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## Hurtigruten: Sailing into Warm Water?

In April 2019, Daniel Skjeldam – the chief executive of Hurtigruten, a storied Norwegian ferry and cruise operator – met with the company’s private owners to discuss a fork in a road, depicted in a PowerPoint slide he showed the owners (**Exhibit 1**). One path led Hurtigruten to “continue to be a polar specialist.” The other led the company to “build multi-region expedition expertise.”

Hurtigruten’s journey to this fork had been eventful. From its founding in 1893 until the present day, Hurtigruten had dominated a particular business: ferrying passengers and cargo up and down the rugged Norwegian coast. The coastal service made Hurtigruten a national icon, but the company faced persistent financial struggles. Only government support allowed it to survive during the 1990s and 2000s.<sup>1</sup> At the lowest point, in 2008, Hurtigruten had so little cash that it could not pay for fuel at its home port.

Skjeldam joined Hurtigruten in 2012 with a charge to save the company. He and his team revived Hurtigruten’s coastal transport business and then expanded aggressively into a different line of business: sailing tourists on expedition cruises in the Arctic and Antarctic regions. By 2018, Hurtigruten was the world’s leading provider of polar expeditions and turned a record operating profit of \$78 million, up from \$9 million in 2012.

As Skjeldam was meeting with the owners in 2019, Hurtigruten was in the midst of launching its new flagship, the *Roald Amundsen*. The *Amundsen* differed from most polar cruise vessels in two ways. First, it carried 500 passengers whereas most polar-bound ships carried 100 to 200. Second, it was the first cruise ship equipped with environmentally friendly hybrid engines and large battery packs.

With Hurtigruten’s revival and the launch of the *Amundsen* came the fork depicted in the slide. Down one path, Hurtigruten could remain a polar specialist in its expedition business. After all, a growing number of tourists appeared to want to see the polar regions before climate change altered them forever. But competitors were rapidly committing to build new, ice-worthy ships. By 2024, the world’s shipyards would produce at least 30 new polar-class cruise ships, more than doubling global capacity. The fast expansion of others’ polar capacity, as well as growing demand for adventure cruises far beyond icy realms, were among the reasons Skjeldam eyed the other path: expanding from the polar regions and offering expedition cruises in warmer places like the South Pacific, Australia, and Africa’s coasts.

Should this Norwegian company try to compete and win in warm waters, where many other companies already operated? Skjeldam reflected:

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Deciding which regions to sail to needs to be made up to three years in advance. In effect, it means defining the product you will sell and, to a large extent, the customer base and costs of operations, with limited data available. With over \$1 billion in capex planned in the next five years and a large increase in competition forecast, this decision will determine Hurtigruten's success for the next ten years.<sup>2</sup>

## The Long Heritage of “the Fast Route”

**Early days** Hurtigruten's heritage was rooted in Norway's geography, which had long made transportation a challenge. Much of the nation's population lived in towns and cities along a beautiful but treacherous western coast that stretched 780 miles between Bergen in the south and Kirkenes above the Arctic Circle (**Exhibit 2**). Historically, inland routes did not exist or were unreliable in the long, dark winter.

In 1893, Norwegian industrial pioneer and shipping magnate Richard With convinced Norway's government to contract with his steamship company, Vesteraalens Dampskibsselskab (VDS), to provide year-round, scheduled passenger and cargo service up and down the coast.<sup>3</sup> Government subsidies plus passengers' fares and cargo fees allowed VDS to make money even though it served ports too small to break even on fares and fees alone. The name “hurtig ruta,” Norwegian for “the fast route,” was attached to the service that connected the country's coastal towns and cities. The route was indeed fast: mail that had taken five months to deliver via roads in past winters could reach small towns in days by boat.<sup>4</sup>

Nearly from the founding of the route, VDS saw tourists as a key market for the coastal service. Early on, brochures in multiple languages touted the beauty of the route.<sup>5</sup>

Richard With's ambitions extended beyond mainland Norway. In 1896, With shipped a prefabricated hotel to Svalbard, a Norwegian archipelago halfway from mainland Norway to the North Pole, and established steamer service to take adventurous tourists and sportsmen from the mainland to Svalbard.<sup>6</sup> Although VDS occasionally explored adventure travel far from Norway's mainland, coastal operations, supported partly by the government, remained the company's focus.

By 1936, the company had 14 ships sailing the coastal route, one leaving Bergen each day for the 11-day round trip with 34 ports of call.<sup>7</sup> Much of the fleet was sunk during World War II,<sup>8</sup> but VDS and competing shipping companies rebuilt the route after the war. In the 1960s, as rail, air, and road transport in the region improved, VDS saw a drop in passengers and freight, and its fleet aged.<sup>9</sup> In the 1970s, the fleet received an upgrade, and a revamped approach to marketing drew more tourists. By the 1990s, the beautiful “fast route” was a source of national pride, and the contract that the government continued to pay to support the coastal route was considered lucrative.

Subsequent years saw two important trends. First, VDS launched a few cruises far from Norway – for instance, to Chile and Antarctica in 2002.<sup>10</sup> Second, a series of mergers among the leading coastal shippers culminated in a 2006 union of the successor firm to VDS, based in Narvik, and its leading competitor: TFDS, a shipping and transport company based in Tromsø. (Narvik was 150 kilometers from Tromsø and 1,000 kilometers from Oslo.) In 2007, the merged company formally registered its name as Hurtigruten ASA.

**Troubled years** Skjeldam assessed the 2006 merger and its aftermath:

It was the merger of two very, very weak companies. As a result of prior mergers over the years, owners in the company were local counties, local banks, and a lot of small investors. Owners and management had, over time, not really cared about the health and wellbeing of the companies they owned and led. They cared more about where people came from and where the headquarters was located. Then after the 2006 merger, all hell broke loose. No one really wanted to take on the unpleasantness of doing a proper integration.<sup>11</sup>

Two headquarters, in Narvik and Tromsø, remained open. Bureaucrats and other land-based personnel clashed with ship captains, who were unsure where to call for support. “If a captain called Tromsø for help,” Skjeldam said, “the odds were good that Narvik would call them up and yell at them.” With systems and processes left over from the pre-merger companies, customers could find it hard to purchase a trip. The low priority placed on customer happiness was reflected in an onboard experience that one traveler reported from 2011: “I asked to buy a chocolate bar in the café, and the café lady said, ‘No, you can’t have that chocolate bar.’ When I asked, ‘Why?’ she said, ‘It was too popular so we got rid of it.’”<sup>12</sup> Obligated to visit all 34 ports every day, even when its ships were relatively empty, Hurtigruten endured brushes with bankruptcy during periods of low demand, like the 2008-2009 recession. Commitments of additional government support allowed Hurtigruten to survive each near-bankruptcy.<sup>13</sup>

**New leadership** In October 2012, Hurtigruten’s board hired Skjeldam as CEO, the fourth in eight years. Born in Trondheim (on the route), Skjeldam had studied economics and business administration, completed his military service as an officer, and worked as a consultant. In 2002, he joined the start-up team of low-cost airline Norwegian Air, where he rose to be chief commercial officer. Skjeldam recalled keeping his eye on Hurtigruten for years: like Norwegian Air, he thought, Hurtigruten could tap into the public’s desire to travel. “At Norwegian, I worked on sending people to places they had no idea they wanted to go to, because the price was low,” he recalled. All in all, Skjeldam felt, “Hurtigruten was a diamond with a lot of dust on it.”<sup>14</sup>

Skjeldam spent his initial days at Hurtigruten visiting the ships and land-based operations. He observed a company where land-based executives in suits looked down on, and ordered around, the ship personnel; where executives flew business class and always had the newest Apple iPhones; where many employees pointed to the government contract as evidence that the company was not truly in trouble; where procurement personnel made large purchases but rarely asked for volume discounts; where two headquarters battled with one another; and, where a subsidiary had chartered a ship to an outside company but could not collect payment because, as Skjeldam noted, the contract “had been written on a napkin, and I couldn’t find the napkin.”<sup>15</sup> All in all, it seemed that few in Hurtigruten saw a need to change the company’s course, despite the fact that it was losing money.

In response, Skjeldam spent time on the ships and ate with the crew, never in a suit; had executives switch to cheap air tickets and use inexpensive company smartphones (or buy their own expensive phones); communicated in stark tones about how close the company was to bankruptcy; instructed everyone to negotiate hard with vendors; and shut down the Narvik office. When the firm announced the Narvik closure, Skjeldam was summoned to Norway’s Parliament. “They yelled at me for 60 minutes,” he said, but the office closed nonetheless.

Given Hurtigruten’s financial condition, Skjeldam could not afford at first to make significant investments. “So we focused on the soft side of our product,” he said. “We improved the food offering. We went from frozen pizza to an award-winning kitchen. We started sourcing local produce from all

the ports on our routes, which also allowed us to tell great stories. We could point out to guests the fisherman who caught the fish they were eating.”<sup>16</sup>

Skjeldam also rebuilt his management team. From the 12-person team he inherited, only one person, Asta Lassenes, remained in 2019. Lassenes had been Hurtigruten’s CFO since 2012, and Skjeldam appreciated her command of the facts and her directness. In Skjeldam’s first weeks on the job, Lassenes presented the company’s financials to him. He recalled, “I looked at Asta and I said, ‘We’ve got to do something serious. Now.’ And she said, ‘I was just waiting to see how long it would take before you got to this realization.’”<sup>17</sup> Unlike Lassenes, most of Skjeldam’s team members came from outside Hurtigruten—for instance, from Norwegian Air, McKinsey, and the Norwegian Parliament.

**The “explorer” strategy** By the summer of 2013, Hurtigruten’s cash situation had stabilized, and the new team’s attention shifted to growth. The team’s aim was to reduce its dependence on the government contract for local transport, even though Hurtigruten had recently won the contract through 2019. “Our main ambition was to be completely independent,” Skjeldam explained, “so that when the next contract came out for tender, we could say, ‘Let’s not bother with it.’”<sup>18</sup>

The leadership team’s initial focus was on shifting the company’s mentality on the Norwegian coastal route from being a ferry to offering tourists a Norwegian expedition. Skjeldam explained, “No one had focused on selling expeditions before. We started selling harder, pricing up, and improving the product and service quality. We started telling the company’s story differently.”<sup>19</sup> The team evaluated the well-known coastal ports with an eye towards creating more of an experience around each stop, connecting passengers with local traditions through tours, and adding adventures such as outings on snowmobiles and in kayaks. “We gradually moved the public’s perception of the company,” said Lassenes, who by 2019 was Hurtigruten’s Chief Commercial Officer. “We came to be seen as an expedition company, not a state-subsidized ferry.”<sup>20</sup>

Next, Hurtigruten ventured further from Norway, more often. For instance, the company bought a small cruise ship, originally outfitted for the Azores, and placed it on the Norwegian coastal route so that a much larger ship, the *MS Midnatsol*, could be redeployed from Norway to Antarctica. The *Midnatsol* thereby became the world’s first 500-bed vessel to offer Antarctic expeditions. Skjeldam explained the lure of the expedition experience:

We started telling the stories for the expedition experience. I explained this to our staff with the idea that you can have different kinds of gin in gin & tonics. You can have Gordon’s, which is very, very cheap but nasty. You can have Beefeaters, which is much better. You can have Hendricks or Tanqueray. But what happens if we serve our guests a gin & tonic with ice cubes from the glaciers? Then you’re sitting on the deck drinking your gin & tonic with the rain that fell in this area 5,000 years ago. Don’t you think people would pay more for that?<sup>21</sup>

EBITDA climbed. (See **Exhibit 3** for financial results.) By 2014, Hurtigruten’s Board embraced the “explorer strategy”—an increasing emphasis on expedition cruises in polar waters away from the Norwegian coast—and agreed to think about building new ships to support the strategy. The financial improvements and building plans enabled an ownership transition: in 2015, Hurtigruten was delisted from the Oslo Stock Exchange and bought by private equity firm TDR Capital, fetching 12 to 14 times EBITDA<sup>22</sup> and about 80% above the share price at the time. Jon Rosen, a partner at TDR, explained the firm’s interest in Hurtigruten: “We are believers in the adventure travel trend whereby people look for more unique experiences and more cultural content as well as being active in their free time. We think that is a growing space [. . .]. The brand is under-recognized in the United States and Asia. It is a brand and a heritage that ought to be much wider known. It is about once-in-a-lifetime experiences.”<sup>23</sup>

Growth in the wake of the ownership change gave Hurtigruten, by 2019, more polar capacity than any other expedition cruise company.

## The Market for Expedition Cruises

**Offerings** The business into which Hurtigruten had expanded – the polar segment of the market for expedition cruises – was much different from the market for conventional cruises. The differences started with the ships themselves. A conventional cruise ship carried thousands of guests and hundreds of crew members. Indeed, the largest ship – Royal Caribbean’s *Symphony of the Seas*, built at a cost of \$1.35 billion – could accommodate 6,687 guests and 2,200 crew on 16 decks.<sup>24</sup> In contrast, the typical *expedition* cruise ship carried 150 guests and 75 crew and cost roughly \$120 million to build.

Conventional cruise ships could make port only at dedicated, massive docks. Accordingly, conventional cruises focused on onboard activities. The *Symphony of the Seas*, for instance, featured theatrical performances, ice skating, mini golf, fitness and dance classes, laser tag, a zipline, a casino, cooking classes, pools, a surf simulator, dozens of restaurants and bars, and so on.<sup>25</sup>

Expedition cruise ships, in contrast, were designed to allow passengers to explore off-the-beaten-track locations such as the Galapagos Islands, Australia’s Kimberly Coast, Alaska, or Antarctica. Getting off the ship, via inflatable motorboats or kayaks for instance, was central to the experience. Onboard amenities were typically limited though luxurious and might include observation decks, lounges, and a science lab, for example. On expedition cruises, lectures by staff scientists were more common than casino nights. **Exhibit 4** shows the itinerary for a 19-day expedition cruise to Antarctica.

Expedition cruise lines had evolved over time. Expeditions to the polar regions, for instance, had started in the 1990s when surplus icebreakers from the former Soviet Union were repurposed for paying passengers.<sup>26</sup> Amenities on such ships were limited. By 2019, the industry had transitioned to purpose-built and much more luxurious vessels.

**Passengers** The typical passenger on an expedition cruise was in his or her 50s or 60s, educated, affluent, active, and able to leave the world behind for two or three weeks. He or she valued comfort but was also eager to have a genuine adventure in a unique destination that would provide “Instagram moments” worthy of posting on social media. Most passengers were eager to see wildlife, learn about nature, and visit native communities. Many appreciated the adrenaline that might come from kayaking, paddle-boarding, or hiking in places that virtually no one else could visit.

Many alternatives – cruises and other leisure activities – vied for the disposable income of expedition passengers. To choose among the many options, passengers relied on the reports of fellow travelers, on online information, and on travel agents. Indeed, travel agents accounted for about 70% of cruise industry bookings and charged commissions averaging 10%. Cruise companies were investing heavily both to sell directly to passengers and to serve travel agents. Industry observers were split: some anticipated more direct sales, while others expected the portion of cruises booked through agents to trend slightly upward, with passengers especially likely to use agents for complex trips, expensive travel, and new experiences.<sup>27</sup> Passengers tended to plan ahead: most berths were booked nine months before an expedition cruise left the dock.<sup>28</sup>

Industry observers were split on how loyal passengers were to a given cruise brand. Some felt that passengers tended to stay with brands they knew and trusted. Others believed that most passengers would eagerly travel with a reputable brand they had never experienced if that brand alone offered a cruise to a desired destination. Lindblad, the only expedition cruise company with publicly listed stock

(and therefore more disclosure of information), reported that 37% of its passengers were repeat guests.<sup>29</sup> Only rarely did a passenger return to a destination that he or she had visited before. On a given voyage, perhaps 5% of passengers had been to the same destination earlier.

The great majority of passengers came from Europe, North America, or Australia. Expedition demand was surging, however, among Chinese passengers, especially for trips to polar regions. Indeed, demand from China grew by 40% in 2018, making it the second-largest source of passengers after the United States. In 2018, 20% of Antarctic visitors came from China.<sup>30</sup>

With prices averaging more than \$1,000 per night per passenger, most expedition guests were wealthy. Industry observers were unsure how much demand might grow and what new segments might emerge if prices were lower.

**Cruise lines** Passengers chose among dozens of cruise lines and scores of itineraries. In 2018, *Cruise Industry News*—an independent trade journal—followed 38 different expedition cruise companies and tracked each company’s ships and itineraries. **Exhibit 5** shows the number of ships, number of guest berths, and passenger capacity of each company. Companies varied dramatically in terms of the number of itineraries they sailed, the regions they covered, the levels of luxury they offered, the sizes of their vessels, and so on. For example:

- **Ponant** positioned itself as a French luxury brand, with stately accommodations, haute cuisine, five-star service, and a high price point, as much as \$38,000 for a 24-night, December 2019 cruise.<sup>31</sup> The company would, for instance, build cruises around themes such as ancient Mediterranean civilizations, in an effort to attract likeminded guests. With six new 184-bed ships and a 270-bed icebreaker due to arrive in 2021, Ponant would soon have 12 vessels in its fleet.<sup>32</sup> The company chartered out extra capacity to Abercrombie & Kent, a luxury travel company with no vessels of its own.
- **Lindblad** operated a fleet of eight owned ships and five seasonal charters, offering amenities in the middle of the spectrum of luxuriousness.<sup>33</sup> It expected to add two new 126-bed vessels in 2020 and 2021, at a cost of \$135-150 million each.<sup>34</sup> The company was known for its alliance with the National Geographic Society. Lindblad included “National Geographic” in the names of its vessels, employed National Geographic experts on its cruises, and paid roughly \$6 million in royalties to the Society in 2018. That year, tickets sold through the National Geographic Society accounted for 26% of Lindblad’s guest revenues.<sup>35</sup> Lindblad also aimed to be “a global leader in responsible tourism” and, in 2019, became the world’s first carbon-neutral cruise company by investing in clean-energy projects that would offset all of its carbon emissions.<sup>36</sup>

Lindblad was publicly listed and therefore revealed its financial results. In 2018, expedition cruises brought Lindblad \$246 million in gross revenue (up 19% since 2016), \$20 million in operating profit (up 68%), and \$1,350 of revenue per passenger cruise night (PCN), with an occupancy of 91% and a total of 183,000 PCNs sold.<sup>a,37</sup>

- **Silversea Cruises**, launched out of Monaco in 1994 as a non-expedition luxury cruise line, had ventured into expeditions in 2008.<sup>38</sup> In 2018, Silversea sold a 67% stake in itself to Royal Caribbean—a giant of conventional cruising—for about \$1 billion.<sup>39</sup> Subsequently, Silversea’s chief executive said, “We are working with Royal Caribbean on the integration of Silversea into the larger organization. We are making sure we are benefiting from the synergies and not

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<sup>a</sup> A “passenger cruise night,” equal to one passenger onboard a cruise for one night, was a standard unit used in the industry.

missing any opportunities. Purchasing and newbuildings are good examples where we are working productively together [ . . . ] [B]ut the brand identity is not being touched.”<sup>40</sup>

In the wake of the Royal Caribbean deal, Silversea was adding two 600-bed and two 1,000-bed vessels to its fleet. These vessels were luxurious with fine dining and casinos, were not polar-class, and did not have the loading bays that would make it easy for passengers to leave the ship on adventures. Silversea was also converting some existing ships to be ice-worthy.<sup>41</sup>

- Chile-based Australis was typical of the dozens of niche players in expedition cruising. For 25 years, the company had operated cruises near Patagonia and Cape Horn, which few other companies served. Australis’s two 200-bed ships were less luxurious but offered Chilean cuisine, wines, and craft beers as well as large libraries on Patagonian plants, wildlife, and history.<sup>42</sup>

**Exhibit 6** shows how the various cruise lines were arrayed across geographic regions in 2018.

**Core activities** Despite their variety, expedition cruise companies undertook similar sets of underlying activities. The typical cost structure resulting from the activities – for a 150-passenger ship with midrange luxury, at 90% occupancy, on a journey to Antarctica – is shown in **Exhibit 7**.

*Ship procurement.* Cruise companies contracted with ship designers and shipyards to procure and upgrade vessels. Shipyard capacity was limited, and building a new ship took roughly three years.<sup>43</sup> Consequently, the order book for ships was highly visible, far in advance. **Exhibit 8** shows how expedition cruise capacity was projected to grow through 2024, based on the current order book.

Though building a new ship was difficult, small players could secure a vessel by chartering excess capacity from an existing cruise line or by buying a ship second-hand for \$10 to \$50 million.<sup>44</sup> A handful of boutique merchant banks specialized in financing such purchases.

Expedition cruise ships bound for polar regions were required by international regulations to have hull shapes and strengths as well as propulsion power to make them safe in icy waters. Building a vessel for polar conditions rather than warm waters might add \$15 million to its costs. Polar-class ships could safely ply warm waters.

*Maritime operations.* Once it had secured a ship, a cruise company had to sail the vessel. Physical operation of the ship was the responsibility of the maritime team. This team took on the hefty challenge of navigating, operating, and maintaining a large vessel on long journeys in remote locations and in sometimes-treacherous waters while maintaining a high level of customer service.

Competent captains and top officers were hard to come by and would occasionally shift from one cruise operator to another in search of higher salaries. Other maritime crew could be replaced easily and were hired at standard rates: \$5,900 per month for ships operating in the middle of the luxuriousness spectrum and \$4,800 per month for ships at the lower end (so-called “upper premium” service). A typical 150-bed ship would require a maritime crew of 25 on the bridge and in the engine room. The maritime staff varied only a little with the size of the vessel: a 500-bed ship might require 40 maritime crew members.

A significant cost of maritime operations was fuel. A ship carrying 500 passengers would require roughly 22% more fuel than a 150-bed vessel to sail the same distance.

*Hotel operations.* Lodging, meals, and refreshments aboard an expedition cruise were the responsibility of the cruise line’s hotel operations staff, who might number 40 aboard a ship with 150

guest beds and 90 with 500 beds. The challenge facing the hotel operations team was to provide a consistently luxurious experience, often tailored to a locale, while thousands of miles from sources of new supplies. For cruise companies that did not want to run hotel operations themselves, third-party contractors stood ready to provide hotel staff and management.

The food and beverage costs associated with an expedition consisted mostly of purchased inputs like ingredients. Because more luxurious cruises employed celebrity chefs to prepare very high-end meals, costs per meal might be 40% lower on a low-luxury ship than on a medium-luxury vessel.

*Expedition operations.* A third team of onboard personnel created unique experiences for guests. Activities might include lectures by naturalists, visits to native communities, snorkeling and scuba dives, exploration of local waters by kayak, demonstrations in onboard science labs, and onshore hikes. The most extravagant cruise ships had helicopters for local excursions and even submersible craft for underwater exploration.

Safely and quickly guiding hundreds of untrained “civilian” guests through adventurous activities was no easy task. The team taking on this task might number 10 on a ship with 150 beds and 20 with 500 beds. The team typically included a handful of rare experts (e.g., botanists, naturalists, or anthropologists). The rest of the team consisted mostly of experienced hands but also included some recent college graduates who were outgoing, fit, and eager to travel.

Across maritime, hotel, and expedition operations, crew complements could not be trimmed much if a ship’s occupancy fell below capacity, due to the remote nature of operations.

*Other operating costs.* Other operating costs included items such as fees paid to ports, maintenance and drydock costs, and insurance premiums. The dollars spent on these items were greater for larger ships, with a 500-bed vessel paying roughly 17% more in total than a 150-bed vessel.

*Marketing and pricing.* Expedition cruise operators reached customers through online and print ads, direct mail, and media targeted to travelers. The associated costs were spread over a company’s entire passenger base, so large companies tended to have low marketing costs per passenger-night. Some companies also marketed through specific institutions, such as universities that offered alumni cruises. Other cruise lines had longstanding marketing partnerships with organizations whose brands were widely recognized (e.g., Lindblad’s relationship with National Geographic, described above).

Despite brisk demand for expedition cruises, companies usually needed to discount their fares in order to fill the last berths as the date for a cruise drew near. On average, the realized fare was 20% lower than the full “sticker price.”

*General and administrative (G&A) activities.* Personnel at the headquarters of an expedition cruising company planned itineraries, maintained relationships with travel agents and other sales channels, developed and maintained information technology for the company, and managed human resources.

Because staff members had a major impact on guests’ experiences, most cruise companies invested in training, especially for frontline employees. Silversea, for instance, had recently launched an in-house training program for new hires who had never worked in the cruise industry. Trainees who passed an online course would get 8 to 10 weeks of onboard supervised training with specific instructions about how to interact with guests (e.g., how to host a dinner table).<sup>45</sup>

A cruise company’s per-passenger costs of G&A activities depended heavily on the total size of the company. Companies that could spread the costs of such activities over a large base of customers stood to have significant cost advantages.

**Environmental concerns** Expedition cruises opened remote regions to tourism for the first time, and many environmentalists worried that visitors would damage the very wildlife, scenery, and communities they had come to see. For instance, cruises through the Northwest Passage (open for the first time as the Earth warmed and polar ice receded) could disrupt animal feeding or nesting sites, introduce invasive species, pollute Arctic waters, and disturb Inuit villages whose populations were smaller than the cruise ships’.

Expedition cruise companies worked hard to be, and to present themselves as, environmentally friendly. In polar regions (but not in most warm waters), international associations of tour operators forged rules for member companies—for instance, restricting the number of visitors who could disembark together in Antarctica to 100 and restricting the use of the most polluting types of fuel oils. Individual companies went further: some invited passengers to participate in citizen-science projects to monitor local environments, while others invested in new technology to reduce their carbon footprints, for example. Such steps, however, did not stop some from asking—in the words of a BBC columnist—“Is it ethical to go on holiday to [. . .] a pristine environment?”<sup>46</sup>

## Hurtigruten in 2019

**Offerings** In 2019, Hurtigruten operated in four segments:

- The Norwegian Coast segment (\$404 million of revenue in 2018, with a 10.8% annual growth rate from 2014 to 2018) offered passengers 3- to 12-day voyages along Norway’s coastline. The passengers—roughly 80% of whom were from outside the Nordics—seemed to relish experiences such as kayaking, inflatable boat tours, dog sledding, whale watching, snowmobiling, and local food tours. On the Norwegian coast, Hurtigruten served about 1.3 million passenger cruise nights in 2019, implying an occupancy of roughly 85%.
- The Expedition segment (\$107 million, 27.5% growth rate) offered expedition cruises in Antarctica, Svalbard, Greenland, Iceland, and the Northwest Passage. The fleet consisted of five ice-class expedition vessels, including two new ships delivered in 2019 and 2020. In addition, three of Hurtigruten’s larger ships from the Norwegian Coast were slated to be converted and Expedition-capable by 2021. The Expedition segment served about 220,000 passenger cruise nights in 2019, an occupancy of roughly 75%.
- The Land segment (\$34 million, 9.6% growth rate) offered tourists land-based adventures in Svalbard and Kirkenes.
- The Coastal Government Agreement (\$79 million, -1.9% growth rate) was an exclusive, fixed-fee contract with the Norwegian Government for transportation between Bergen and Kirkenes. The contract, a Public Service Obligation tender, ensured that every day, coastal vessels served all 34 ports along the route, even ports too small to sustain profitable, private-sector service.

In the past, Hurtigruten had been the sole winner of the government tenders and had operated all of the 11 ships on the route. In 2018, however, Norway’s Ministry of Transportation and Communication announced that it would split the next contract between Hurtigruten and another company. Havila Shipping, a provider of services to the international offshore industry, would build four new ships to serve the route, starting in 2021. Hurtigruten would devote seven ships to the contracted route, through 2030.<sup>47</sup> After the Ministry unveiled the split, Hurtigruten announced that it would not only operate seven ships on the traditional route, but it would also

deploy three large ships, without government assistance and not obliged to stop at every port, in direct competition with Havila.

**Core activities in the Expedition segment** Within the Expedition segment, Hurtigruten's activities resembled those of the typical expedition cruising company, with the exceptions described below.

*Ship procurement.* Hurtigruten's newer vessels tended to have room for roughly 500 guests, in contrast to the 100- to 200-bed ships that were the most common on expedition cruises. For instance, the company's new flagship, the *MS Roald Amundsen*, had a capacity of 530. Launched in 2019 and named after the Norwegian explorer who was the first to reach the South Pole, the *Amundsen* had hybrid engines that reduced fuel emissions by more than 20% and could cruise silently for up to 45 minutes on battery power. The ship also featured a science lab packed with state-of-the-art technology, three restaurants with Nordic menus, and guest rooms and observation decks with Scandinavian styling.<sup>48</sup>

The complexity of the *Amundsen*, coupled with problems at the shipyard that built it, had caused the vessel to be delivered late—forcing Hurtigruten to cancel a 2018 season and offer full refunds to guests who were booked on those journeys.<sup>49</sup> The hybrid technology reportedly added \$7 million to the ship's total cost of \$200 million. A sister ship of the *Amundsen*, the *Fridtjof Nansen*, would be delivered in late 2019 and start sailings in 2020. The new vessel, along with ships repositioned from the coastal fleet, would give Hurtigruten a total of eight ships in the Expedition segment by 2021.<sup>50</sup>

*Maritime, hotel, and expedition operations.* Hurtigruten operated at the lower end of the luxury spectrum, in the “upper premium” part of the market. A key goal of the company was to make the experience onboard a 500-bed ship feel as active and personal as the experience on a 150-bed ship. Achieving this goal required a crew that could handle multiple activities at once. In Antarctica for instance, where landings were limited to 100 passengers at a time, a Hurtigruten vessel might conduct a landing, an ice cruise, a kayak tour, and a lecture at the same time. As of 2019, the company was working hard to improve its ability to pull off simultaneous expedition activities. A key challenge, said Lassen, Hurtigruten's Chief Commercial Officer, “is to educate the customer that you can get an intimate expedition experience on a 500-bed ship.”<sup>51</sup>

*Marketing and pricing.* Hurtigruten's marketing operations were shared across its Norwegian Coast and Expedition segments, and indeed the company was known in all markets for its “Norwegian-ness.” Supporting the two segments was a marketing team estimated to be 20% larger than Lindblad's. Total marketing expenses for all of Hurtigruten were roughly \$30 million.

Hurtigruten's pricing in 2019 tended to be at the lower end of the market. In late 2019, for example, the sticker prices offered on Hurtigruten's website for an Antarctic cruise like the one shown in **Exhibit 7** centered on \$629 to \$849 per passenger cruise night but could go above \$1,000 for the best suites on the *Amundsen*.<sup>52</sup> Iain McNeill (HBS 2014), Hurtigruten's Vice President for Group Strategy and Transformation, described the company's market positioning:

Hurtigruten is not a company offering butler service, helicopter flights, or champagne and caviar on beach landings. We offer inspirational experiences to some of the most amazing places in the world, where we focus on the destination, the nature, the local communities, and learning opportunities, and we do so in very comfortable ships with top quality customer service and fantastic, locally sourced food.<sup>53</sup>

*General and administrative (G&A) activities.* Hurtigruten shared its G&A activities across all of its segments, and its headquarters headcount was estimated to be 20% larger than Lindblad's in total. In 2019, special efforts at Hurtigruten's headquarters were going into agile digital development—for instance, to perform maintenance more intelligently, improve fuel efficiency on the ships, and establish a stronger online connection to customers. "Our digital efforts aim to make a 500-bed ship feel smaller and help us know our customers better," explained Ole-Marius Moe-Helgesen, Hurtigruten's Chief Information Officer.<sup>54</sup>

*Environmental efforts.* In industry circles, Skjeldam was outspoken about the need for all cruise operators to improve their environmental performance. At a 2018 event for travel agents—one observer noted—Skjeldam "spent at least as much time talking about sustainability as he did about his cruise brand."<sup>55</sup> Beyond its new hybrid-engine vessels, Hurtigruten was the first cruise company to stop using single-use plastics and heavy fuel oil, used cleaner fuels that added \$20 million to its annual costs, was replacing diesel propulsion on some existing ships with battery packs and gas engines, and was looking into liquefied natural gas and biofuels derived from fishing industry waste.<sup>56</sup> Ultimately, Hurtigruten aimed to make its fleet completely emissions-free.<sup>57</sup> Moreover, Skjeldam noted, "I hope that others in our industry copy our environmental innovations."<sup>58</sup>

## The Fork in the Road

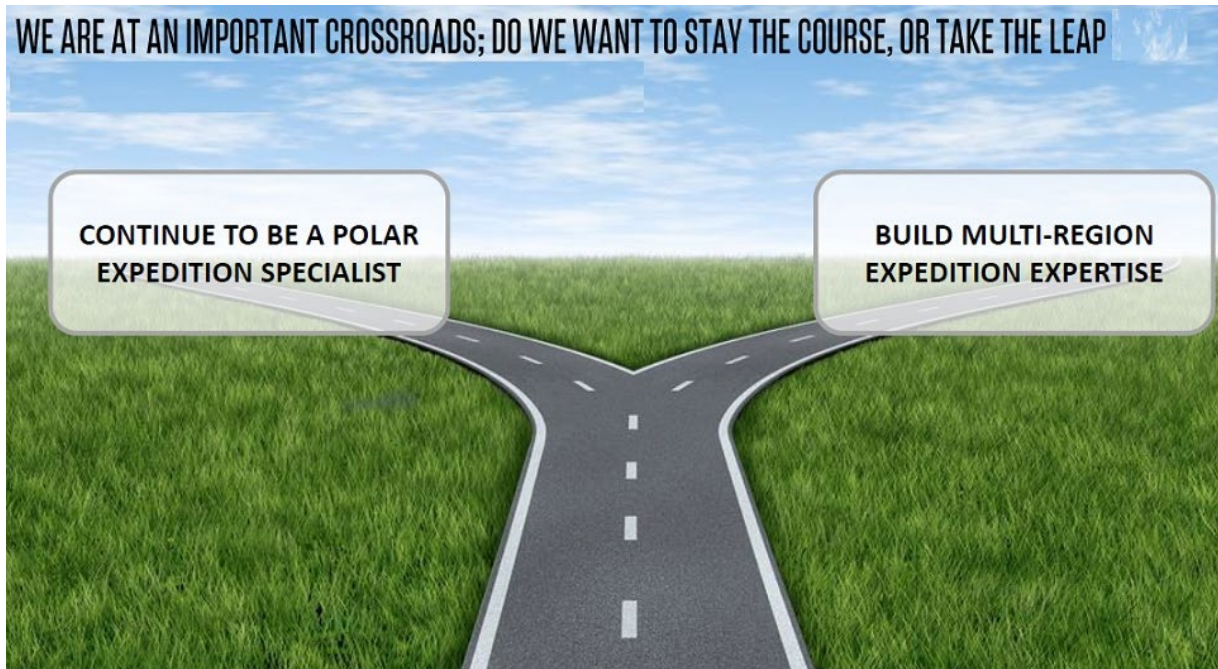
The turnaround of the Norwegian coastal business and the rapid growth of the Expedition segment brought Hurtigruten momentum. But the turnaround and growth also brought tough decisions. Foremost among the decisions was the fork in the road depicted in **Exhibit 1**: should Hurtigruten remain focused on the polar expedition market, where it was successful and growing, or should the company venture into warm-water expeditions?

As Skjeldam and his team discussed the decision with the company's owners, they had some basic facts at their fingertips. Warm-water expeditions currently made up about 45% of the total market for expedition cruises. Industry-wide, average revenues per passenger cruise night varied markedly across regions. **Exhibit 9** shows the relative prices by region for one company, based on prices posted on the company's website. Prices *within* a region could also vary a great deal, with more exotic locations usually commanding higher prices.

Based on the book of ships already ordered, total expedition capacity would grow by about 15% per year on average through 2024. Among the roughly 43 new expedition ships already slated to come online in the next five years, at least 30 and as many as 39 were polar-class. Among these vessels, none from competitors were expected to have capacity in the range of 500 beds. Similarly, none of the new expedition ships expected to launch by 2024 without polar abilities had capacities in the 500-bed range.

Hurtigruten was almost certain to have at least a little warm-water activity in coming years. After all, polar vessels had to move from the far north in the Arctic summer to the far south in the Antarctic summer. Taking on passengers during those transition cruises was a no-brainer. But should warm-water expeditions become a true focus for Hurtigruten? **Exhibit 10** maps out the company's 2019 and potential future itineraries. It was unclear whether Hurtigruten's ships, crews, expertise, or brand could succeed in warm-water destinations like northern Australia, the coastlines of Brazil or Africa, Indonesia, the Mediterranean, and the Pacific islands. But it was also unclear whether Hurtigruten could thrive in the long run if it stayed mostly in polar ice. Skjeldam, his team, and Hurtigruten's owners had a tough decision in front of them.

Exhibit 1 Hurtigruten's Fork in the Road



Source: Company documents.

Exhibit 2 The Fast Route



Source: Hurtigruten, "The Roundtrip Cruise (Bergen - Kirkenes - Bergen)," <https://www.hurtigruten.com/destinations/norway/classic-round-voyage-bergen-kirkenes-bergen/>, accessed November 2019.

## Exhibit 3 Hurtigruten Financial Results

	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Millions of Norwegian kroner (NOK)</u>									
Revenue	3,788	3,927	3,486	3,306	3,638	4,302	4,378	4,923	5,428
EBITDA	585	497	459	570	526	691	601	826	1,074
Operating profit	225	46	48	261	148	280	177	345	676
Assets	6,352	6,027	5,270	4,965	4,551	6,988	7,974	8,247	9,760
Exchange rate (\$/NOK)	0.1695	0.1667	0.1790	0.1633	0.1342	0.1142	0.1160	0.1217	0.1148
<u>Millions of dollars</u>									
Revenue	642	655	624	540	488	491	508	599	623
EBITDA	99	83	82	93	71	79	70	101	123
Operating profit	38	8	9	43	20	32	21	42	78
Assets	1,077	1,005	943	811	611	798	925	1,004	1,120
<u>Ratios</u>									
EBITDA / revenue	15.4%	12.7%	13.2%	17.2%	14.5%	16.1%	13.7%	16.8%	19.8%
Operating profit / revenue	5.9%	1.2%	1.4%	7.9%	4.1%	6.5%	4.0%	7.0%	12.5%
Operating profit / assets	3.5%	0.8%	0.9%	5.3%	3.3%	4.0%	2.2%	4.2%	6.9%

Source: Hurtigruten Group AS, <https://www.proff.no/regnskap/hurtigruten-group-as/troms%C3%B8/-/IF49DD00000/>; Hurtigruten AS, <https://www.proff.no/regnskap/hurtigruten-as/troms%C3%B8/transport/IF4PKXL08ND/>; both accessed December 2019.

**Exhibit 4a** Sample Itinerary for a 19-day Expedition Cruise in Antarctica

Day: Location	Description
1: Montevideo	<ul style="list-style-type: none"> <li>• “Our expedition begins with an overnight stay in vibrant Montevideo.”</li> </ul>
2: Montevideo	<ul style="list-style-type: none"> <li>• “Enjoy the rich architectural beauty of the capital city before embarking on our hybrid powered expedition ship.”</li> </ul>
3-4: At sea	<ul style="list-style-type: none"> <li>• “We sail south, and the Expedition Team begins their lecture series of history, biology, the great explorers and more. Be sure to scout for wildlife from the deck.”</li> </ul>
5: Puerto Madryn (half day)	<ul style="list-style-type: none"> <li>• “Join optional excursions to get closer to the magnificent wildlife of the Valdez Peninsula, and learn about the colourful local Gaucho lifestyle.”</li> </ul>
6: At sea	<ul style="list-style-type: none"> <li>• “Relax and enjoy the amenities of our advanced expedition ship on a day at sea.”</li> </ul>
7-9: Falkland Islands	<ul style="list-style-type: none"> <li>• “We hope to go ashore to see the rich bird life of Carcass Island, and to the pristine beaches of New Island before calling on charming Stanley, with its pubs and red buses.”</li> </ul>
10-11: At sea	<ul style="list-style-type: none"> <li>• “We set sail toward Antarctica and you have a chance to enjoy lectures in the Science Center as well as all the amenities of our Wellness Area and lounges.”</li> </ul>
12-16: Antarctica	<ul style="list-style-type: none"> <li>• “Vast, powerful, and indescribably beautiful, Antarctica leaves even seasoned explorers at a loss for words. Our captain and the Expedition Team will make the most out of the conditions to find chances for landings, launch kayaks, enjoy ice-cruising and scout for whales, seals, birds, penguins and more. Of course, we take special care to protect and never disturb the amazing wildlife that thrive in the ice. We will attempt landings at several sites in the South Shetlands and on the Antarctic Peninsula on this voyage for an unforgettable experience.”</li> </ul>
17-18: At sea	<ul style="list-style-type: none"> <li>• “[The ship] takes us safely back across the Drake Passage as we continue our lecture series and recap our adventure in Antarctica.”</li> </ul>
19: Ushuaia	<ul style="list-style-type: none"> <li>• “After disembarkation in Ushuaia, our flight to Buenos Aires brings our adventure to an end.”</li> </ul>

**Exhibit 4b** Sample Day’s Itinerary in Antarctica

Time: Activity	Description
08:00: Breakfast	<ul style="list-style-type: none"> <li>• “A delicious breakfast is the perfect start for an active day”</li> </ul>
09:00: Go ashore with the Expedition Team	<ul style="list-style-type: none"> <li>• “You meet up in the tender pit, then our sturdy explorer boats take you ashore. On land, the Expedition Team guides you and points out places of interest or wildlife.”</li> </ul>
11:00: Kayaking or hiking	<ul style="list-style-type: none"> <li>• “Enjoy the feeling of gliding silently in beautiful Antarctic waters in the company of seals, birds, and penguins. Or join a hike ashore to discover even more of amazing Antarctica.”</li> </ul>
16:30: Small boat cruising and whale watching	<ul style="list-style-type: none"> <li>• “An unforgettable experience as you get up close to a whale, and cruise among icebergs with seals and penguins.”</li> </ul>
18:00: Onboard lectures and Citizen Science Projects	<ul style="list-style-type: none"> <li>• “Join a fascinating lecture about the penguins of Antarctica, then participate in a Citizen Science Project: counting penguins to help researchers and scientists sift through the massive amounts of data they collect in the field. All lectures are streamed directly to your cabin.”</li> </ul>
21:00: Recap of the day	<ul style="list-style-type: none"> <li>• “Join a recap of the day’s activities and a presentation of tomorrow’s programme. The time for this recap varies. It can be in the morning, afternoon or evening.”</li> </ul>
22:00: Relaxing	<ul style="list-style-type: none"> <li>• “Top off another day in Antarctica with an evening of unwinding. Relax with a drink in the bar, or head to the sauna or hot tub.”</li> </ul>

Source: “2020-2021 Expedition Cruises,” Hurtigruten, <https://www.norwegiancoastalcruises.com/brochures/Hurtigruten-Explorer-Brochure-2020-2021.pdf>, accessed December 2019.

**Exhibit 5** Leading Expedition Cruise Companies (Polar and Warm Water), Projected for 2021

Company	Ships	Berths	Passenger capacity	Capacity share
Hurtigruten	8	3,800	101,340	22.2%
Ponant	12	2,462	61,268	13.4%
Lindblad	10	972	30,618	6.7%
Australis	2	420	28,560	6.3%
Silversea	4	746	22,880	5.0%
Scenic	2	456	20,520	4.5%
Seabourn	2	714	19,710	4.3%
Hapag-Lloyd	4	854	16,262	3.6%
UnCruise	9	552	14,714	3.2%
Quark	7	1,105	13,753	3.0%
Celebrity	2	200	10,400	2.3%
Crystal	2	400	10,200	2.2%
Metropolitan Touring	3	178	10,006	2.2%
Coral Expeditions	4	290	9,722	2.1%
Oceanwide	3	406	9,360	2.1%
Albatros Expeditions	2	384	8,916	2.0%
One Ocean	3	334	6,700	1.5%
Windstar	1	312	6,240	1.4%
Aurora Expeditions	2	346	5,116	1.1%
Nicko Cruises	2	400	4,800	1.1%
Alaskan Dream	6	245	4,200	0.9%
Vantage Cruises	1	140	3,640	0.8%
Mystic Cruises USA	1	200	3,600	0.8%
Victory Cruises	1	186	3,600	0.8%
Overseas Adventure Travel	1	114	3,420	0.8%
G Adventures	1	134	3,350	0.7%
Antarctica21	3	290	3,064	0.7%
Poseidon Expeditions	2	242	3,006	0.7%
Viking Ocean	1	200	3,000	0.7%
Iceland Pro	1	199	2,786	0.6%
Scylla Charters	1	164	2,296	0.5%
SeaDream	1	220	1,980	0.4%
Adventure Canada	1	199	1,791	0.4%
Polar Latitudes	2	226	1,356	0.3%
True North	1	36	1,080	0.2%
Heritage Expeditions	1	50	950	0.2%
Antarpply Expeditions	1	90	900	0.2%
Polar Quest	1	53	636	0.1%
<b>Total</b>	<b>113</b>	<b>18,319</b>	<b>455,740</b>	<b>100.0%</b>

Source: Cruise Industry News, "2021: Market Capacity," 2019 Expedition Market Report, p. 40, with casewriter corrections.

**Exhibit 6** Passenger Capacity by Region and Expedition Cruise Company, 2018

	South America + Galapagos	Antarctica	Northern Europe	Alaska	Australia	Mediterranean	Asia/Pacific	Caribbean	West Coast	Canada / New England	Other regions
Total passenger capacity	74,118	51,321	51,242	23,202	14,462	10,644	8,008	5,156	4,236	3,997	13,838
Share	3%	18%	29%	4%	—	—	—	20%	—	19%	7%
Hurtigruten	1%	3%	6%	—	—	—	—	—	—	—	16%
Hapag-Lloyd	11%	5%	4%	24%	—	—	9%	10%	54%	4%	10%
Lindblad	—	8%	2%	—	—	—	—	3%	—	26%	1%
One Ocean	5%	15%	14%	3%	19%	82%	70%	59%	19%	14%	32%
Ponant	9%	5%	7%	2%	7%	—	19%	—	—	7%	11%
Silversea	71%	46%	38%	67%	75%	18%	2%	9%	28%	32%	22%
Others											

Note: Each column might not add up to 100% due to rounding.

Source: Casewriter calculations based on Cruise Industry News, 2019 Expedition Market Report.

**Exhibit 7** Cost Structure of a Typical Expedition Cruise

*Assumptions: 150-bed vessel, mid-range luxury, 90% occupancy, Antarctic cruise, sold through travel agent*

Item	Dollars per passenger cruise night
Realized price	1,463
Operating costs	
Travel agent commission	146
All crew	103
Food and beverage	92
Fuel	89
Other operations	139
Marketing	151
General & administrative	<u>332</u>
Total operating costs	1,052
EBITDA	411
Depreciation	250
EBIT	<u>161</u>

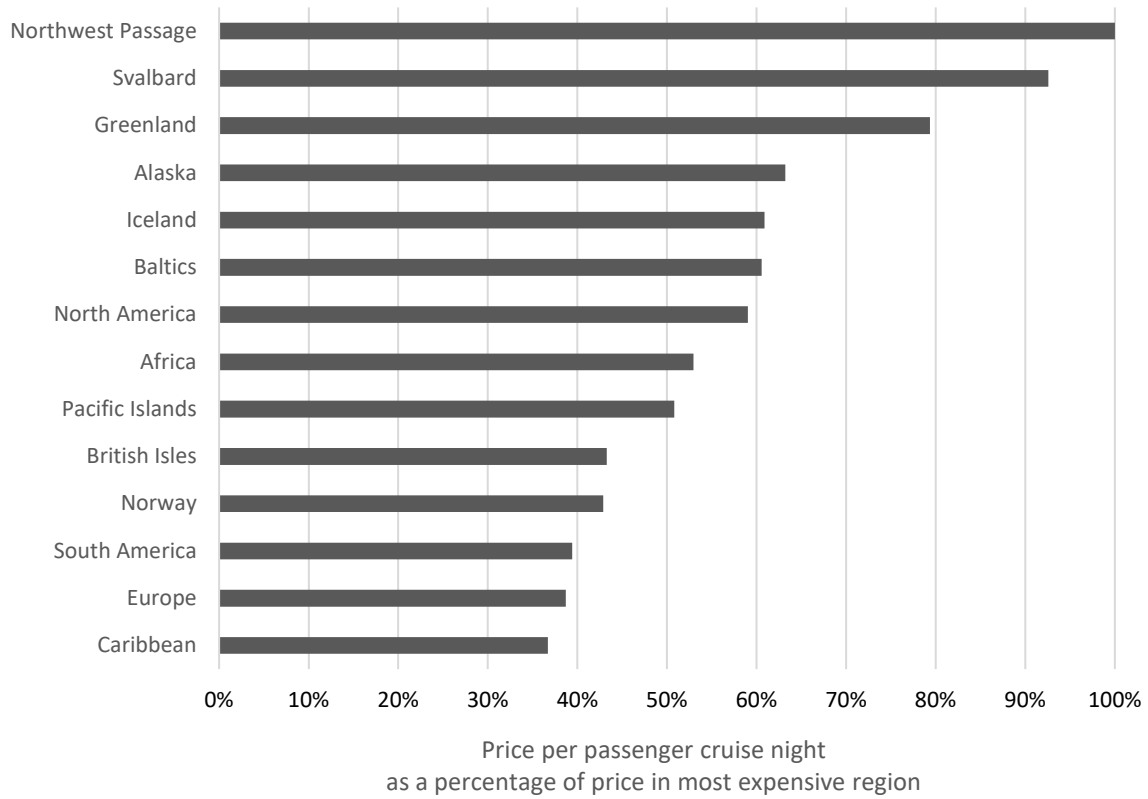
Source: Casewriter estimates with company guidance.

**Exhibit 8** Current and Projected Future Expedition Market Capacity, Based on Order Book

Year	Ships	Berths	Passenger capacity	Capacity growth
2018	73	9,639	242,188	—
2019	84	11,157	279,394	15%
2020	90	13,157	337,970	21%
2021	104	17,015	455,740	35%
2022	111	18,755	518,798	14%
2023	114	19,327	553,846	7%
2024	116	19,699	574,302	4%

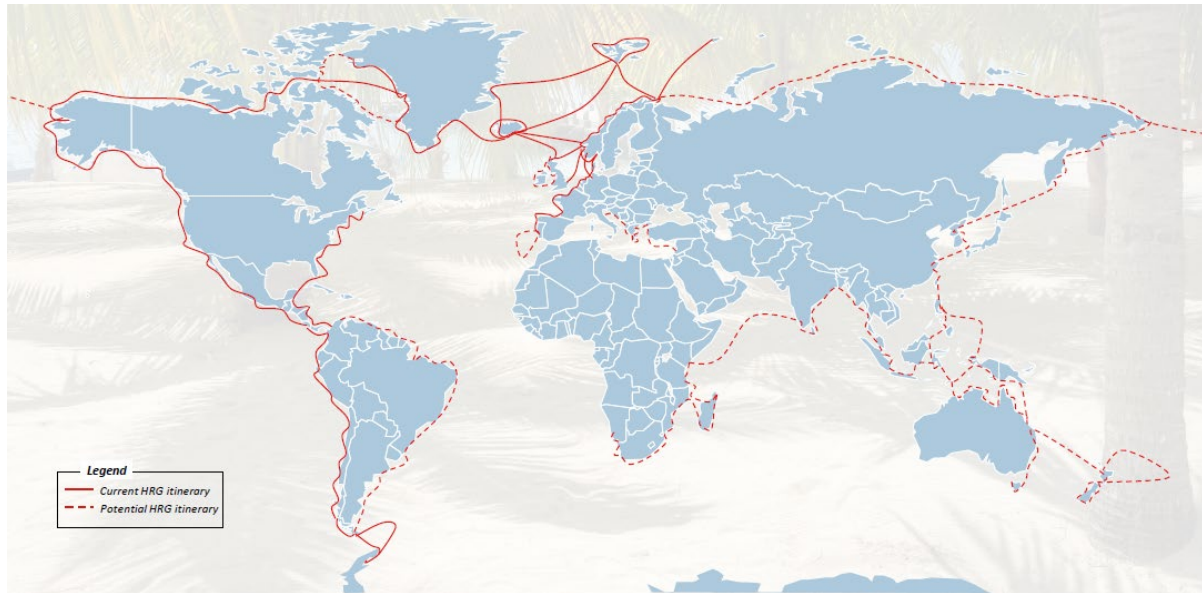
Source: Cruise Industry News, "Expedition Market Capacity," 2019 Expedition Market Report, p. 30.

**Exhibit 9** One Expedition Cruise Company's Website Prices by Region



Source: Company documents.

Exhibit 10 Current and Potential Future Hurtigruten Routes



Source: Company documents.

## Endnotes

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<sup>2</sup> Written correspondence with casewriter, December 2019.

<sup>3</sup> Fjord Travel Norway, "The History of Hurtigruten Cruise Line," <https://www.fjordtravel.no/destination-norway/norwegian-coast-history-hurtigruten/>, accessed September 2019.

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<sup>7</sup> Hurtigruten, "The History of Hurtigruten – Sailing in the Wake of Giants."

<sup>8</sup> "Hurtigruten (Norwegian Coastal Voyage) – a veteran along the coast," no date, NordNorge.com, <https://nordnorge.com/en/getting-around/?News=154>, accessed November 2019.

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<sup>11</sup> Casewriter interviews, September 25-26, 2019.

<sup>12</sup> Casewriter interviews, September 25-26, 2019.

<sup>13</sup> Nilsson, "The Norwegian Coastal Express: An Alternative for the Gulf of Bothnia?"; Sak nr. 1 [10:06:43], "Stortinget – Møte torsdag den 19. Februar 2009 kl. 10"; and, "Hurtigruten fikk ulovlig statsstøtte," *Nettavisen*, June 29, 2011, <https://www.nettavisen.no/na24/hurtigruten-fikk-ulovlig-statsstotte/3181481.html>; all accessed December 2019.

<sup>14</sup> Casewriter interviews, September 25-26, 2019.

<sup>15</sup> Casewriter interviews, September 25-26, 2019.

<sup>16</sup> Casewriter interviews, September 25-26, 2019.

<sup>17</sup> Casewriter interviews, September 25-26, 2019.

<sup>18</sup> Casewriter interviews, September 25-26, 2019.

<sup>19</sup> Casewriter interviews, September 25-26, 2019.

<sup>20</sup> Casewriter interviews, September 25-26, 2019.

<sup>21</sup> Casewriter interviews, September 25-26, 2019.

<sup>22</sup> Sarah Syed, "Cruise Operator Hurtigruten Said to Attract Private Equity Firms," *Bloomberg*, August 26, 2016, <https://www.bloomberg.com/news/articles/2016-08-26/cruise-operator-hurtigruten-said-to-attract-private-equity-firms>, accessed November 2019.

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<sup>28</sup> Lindblad Expeditions Holdings, Form 10-K for the fiscal year ended December 31, 2018, p. 9.

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<sup>30</sup> Cruise Industry News, "Chinese Market Could Be Key," *2019 Expedition Market Report*, pp. 168-169.

<sup>31</sup> This paragraph and the next are based on Cruise Industry News, "Ponant: Taking Over the Luxury Market," *Cruise Industry News 2019 Expedition Market Report*, pp. 50-51. For December 2019 pricing, see "The Northwest Passage," Ponant.com, <https://en.ponant.com/cruises/alaska-the-northwest-passage-o070921-rn015-2>, accessed December 2019.

<sup>32</sup> "Ponant: Taking Over the Luxury Market," *Cruise Industry News 2019 Expedition Market Report*, pp. 50-51.

<sup>33</sup> Lindblad Expeditions Holdings, Form 10-K for the fiscal year ended December 31, 2018, p. 2.

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<sup>36</sup> Lindblad Expeditions, "Lindblad Expeditions Becomes a Carbon Neutral Company in 2019," <https://www.expeditions.com/about-us/press-room/press-releases/lindblad-expeditions-becomes-carbon-neutral-2019/>; Tom Stieghorst, "Lindblad a Cruise Pioneer with Ambitious Carbon-neutral Plan," *Travel Weekly*, June 13, 2019, <https://www.travelweekly.com/Cruise-Travel/Lindblad-cruise-pioneer-carbon-neutral>; both accessed December 2019.

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<sup>51</sup> Casewriter interviews, September 25-26, 2019.

<sup>52</sup> Prices were checked on December 19, 2019, at <https://www.hurtigruten.com/destinations/antarctica/antarctica-highlights-of-the-frozen-continent-1920/>.

<sup>53</sup> Written correspondence with casewriter, December 2019.

<sup>54</sup> Casewriter interviews, September 25-26, 2019.

<sup>55</sup> Tom Stieghorst, "Pushing the Green Envelope," *Travel Weekly*, November 19, 2018, <https://www.travelweekly.com/Cruise-Travel/Insights/Pushing-the-green-envelope>, accessed November 2019.

<sup>56</sup> Stieghorst, "Pushing the Green Envelope"; James Shillinglaw, "Is Hurtigruten Really Going to Power Cruise Ships with Dead Fish?" *Insider Travel Report*, November 20, 2018, <http://www.insidertravelreport.com/is-hurtigruten-really-going-to-power-cruise-ships-with-dead-fish>; both accessed November 2019.

<sup>57</sup> Shillinglaw, "Is Hurtigruten Really Going to Power Cruise Ships with Dead Fish?"

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