passengers in ports of call must be carried out in full and in strict accordance with the declared tour product).

Cruise lines are very careful in selecting a tour operator, assessing in detail the level of competitiveness of the provided travel offers. Cruise line representatives usually carefully analyse the tourism market of a par-

ticular region and set out their requirements for the tour product. Tour operators compete with each other for the right to be nominated as the official tour operator of a cruise line by participating in a tender. The business reputation of the tour operator plays an important role. It should be noted that a product with a more favorable price-quality ratio will be a priority for a cruise company. A tour product gains advantages not only due to the high quality of service at the lowest market price, but also due to the individual, unique nature of the offer.

Tour operators are responsible for the quality of the tour product, and for this purpose they choose reliable partners who help them make the tour product better than their competitors. In order to create an attractive price for a tourism product, it is also necessary to work with partners to conclude mutually beneficial agreements.

The process of selecting a tour operator in the port of call by a cruise line consists of the following stages:

1) The cruise line announces a tender for shore excursion services – it sets requirements for the tour product and the tour operator (insurance, experience, etc.).

2) The tour operator has to submit its proposal within a certain period of time in special cruise company forms, which usually require full information about the tour product – the duration of the tour, detailed timing with the distance to be covered by tourists, the number of stops at the sites visited, the possibility for guests with disabilities or various health problems to participate in the tour, a description of the tour, the uniqueness of the tour, a list of things that guests should take with them on the tour, recommendations and restrictions on clothing, etc. Tour operators also have to provide detailed information about their company (management data, constituent documents, insurance policy, etc.), and inform about their experience in providing shore excursion services to cruise lines.

3) After the cruise line nominates a tour operator at the port of call, an agreement is concluded between the parties, usually for 2-3 years.

When all the organizational issues between the cruise line and the tour operator are agreed upon, the sale of tours begins. Tourists can buy them at the same time as they buy a cruise, or on board the ship during the trip. The cruise line informs the tour operator on a weekly basis of the number of tours sold so that the latter can book the required number of guides, vehicles, etc. in advance. The general practice of stopping the sale of shore excursions is 24 hours before the start of service at the port of call. However, there are exceptions to the rule due to the requirements or certain restrictions of some service providers, so a different deadline for the sale of shore excursions may be set.

Given the fact that cruise ship calls take place during the high tourist season, reservations for tour guides, interpreters, transport and all sites of visit are made at the beginning of the calendar year based on the pre-agreed start time of the tours and the planned number of groups.

The tour operator should provide the cruise line with information on the minimum and maximum number of tourists who can attend the tour at the same time. The peculiarity of providing shore-excursion services to cruise ship passengers is that it is necessary to provide excursion services to a large number of people at the same time, and the capacity of many of the objects of visit is limited. Accordingly, the issue of tour logistics is of great importance. To ensure maximum tour capacity, the tour operator develops two or three different routes for each tour or offers an additional tour start time.

**Conclusions.** Thus, the study has found that a cruise product comprises both a vessel and an itinerary with designated ports of call. Notably, the provision of shore excursion services for cruise ship passengers at these ports of call plays a pivotal role in influencing consumers' selection of a cruise product. The tour product of shore-excursions services for cruise ship passengers in the ports of call is one of the main components of the cruise product, as it reflects the attractiveness of the cruise route and, as a result, affects the overall travel experience.

The basis of the tour product is the availability of tourist and recreational resources at the port of call as they form the purpose of a trip to a particular region. Creating a new tour product involves several key stages, including: analysis of the market of tourist services and main suppliers in it; idea generation; development of the tour product concept; formation of a tour product; formation of a tour product proposal for a cruise company.

The task of the tour operator is to create a tour product that will be of maximum value to the target audience of the cruise company. Tour operators bear the responsibility for the quality of their tour products, and to achieve this, they select trustworthy partners who contribute to enhancing the tour product relative to competitors. Collaborating with partners to establish mutually beneficial agreements is essential in crafting an appealing pricing strategy for the tourism product.

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JEL L83

**Natalia Remzina**, Candidate of Economic Sciences, Senior Instructor at the Department of Entrepreneurship and Tourism, Odesa National Maritime University. **Features of tour product development for shore-excursion services for cruise ship passengers.**

In the article the main approaches to the definition of the term "tour product" and "tour product for shore-excursion services for cruise ship passengers" are analysed. The article presents the process of development of a new tour product, which consists of the following main stages: analysis of the market of tourist services and the main suppliers in it; idea generation; development of tour product concept; formation of a tour product; formation of a tour product proposal for a cruise company. The requirements of cruise companies to the tour product for shore-excursion services are summarized. The main stages of the process of selection of a tour operator in the port of call by a cruise company are indicated. This approach to partner selection demonstrates the importance of close cooperation between cruise lines and tour operators in achieving a high standard of service and competitiveness in the cruise tourism market.

**Key words:** cruise tourism, tour product, tour operator, cruise line, shore excursions.

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Стаття присвячена дослідженню особливостей розробки туристичного продукту з берегового екскурсійного обслуговування пасажирів круїзних суден. Зазначено, що станім часом спостерігається збільшення інтересу до круїзних подорожей, що робить цей сегмент туристичного ринку особливо значущим. Розглянуто вплив пандемії COVID-19 на круїзну індустрію. Виявлено, що спостерігається стрімке відродження галузі в світі, тобто сьогодні дослідження розробки туристичного продукту з берегового обслуговування пасажирів круїзних суден в портах заходу є актуальним. Зазначається, що круїзний туризм стає все більш популярним, тому вивчення особливостей розробки та покращення туристичного продукту може сприяти його подальшому розвитку. Проаналізовано основні підходи науковців та законодавців до визначення терміну «туристичний продукт» та «туристичний продукт з берегового обслуговування пасажирів круїзних суден». Визначено фактори ефективності розробки нових туристичних продуктів, а також виявлені можливі причини невдач при розробці та впровадженні на ринок нових туристичних продуктів. В статті надається процес розробки нового туристичного продукту, який складається з таких основних етапів: аналіз ринку туристичних послуг, а також основних постачальників на ньому; генерування ідей; розробка концепції туристичного продукту; формування туристичного продукту; формування пропозиції з туристичного продукту для круїзної компанії. При розробці туристичного продукту також важливо враховувати наявність туристично-рекреаційних ресурсів в певному регіоні, адже здебільшого саме вони визначають споживчий вибір туристів та формують мету подорожі. Узагальнено вимоги круїзних компаній до туристичного продукту з берегового обслуговування пасажирів, такі як безпека, комфортність, ергономічність, категоріальна відповідність, достатність послуги. Зазначено, що туристичні оператори несуть відповідальність за якість туристичного продукту, для цього вони обирають собі надійних партнерів, які допомагають робити туристичний продукт кращим, ніж у конкурентів. Зазначаються основні етапи процесу вибору круїзною компанією туроператора в порту (портах) заходу. Цей підхід до вибору партнерів свідчить про важливість тісної співпраці між круїзними компаніями та туроператорами у досягненні високого стандарту обслуговування та конкурентоспроможності на ринку круїзного туризму.

**Ключові слова:** круїзний туризм, туристичний продукт, туроператор, круїзна лінія, берегові екскурсії.