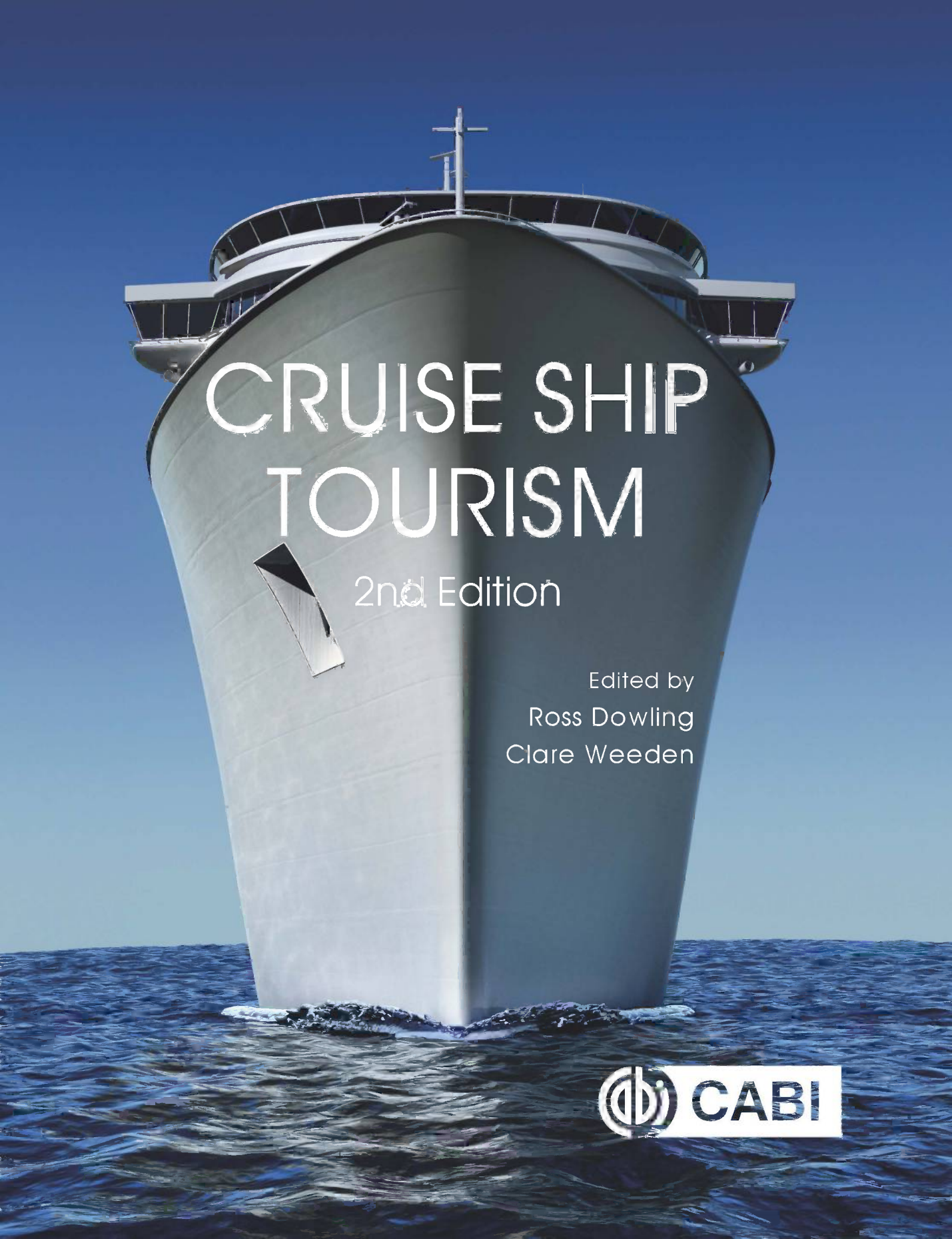




CRUISE SHIP TOURISM

2nd Edition

Edited by
Ross Dowling
Clare Weeden



Cruise Ship Tourism

2nd Edition



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Edited by

Ross Dowling

Edith Cowan University, Australia

and

Clare Weeden

University of Brighton, UK



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We wish to dedicate this book to the memory of the late Dr James Henry, esteemed lecturer in the Department of Marketing, University of Otago, New Zealand, one of the book's contributors, who sadly passed away on 5 March 2016.



James Arthur Henry (PhD)
(12 December 1952 – 5 March 2016)
Photo by Bill Nichol

In addition Ross Dowling wishes to dedicate the book to:

My wife Wendy, who has accompanied me to the ends of the earth, I thank you for the way you share your life, love and spirit with me.

My six children and their families who are now living in Australia, England, New Zealand and South Korea.

Miss Pat Higgins NP, Manager of Enrichment Programs, Norwegian Cruise Line Holdings Ltd, Miami, Florida, USA – the consummate cruise tourism professional and enthusiast who I have worked with since 1999.

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About the Editors

Ross Dowling



Ross Dowling is Foundation Professor of Tourism in the School of Business and Law, Edith Cowan University, Western Australia. Professor Dowling conducts international research in the fields of cruise ship tourism, geotourism and ecotourism, and has over 200 publications in these fields including 12 books. In 2011 he was awarded the Medal of the Order of Australia for his contributions to tourism education and development.

He has a special interest in cruise tourism and edited the first edition of *Cruise Ship Tourism* published by CAB International in 2006. He contributes to the industry through research and lecturing onboard cruise ships. He is Chair of Cruise Western Australia and is an Honorary Advisor to the Australian Cruise Association (formerly Cruise Down Under). He is also a Founding

Member of the international Cruise Research Society based in Bremerhaven University of Applied Sciences, Germany.

Professor Dowling and his wife Wendy have been shipboard lecturers for almost 20 years. Their assignments have included Cunard's *QE2* (Australia); National Geographic's *Orion* (Kimberley Region, Western Australia); Silversea Cruises' *Silver Shadow* (South East Asia), *Silver Cloud* (New Zealand) and *Silver Wind* (Indian Ocean); Cruise and Maritime Voyages' *Astor* (South West, Western Australia); Oceania's *Marina* (South Pacific) and *Regatta* (Alaska); and Metropolitan Touring's *La Pinta* (Galapagos). He has completed a research report on 'The Growth of Cruising in Australia' and appeared as a cruise expert on Australia's Channel 7's 'Sunday Nite' programme on the same topic. He provides regular commentary on cruising for the Australian print, radio and television media.

Clare Weeden

Dr Clare Weeden is a Principal Lecturer in Tourism and Marketing at the School of Sport and Service Management, University of Brighton, UK. After 12 years in the international hospitality industry, and on completion of an MBA, Clare entered academia at the University of Brighton. In 2008 she completed her PhD at the University of Glasgow. Following the publication of a monograph in 2013 entitled 'Responsible Tourist Behaviour', in 2014 she co-edited 'Managing Ethical Consumption in Tourism' with Dr Karla Boluk. She is the Tourism Editor for *Tourism and Hospitality Research*



(Sage), and a member of the Editorial Board for *Tourism in Marine Environments*. She has contributed articles to many international journals, including the *Journal of Sustainable Tourism*, the *Journal of Ecotourism* and the *International Journal of Tourism Research*. Clare's research interests are responsible tourism, ethical consumption in tourism, destination marketing and cruise tourism. Clare has examined PhDs that explored the role of values in luxury hotel consumption, and the significance of romance in marketing ocean cruise tourism. She is an experienced PhD supervisor. Her current doctoral students are studying the values, attitudes and behaviour of responsible cruise tourists; the influence of risk on consumer decision-making in ocean cruising; sustainable tourism development in Saudi Arabia; and tourists' destination image of the Gulf countries. Clare welcomes enquiries from all potential candidates interested in these and similar areas within the nexus of ethics, tourism, consumer behaviour, cruise management and marketing.

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Preface

It is now a decade since the first edition of this book (Dowling, 2006) was published as one of the first in CAB International Publications' initial foray into tourism publishing. Since that time we have witnessed the book used by researchers in many countries around the world and for teaching in both undergraduate and postgraduate courses on many continents. Over recent years we were asked to update the book by researchers, policy makers, managers and teachers, so this new edition reflects our current thinking on the subject. The first edition was born out of a passion for the world of cruising and the second continues in this same vein. As editors we have researched the subject, taught about it in university classes, been asked to speak on it at international conferences and have of course enjoyed spending time on cruise ships either as speakers, researchers or simply as passengers.

The field of cruise tourism is a rapidly emerging one. It has enjoyed huge growth and awareness, especially since 2000 as travel consumers look for novel alternatives to their traditional holidays. Today the traditional preserve of cruisers being dominated by seniors has been added to significantly by Baby Boomers, who have discovered the affordability of the larger liners with their family oriented cruises (Fig. P1).



Fig. P1. People are the heart of cruising, and passenger numbers are growing exponentially on cruise ships around the world. Here passengers on Oceania Cruises' *Marina* (66,000 t) are participating with crew in a King Neptune ceremony to celebrate the crossing of the equator in the Pacific Ocean. (Source: Ross Dowling.)

In addition a much younger generation has discovered cruising and now cruisers also belong to Generation X (1965–1976; aged 41–52 in 2017), Generation Y (1977–1994; aged 23–40) and Generation Z (1995–2009; aged 8–22). This last group forms part of the family and multigenerational family sector, which is rapidly increasing with more than 2 million under 18s cruising in 2015 (Ward, 2016).

Complementing this growth, or in fact the driver behind it, is the extensive investment being made in the cruise industry with new ships, larger ships, new lines and growing corporations. A decade ago the world's largest cruise ship was Royal Caribbean International (RCI's) *Freedom of the Seas* (154,407 t). Today the largest ships in the world are RCI's 'Oasis Class' ships *Oasis of the Seas* (2009), *Allure of the Seas* (2010) and *Harmony of the Seas* (2016), all of which are significantly larger at approximately 225,000 t (Fig. P2). The cruise line has also set the standard for innovation in cruising with its three latest 167,800-t 'Quantum Class' ships *Quantum of the Seas* (2014), *Anthem of the Seas* (2015) and *Ovation of the Seas* (2016).



Fig. P2. Royal Caribbean International's Oasis Class ship *Harmony of the Seas*. At 227,700 t it is the largest ship in the world and was launched in 2016. (Source: Royal Caribbean International.)

These have been complemented by the huge upsurge in river cruising, which has generated a large number of river cruise ships. Parallel to this is the growth over the past decade of expedition cruising with a growing number of expedition ships now travelling to all parts of the globe. Whereas in the past these ships might have been former Russian icebreakers (such as the *Kapitan Dranitsyn* on which one of us led a trip to the Antarctic in 1999), to the purpose-built luxury expedition vessel *La Pinta*, which we cruised on in the Galapagos Islands, Ecuador in 2015, the change from basic to luxury cruising in the ensuing 16 years could not have been more stark! And, whereas in the past expedition cruises were taken on small ships run by small cruise lines, today the major cruise companies have got on board and all are now playing in this space. Pushing the boundaries even further is Carnival Corporation's new (2016)

Fathom brand, which is marketed as being ‘impact travel with a purpose’. Its ship *Adonia* (30,277 t) makes round trip voyages from Miami to the Dominican Republic and Cuba with passengers engaging in sustainable activities ashore working alongside local residents on community and/or environmental projects.

Since the first edition of this book appeared in 2006, there have been a number of other books on the subject. These include *Cruise Operations Management* (Gibson, 2006), *Cruising in the Global Economy* (Chin, 2008), *The Business and Management of Ocean Cruises* (Vogel *et al.*, 2010) and *Nautical Tourism* (Luković, 2013). Of course the definitive industry and consumer guide is *Berlitz – Ocean Cruising and Cruise Ships*, now in its 31st year (Ward, 2016). In addition the ‘Cruise Research Society’ was founded in 2009 and is located at Bremerhaven University, Germany. The Society has held five International Cruise Conferences and has published the proceedings of most of them.

Thus, much has already been written about the subject but the focus of this book is aimed at lifting the level of awareness of the subject generally, as well as its theory, issues, impacts, marketing and management considerations. Our belief is that the cruise industry can provide a number of benefits to governments, businesses, tourists and host communities. But this synergy will only be attained through increased knowledge, appropriate planning, sensitive development and active management. This is what this book is all about. The underpinning base of the approach to the subject is embedded firmly in our belief that cruise tourism is an exciting venture based on the twin goals of fostering client satisfaction alongside economic development.

The book has been written for a broad audience including students pursuing university and training programmes, tourism industry professionals, planners and managers in the cruise industry, and finally government agency employees. As a general text, it should be useful to students in a range of disciplines including tourism, business development, geography, planning and regional studies. As a specific text it provides an insightful overview of the industry covering a broad range of topics and issues. The book also has been written as a contribution to research and as such it brings together the essential elements of the cruise industry in addressing the provision of cruise ship tourism.

In this book we have tried to present a ‘snapshot’ of what is happening in the world of cruise tourism at this time. It is not meant to provide a comprehensive overview as the subject is still in its relative infancy. The book has been enriched immeasurably by each of the contributions of the chapter authors, who are an eclectic group comprising established academics as well as new and emerging researchers. The chapters represent a varied approach to the subject with a range of shades of meaning ascribed to the subject and differing levels of understanding about it. Some of the chapters are well detailed and illustrated, others are more descriptive. Some are critical, others less so. All are included because they represent the views of people passionate about the subject from a range of countries around the world. Issues such as economic, social and environmental impacts are explored together with that of globalization, as well as the industry’s policies on taxation, corporate social responsibility (CSR) and human resources. Case studies provide information on the phenomenal growth of the industry through real-world examples of markets, destinations and products. Through it all our hope is that further interest in this rapidly emerging subject has been generated, which will be the subject of considerably more books and papers in future years.

The book is organized into seven parts. The first introduces the industry and some of its fundamental principles including economics, CSR, passengers' health and well-being, and the relationship between academic research and professional practice on the subject. The second part focuses on the cruise experience, that is, cruise passengers and crew. The third part explores markets, marketing and the motivations for cruising. In the fourth part of the book the impacts of cruise ship tourism are investigated through the examination of the social and natural environments. This is complemented by Part 5, which looks at the planning and management for sustainable cruising. The sixth part investigates ports, destinations and infrastructure development including the recent, rapid emergence of cruising in China. The seventh and final part is a single chapter, which brings the topic to a close whilst providing a brief discussion on the future of the industry.

We wish the reader to note that this book is neither a definitive text nor an encyclopaedic overview of the subject. It has been compiled simply as an 'entrée' to the subject served with passion by the editors and contributors in order to communicate our love of the subject so that more will be done for it. We know that more detailed, scholarly research volumes will follow and this book is presented as a marker to stimulate further interest in, and research of, the subject.

We hope that you enjoy it.

Ross Dowling
Perth
Australia
April 2016

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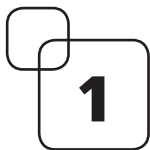
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The World of Cruising

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Introduction

The cruise industry has evolved markedly since the early days of the first passenger ships. This evolution has involved excursion voyages, transatlantic travel, the post-war boom, the demise of passenger ships and the advent of modern cruising (Dickinson and Vladimir, 1997). The industry is again growing rapidly and remains one of the major areas of tourism growth since the start of the new millennium. Between 2008 and 2014 cruise travel outpaced general leisure travel in the USA by 22%, and global cruising is evolving at a record pace increasing from 18 million passengers in 2009 to a projected 24 million in 2016, a 33% growth over the 9-year period (CLIA, 2016; [Table 1.1](#)). The economic impact of cruising in 2014 was 939,232 jobs, US\$39.3 billion in wages and salaries. The average daily passenger spending was US\$134.72 with a total economic impact of US\$120 billion (CLIA, 2016). The industry continues to focus on consolidation, with more than 80% of the global market share held by three cruise companies – Royal Caribbean Cruise Lines (RCCL), Carnival Cruise Lines (CCL) and Norwegian Cruise Lines (NCL) (Pinnock, 2014; Clancy, see Chapter 2, this volume).

The two most popular cruise destination regions are the Caribbean (33.7%) and the Mediterranean (18.7%). Rapidly growing destinations include Asia (9.2%), and Australasia and the Pacific (6.1%). These latter regions are experiencing spectacular increases in demand, and the world's leading cruise lines have established regional headquarters in both Asia and Australia. Although markedly different, China and Cuba have been identified as the markets with the greatest growth potential (AEC, 2015).

A regional example of the increasing appeal of cruising is its phenomenal increase in Australia. In the past decade the number of people cruising there has risen six-fold from 158,415 (2004) to 1,003,256 (2014) (CLIA, 2015a). These figures confirm Australia's position as the world's fastest growing source of cruise passengers, with numbers surging 20.4% from 2013 to 2014. The achievement of 1 million passengers in a calendar year comes 6 years before originally anticipated, and has been driven by an impressive 20% annual average growth for the past 12 years. Australia has also retained its position as the world leader for market penetration, with the equivalent of 4.2% of Australians taking a cruise in 2014, significantly ahead of the well-established North American market, which ranked second with a market penetration rate of 3.4% (CLIA, 2015a).

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Table 1.1. Worldwide cruise demand 1995–2020. (From: CLIA (2016), Ward (2016) and authors' estimate for 2020.)

Year	Number (rounded millions)
1995	6
2000	10
2005	16
2010	19
2015	24
2020	30

It is not just ocean cruising that is increasing in popularity. River cruising is also growing rapidly around the world, and today around 1 million people cruise on river ships (Ward, 2014). Key destinations include the Danube, Rhine, Elbe, Rhone, Seine, Po and Douro (Europe), Mississippi (USA), Yangtze (China), Lower Ganges (India), Mekong (Vietnam and Cambodia), Irrawaddy (Myanmar), Murray (Australia), Chobe (Botswana and Namibia), Nile (Egypt) and the Amazon (South America).

Cruise Supply

A cruise is defined as ‘to make a trip by sea in a liner for pleasure, usually calling at a number of ports’ (Collins English Dictionary, n.d.). Traditionally, cruise ships have been evaluated according to size, number of passengers and state rooms (Mancini, 2011). Ships range from very small or micro (under 10,000 t and 200 passengers), to megaships (over 70,000 t and carrying more than 2000 passengers). The largest cruise ships in the world are Royal Caribbean International’s three ‘Oasis-class’ ships. *Harmony of the Seas* (227,000 gross registered tonnes (GRT)) was launched in 2016 (see Introduction to Part 1), *Allure of the Seas* (225,282 GRT, 2010) (Fig. 1.1) and *Oasis of the Seas* (225,282 GRT, 2009) (Table 1.2).

A different classification categorizes ships from boutique to large resort ships (Ward, 2016) (Table 1.3).

The most widely used rating is that of Berlitz, which categorizes ships according to facilities, accommodation, cuisine, service, entertainment and the overall cruise experience (Ward, 2016). Their 2016 publication rated Hapag-Lloyd Cruises *Europa 2* as the best cruise ship in the world (Fig. 1.2; Table 1.4).

Cruise ships are getting larger. In the 1970s it was considered that a 25,000-t, 800-passenger vessel was the most cost effective and therefore profitable (Peisley, 1989). Cruise ship builders now believe the economies of scale argument applies to much larger vessels, with many new ships weighing more than 150,000 t and capable of accommodating over 3000 passengers. These ships offer a greater choice of facilities and activities and are designed for a new generation of passenger who has broader, more varied interests. Known as mega-liners, these vessels are recognized as giant floating resorts, and compete directly with luxury shore-based hotels (Dowling and Vasudavan, 2000). They have large multi-level hotel-style atrium-lobbies, glass elevators, impressive art works, glitzy casinos, show-lounges, shopping centres, health



Fig. 1.1. Royal Caribbean International's Oasis Class ship *Allure of the Seas*. At 225,062 t it is the second largest ship in the world. The ship is in the port of Labahee, Haiti, a private resort leased to Royal Caribbean Cruises Ltd until 2050. (From: Lois Godfrey.)

Table 1.2. The world's largest cruise ships. (From: Ward, 2016, and authors' research.)

No.	Ship	Cruise line	Tonnage	Passengers
1	<i>Harmony of the Seas</i>	Royal Caribbean International	227,000	5,496
2	<i>Allure of the Seas</i>	Royal Caribbean International	225,282	5,400
3	<i>Oasis of the Seas</i>	Royal Caribbean International	225,282	5,400
4	<i>Anthem of the Seas</i>	Royal Caribbean International	168,666	4,180
5	<i>Quantum of the Seas</i>	Royal Caribbean International	168,666	4,180
6	<i>Norwegian Escape</i>	Norwegian Cruise Line	163,000	4,200
7	<i>Freedom of the Seas</i>	Royal Caribbean International	154,407	3,634
8	<i>Independence of the Seas</i>	Royal Caribbean International	154,407	3,634
9	<i>Liberty of the Seas</i>	Royal Caribbean International	154,407	3,634
10	<i>Norwegian Epic</i>	Norwegian Cruise Line	153,000	4,200
11	<i>Queen Mary 2</i>	Cunard Line	148,528	2,620

Table 1.3. Cruise ship categories. (From: Ward, 2016.)

No.	Type	Ship size Gross tonnage (GRT)	Passengers
1	Boutique	1,000–5,000	50–250
2	Small	5,000–25,000	251–750
3	Mid-size	25,000–50,000	751–2,000
4	Large	50,000–220,000	2,001–6,500



Fig. 1.2. Hapag-Lloyd Cruises' *Europa 2* (42,830 GRT). The *Berlitz Guide to Cruising and Cruise Ships 2016* rates this ship as the best in the world, just ahead of its sister ship *Europa*. (From: Hapag-Lloyd Cruises.)

Table 1.4. Berlitz top cruise ships, 2016. (From: Ward, 2016.)

No.	Ship	Category	Cruise line	Points (max 2000)
1	<i>Europa 2</i>	Small (251–750 pax)	Hapag-Lloyd Cruises	1860
2	<i>Europa</i>	Small	Hapag-Lloyd Cruises	1852
3	<i>Hanseatic</i>	Boutique (50–250 pax)	Hapag-Lloyd Cruises	1758
4	<i>Sea Dream I</i>	Boutique	Seadream Yacht Club	1756
5	<i>Sea Dream II</i>	Boutique	Seadream Yacht Club	1752
6	<i>Silver Whisper</i>	Small	Silversea Cruises	1743
7	<i>Silver Shadow</i>	Small	Silversea Cruises	1741
8	<i>Silver Spirit</i>	Small	Silversea Cruises	1735
9	<i>Sea Cloud</i>	Boutique	Sea Cloud Cruises	1706
10	<i>Sea Cloud II</i>	Boutique	Sea Cloud Cruises	1701
11=	<i>Mein Schiff 4</i>	Large Resort (2001–6500 pax)	TUI Cruises	1698
11=	<i>Viking Star</i>	Mid-size (751–2000 pax)	Viking Cruises	1698

centres, computer and business centres, discos and observation lounges. Cruising is no longer a sedentary experience, and as shore-side lifestyles become more active, new ships offer a range of options, which cover sports, recreation, entertainment and culture. Cruise companies are also investing heavily in the 'biggest', 'grandest' and 'first', such as the first wedding chapel, most impressive ice rink, best in-line skating track or biggest rock climbing wall.

Trends and innovation in cruise ship design

As already noted, the trend for larger ocean cruise vessels is growing. For instance, Royal Caribbean International's (RCI) latest vessel, Oasis-class *Harmony of the Seas* is the largest cruise ship ever built (see Introduction to Part 1). It weighs 227,000 t, and has capacity for 5496 passengers and 2300 crew.

Although not every company offers ocean cruises on mega-liners, cruise companies are focusing on refitting and upgrading their fleets to take advantage of an upsurge in demand. For example, Swiss-registered MSC Cruises, the fourth largest cruise company in the world, will take delivery in 2017 of the first of three 'Vista' generation vessels. These ships each offer 2444 cabins and a combined passenger/crew capacity of 8000 people, with two additional ships launched in 2019 and 2020. Similarly, Crystal Cruises is currently undertaking a global expansion, with three new ocean ships (their first ship builds in 12 years), a river cruise operation, a yachting venture, air cruising and residences at sea. The company's new 1000-passenger luxury expedition-style ships, branded Crystal Cruise Exclusive, will sail the Seychelles Islands, the Middle East and the Adriatic Coast. Passengers will have access to expedition-style activities with a two-person submarine, zodiacs for shore excursions, a small yacht for boating tours, water skis, kayaks, and fishing and scuba gear.

The company is also financing a new hybrid concept, where 48 'Crystal Residences' are available for private purchase on these ships (*The Australian*, 2016). This novel development shares similarities with *The World*, a ship that has been offering apartment living for wealthy people since 2002. Accommodation on *The World* comprises 165 apartments for passengers to live onboard and, if they wish, retire at sea. The estimated price of these apartments is approximately US\$1 million, with another US\$120,000 a year in service charges. It is likely further opportunities to live at sea will be available in future.

In another initiative, Crystal Cruises is also setting out to restore and reinstate the historic SS *United States* as a modern luxury passenger liner, through a cooperative initiative with the SS United States Conservancy (Miller, 2016). Launched in 1952 and retired in 1969, the famed vessel was once nicknamed 'America's Flagship', and is best known for capturing the transatlantic speed record. It still remains the largest passenger ship ever built in America, having carried a million passengers in its time. The 800-guest-capacity ship will restore its original décor and feature 400 suites with luxury dining, spa and entertainment amenities.

It is not only size that is significant – technological innovations onboard are also critical to stay competitive. For instance, two of RCI's *Harmony of the Seas* predecessors, the Quantum-class ships *Anthem of the Seas* and *Quantum of the Seas*, feature an array of technological innovations, including an aerial gondola, dodgems, skydiving simulator, internal cabins with 'virtual balconies' and SeaPlex, the biggest indoor area at sea. A third Quantum-class ship, *Ovation of the Seas*, was launched in 2016 and two further ships in this class are on order for 2019 and 2020. A different, yet no less significant innovation comes from Virgin Cruises, which has announced its entry into the market with a futuristic hull design that represents a significant move away from conventional design. The cruise itself has been described by Virgin's Richard Branson as aiming for 'an intimate, boutique-style experience for cruisers and non-cruisers alike' (Davis, 2015). The first of three mid-size 110,000-t, 2800-passenger ships will be launched in 2020, with two further ships delivered in 2021 and 2022, at a combined cost of US\$2 billion.

Further novelties, in the form of creative product and price packages, include opportunities to overnight mid-cruise (Azamara Cruises), or take short trips (2–3 days) away from the ship during the cruise (Seabourn). Service innovations include Internet service at no extra cost (see Viking Ocean, Regent Seven Seas and RCI), as well as partnerships with non-cruise brands. Examples of the latter are Princess Cruises' cooperation with the Discovery Channel, and Holland America's joint offering with BBC Earth, both of which will offer a greater choice of enrichment programmes onboard, as well as themed excursions ashore. Intensive competition among cruise brands has forced companies to move on from providing a passive experience in a celebrity-themed restaurant or demonstration, to offering novel enrichment programmes, such as P&O Cruises' 'Food Heroes' concept onboard *Britannia*, where guests can take cookery classes with their favourite celebrity chef.

Beyond the appeal of standard themed cruises, passengers can also now participate in 'voluncruising', which although marketed to appeal to the potentially 'responsible' cruiser, is also critical to a cruise line's corporate social responsibility (CSR) strategy. For example, Hurtigruten's 'Clean up Svalbard' project enables guests to remove pollution and shipboard waste on selected landings on the archipelago. Viking River Cruises has adopted a school in Jingzhou City, China, and renamed it Viking River Cruises School. Excursions to meet the children and see them perform traditional songs and dance routines are available as an option. Crystal Cruises 'You Care We Care' is an initiative where passengers can help pack food for the Estonian Food Bank in Tallinn, or assist in gardening projects at a care home for the disabled in Livorno, Italy.

Central to all these and future development is the increasing sophistication of passengers and their expectations of service and product quality. For instance, Hwang and Hyun (2015) researched luxury cruise travellers in the USA to examine how company innovations influenced their experiences and perceptions of luxury. Cruisers reported that innovations were significant factors in both their experiences and perceptions of luxury in four areas – education (through increased travellers' knowledge), entertainment (from new onboard activities), aesthetics (via innovative spaces) and escapism (via innovative services). As ships are now destinations in themselves, many ports of call have become almost secondary to the experience (Mendes and Guerreiro, see Chapter 13, this volume).

Cruise Line Economics

The cruise corporations make large amounts of profit and a full explanation of how this is achieved is outlined by Vogel (see Chapter 7, this volume). However, dropping down to the level of revenue management based on the sale of cruises, this approach is widely used across a number of industries including the rental car and airline markets to increase profits. It is also used in the cruise industry and is central to controlling demand. On a cruise ship, there are many types of cabins and different fares, some of which are sold in advance, with given purchase restrictions over a finite booking window. Thus, revenue management problems for the cruise industry include its segmented market, fixed capacity, perishable inventory, finite selling horizons, advanced sales and stochastic demand (Sun *et al.*, 2011). The authors suggest that pricing and revenue optimization provide consistent pricing decisions in relation to each segment

within each channel. This can be achieved through an examination of the four dimensions of products, consumers, channels and time.

Cruise line revenue management therefore depends on making correct decisions about pricing and room capacity. Market demand is typically defined by such criteria as view requirements, bed configurations, room location and amenities (Li *et al.*, 2014). The essence is to price each market segment and allocate cruise room capacity at the same time in order to maximize potential revenue. Additional constraints include capacity limits on lifeboats and personnel requirements. Some companies have a policy where they do not reduce cabin price as the time of departure approaches. Such a price protection practice is referred to as a non-decreasing policy and allows early bookings to be cancelled for a specific period prior to departure at zero cost. Since the booking window is wide, deeper discounts at a later date can create a situation where passengers who have already booked a cruise cancel their booking and re-book at a lower price (Li *et al.*, 2014).

According to Li (2014) the fundamental booking decision for a cruise line involves how many reservations to accept to avoid two outcomes – either sailing with empty cabins, or denying some customers' bookings. Cruise lines accept reservations that overbook a cruise because they anticipate a number of cancellations and no-shows. The question is how many overbooked reservations to accept such that no one is denied boarding. To overcome this a Real Options Analysis (ROA) approach has been developed that formulates risk decision models for cruise line dynamic overbooking with two, three and multiple cabin types (Li, 2014). In these models, two given decision schemes are suggested. In each scheme the extra revenue from overbooking is seen as investment revenue, and the loss caused by the denied bookings is viewed as investment cost. Thus, the values of these two decision schemes are compared to choose the better, most profitable overbooking decision.

Apart from the sale of the cruise itself, today the cruise companies are selling extra-charge add-ons to passengers in an attempt to generate even more profits. An outline of this is provided by Weaver (see Chapter 8, this volume). Finally, the cruise industry makes a lot of money and its overall global economic impact in 2013 was US\$117 billion. However, there are a number of issues related to these profits, with one being the relatively low taxes they pay in the USA (Ruskin, 2004). Insights into this dilemma and the industry's ability to lobby in Washington, DC are described by Klein (see Chapter 3, this volume).

Challenges for the Cruise Industry

The rapid growth of the cruise industry has led to a number of challenges involving complex supply and demand structures. Central issues are the globalization of the industry, its corporatization (Klein, see Chapter 3, this volume) and the issue of 'flags of convenience' (Terry, see Chapter 4, this volume). Other issues include an intensively competitive commercial environment, concerns about over-capacity, destination ability to cater for larger ships and the sustainability imperative of balancing economic, societal and environmental wellbeing (Weeden *et al.*, 2011; Font *et al.*, see Chapter 5, this volume). A recent report for the International Transport Forum stated capacity growth was due to economies of scale, and effective market segmentation. Whereas the former multiplies onboard amenities, the latter matches distinctive demand characteristics.

In combination, they offer passengers product variety and novel experiences, all of which increase demand each year (Pallis, 2015).

Popularity of cruise vacations

Growth in the popularity of cruising has meant cruise ports have undergone extensive structural change, both in size and expansion of the facilities and services on offer (Pallis, 2015). Specialized terminals are replacing multi-purpose docks, and new forms of investment are enabling ports to cope with issues such as seasonality and specialization. Intensive cruise port competition has also resulted in short- and long-term shifts in market share. Many more ports are pursuing inclusion in cruise itineraries, while others focus on providing home-port facilities. Indeed, the confluence of consumer awareness, distribution channel development, availability of suitable harbour facilities, and substantially improved product and services continues to facilitate rapid growth and expansion of cruise tourism (Coggins Jr, 2014).

Future expansion will also require a greater emphasis on cooperation and partnerships, particularly in geographic areas that are closely linked across itineraries. For instance, within Europe's river cruise market, Romania has developed a successful industry along the lower Danube River and the western Black Sea (Nedelcu *et al.*, 2015). This was achieved through a cross-border cooperation programme (called the Black Sea Basin), which identified a range of sustainable economic cooperation opportunities (including cruise tourism), between the harbours of the Black Sea basin and those on the Danube River. The Danube has ten harbours included on the tourist circuit with over 1000 cruise calls per year, where more than 150,000 passengers travelled onboard 400 cruise ships on the Danube in 2014 (Mazilu *et al.*, 2015). Significant future growth in cruises will be due to a combination of new geographic source markets, fleet renewal trends and new ship builds, all of which are establishing the foundations for the industry's future (CLIA, 2016).

Health

The health and wellbeing of passengers and crew is an essential priority for the cruise industry. However, there exist a number of health challenges on cruise ships (Liu and Pennington-Gray, see Chapter 14, this volume), the most commonly reported being norovirus (Klein *et al.*, see Chapter 6, this volume). The virus is recognized as a leading cause of human acute viral gastroenteritis, and the rate of outbreaks on cruise ships has grown significantly in recent years (Bert *et al.*, 2014). Transmitted through person-to-person contact, noroviruses are likely to arrive via contaminated foods and water (Ward, 2015), and manifest as nausea, vomiting, diarrhoea and abdominal pain. The highly infectious nature of noroviruses, especially in close communities onboard ship, highlights the importance of strengthening preventative measures and devising more rigorous controls by public health professionals, cruise lines and crewmembers (Bert *et al.*, 2014). These researchers suggest improved detection, monitoring and implementation of preventive measures on cruise ships are essential, a claim also supported by a US survey of food safety professionals, which found 66% correctly identified norovirus as one of the three most common causes of food-borne disease in

the USA. However, only 5% of respondents correctly identified the three most common settings for the infection, while approximately 30% incorrectly claimed restaurant workers infected with norovirus could safely handle packaged food, food equipment and utensils (Kosa *et al.*, 2014). Although only a single study, it illustrates a potential gap in food safety professionals' knowledge about noroviruses.

A related problem is Cyclosporiasis, an infection transmitted by faeces or faeces-infected fresh produce and water, with outbreaks blamed on contaminated fruits and vegetables. Although not spread from person to person, it can be a hazard for cruisers through causing diarrhoea. In 2010, an outbreak of Cyclosporiasis affected passengers and crew on two successive voyages of a cruise ship out of Fremantle, Australia, and 73 laboratory-confirmed and 241 suspected cases of *Cyclospora* infection were reported in passengers and crew from these combined cruises (Gibbs *et al.*, 2013). A medical examination of crewmembers found the illness was associated with eating items of fresh produce served onboard, although the study was unable to conclusively identify the food responsible. It is likely that one or more of the fresh produce items taken onboard at a South East Asian port during the first cruise was contaminated. If fresh produce supplied to cruise ships is sourced from countries or regions where *Cyclospora* is endemic, extremely robust standards of food production and hygiene need to be applied to the supply chain (Gibbs *et al.*, 2013). Given the potentially harmful consequence of outbreaks for passengers and crewmembers, and subsequent high cost for cruise companies, disease outbreaks on ships represent a serious public health issue for the industry.

Safety and security

The rise of global acts of terrorism combined with the growth of the cruise industry, has inevitably led to a heightened interest in and practice of security and safety (Coates-Erkan, 2012; Tarlow, see Chapter 15, this volume; Fig. 1.3). The two key elements of cruise safety are guarding against incidents onboard (such as ship flooding or fire), and direct threats from hijacking, piracy and/or terrorism. The International Maritime Organization (IMO) Safety Committee generally addresses such issues. In the weeks following the 11 September 2001 terrorist attacks on the USA, eight cruise lines went bankrupt (Ward, 2005). Several others redeployed their ships, while others experienced a dramatic (albeit short-term) drop in passenger numbers. As a direct result of this incident, and the subsequent war against Iraq in 2003, US citizens have travelled overseas less, preferring to vacation within their own borders. In response, the US cruise industry developed 'homeland' cruising, with ships being home-ported in a range of newly established ports across the country, which thus reduced the need for Americans to fly in order to embark on their cruise, and meant ships stayed within US waters. According to Ward (2005) the effects of increased attacks and global conflicts over the past 5 years has led to a lack of confidence in travel safety, which is why homeland cruising has become increasingly popular in the USA.

Given all of the above it is surprising that maritime terrorism is a neglected area of research in tourism. Indeed, an attack on a cruise ship is considered by cruisers to be a distinct possibility, despite safety and security being a 'hallmark' of cruising (Bowen *et al.*, 2014). A number of different attack scenarios for cruise ships have been identified (Greenberg *et al.*, 2006), although recent research has extended these in



Fig 1.3. Indonesian Coast Guard clearing the ship *Silver Shadow* before departing Indonesian waters. Members of the team dived under the ship and inspected the hull as part of security operations. (Source: Ross Dowling)

order to test consumer perception of the risk associated with potential maritime terrorist events. While several risk scenarios were identified, the greatest was thought to be a terrorist attack on a ship or a port by an extremist group (Bowen *et al.*, 2014). However, differences in attitude among individuals revealed a high level of confidence in cruise companies, particularly among more experienced cruisers. Passengers also reported being resigned to risk being a fundamental part of travel in the 21st century, and welcomed efforts by cruise companies to improve safety and security, especially with regard to portside initiatives and onboard strategies (Bowen *et al.*, 2014). Cruise companies fully acknowledge the continued success of the industry will be predicated on effectively managing security and safety issues into the future.

A different problem, and one least acknowledged by a majority of cruise companies, is that sexual assault and sexual victimization are more common on cruise ships than on land (Klein and Poulston, 2011). The case of Dianne Brimble, a passenger on the P&O cruise ship *Pacific Sky* who died of a drug overdose in 2002 in suspicious circumstances, first highlighted the dangers that exist on cruise ships (Knox, 2006; Jacobsen, 2012). Klein and Poulston's (2011) study of the North American-based cruise industry revealed perpetrators are most often male crewmembers, victims are most often female passengers (over 17.5% younger than age 18), and that assaults occur almost anywhere, though most frequently in passenger cabins. Similarly, female workers on cruise ships are reported to be at risk of sexual harassment and/or assault. Although most cruise companies claim to have policies prohibiting sexual harassment, 35% of women interviewed in a survey of cruise ship workers reported being worried about unwanted sexual attention onboard. Sexual harassment

by male superordinates often led the female worker into forming a partnership onboard for protection from harassment (Thomas *et al.*, 2013).

Cruise Employees

The operation of cruise ships requires an extensive number of highly trained staff. The ship's company is generally divided into two key sections – ship operations and the hotel sector. Heading both is the Captain, with the Staff Captain in charge of officers (general and security) and seamen. The Chief Engineer oversees mechanical operations staffed by general, electrical and refrigeration engineers, and the Principal Medical Officer is in charge of all hospital staff onboard. The Hotel Manager (sometimes called Hotel Director, Chief Purser or General Manager) is responsible for guest accommodation, food and beverage, activities, entertainment and excursions (Fig. 1.4).

Jobs in the cruise industry are growing in number yet remain highly sought after. A brief scan of the Internet reveals a large number of websites devoted to cruise employment opportunities, with cruise lines advertising directly, as well as general employment agencies offering jobs on cruise ships. Whilst many people are attracted to working in the cruise industry the reality may involve long hours and low pay. To 'survive' onboard, cruise staff must view their occupation as a lifestyle rather than a job, as it requires a certain aptitude to live in this way (Mancini, 2004). New staff may have realistic expectations of their future work on the ship, but often have unrealistic expectations of life onboard (Matuszewski and Blenkinsopp, 2011). They view their occupation as being secure and carefree but perceive the working environment to be 'another world', which is impossible for people to understand unless they have worked on cruise ships. This has been described as a mismatch of reality, with lives onboard



Fig. 1.4. The general manager (Thierry Tholon) and Captain Vitaliy Silvachynsky of Oceania Cruises' *Marina* in the Pacific Ocean, 2015. (Source: Ross Dowling)

being viewed as ‘abnormal’, which can prove difficult when staff return home and try to ‘fit in’ to ‘normal’ life once again. Gibson (2006) suggests this environment can overwhelm workers. Conversely, Matuszewski and Blenkinsopp’s (2011) study found that staff felt ‘strongly connected’ to the cruise ships they had worked on, and reported a sense of nostalgia, a desire to return and also renewed wanderlust, especially if they saw ‘their ship’ in port, or on television. Overall, these workers shared a belief that working onboard was a ‘good experience’.

These findings are similar to those of Gibson and Perkins (2015), who investigated the extended social interactions of experienced cruise staff, and found these had a largely favourable impact on workplace engagement, largely because workers spent much of their free time with colleagues, who were considered friends. Consequently, cruise staff felt more committed to, and enthusiastic about their job because of these close working relationships, compared to those employees working shore side. Staff who enjoyed their job and were committed to their employer credited respect and fairness of their supervisor, the social atmosphere onboard with guests and friends (Huang and Hsu, 2010), and food and living quarters, for their job satisfaction (Larsen *et al.*, 2012). Today ports are now realizing the value of cruise ship crews, as well as the passengers, so they are now providing facilities and services specifically for crew. One example is Port Chalmers, South Island, New Zealand (Thyne and Henry, see Chapter 11, this volume).

Whilst these studies reveal favourable experiences, it has been argued that cruise staff from less developed countries do not enjoy the same enthusiasm for their work (Chin, 2008). The cruise industry is not only a microcosm of a globalized labour force, with young South East Asians working at the lowest status level, but also represents a new form of international class constructed around western consumer culture. The service work carried out in the environment of the cruise ship demands the cultivation of an especially subservient demeanour on the part of young workers, who may, paradoxically, occupy a relatively privileged middle-class position at home (Artini *et al.*, 2011). The reality may not match the dream when it comes to either income or the excitement of international travel. For example, well-educated, young Indonesians who choose a career in cruise ship work rather than go to university enjoy financial and work experience benefits, but also have to endure hardship if working onboard a cruise (Artini *et al.*, 2011). In a similar vein it has been noted that Filipino seafarers, the largest group of workers on cruise ships, find themselves embedded in a transnational system that facilitates entry into the cruise industry yet diminishes their legal protection. Among the most dramatic has been a legal precedent that prevents Filipino seafarers from suing their employers in US courts in favour of arbitration in the Philippines (Terry, 2009).

Cruise Passengers

Cruise motivations

The average age of cruise passengers is decreasing and it is no longer seen as the preserve of seniors and retirees (Table 1.5). Traditionally, cruising has been the preserve of older people, mainly retirees. However, today’s retired populations, who remain the majority of the cruise market, are fitter, more adventurous and more time-rich than

Table 1.5. Age and characteristics of cruisers post 1970.

Decade	1970s	1980s	1990s	2000s	2010s
Average age of cruisers (years)	65+	60s	Late 50s	50s	40s
Market segments	Older retirees Predominantly couples Older single women	Older retirees Predominantly couples Single women	Active retirees Employed Baby Boomers Families?	Active retirees Baby Boomers Solo travellers Multi-generational groups Families Generation X (born 1965–1976) Generation Y (1977–1994) Generation Z (1995–2009)	Active retirees Active Baby Boomers Solo travellers Multi-generational groups Families Generations X, Y + Z Generation Alpha (b. 2010+)

their predecessors. In a quest to enrich their lives, these members of society have discovered that cruises are ideally suited to their needs (Dowling, 2006). In addition to value for money, cruise lines offer options for health-conscious travellers through healthy dining options and fitness programmes. As already noted, onboard enrichment programmes enable them to expand their knowledge of a wide range of subjects such as art, music, politics, photography, golf, wine and literature, or to take an in-depth look at the destinations they are visiting (Fig. 1.5). The image of cruise ship holidays on television indicates that destination image plays a fundamental role in the holiday destination-making process (Polizzi and Oliveri, see Chapter 17, this volume). Cruise ships also offer soft adventure opportunities for the more active.

The cruise passenger market is segmented in various ways, most commonly according to lifestyle, interest, lifestyle (families, seniors, couples), romantics, solo travellers and the accessibly challenged (Ward, 2015). Baby Boomers are a major market for the industry, with their emphasis on safety and security, luxury accommodation and facilities (including gated communities at sea), healthy cuisine, new and exciting destinations (often on river cruises or expedition ships), challenging onboard activities and active shore-side adventures. A rapidly growing market segment is that of children and families, who are now beginning to turn the cruise ship deck into a playground (Lambert and Dowling, see Chapter 20, this volume).

The attributes of a strong cruise brand are outlined by Lemmetyinen (see Chapter 16, this volume). A study of the US luxury cruise market found that factors which influence the formation of brand prestige include food and service quality, staff/crew attractiveness,



Fig. 1.5. Enrichment lectures are a major part of most cruise ships' programmes. Lectures are presented on either the destinations which the ship will visit or on specialized topics given by experts. Here Wendy Dowling gives a lecture on 'Natural Approaches to Women's Health' on board *Silver Shadow*. (Source: Ross Dowling)

entertainment, ship facilities, ports of call, programmes/places for children and cabin quality (Hwang and Han, 2014). In addition, they found that brand prestige produces three managerial outcomes – the perception of wellbeing, customer brand identification and brand loyalty. In another survey of ‘local relaxers’ and ‘long-haul discoverers’ (Hung and Petrick, 2011), cruise passengers in Dunedin, New Zealand revealed large differences in prior behaviour and future intentions between these two segments (Henry *et al.*, 2015). Long-haul passengers were typically more experienced cruisers, and had a lower intention to return (32%) than did their local equivalents (84%). These findings are consistent with cruise berth providers’ expectations that cruising is developing into a global industry with multiple passenger source/destination regions and two distinct global mass cruise passenger segments – long haul and local.

A survey of customer satisfaction among passengers on a Classic International Cruises ship revealed cruisers valued a range of services and facilities, which included the courtesy and competence of staff, efficiency of the Cruise Director, the range and diversity of entertainment and services onboard, as well as the manner in which passengers’ expectations were fulfilled (Sirbu, 2013). The issue of gratuities was not mentioned in this study and although the dominant North American market still drives the industry, cruisers from other parts of the world dislike the practice of tipping onboard as they are simply not used to it. It has been suggested that the payment of gratuities should be replaced with automatic service charges, or service-inclusive pricing (Lynn and Kwortnik, 2015). Some sectors of the cruise industry have already switched to the former. However, a study of Carnival Cruise Line’s guests rated their cruise more positively when they sailed under a voluntary tipping policy rather than when automatic service charges were added to their onboard bills.

Another contentious area for cruisers relates to shore excursions, with the onboard cost often being double or triple the price charged by shore-side operators for an equivalent tour. The level of uptake on these excursions is often relative to how much information passengers collect beforehand. For instance, some extensively research each port of call through the ship’s website, online forums, personal recommendation, travel books and so on, whereas others leave any information search until the day of arrival at the port, or undertake no search at all (Thyne *et al.*, 2015). Increasingly, passengers are looking for a unique (and cheaper) experience to those offered through ship tours, but it is clear they may be unaware of these opportunities until they arrive and disembark at the destination. The move towards a more informed passenger, happy to make their own port-based shore excursions, will inevitably lead to more equitable pricing of cruise ship shore excursions, although this may require passengers to significantly alter the way they gather information about their cruise.

Why people cruise has been studied for decades. Travel, escape, luxury, fine dining, adventure, safety, socializing are some of the reasons given for undertaking a cruise. However, a relatively low percentage of the US population (20%) has cruised despite over 60% indicating that they are interested in taking a cruise (Hung and Petrick, 2012). To understand this discrepancy Hung and Petrick (2012) investigated the constraints to cruising of both cruisers and non-cruisers. Cruisers had higher travel motivations and intention, and were more likely to negotiate their travel constraints than non-cruisers. The study suggested companies could develop different marketing campaigns for each group, in order to retain existing customers and attract new cruise participants. Recommendations to encourage first-time cruisers targeted the key constraints. For example, providing a matching service for those without a travel companion, a dating

service for those looking for romance, child and/or elder care options for those busy with family or work schedules, and corporate facilities for business executive groups. Potential activities for existing cruisers include special interest tours to cater to the needs of different markets, onboard activities, and social interaction opportunities with staff and other passengers for those more interested in meeting people, and special interest enrichment programmes (Hung and Petrick, 2012). A comparison of motivations and constraints on cruising for the US and Chinese markets is described by Petrick *et al.* (see Chapter 19, this volume).

Research by Xie *et al.* (2012) explored the motivations of cruisers and potential cruisers. The former are people who have already cruised, while the latter are yet to cruise but are interested in doing so in future. This study examined the influence of onboard features, or attributes, on decision making, as these attributes distinguish cruises from other types of vacation (Table 1.6).

While each segment accorded the same level of importance to entertainment, core attributes, children and crew, potential cruisers attached greater significance to recreation and sport, supplementary attributes, and fitness and health, all of which were deemed relatively unimportant by cruisers. Consequently, promotional campaigns for experienced cruisers should emphasize restaurants, cabin, crew service and shows/performances, while non-cruisers would pay attention to messages about sport, spa facilities and enrichment opportunities. Such information is critical for cruise marketers seeking to convert non-cruisers to cruisers, a fundamental target in growing passenger demand.

A study of North American cruise tourists revealed a variety of motivations to cruise, although these were dependent upon a passenger's cruise experience, rather than an itinerary (Jones, 2011). Novelty was important for first-time cruisers, and respondents enjoyed the comfort and accommodation, but they were less interested in the nightlife onboard. In terms of information gathering before departure, cruise and destination websites were important, and improved information connections between these were considered key to attracting future cruisers. Hung and Petrick (2011) revealed freedom, escape and relaxation were primary reasons to cruise, and argued that cruise promotional campaigns 'should demonstrate people enjoying their freedom, escaping from their mundane life, and/or resting on a cruise' (p. 392). Additional motivations included a desire for learning and discovery, self-esteem and social recognition, and

Table 1.6. Ship attributes. (Adapted from: Xie *et al.*, 2012.)

Attribute	Explanation
Entertainment	Nightclubs, social gathering/parties, games/contests/tournaments, casino, bars/lounges and shows/performance
Recreation and sport	Sport platform, wall climbing, miniature golf, ball facilities and running/walking track
Supplementary attributes	Library, educational classes, Internet café, computer rooms, business/conference centre and laundry
Core attributes	Cabin, restaurants, food and room service
Fitness and health offerings	Spa, fitness centre, training, beauty salon and swimming pools/hot tubs/whirlpools
Children's facilities	Babysitting services and children's centre and programmes
Crew	Crew services, and communication from the Cruise Director

bonding with others onboard. Significantly, this study identified a category of cruisers they referred to as 'unmotivateds'. These individuals took a cruise to appease someone else, and were generally older males. Conversely, 'motivated' cruisers were the youngest in age, more likely to be female, and actively engaged with the cruise facilities.

Petrick and Durko's (2015) study also referred to 'motivateds' and 'unmotivateds' but identified an additional three distinct segments: 'relaxers', 'socializers' and 'cultureds'. Relaxers take a cruise to slow down, and enjoy tranquility and leisure time onboard. They avoid social situations and prefer cruises with fewer social interactions. They generally have an income greater than US\$100,000, are young (mean 48.3 years), highly educated, prefer suites (to cabins) and have taken significantly more cruises than other groups (average of 11.7 in their lifetime). Thus relaxers are serious cruisers who are educated, have money and are willing to spend it. Socializers were the largest group, and motivated by the status of a cruise vacation. They cruise to meet people, enjoy cocktail parties and dining with the captain, but also want to experience nature through ecotours ashore. The cultureds cruise to engage with other cultures, but also place high importance on travelling with a spouse and/or family. The study concludes that even though passengers take a cruise for different reasons, cruise companies must exceed the expectations of each segment equally, a particularly challenging corporate aspiration.

Some individuals are attracted to luxury cruising because of its perceived social value, when they are eager to tell friends about the experience so as to project a prestigious self-image, and enhance their social status or 'face-consciousness' (Hyun and Han, 2015). Significantly, luxury cruise passengers perceive greater social esteem when cruising with those from similar backgrounds, and so if a luxury cruise provides relaxed meeting points where passengers can socialize together, they are more likely to perceive high social value. Therefore, marketing of a luxury cruise company could be achieved by developing programmes such as wine tastings and formal evening parties where passengers could meet people from similar economic backgrounds (Hyun and Han, 2015).

Whilst the above studies have focused on mainly North American cruisers, a different study examined the propensity for South Koreans to undertake a cruise (Hur and Adler, 2013). There is a rising demand for cruise travel connecting China, Korea and Japan. For instance, South Korea has recently emerged as a new cruise destination in the North East Asian region, with Jeju Island (one example) attracting many cruise ships. The Koreans themselves are not yet cruising in large numbers; however, Hur and Adler (2013) suggest there is great potential because relatively few Koreans have so far cruised. The lack of cruise experience for Koreans is largely due to a perception that cruising is expensive, it is only suitable for higher status people, it is an unfamiliar form of vacation and they have insufficient knowledge about it. However, the study also revealed the majority would take a cruise if they had the opportunity, especially on cruise ships home-ported in South Korea.

Marketing

The marketing of cruise vacations is an intensely competitive and high cost exercise. From a study of passenger shipping in the USA, the history of marketing the maritime industry can be divided into four periods spanning almost 175 years: immigration and luxury (1850–1914); tourism, alcohol and luxury (1918–1939); jet age emergence (1946–1970); and cruising for all (1970 to the present day) (Branchik, 2014). During

this period the cruise industry has revolutionized each element of marketing in response to changing social, cultural, commercial and technological forces, including a transformation from trans-oceanic transportation network to leisure-oriented lodging/entertainment/tourism service provider (Branchik, 2014).

In recent years the advent of e-commerce has brought about further change, especially in regard to marketing cruise vacations. The modern cruise ship is a social setting laden with situations in which passengers become an active part of value creation, and interact with staff, the environment and, most importantly, other guests. Such co-creation takes on greater significance as passengers' judgements of service and facilities influence not only the experiences of others, but also their perception of the quality of the cruise. In support of this, Brejla and Gilbert's (2014) analysis of a cruise review site revealed the overall rating of a cruise depended upon service satisfaction, cabins and public facilities, as well as interactions with staff and other cruisers.

In an effort to manage the impact of co-creation, cruise lines use social media to create dialogue with potential customers (and stakeholders) in order to more exactly understand what they seek from a cruise. For instance, an analysis of cruise-related Twitter feeds (42,785 tweets) in 2014 revealed a number of themes (Park *et al.*, 2015). These were *travel*-related words – travel, vacation and tour; *destination*-related words – Caribbean, Galapagos, Tahiti and Bahamas; *cruise ship or travel company*-related words – ship, allureoftheseas, line, carnival, waldoworldtravel, sail, port and cruiseaward; and *emotion*-related words – amazingfriends, epicday, favoritevacation and love. The findings revealed a great many tweets referred to specific travel destinations like the Caribbean, Galapagos, Tahiti and the Bahamas, which provide significant opportunity for destination management and marketing organizations. The notable set of words related to emotion and attitude towards cruises (amazingfriends, epicday, favoritevacation and love) indicates a positive attitude, and is consistent with previous findings on cruise tourists who are motivated by escapism, social connectivity and scenic destinations. However, it has been noted that while travellers and companies increasingly use social media, timely and relevant research into its effectiveness lags behind (Pantelidis, see Chapter 22, this volume).

New Cruise Markets

Climate is a major determining factor in ship destination deployment. This leads to the relocation of fleets from one destination to another. The main cruising grounds are North and Central America (57% market share), Europe (24%) and the rest of the world (16%), whilst 3% of ships are idle at any particular time (Charlier and McCalla, 2006). The main cruising ground is the Caribbean based on its proximity to the North American market, followed by the Mediterranean, Alaska and the Pacific regions (Dowling, 2006). However, there are a number of emerging markets. These include Asia, Australia, the Arabian Gulf, Croatia, the Baltic and Cuba.

Asia

Although the current market share of Asian cruising accounts for only 5% of the world cruise market, its market size is expected to grow dramatically with the economic

development, and increase of disposable income, in Asian countries, especially China, which is the world's fastest growing cruise market (Mondou and Taunay, see Chapter 33, this volume; Dowling and Mao, see Chapter 34, this volume). Asian cruisers perceive the value of cruising lies in the ship's facilities, food and beverage offerings, the range and quality of entertainment, as well as the ship staff (Yi *et al.*, 2014). The number of cruise travellers from Hong Kong (South East Asia's cruise hub) more than doubled from 201,000 in 2005 to 459,000 in 2007 because of economic development in East Asian countries (Stanley, 2008).

Forecasted strong demand for cruising from China is reflected in Carnival Corporation's announcement that it is increasing its presence in China for four of its ten brands from 2017 (*Cruise Weekly*, 2015a). For example, Costa Cruises, which has based at least one ship in China since 2006, and Princess Cruises will be joined by Carnival Cruise Line and AIDA Cruises. In tandem with the above, the Corporation has proposed the launch of a domestic cruise business in partnership with the state-owned China State Shipbuilding Corporation (CSSC) and China Investment Corporation. Together, the Chinese partners will hold 60% of the joint venture, while Carnival, with a 40% stake, will operate the vessels.

Similarly, MSC Cruises has established a partnership with Chinese outbound tourism provider CAISSTA Touristic Group that has the *MSC Lirica* home-ported in Shanghai to service the Chinese home market. Commencing in May 2016, this 2500-passenger ship has been especially designed for Chinese consumers, has a large number of Mandarin-speaking crew and offers high-end Chinese cuisine. Genting Hong Kong also launched a new Chinese focused premium category cruise concept Dream Cruises in late 2016. Itineraries range from 2 to 7 nights with voyages scheduled for Ha Long Bay (Vietnam), Hong Kong, Sanya (Hainan Island, China), Da Nang (Vietnam) and Guangzhou (China). Its first ship, *Genting Dream*, is 151,300 t, has 19 decks, 1674 staterooms and over 35 restaurant and bar concepts. It can accommodate 3400 guests and 2030 crewmembers.

A study of the behavioural preferences of Chinese outbound cruise travellers found that most preferred to plan their cruise only 1–2 months before departure. Cruises of 7–15 days were preferred, and their main motivations were to 'Enjoy natural environments', 'Experience attractive routes and destinations', 'See and experience new cultures', 'Visit multiple destinations' and 'Travel to places friends/relatives have not visited' (Fan and Hsu, 2014). These behaviours and motivations are similar to those of Taiwanese cruise travellers (Josiam *et al.*, 2009). The most attractive cruise destination for mainland Chinese passengers is Europe, followed by Japan, Korea and South East Asia.

Australia

As noted previously, the Australian cruise market is in a period of unprecedented boom, with numbers increasing 20.4% in 2014 to reach 1,003,256 cruisers in a single year (Dowling, 2016). This achievement has been driven by a 20% annual average growth for the past 12 years, and Australia is now the fourth largest source market for cruise passengers, accounting for 4.5% of global cruisers, behind North America (54.2%), Germany (8%) and the UK/Ireland (7.4%). The most popular cruise destination regions for Australians are the South Pacific with 39% of the market, Australia (18.9%) and Europe (9.4%), where river cruise passengers surged to 79,530, an increase of 60%.

Cruises of 8–14 days' duration remain the most popular, attracting 54% of passengers, although demand for shorter cruises (2–4 days) increased by 59%. Overall, Australians spent an estimated 10 million days at sea in 2014, cruised an average of 9.7 days on ocean cruises, and 13 days on river cruises (CLIA, 2015b). Confidence in the future growth of cruising in Australia is illustrated by P&O Cruises Australia announcing it will be the first cruise line to build a new ship specifically for the Australian market. Due for launch in 2019, this 135,000-t, 4200-passenger ship will be the largest cruise ship ever to be based in Australia.

Arabian Gulf

A number of countries in the Arabian Gulf have diversified their tourism economies through the development of cruise tourism. These countries include the United Arab Emirates, the Sultanate of Oman, Bahrain and, more recently, Qatar. Another example is the development in cruise tourism in Saudi Arabia (Monshi and Scott, see Chapter 31, this volume). The success of this regional development is largely due to improved regional cooperation, which has led to a number of cruise companies establishing a base in Dubai, which became the regional hub in 2006, when vessels from Costa and Aida were first home-ported there. Since then, cruising from the port has increased 30% annually. In 2015, five cruise lines home-ported seven ships and made 115 port calls with more than 425,000 passengers, although Dubai plans to double this to 1 million passengers by 2020. Another UAE port, Abu Dhabi, has also boosted its cruise presence with a new cruise terminal that opened in December 2015 (Fig. 1.6). MSC Cruises became the first company to operate voyages from this



Fig. 1.6. Passengers checking in at the new Abu Dhabi Cruise Terminal, Port Zayed, United Arab Emirates, 2016. (From: Abu Dhabi Ports, UAE.)

new terminal with *MSC Musica* home-porting at the terminal for the 2015/2016 cruise season (*Cruise Weekly*, 2015b).

In 2014, Cruise Arabia launched a promotional campaign to strengthen the appeal of the Gulf Region to the established markets of Europe and North America, whilst at the same time appealing to the new markets of China and India (Karolak, 2015). With a rapidly growing global Muslim population (estimated to be around 1.4 billion with an annual growth rate of approximately 3%), the potential for an emerging cruise market for Muslims could be established in the Middle East along with Malaysia and Indonesia. Muslims often travel in larger family groups (compared to Europeans) and the key attributes for developing tourism for Muslims includes the availability of places of worship, halal certified food, the banning of alcohol consumption and gambling, and the provision of Islamic content on television (Di Foggia *et al.*, 2012).

Croatia

Dubrovnik, on the eastern shores of the Adriatic Sea, is one of the most important and frequently visited cruise destinations in the Mediterranean. It is the leading Croatian port, generating approximately 75% of total cruise traffic to the country due to its favourable position as a stop between Venice and Greek ports, and is the second most visited port in the Mediterranean after Naples (Pavlič, 2013). Passenger arrivals in the Dubrovnik area in 2015 were 1.3 million, an increase of 31% in comparison to 2011, with an average growth rate of 7.06%. The port is now facing a problem of carrying capacity because a large number of ships and passengers arrive and depart within a short period of time.

The Baltic

Ten countries surround the Baltic Sea – Finland, Sweden, Denmark, Germany, Poland, Estonia, Latvia, Lithuania, Russia and Norway. The region has 26 destinations and the Baltic cruise industry has grown over 50% since 2000. The region has successfully built Cruise Baltic, a distinct brand for cruise, developed from a network of destinations' cooperation and communications among the ten countries and 44 partners involved (Lemmetyinen and Go, 2010).

Cuba

With the thawing of US–Cuban political relations, Carnival Corporation has been granted approval by the US Government to begin cruise travel to Cuba in 2016. It is intended that their newly launched Fathom brand will provide cultural, artistic, faith-based and humanitarian exchanges between America and Cuban citizens (Cruising, 2015).

The Impacts of Cruising

The rapid growth of the cruise industry has put a spotlight on its impacts on the natural environment, local communities and economies (Klein, 2011). Impacts may be

beneficial (positive), neutral or adverse (negative), environmental, sociocultural and economic. In the past two decades the cruise industry has shifted significantly from one that focused on economic return and benefit to corporation shareholders, to one that is more responsible in relation to its environmental and social actions. It is moving along a continuum towards sustainability, and while it has not reached a position of complete triple bottom-line harmony, the signs are far more positive today in 2016 than they were a decade ago.

The expansion of cruise activities has not left unaffected the image of cruising. The elite activity of some passengers per year has been replaced by the mass transportation of thousands of cruise passengers at once. A community's decision to seek cruise ship visits requires a number of industries to be involved but will also affect many, either directly or not. (Pallis, 2015, p. 53)

For example, the Caribbean region accounts for over 50% of the world's market share of cruise ship passenger deployment, but generates less than 5% of the industry's revenue, while at the same time imposing significant financial and environmental costs on a number of the islands (Pinnock, 2014). The focus of the modern cruise industry, especially in regions such as the Caribbean, is on developing the internal facilities of super post-Panama resort ships, and the balance of power is more than ever held by the cruise lines. The Caribbean destinations' approach to assessment of cost and benefits, environmental and social impacts needs to change for the industry to be sustainable (Pinnock, 2014).

Environmental issues

The environmental aspects associated with cruising include both onboard environmental considerations such as wastewater treatment, solid waste management and air emissions from fuel, and marine and shore-based impacts on the routes they ply and the destinations the ships visit. See for example, the relationship of cruise ships and protected areas in Brazil (Botelho *et al.*, see Chapter 24, this volume).

International aviation and maritime transport accounts for a significant and growing share of global carbon emissions. However, they are not included in the Kyoto Protocol nor in any current carbon pricing schemes, and do not pay fuel excises, similar to other transport activities. However, it has been suggested that the design of fuel charges for the cruise industry be implemented to quantify their impact on emissions, revenue and welfare. This gain from offsetting pre-existing tax distortions may be as significant as those from reducing emissions, but implementation will require a degree of international cooperation (Keen *et al.*, 2013).

The International Chamber of Shipping (ICS) has encouraged cruise lines to prepare now for the imposition of a global 0.5% cap set by the IMO on the percentage of sulfur in fuel levels, which may come into effect in 2020 instead of 2025. Global cruise operators are rapidly retrofitting fleets with green 'scrubbers', which use water to dilute and offset around 97% of cruise ship emissions. All new-build vessels are also being fitted with scrubbers at the design and construction phase (*Cruise Weekly*, 2015c). Carnival Corporation plans to reduce its carbon footprint 25% by 2020 (Carnival Corporation, 2016). Its FY2014 Sustainability Report details the company's 2020 sustainability goals and highlights ten goals for reducing the line's carbon footprint over the next 5 years, while enhancing the health, safety and security of its guests

and crewmembers, and ensuring sustainable business practices among its brands, business partners and suppliers (Fig. 1.7). Three of the ten goals focus on developing, deploying and operating exhaust gas cleaning systems for clean air emissions, increasing cold ironing capacity and further reducing the intensity of equivalent carbon dioxide emissions. Several of these focus on improving the quality of Carnival's fleet

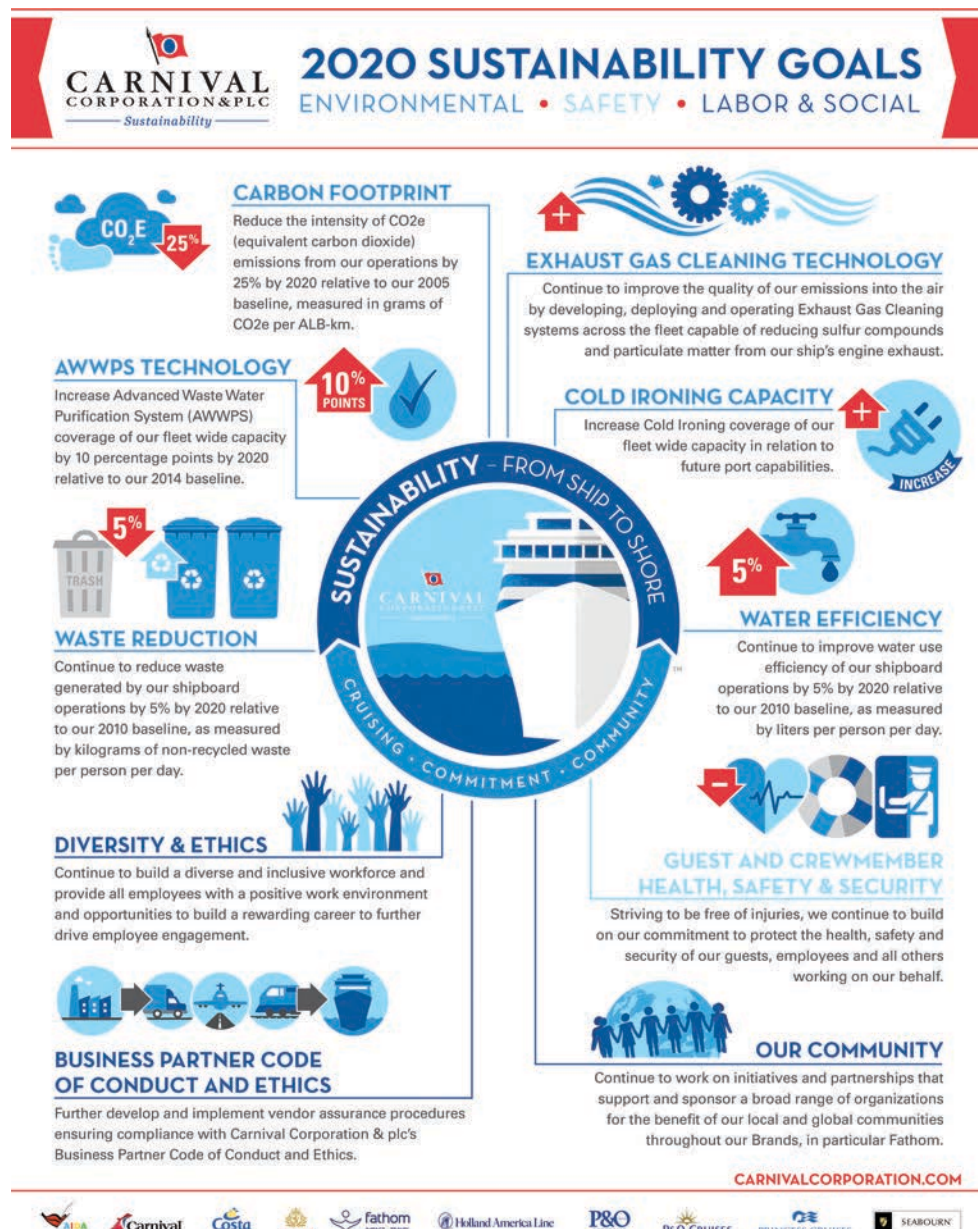


Fig. 1.7. Carnival Corporation's Sustainability Goals (2020). (From: Carnival Corporation's FY2014 Sustainability Report.)

air emissions. The business has made a US\$400 million investment to develop, deploy and operate exhaust gas cleaning systems that reduce sulfur compounds from the ships' engine exhaust. Carnival Corporation will also continue to improve water use efficiency on its vessels by 5% by 2020, relative to its 2010 baseline, as measured by litres per person per day. The cruise line announced its four next-generation vessels to be built for Costa Cruises and AIDA Cruises will be the first in the industry to be powered at sea by liquefied natural gas (LNG), the cleanest burning fossil fuel. The new builds will use LNG to generate 100% of the ship's power both in port and on the open sea as part of Carnival's commitment to 'green cruising'.

Royal Caribbean Cruise Lines is also committed to environmental stewardship (Royal Caribbean Cruises Ltd, n.d.). Its Florida-based fleet does not use landfills and in 2014 it achieved a 114% increase in recycling fleet-wide. RCI's Quantum class ships include a range of innovations that reduce carbon dioxide emissions, including an air lubrication system, which reduces hull friction via a layer of billions of microscopic air bubbles. The company also increased 'responsible local sourcing' in Europe, Asia, Australia and New Zealand, with a 20% increase of locally purchased products. Other goodwill initiatives included the launch of a programme to make the ships a more welcoming environment for autistic guests and their families. A partnership between a cruise line and an environmental organization has taken place, with Royal Caribbean Cruises Ltd (RCL) linking with the World Wildlife Fund (WWF) in a 5-year global partnership to set sustainability targets aimed at reducing RCI's environmental footprint. As part of the agreement, RCL has contributed US\$5 million to WWF's global oceans conservation work and they will collaborate to raise awareness about ocean conservation among the cruise line's 5 million passengers.

Hurtigruten is modifying several of its vessels to use shore power when in port, after signing an agreement with the Port of Bremen for the development of land-based connections. The environmental initiative will significantly reduce fuel consumption and air pollution during port calls. There is no doubt that there have been improvements from the industry with respect to sustainability (Hall *et al.*, see Chapter 28, this volume).

A marquee destination that has experienced the negative effects of cruising is Venice. A ban on large cruise ships passing through the centre of Venice was imposed in late 2014, preventing all ships over 96,000 GRT from sailing to the city's main cruise terminal, and thus limiting the number of such ships doing so to five per day (Pinnock, 2014; Fig. 1.8). The debate had gained momentum as citizens and local protest groups were discontented with the presence of the bigger vessels, arguing that they produce pollution and result in substantial levels of emissions, with the acid nature of the pollution thought to be potentially speeding up the erosion of the city's medieval buildings, which are already sinking into the lagoon surrounding Venice, itself a United Nations Educational, Scientific and Cultural Organization (UNESCO) heritage site. Even with environmental assessment pending, the image of giant vessels next to historic buildings led to an overheated reaction by local communities. Italian authorities have overturned the decision, as the actual impact of cruising was better understood, and due to the environmental friendly practices of cruise ship operators, i.e. the commitment to not using fuel with more than 0.1% sulfur (Pinnock, 2014).

Another example of adverse environmental impacts of cruise occurs in relation to waste management in ports along the Danube River, Serbia. It is not yet well regulated and no control system has been established for either solid waste or for wastewater from ships increasing the risks to cruisers, local people and the environment (Ulniković



Fig. 1.8. Princess Cruises' 113,561 t large resort ship *Ruby Princess* in the port of Venice, Italy, 2009. (From: Lynn Smith.)

et al., 2013). The mass of solid waste from ships (MSWS) increased in all (but one) port in the Serbian Danube over the period 2005–2009. This was expected to rise for the period 2010–2012 with the suggestion that waste treatment facilities be built in the ports of Novi Sad, Belgrade, Bezdán and Kladovo.

A further example of negative environmental impact revolves around ship–marine creature collisions. In the USA the cruise industry is an important economic component of the South East Alaska economy, generating significant in-port expenditures as part of bringing nearly 1 million visitors to Alaska annually (Webb and Gende, 2015). There are numerous ships, and a prevalence of endangered humpback whales during the cruise season has led to a number of ship–whale collisions. A survey of 451 voyages representing 26 cruise ships indicated that traffic intensity was found to exceed 700 transits in some areas, which constituted up to ten ships transiting these areas per day during peak season (Webb and Gende, 2015). About half (47%) of the time spent cruising occurred at night when detection and avoidance of whales by ships is likely to be low. Thus, the likelihood of cruise ships colliding with these endangered whales is high and needs to be monitored. Many of the ships are travelling at speeds exceeding 18 knots, with speed being a prominent risk factor for ship–whale collisions: faster ships are more likely to collide with whales should they surface close by, with a collision being lethal to the whale (Vanderlaan and Taggart, 2007). Solutions to reduce such incidents have focused on two alternatives. The first is to re-route ships around high-use whale areas, the second is to reduce ship speed in known, and significant whale habitats. As yet neither measure has been implemented. In a similar study in Glacier Bay National Park, Alaska, USA, interactions between humpback whale and cruise ships were examined by recording the distance and location of whales that

surfaced within 1 km of a cruise ship's bow (Harris *et al.*, 2012). A total of 514 whale surface events were recorded and the study concluded that ship speed can be an effective mitigation measure for whale protection, and should be applied to other areas where whale–ship interactions are common.

Finally, a sound overview of environmental reporting in the cruise industry is that undertaken by Hall *et al.* (see Chapter 28, this volume).

Social cultural and community impacts

The cruise industry offers new development, and social and economic benefits for populations living in or near cruise destination regions. However, cruise tourism, like other forms of tourism, can generate both beneficial and adverse impacts. Positive social benefits include the empowerment of local communities, community organization, improved education and facilities, and the promotion of local culture (Koens *et al.*, 2009). Examples of social drawbacks include the loss of community coherence, degradation of local culture, growth in crime and other social ills, and a loss of access to facilities for local people (Newsome *et al.*, 2013).

Shone *et al.* (See Chapter 25, this volume) share an exploration of the community impacts of cruise tourism in the small coastal town of Akaroa, South Island, New Zealand. In the southern cruise port of Esperance, Western Australia, a study undertaken to identify the attitudes of local residents towards cruise tourism and infrastructure development found the majority of the resident sample possessed a generally positive attitude towards cruising, and were supportive of cruise tourism in the town, either actively or passively (McCaughey, 2013). Peripheral findings revealed resident dissatisfaction with the current organization and management of cruise ship visits to the town, and with cruise companies' conduct towards local tourism businesses. However, the findings have had application for the stakeholder groups issued with the task of developing cruise tourism in Esperance. Understanding dissenting attitudes has allowed Esperance to undertake targeted marketing programmes to mitigate the negative sentiment towards cruise tourism within the community, as well as formulate a localized strategy to better manage present and future cruise ship visits.

A survey of residents in the port of call of Messina, Sicily (Italy), to examine factors that influenced residents' perceptions about investment in cruise tourism found they would devote a high level of resources if their income depended on cruise activity (Brida *et al.*, 2012a). Other favourable factors included whether they had undertaken a cruise trip in the past, and if they believed cruise industry development would exert positive welfare, cultural and social externalities. Conversely, residents were likely to prefer a low, or very low level of investment the further they lived from the port, if they were female, retired and if they perceived a deterioration of the environment.

In Vanuatu, P&O Cruises Australia has demonstrated commitment to protecting the socioeconomic interests and natural environments of destination communities in the South Pacific. A key focus has been to help develop viable tourism-related businesses to generate jobs (Sherry, 2011). In Vanuatu the company has employed 160 staff and assisted the funding of upgrades to landing jetties, new amenity blocks and the establishment of small businesses. It has also directly funded tour developments, merchandise and logo design. Of course, while these initiatives support and develop the local economy, they also help protect the value of the cruise company's investment.

Sociocultural issues include the impact of large numbers of passenger and crew descending on small destination communities where overcrowding, congestion and other problems emerge, for example, in La Palma Island, Spain (Alonso and Alexander, see Chapter 23, this volume). Another example includes the town of Skagway, Alaska, which has a population of 1000, but can host 10,000 or more cruise tourists during a single day, depending on individual itineraries. Other examples have been noted from Victoria, British Columbia, Canada, and Juneau, Alaska (Klein, 2011). Another problem is the homogeneity of the port experience, which occurs if similar tourist stores are allowed to develop in each of the small port towns. A third issue is the lack of cultural authenticity in cruise destinations, with passengers often experiencing sanitized and compromised cultural attractions (Klein, 2011).

In 2013 Iceland received 57 cruise ships, about half being large ocean cruise ships, with the remainder being smaller expedition-style ships. They made 97 trips and 227 port calls, with an average visit being 6–10 h (Huijbens, 2015). The main port of call is the northern town of Akureyri, which derives one-third of its harbour income from cruise ships through port, maintenance and customs fees. The port town also benefits from shore excursions as it is almost fully catered for by local service providers. However, due to the arrival of larger ships, locals are beginning to feel ‘crowded out’ and unable to access local facilities when the ships are in port, with shops also raising prices on cruise days, in an attempt to optimize their income.

Negative impacts of cruise tourism also occur when a port becomes too heavily dependent on cruise business for its income. This is especially apparent if a cruise company withdraws its vessels, as happened on the Sepik River, Papua New Guinea’s longest, at 1126 km (700 miles) long (Silverman, 2012). During the late 1980s, Tambunum was the most prosperous village along the river largely as a direct consequence of cruise tourism. People from nearby communities regularly trekked and canoed there to vend produce, betel nut and pottery, and also sell trinkets to tourists (Silverman, 2012). However, since the mid-2000s, when the river tours ceased, large-scale tourism to the village subsided and today it receives few tourists, which has had a devastating impact on the village economy (Silverman, 2012).

Sensing a shift in its customer’s values, Carnival Corporation has launched its tenth global brand, Fathom, which has been designed as a purpose-driven brand to enrich the lives of its travellers (Fig. 1.9). Its first destination is the Dominican Republic, where it aims to drive sustainable social impact on a significant scale (Cruising, 2015). The brand expects to attract 37,000 passengers annually, who will collectively spend 100,000 days a year either volunteering or immersing themselves in cultural and educational exchanges in local communities. The first ship is the *MV Adonia*, which commenced cruising in 2016 to the Republic as well as Cuba for the purpose of providing cultural, artistic, faith-based and humanitarian exchanges between America and Cuban citizens (Cruising, 2015).

Economic impacts

The economic issues include the distribution of benefits between cruise companies and their destinations. Pallis (2015, pp. 60–61) suggests that ‘as more and more passengers enjoy the pleasure of cruising around the globe, ports and destinations enjoy direct, indirect, and induced positive economic impacts’, port-cities, destinations and

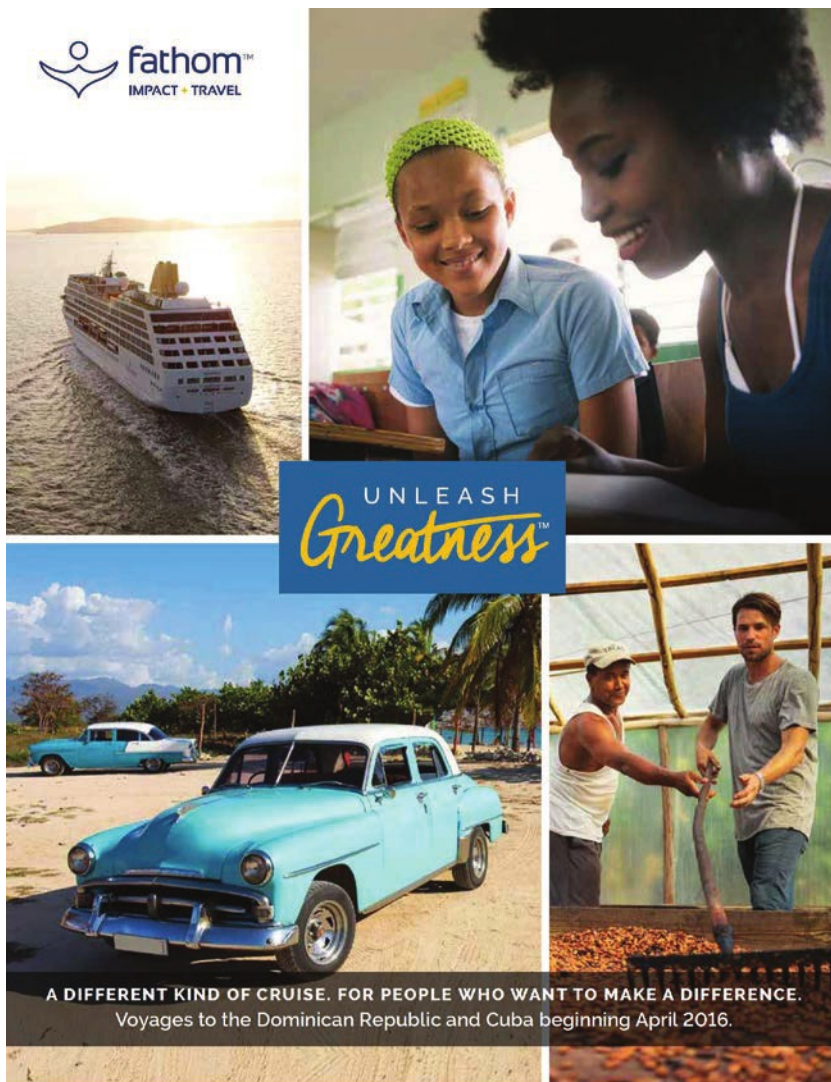


Fig. 1.9. Fathom brand's brochure for cruises from Miami to Dominican Republic and Cuba in 2016. At their destination passengers have the opportunity to work alongside local residents on community and/or environmental projects. (From: Carnival Corporation.)

stakeholders have justifiable reasons to explore strategies to increase their share in hosting passengers and cruise ships calls. When conditions enable it, cruise ports seek to increase returns by hosting home-porting activities. Cruise passengers are significant drivers of room night demand around embarkation and debarkation. In an economic study of the impact of cruise passengers staying in Charleston, South Carolina, before and after their cruise, the demand for room nights was not isolated to non-tourist districts of the greater metropolitan area, suggesting that a cruise from Charleston was coupled with a short holiday (Hefner *et al.*, 2014). The study covered a 3-year period during which time there were 142 cruise ship visits. The findings

show that on average an additional 1380 room nights were attributed to each cruise ship embarkation. With the average cost of a room per night being US\$114, potentially each cruise ship visit added US\$57,337 in hotel revenue to the metro market. Over the 3-year, 142-cruise ship visit period, this activity increased room revenue by US\$22,341,868, or 195,960 room nights, making it a significant contributor to the host city accommodation industry.

A survey of cruise passenger spending patterns in Uruguayan ports found they spent money on food and beverages, tours, transport and shopping (Brida *et al.*, 2015). People travelling in large groups spent more money than people travelling as couples or alone, while the crew spent more on food and beverages than passengers, as the latter are reluctant to pay extra when they have already paid for their meals as part of the cruise. Usually it was younger cruise passengers who spent money on independent transportation, whereas older passengers, especially those from the USA, undertook the cruise's tour packages. Finally, where the price of goods and services is perceived to be high, this reduces the likelihood of passenger spending.

Planning and Management for Sustainable Cruising

Planning and managing the growth and development of the cruise industry requires considerable skill in order to maximize its benefits and reduce its adverse impacts. A study of visitor management practices and operational sustainability in the Kimberley Region, an emerging cruise destination in remote north-western Australia, was undertaken using visitor observations and stakeholder interviews (Scherrer *et al.*, 2011). Visitor management practices varied strongly between operators, with much room for improvement for some. Inconsistent visitor management practices contributed to a high level of avoidable risks in terms of visitor safety and negative cultural and environmental impacts. Findings also highlighted the central role of tour guides and operational procedures for improving visitor management practices. It was recommended that a visitor management manual be developed and implemented, which outlined the key functions of staff, best-practice guidelines and site-specific information. To work towards a sustainable future for the cruise region it was suggested the industry needed to improve operational and visitor management practices to minimize the risks relating to safety, as well as environmental and cultural site assets and visitor experience.

A destination whose appeal relies on its pristine beauty and wilderness is Antarctica. The International Association of Antarctica Tour Operators (IAATO, www.iaato.org) is a member organization founded in 1991 to advocate and promote the practice of safe and environmentally responsible private-sector travel to the Antarctic. Since the beginning of the modern Antarctic tourism industry in 1969, the number of tourists has grown from a few hundred to more than 30,000 each year. Recognizing the potential environmental impacts that such growing numbers could cause, seven private tour operators conducting excursions in Antarctica joined together in 1991 to practise and promote safe and environmentally responsible travel to this remote, wild and delicate region of the world. There are now more than 100 members of IAATO, which has established procedures and guidelines to ensure appropriate, safe and environmentally sound travel to the Antarctic. It has introduced regulations and restrictions on a range of issues, such as numbers of people allowed ashore, staff-to-passenger ratios, site-specific and activity guidelines, wildlife watching, pre- and post-visit activity reporting, passenger,

crew and staff briefings, previous Antarctic experience for tour staff, and contingency and emergency medical evacuation plans (IAATO, 2016; Liggett and Stewart, see Chapter 30, this volume).

The Antarctic Treaty System, international law and flag state law do not have the ability or will to control or enforce environmental regulations against cruise tour operators so the burden lies with industry groups, like IAATO, as well as operators themselves to control, regulate and shape Antarctic environmental practices and policy (Wright, 2008). The major cruise lines have shown that even in a self-regulated environment, sustainable cruise practices and policies are achievable (Bauer, 2001). The Antarctic cruise industry is conscious of the tenuous relationship between the condition of the Antarctic environment and the industry's prosperity (Wright, 2008), and understands that becoming stewards of the Antarctic is important to passengers.

In future, a number of new factors will have a direct effect on the level of visitation at Antarctic landing sites (Bender *et al.*, 2016). The November 2014 adoption of the International Code for Ships Operating in Polar Regions (the 'Polar Code') by the IMO (2016) came into force on 1 January 2017. This may alter patterns of vessel traffic relative to the period considered in this re-analysis. Specifically, there may be reduced traffic at the margins of the Antarctic season (early spring and late autumn) when sea ice conditions and low temperatures may preclude the use of some vessels that have not met minimum standards for polar operations. Additionally, there is a shift towards vessels carrying more than 200 passengers, which will further increase the amount of concentrated landings in the Antarctic and the potential for adverse environmental impacts on the site, as well as possible perceived 'overcrowding' at the site by the tourists (Bender *et al.*, 2016).

The governance of expedition cruise ship tourism in the Arctic was compared for the Canadian and Russian Arctic (Pashkevich *et al.*, 2015). They compared and contrasted governance structures that manage the cruise sector from case studies located in the Canadian Nunavut (Canadian) and the Murmansk and Arkhangelsk (Russian) Arctic regions. Generally the operating season is short, from late July to mid-October, and the sea ice conditions can be quite challenging. The IMO has now established a code for shipping in these waters which covers the full range of shipping-related matters relevant to navigation in waters surrounding the two poles: ship design, construction, and equipment; operational and training concerns; search and rescue; and environmental protection (IMO, 2016). The Polar Code will provide a consistent set of environmental protocols, operating rules and cooperative service arrangements across the Polar regions.

It has been suggested that the cruise industry could work synergistically with ecotourism. A study of the spending patterns of cruise ship passengers in the Panama Canal Watershed suggests that targeting marketing efforts towards ecotourism opportunities may increase long-term ecological and economic benefits to port communities and local businesses (Thurau *et al.*, 2015). The 187 respondents were interested in ecotourism-related activities in the area and nearby coastal areas. They were clustered into four distinct market segments: 'cultural discovery', 'action-adventure', 'natural discovery' and 'conventional' tourist. The first three groups were all interested in ecotourism opportunities and were prepared to spend more for their experience (US\$135) than the conventional cruise tourists (US\$85). Furthermore, the ecotourism-related market segments expected to spend significantly more money in port than conventional tourists. The growing ecotourism market represents an important opportunity for the cruise industry to partner with local ecotourism operators, enhancing profitability while simultaneously supporting sustainable development.

Ports

Many economic benefits are associated with well-functioning ports. The port needs to be competitive if cities want to benefit from it. However, a lot of these benefits from ports spill over to other regions. Ports also have negative port impacts, mostly related to the environment, land use and traffic congestion. Three main models exist for cities to reap additional benefits from their ports: maritime services clusters, industrial development and port-related waterfront development.

A new cruise port is Abu Dhabi's new cruise terminal, which opened in December 2015 (see [Fig. 1.6](#)). Located in the Emirates' Zayed Port, the 8000-m² terminal houses all key passenger facilities, retail outlets and a café (*Cruise Weekly*, 2015b). The architectural design of the new development is based on the UAE's heritage and identity, with a view of the Louvre Museum on Saadiyat Island. The terminal took a year to build and is hailed as a landmark achievement for the growth of cruise tourism in the area. *MSC Musica* served the region for the 2015/2016 cruise season.

The selection of cruise destination ports has attracted much interest over time. A recent study in East Asia found that there are four important criteria. These are cruise terminal facilities, the natural environment of the hinterland, tourism attractions, and connectivity and agility (Wang *et al.*, 2014). The category 'cruise terminal facilities' refers to the infrastructure of the port such as berthing facilities, fuelling and water supply facilities, port charges, vessel services and sea rescue systems. The 'natural environment of the hinterland' includes the local climate and language ability of local residents. 'Tourism attractions' refers to historic sites, local culture, natural resources and the diversity of available onshore tourism programmes. Finally 'connectivity and agility' refers to the connectivity and accessibility to the port's hinterland, freedom of inspection and quarantine services, and accessibility to accommodation and entertainment. The results of the East Asian ports study suggested the diversification of the onshore tourism programmes for cruise passengers in Singapore, the increased promotion of the cultural and natural attractions of Phuket, Thailand, government support for the port of Sanya in China, and increased port facilities and hinterland service in Port Klang, Malaysia (Wang *et al.*, 2014). It was suggested that improved service quality and management are required for the overall future port selections in the region.

A study of the culture of cruising in China found difficulties between the increasing number of domestic ports and the low awareness of the culture of cruising have made it difficult to improve the growing demand for cruising (Ren and Li, 2015). In order to overcome these perceptions and advance cruising in China, the authors suggest that the government establishes a cruise research centre, sets up an international cruise festival, develops a cruise behaviour code and introduces a cruise 'ambassador'.

As with any infrastructure development, port development has both positive and negative benefits. The historic port of Falmouth was developed through a partnership between Royal Caribbean and the Port Authority of Jamaica in 2011 and is the largest purpose-built port of call in the Caribbean. It was developed to cater for RCI's Oasis class ships, the *Oasis of the Seas* and *Allure of the Seas*. These megaships are among the largest in the world and carry up to 6300 passengers and 2500 crew. They make bi-weekly calls to Falmouth, where the Jamaican government spent US\$120 million to deepen the port for the ships. The vast dredging of the sea floor and construction of the new port has dramatically changed the aquatic life, the shoreline and the community in Falmouth. Whilst beautification and restoration activities have also occurred in

Falmouth as a result of the cruise port development, some properties have had to be relocated and one historic fishing village is now landlocked (Kerswill and Mair, 2015). In addition the introduction of a licensing system has meant that businesses are now regulated but some vendors still operate without the required licensing due to the costs involved. The resident community is now separated from the port by a large iron fence being installed around it. In addition many feel that it has not delivered the financial benefits promised as cruise passengers on the ship's tour groups are taken to larger towns or attractions nearby, such as Montego Bay and Ocho Rios (Kerswill and Mair, 2015). Despite this situation, the residents remain hopeful that tourism will improve their lives in future through the growth of the cruise industry.

It has been argued that the support of a local population is essential for ports in order to keep their 'license to operate' and remain legitimate economic actors (Merk, 2013). Local support is garnered if there are perceived and/or actual local benefits. Successful ports have a sense of pride and 'ownership' by the population and business community. This is based on a sense of history, but maintained by deliberate policies of port and city authorities, e.g. by transparent port communication and activities, or facilities that create links between the port-city population and its port, and refer back to the maritime heritage of the city.

The Genoa Port Centre was created in 2009 to promote the port and highlight the economic and social role of the maritime industry (Merk, 2013). Its aim is to stimulate strategic alliances between the port, businesses and the general public. The exhibition centre facilitates the discovery of the port, its present and future. It plays an important educational role, and aims to attract students, teachers and parents. It organizes guided visits, lectures and workshops, and has developed educational material and other information. The Genoa Port Centre also has a role in broader communication through specific cultural projects (seminars, conventions and technical meetings) and exploration of the port of Genoa, such as visits to the port and the various areas of the port itself, in close collaboration with the port operators involved in the partnership.

Dubrovnik is Croatia's leading cruise destination and one of the most important ports of call for megaships. The port carries about 80% of all cruise passengers in the Croatian Adriatic. However, the success of cruise growth in the port has led to a number of sustainable development challenges especially in relation to the large concentration of cruise ships and passengers requiring rapid turnaround times and inevitably leading to issues of congestion and processing delays. To overcome these issues it has been suggested that the port establishes an organization comprising the Port Authority and destination management organization to better address the future growth of cruising in the port. An integrated management system bringing greater efficiencies and effectiveness to the port and its operations could then organize the daily operations.

A survey of cruise passengers' experiences in the port of Cartagena de Indias, Colombia, found that cruisers sought safety, appropriate facilities and services, and a variety of attractions (Brida *et al.*, 2013). A parallel survey of cruise passengers in the same port found that about one-half of the respondents plan a return trip to the area. According to the FCCA (2011), cruisers indicate that they would return for land-based holidays to the following destinations: Caribbean (50%), Bahamas (21%), Hawaii (13%), Mexico (13%), Europe (12%) and Alaska (11%). The probability of returning to the destination depends on the resident's geographic area, the level of satisfaction with the destination, the time spent onshore and especially on whether the tourist is a regular cruiser (Brida and Coletti, 2012). The average visitor wanting to return as a

stayover tourist is male, lives in the Caribbean area, is highly educated, young, on his first cruise, on a self-organized visit, and spent a lot of time in port and experienced satisfactory services and security. A significant finding was that organized tours, which usually give tourists a comprehensive tour of a destination, have a negative influence on the desire for returning, with more self-organized tourists wanting to return. In the Colombian study less than 50% of the cruise passengers declared their intention to return to the destination as land tourists (Brida *et al.*, 2012b). The evidence that the intention to return to the destination highly depends on the time spent onshore implies that local managers and policy makers should consider strategies to extend the amount of time that a passenger spends onshore. Central and South American tourists are the most willing to return as visitors (86.5%) and the most willing to recommend the town as a destination (88.5%), which suggests that cruise ships arriving to the city with passengers from these countries may provide destination managers an opportunity to market to potential return visitors.

Conclusions

According to the 2016 Cruise Industry Outlook (CLIA, 2016) the growth of the cruise industry is set to continue, with another 27 new ships due to debut in 2016 to add to the existing 448 ships. River cruising is also on the increase, with 18 new river cruise ships on order, an increase of more than 10% passenger capacity. The industry association CLIA has nominated a number of industry trends. They include connectivity

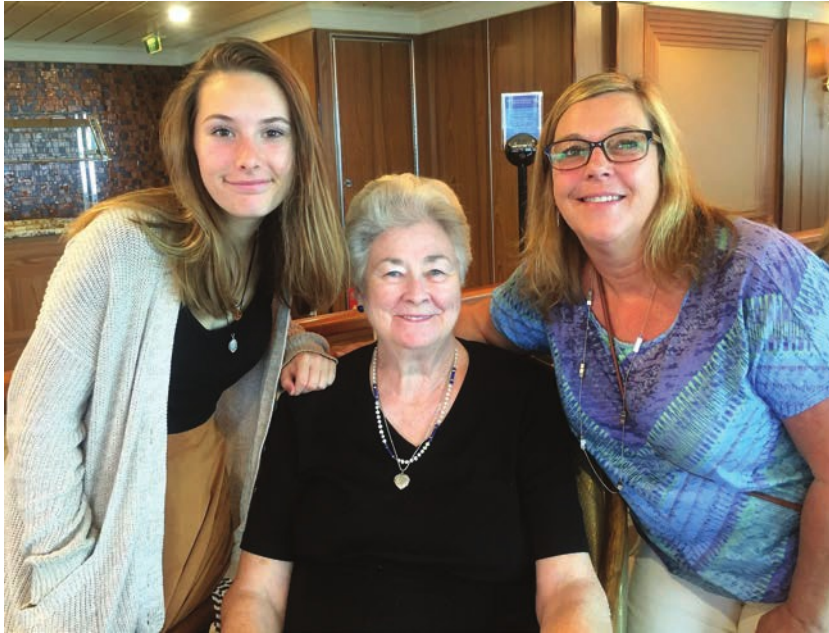


Fig. 1.10. Three generations of cruisers from California, USA, on board Oceania's *Regatta* in Alaska, June 2016. Left to right: daughter Addison Shepherd (San Jose), grandmother Sue Lawson (Monterey Bay), and mother Elizabeth Shepherd (San Jose).

(through passenger Internet and communications) being made a priority, the increase of luxury ships and experiences, the partnering with big brands to leverage cross-promotional opportunities, onboard experiences and amenities from Broadway productions, designer shops to zip lining, golf and bumper cars, the increase in overnight stays at ports of call, and intergenerational cruising, with cruise amenities now designed to cater for every age from infants to seniors.

Structure of the Book

This book could have been presented in a variety of ways with a plethora of different subdivisions. Indeed it went through a number of iterations before resting in its current form. Overall the book is presented in seven parts. They are:

1. Fundamental Principles;
2. The Cruise Experience: People and Passengers;
3. Markets, Marketing and Motivations;
4. Impacts of Cruise Ship Tourism: Stakeholders, Politics and Power;
5. Planning and Management for Sustainable Cruising;
6. Ports, Destinations and Infrastructure Development;
7. Conclusions and Future Directions.

Part 1 introduces the industry and some of its underpinning aspects in eight chapters. These include examination of cruising from geographical, industrial and economic perspectives. It addresses significant issues of cruise corporation social responsibility and profits, the flags of convenience and the global cruise market, cruise economics and the shift to extra-fee products and services. A final chapter examines the gap between academic research and professional practice in cruise tourism.

The second part comprises six chapters related to the cruise experience. These include talent management and the cruise industry, managing crew expectations in port, mediating the cruise experience and conceptualizing the cruise ship tourist experience. It finishes with two important contributions to the cruise experience on managing health-related issues as well as safety and security onboard.

Part 3 explores the demand side of cruising with an investigation of why people choose to cruise, some sample cruise markets, and marketing to the potential cruise consumer. The seven chapters present information on the attributes of a strong cruise brand, an interesting account of the image of cruise ship holidays on Italian television, the purchasing attributes for cruise passengers, and motivations and constraints of cruising for the US and Chinese markets. These chapters are followed by chapters on two emerging markets – children and the family market as well as the lesbian, gay, bisexual and transgender (LGBT) cruise market. A final chapter examines digital marketing in the cruise sector.

In the fourth part of the book the industry's impacts are investigated in relation to stakeholders, politics and power. The five chapters examine the case of cruise ship tourism development in La Palma Island, Canary Islands, Spain, in relation to the benefits and costs to its stakeholders. The next chapter investigates the interface of cruise ships and protected areas in Brazil. This is complemented by a chapter on the community impacts of cruise tourism growth in Akaroa, South Island, New Zealand. Maintaining the theme is an examination of cruise tourism in a remote small island

focusing on the question ‘High yield and low impact?’ The final chapter examines itineraries and interactions of cruise tourists on the mainland.

Part 5 examines planning and management for sustainable cruising. It begins with an in-depth account of environmental reporting in the cruise industry then is followed by case studies from Australia and Antarctica. Part 6 investigates ports, destinations and infrastructure development. The four chapters present the development of cruise tourism in Saudi Arabia followed by cruise itinerary planning. Two chapters complete this section, both focusing on the awakening cruise market giant of China, which is tipped to become the world’s leading cruise nation within 20 years. Finally the book is brought to a close by a brief discussion of the future of the industry.

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Part 1 Fundamental Principles

Chapter 1 introduced the cruise tourism industry by covering a range of topics including its worldwide growth, challenges, people, destinations and impacts. It concluded with an overview of the planning and management required for sustainable cruising. This section of the book, Part 1, includes some of the fundamental principles of the cruise industry. It comprises eight chapters.

In Chapter 2, Michael Clancy (USA) examines the power and profits in the global cruise industry. In Chapter 3, Ross Klein (Canada) describes how the large cruise corporations pay relatively little tax in the USA, yet still manage to be a major lobby group. In Chapter 4 William Terry (USA) investigates the issues of 'flags of convenience' and the global cruise labour market. Chapter 5, written by Xavier Font (UK) with Mireia Guix Navarrete and Maria Jesús Bonilla (Spain), examines corporate social responsibility in the cruise sector. In Chapter 6, Ross Klein (Canada) combines with Michael Lück and Jill Poulston (New Zealand) to outline some of the risks of cruising, focusing on passengers' health, wellbeing and liability. In Chapter 7 Michael P. Vogel (Germany) discusses the economics of cruise shipping and puts forth the need for a new business model. In Chapter 8, Adam Weaver (New Zealand) describes the fees passengers pay on their cruises and the emerging practice of providing and charging for extra-fee products and services. In Chapter 9, the final one in this part, Alexis Papathanassis (Germany) outlines academic research and professional practice in cruise tourism and how to bridge the gap between the two.



Carnival's 11 brands. It is the largest cruise corporation in the world. (From: Carnival Cruise Corporation.)



Power and Profits in the Global Cruise Industry

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Introduction

Over the past four and a half decades cruise tourism has become an important niche within the US\$2 trillion global tourism industry. While only 500,000 cruise passengers set sail in 1970, more than 22 million people were expected to take cruises in 2015 (Hobson, 1993; CLIA, 2015). Passenger numbers have grown at roughly 8% annually this century, more than three times the rate of growth of overall international tourist arrivals (Papathanassis and Beckman, 2011). Cruise tourism has been described as the fastest growing segment of the overall global tourism industry. For some areas of the world – the Caribbean, parts of the Mediterranean, Alaska – cruise tourism has become the dominant form of tourism.

This chapter examines the political economy of the cruise industry. As Mosedale (2014) summarizes, political economy is concerned with the utilization and commodification of resources as well as the resulting accumulation and distribution of profits. It therefore lies at the nexus of market relations and power relations. As is the case with all industries, tourism firms operate in order to make profits and they pursue strategies given historical trajectories, particular market conditions and regulatory structures (Ioannides and Debbage, 1998; Coles and Church, 2007; Bianchi, 2011; Mosedale, 2011).

The cruise tourism market is unique in this sense for a number of reasons: first, the modern manifestation of the industry is quite young. To be sure, travel on the seas has a long history but for much of that history transportation lay at its centre. With the advent of air travel, cruise travel dwindled as an industry. It was rekindled in the late 1960s, reimagined as less a mode of transportation than of entertainment. Second, the industry is highly deregulated due to open registries and ships flying flags of convenience. This frees up firms from many regulatory issues, most notably national labour, environmental regulations and safety regulations for passengers and crew (see Terry, Chapter 4, this volume, for more detail). Third, the industry has become concentrated, with three or four firms controlling an overwhelming share – as much as 90% – of the global market. Concentration is a more recent phenomenon, taking off in the 1980s and continuing into the 21st century. This leads to these firms utilizing market power both in pricing and in mergers and acquisitions. As is the case with hotels, however, the market is highly segmented, which allows spaces for some niche operators. Cruise firms also compete against land-based tourism operations. Fourth, while the industry

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is global and growing, it operates in a highly uneven manner spatially, and is concentrated within a few regional markets.

The remainder of the chapter contains four sections: the first discusses the nature of the cruise product, where it takes place globally, and its growth and trajectory. The second discusses industry structure, focusing on the number of firms in the industry, as well as broader industry trends. The third briefly discusses regulatory structures that shape the industry. All of these are fairly descriptive in nature but together they lay the groundwork for the fourth section, which discusses key sources of power and profit in the cruise sector.

Structure and Growth of the Market

According to Cruise Market Watch (2015a), 22.2 million passengers will take cruises in 2015. [Table 2.1](#) summarizes global passenger growth during that period. Optimists point out that while international cruise tourism has grown much faster than the overall tourism market, it remains small, and only a very small percentage of North Americans and Europeans, by far the biggest originating markets, have ever taken cruises. In fact, although we talk of the ‘global’ cruise market, in reality that market is primarily made up of several regional submarkets. Most coastal regions of the world hardly ever experience cruise ships. The modern global cruise market was born in South Florida and the Caribbean, and today that area remains the most important region of that global market. As [Table 2.2](#) shows, in 2013 the Caribbean region still represented nearly 34% of the global destination market (with nearby Bahamas adding another 6%). This is well ahead of the second most popular region, the Mediterranean, which made up 20.4%. No other single region has as much as 8%, with Europe/Scandinavia next at 7.9%, Alaska at 6.2% and the Pacific coast of Mexico at 3.3% (FDOT, 2013). Although a decade ago the Caribbean share of the overall market was much higher (Wood, 2004), it still represents the leading edge of the industry today.

Even within the Caribbean, the cruise ship destination market is highly uneven. According to the Caribbean Tourism Organization, 23.9 million cruise ship passengers

Table 2.1. Worldwide cruise ship passengers.
(From: Cruise Market Watch, 2015a.)

Year	Total passengers (millions)
1990	3.77
1995	4.72
2000	7.21
2005	11.18
2010	18.42
2011	19.38
2012	20.34
2013	20.98
2014	21.56
2015	22.25

Table 2.2. Cruise ship arrivals, 2013 (by bed days).
(From: FDOT, 2013.)

Region	Market share(%)
Caribbean	33.7
Mediterranean	20.4
Europe/Scandinavia	7.9
Alaska	6.2
Bahamas	6.1
Mexico (west)	3.3
Transatlantic	2.9
Australia/New Zealand/Pacific	2.7
Transcanal	2.5
South America	2.4
Hawaii	2.1
Other	9.9

disembarked in the Caribbean or Bahamas in 2014, up some 8% from the year before. Of that total, five destinations – the Bahamas (18%), Cozumel (Mexico) (13%), US Virgin Islands (9%), St Maarten (8%), Cayman Islands (7%) – accounted for 55% of that total while 19 other Caribbean destinations shared the remainder (CTO, 2015).

Similar to the destination market, the sending market for cruising is also highly concentrated, with 84.5% of passengers projected to originate in North America or Europe in 2015. Of 22.2 million passengers that year, more than 12 million (54.1%) will originate from the USA or the Caribbean. Those countries, combined with Canada and Mexico, represent 18% of worldwide passengers, while Europe accounts for 25.9% and Asia an additional 8.5%. South America represents 4.5% of the global market (Cruise Market Watch, 2015b). According to a study by the Florida Department of Transportation (FDOT, 2013), as late as the year 2000 North America accounted for nearly 90% of global cruise ship passengers. Within the nearly 6 million-person European market, the UK and Germany make up more than half the overall total. Asia had 1.8 million cruise passengers in 2015, just slightly larger than the total of the UK market. While growth rates among the European passenger market have outstripped North America for several years, Asia, and particularly China, will account for the most rapidly growing region in the foreseeable future (see below).

In addition to geography, a segmented market further structures the cruise industry. Cruise lines (brands) can be divided into at least five classes: super deluxe, deluxe plus (also called luxury), deluxe (premium), standard (contemporary) and economy (budget). These roughly equate to the star system of hotels, with super deluxe amounting to six stars, deluxe plus five stars, deluxe four stars, standard equalling three stars and economy two stars (WTO, 2010; Bjelicic, 2012). While cruising historically was considered to be a luxury item, today the overwhelming share of cruise berths fit into the deluxe (55%) or standard (32%) portion of the market. Within those two segments the two largest firms in the industry, Carnival and Royal Caribbean Cruise Lines Inc. (RCCL), together held 75% of all the deluxe berths and 68.3% of the berths in the standard market as of 2010 (Bjelicic, 2012).

Overall capacity to meet the growing global market has increased rapidly over the long term. Roughly 40 new ships were built in the 1980s, some 80 were added in the 1990s and another 100 between 2000 and 2010 (CLIA, n.d.). With occupancy rates exceeding 100% and the market growing by leaps and bounds, firms continue to add capacity. Klein (2006) reports that within the first 5 years of the 21st century new ships put an extra 100,000 new berths in service, increasing overall global capacity by more than 50%. More significant than the number of ships has been the *size* of the ships added to the global fleet. In 1985 Carnival's *Holiday*, at 41,000 gross registered tonnes (GRT) (where 1 GRT = 100 cubic feet of enclosed space that generates revenue on a ship) was by far the largest passenger cruise ship ever built for vacation (Klein, 2006). Chin (2008) reports that in the late 1980s newly built large ships came in at 80,000 GRT. By 1998 the *Grand Princess* was the world's largest ship at 109,000 GRT. Now the largest ships – the RCCL Oasis Class ships – exceed 225,000 GRT and can accommodate as many as 6000 passengers. Although the 2008 global financial crisis slowed the building boom in cruise ships temporarily, that boom has returned. According to the main cruise industry peak association, CLIA (2015), between 2015 and 2020 the industry will spend US\$25 billion to build 55 additional ships. Mott (2015) reports that by 2020 new ships will add an additional 105,000 berths to existing capacity. While just six new ships were built in each of 2013 and 2014, 17 are slated for completion in 2015–16, including RCCL's *Harmony of the Seas*, the current world's largest cruise ship, which went into service in June 2016 (Cruise Critic, 2016). Meanwhile the largest lines continue to report room capacity at more than 100%.

Industry Structure

As noted above, the cruise industry market is highly concentrated. Three firms, Carnival Corporation and PLC, RCCL and Star Cruises, controlled more than 75% of the world's lower berths in 2002 (Kester, 2002; Klein, 2006). Today that concentration, while slightly altered, remains. Carnival, RCCL and Norwegian Cruise Lines, Inc. (NCL) together control 81.6% of the passenger berths and 76.7% of earnings within the US\$39.6 billion global market (Cruise Market Watch, 2015c). In early 2015 Carnival, the world's largest cruise line, operated ten different cruise brands (down from 12 earlier), made up by some 100 ships with more than 212,000 berths (see [Table 2.3](#) below). Seven additional ships were to be delivered to the company in the first half of that year (Carnival Corporation & PLC, 2015). Carnival ships carried 10.6 million passengers in 2014, bringing in record revenues of nearly US\$16 billion and net earnings of US\$1.236 billion, up more than 25% from 2013. Profits were nowhere near levels recorded prior to the global financial crisis, however. For example, the company earned US\$2.3 billion in 2006, US\$2.4 billion in 2007 and US\$2.3 billion in 2008. During the next 4 years Carnival has ten additional ships slated for delivery but has recently or will soon sell four older ships. Overall capacity growth will be 3% during that time (Carnival Corporation & PLC, 2015).

RCCL, the second largest firm, was formed in 1968. In 2015 it operated six different cruise lines that together include some 43 ships and 105,750 berths (RCCL, 2015). It drew revenues of US\$8.1 billion in 2014 and net profits of just over US\$756 million. Both figures represent records, and profits easily beat the US\$539 million earned the year before. RCCL carried 5.1 million passengers in 2014 and had an occupancy rate of 105.6%. The company currently has orders for eight more ships to be

Table 2.3. Leading cruise companies and brands. (From: Cruise Market Watch, 2015d.)

Company	Brands
Carnival Corporation and PLC	Carnival Princess Costa Cruises Holland America AIDA P&O Cruises P&O Cruises Australia Cunard Ibero Cruises Seabourn
Royal Caribbean Cruise Lines, Inc.	Royal Caribbean Celebrity Pullmantur Croisières de France Azamara TUI Cruises ^a
Norwegian Cruise Line Corporation, Ltd.	Norwegian Cruise Lines Oceana Cruises Regent Seven Seas
MSC	MSC Cruises
GHK	Star Cruises Crystal Cruises ^b

^aTUI Cruises is a joint venture between RCCL and TUI AC, a German tour operator

^bGHK closed on the purchase of Crystal Cruises in May, 2015.

delivered by the end of 2018, by which time it will have a total fleet capacity of almost 131,000 berths (RCCL, 2015). In addition, in May 2015 RCCL announced the order of a fourth Quantum class ship, which can accommodate nearly 5000 passengers and is one of the largest classes of ships in existence. It is slated for delivery in 2019.

Behind the big two of Carnival and RCCL is NCL. The company, which was formed in 1966 by Carnival founder Ted Arison and a partner, was more recently owned by Asian-based Star Cruises. Both NCL and Star were held by Genting Hong Kong (GHK), a broad-based tourism conglomerate that originated in Malaysia. GHK started Star Cruises in 1993 and fully acquired NCL in 2000. The company sold off much of its holdings of NCL in 2007, however, retaining 28% of the company until earlier in 2015 when it announced its intent to fully divest itself of its remaining shares. Today NCL, headquartered in Miami-Dade County, Florida, operates three brands that include 22 ships with just fewer than 45,000 berths (Cruise Market Watch, 2015d). The company launched an initial public offering in 2013. In addition to its core Norwegian Cruise Line brand, it added Oceana Cruises and Regent Seven Seas Cruises through a US\$3.025 billion purchase in late 2014.

In addition to the three leading firms, a fourth not far behind is privately held MSC Cruises. The company, which has Italian roots and is headquartered in Geneva, Switzerland, has 12 ships and just over 30,000 berths. MSC, a division of Mediterranean Shipping Company, one of the largest freight shipping companies in the world, also

has significant expansion plans, with seven ships currently on order to be delivered by 2022. Behind that firm are several small, niche operators including Disney (four ships) and TUI Cruises, a joint venture between RCCL and German travel firm TUI AG (four ships) (Cruise Market Watch, 2015d). Viking Cruises, which has long specialized in river cruises, also entered the ocean cruise market in 2015 with one ship in service and at least two more on order. Eventually it reportedly aims for a fleet of at least ten ships. Meanwhile Richard Branson's Virgin group is also preparing to enter the market by 2020.

The global ocean cruise industry became much more concentrated as a result of mergers and acquisitions, generally beginning in the late 1980s when Carnival Corporation took over Admiral Cruises and Holland American Line in 1988 and 1989, respectively, just after issuing its initial public offering in 1987. Carnival continued to grow by acquiring Seabourn Cruises in 1992 along with Italian-based Costa Cruises in 1997 and Cunard Line a year later (Bjelcic, 2012). Meanwhile rival RCCL responded by merging with Celebrity Cruises in 1997. It also engaged in a bidding war with P&O Princess Cruises, then the world's fourth largest cruise company, before Carnival won out in 2003. The early merger and acquisition activity spearheaded by Carnival eventually put growing market pressure on other smaller participants in the industry, especially after the large firms began ordering larger ships, resulting in lower unit costs. Some small firms (such as Dolphin Cruises) became over-indebted and ripe for buyout, while others (Dolphin's buyer Premier Cruises, for example) went bankrupt. This accelerated after the travel and tourism shock that followed the 9/11 attacks, with Renaissance Cruises, then the world's fifth largest line, and later such lines as Classic Voyages, Festival Cruises and Royal Olympic joining them (Dickinson and Vladimir, 2004; Chin, 2008).

Consolidation within the market has led to several advantages for leading firms. One is obviously the creation of economies of scale and scope. As Papatheodorou (2006a) points out, the cruise industry has very high fixed costs. The cruise ship business is highly capital intensive, with new large ships costing more than US\$1 billion. Estimates per berth are often around US\$170,000 or US\$180,000. Purchasing and supplies of everything from food and drink, fuel, to cabin furnishings, synergies with management, technology and labour are also more efficient. A second is use of market power, as discussed further below. Cruise companies are able to use multiple brands to capture separate market niches and create barriers to entry for would-be competitors. Finally, small numbers have allowed for greater solidarity and a common vision when it comes to dealing with industry regulatory issues or negotiating terms such as port charges, labour standards, and passenger and crew safety regulations.

Regulatory Structures

As part of the global shipping industry, cruise companies operate in a unique regulatory environment. Cruise firms have also been pioneers in corporate strategies of globalization. Although the biggest firms are headquartered in the world's largest cruise tourism generating market, the USA, they are incorporated elsewhere. Carnival is incorporated in Panama, RCCL in Liberia and NCL in Bermuda. Incorporating elsewhere creates significant tax advantages for cruise companies (Boorstin, 2003) and in many ways these companies were leaders in what is becoming a growing corporate and global banking practice (Shaxson, 2012). In addition to incorporation in tax havens, firms use

open registries to register their ships and fly them under flags of convenience (FOCs). The advantage is not only in paying lower registration costs; it also results in ships enjoying a more relaxed regulatory structure, particularly in the areas of labour, taxes, environment and safety (again for more on the politics and implications of FOCs, see Klein, Chapter 3 and Terry, Chapter 4, this volume).

Together, incorporation and flying FOCs produce significant cost savings for cruise lines. First are the tax advantages noted above. By some measures the big three cruise lines pay effective income tax rates in the USA of less than 1% (Leonhardt, 2011; Philips Erb, 2013). US Senator Jay Rockefeller (D-West Virginia), who until recently chaired the Senate's Commerce, Science and Transportation Committee and is a vocal critic of the cruise industry, estimated in 2013 that the two largest lines, Carnival and RCCL, paid an effective average tax rate of 1.7% on profits of US\$17 billion over the previous 7 years (Norton Masek, 2013). Carnival's annual report for 2014 states the company paid US\$9 million in US federal corporate income taxes on revenues of US\$15.8 billion and net income of US\$1.245 billion, but the year before Carnival recorded a tax *benefit* of US\$6 million (Carnival Corporation & PLC, 2015, p. 11). RCCL also reported an overall tax benefit of just under US\$21 million in 2014, and paid corporate income taxes of US\$24.9 million in 2013 (RCCL, 2015).

Next, foreign incorporation, FOCs and recruitment of labour from many poor countries allow firms to lower labour costs significantly. Wages and working conditions aboard cruise ships are highly segmented but can be harsh. Cruise ship labour is highly segmented and divided between the shipping side and hotel side, with the latter accounting for roughly 85% of the overall workforce. Low-level workers on the hotel side may work as much as 7-day weeks for as many as 12–18 h per day, on 6–10-month contracts, and earn as little as US\$400–500 per month (ITF/War on Want, 2002; Chin, 2008; Terry, 2009). Former cruise line executives Dickinson and Vladimir (1997) summarize the neoliberal arrangement of loose regulation, stating:

when a ship carrying an international crew is registered in Liberia or Panama, it is not subject to union and other restrictive crewing policies... This means that owners are in a better position to negotiate fair and equitable compensation packages in a global, free-market environment. (pp. 66–67)

Although there are international maritime regulations relating to wages and working conditions – including the new International Labor Organization (ILO) Consolidated Labor Convention that came into effect in 2013 – the regulations are much looser than many national regulations. Meanwhile Terry (2009) reports that recent court cases in US courts actually reduced labour rights even further. Meanwhile, RCCL's 2014 Annual Report (RCCL, 2015) indicates that as a result of the new ILO regulations, 'we have not incurred and do not expect to incur material costs related to implementation and ongoing compliance with the Convention'.

Power and Profits in the Cruise Industry

Although recent years have seen net profits of cruise companies decline, over the long run they have been quite vibrant and are showing signs of recovery. RCCL reported net profit margins of just under 10% in 2014, while Carnival Corporation recorded net profits of 7.9%. Part of this longer-term growth owes to the dynamic growth of

the sector noted above. Cruise Industry News (2015) projects that Carnival Corporation will grow from carrying 10 million passengers in 2015 to more than 13 million in 2022. RCCL will experience similar growth, going from 5 million to 7 million passengers in that time. The third and fourth largest cruise firms Norwegian and MSC Cruises are projected to grow even faster on a percentage basis. Within that aggregate growth, while traditional markets continue to grow, the potentially vast and relatively new market of China is just beginning to open up. China represents the fastest growing cruise market in the world and for RCCL will soon be its second largest market (Goldstein, 2015). The company announced that *Quantum of the Seas*, one of its largest ships, was to be stationed in Shanghai starting in the summer of 2015. *Ovation of the Seas* (newest Quantum class ship) debuted in China when it entered service in April 2016. Carnival expects China to eventually become the world's largest cruise market and it entered the market with Costa in 2006 (Carnival Corporation & PLC, 2015). It has four ships servicing the country in 2015. In 2015 the company announced they had signed a memorandum of understanding (MUA) with China State Shipbuilding Corporation and Italian shipbuilder Fincantieri to build future ships.

In addition to growth through opening and expanding new markets, cruise companies are uniquely positioned to increase profits through market power. Market power exists when firms are able to establish prices that are higher – or costs that are lower – than those that would exist under perfect market conditions. According to theories of industrial organization, most market power derives from the particular structure of industries. Monopolies or oligopolies allow for firms to raise prices above marginal costs and collect rents. Under oligopolistic competition, firms may collude in order to keep prices high. According to Papatheodorou (2006b), however, there is no clear evidence that this has been the case in the cruise ship industry. This may be that collusion is difficult and cruise lines face competition from non-cruise firms as well. Due to the nature of the product – cruise tourism like all tourism is mainly an experience good – firms also face risk in under-utilized capacity. Bed nights, much like bed nights in a hotel, or seats on an airplane, are highly perishable. Unsold they are lost forever. This is even more the case for cruise lines, which typically sell cruises for an average of 7 days. An empty berth is empty for a week. As a result high discounting of tickets as departures approach is common, which in turn affects broader prices as savvy customers learn to hold off on making purchases.

Yet this is not to suggest that cruise companies do not possess market power. Instead, rather than utilizing it through the sticker price of a cruise, they pursue it elsewhere. At least four areas can be identified. First is with respect to cruise customers themselves. Once aboard, passengers are captive consumers. They are constantly marketed to, with offerings ranging from drinks, high-end dining, shopping for merchandise, Internet access, engaging in activities from gambling, spa treatments, art auctions and onboard adventures. Moreover, as Weaver (2005, p. 165) points out, cruise ships are mobile 'spaces of containment' that centre upon revenue capture. Where market power comes in is in the ability to charge premium prices – rents – on all of these. The model here is the airport, where passengers – temporarily captured by their difficulty in leaving to find substitute products – are charged high prices for everything from bottled water and snacks to magazines, clothing and electronics. As revenues from these ventures have increased, airports have increasingly become 'retailized', shopping malls within transport centres. Cruise ships are similar, adding more and more shopping, entertainment and premium products for sale. The common thread here is that

everything is sold at a premium price. This also spills over to onshore excursions. Excursions arranged onboard are commonly much more expensive than similar independent land-based excursions.

In essence, the ticket price for a cruise, while technically not a loss leader, has become less important. Vogel (2012) argues that the cruise market is really two markets: one, a fairly competitive one for buying a ticket and the other a monopoly once passengers board the ship. Once aboard, they become what Klein (2005) calls 'captive spenders'. Cruise firms have found that one of the most lucrative sources of revenue comes from these ancillary revenues where customers are, in the words of Papatheodorou (2006b), 'spatially constrained'. This also helps explain the ever-increasing size of cruise ships: they not only allow for more passengers, but also more activities that generate onboard revenues. Cruise ships have long included such revenue-generating amenities as casinos, shops and spas. Now many ships include golf driving range simulators, wave simulators, climbing walls, skydiving simulators, premium speciality restaurants and shopping malls. Weaver (2006) reports that RCCL's *Allure of the Seas*, for example, contains seven distinct 'neighborhoods', many of which emphasize spaces for additional revenue capture. These include an indoor pedestrian boulevard named the Royal Promenade. Along the boulevard are shops, cafés and bars, and the area also serves as a site for entertainment. Former NCL CEO Colin Veitch refers to these huge ships as 'ultras', suggesting they are the ships of the future for just this reason (Bachman, 2015). Veitch suggests the model for modern ships is the new wave of Las Vegas resort hotels and casinos such as the Bellagio. No longer simply centres of gambling, the resort hotels offer a range of entertainment activities, from shows, shopping, activities, rides. The intention is for guests to never leave the premises, in the name of revenue capture, much of it in the form of rents.

When passengers do leave the ship, firm efforts to capture revenue continue. Cruise companies own private islands and other enclosed areas on shore. The islands are either just that or are peninsulas that amount to private beach clubs and 'fantasyscapes' that involve both notions of tropical paradise and additional sites for revenue capture (Wood, 2000; Weeden, 2015). They often include activities such as surfing, swimming, snorkelling and zip-lining. In addition to these private spaces cruise companies build or own many artificial markets near ports. Sorensen (2006) notes that the Maya Plaza on Cozumel Island, Mexico, is owned by a cruise company. Its only real clientele seem to be cruise ship passengers. She argues the Maya Plaza seems to be deliberately designed to keep the cruise tourist from venturing into San Miguel, the main town on the island.

Second, possessing the ability to extract rents from passengers, cruise companies effectively sell these rents to others in the form of concessions. Again the model is the airport, where the airport operating authority, knowing it has a captive group of consumers, auctions off the right to extract rents to restaurants (McDonald's, Starbucks) or food service companies (Aramark, Sodexo) and retailers. Cruise firms do the same. Cruise companies traditionally contract with concessionaires to run many of these onboard activities. Steiner Leisure, for example, operates spas on more than 200 cruise ships. Recently, well-known land spa operator Canyon Ranch has also entered the cruise spa market. Casinos are sometimes run internally but are also often contracted out. Century Casinos, for example, advertises itself as the largest independent casino concessionaire on luxury ships, operating casinos on TUI Cruises, Windstar, Oceana, Regent Seven Seas and Nova Star Cruises. Miami-based Starboard Cruise Services, which was purchased by French conglomerate LVMH Moët Hennessy Louis Vuitton

in 2000, operated more than 700 stores on 93 cruise ships from eight different lines in 2014 (*Miami Herald*, 2014). Its sister firm Onboard Media, provides in-cabin media services for cruise lines while also advertising ‘preferred vendors’ both on and off ship. Park West Gallery operates art auctions on more than 100 ships globally on such lines as Carnival, Celebrity, RCCL and NCL.

Today these ancillary revenues amount to the main profit centres for cruise lines. Rodrigue and Notteboom (2013) report that the average customer spends roughly US\$1700 for their cruise but a majority of those expenses are captured within the cruise ship itself. By 2015 onboard revenues accounted for roughly 25% of overall revenues. Carnival Corporation’s Annual Report for 2014 reported onboard revenues of US\$15.8 billion, some US\$3.78 billion or 23.9% came from onboard and ‘other’ unspecified revenues. Of that total, more than US\$1 billion came from concessions – the auctioning off of the exclusive right to collect rents from passengers. RCCL reported onboard and other revenues constituted 27% of gross revenues in 2014 (RCCL, 2015, 56) and 28.1% the year before. Frequently the ‘other’ in question refers to revenues from onshore activities. Cruise lines want their passengers to stay on ships where they can generate additional revenue. If they do leave the ship for shore, however, the firms also have strategies for generating additional money. These include sales for land-based tours in destinations as well as other fees collected. The shore excursions are sometimes run in house but more commonly are additional concessions contracted to outside vendors such as International Voyager Media, Onboard Media and the PPI group (Klein, 2005). Cruise firms routinely collect a cut of 10–40% of the ticket price of the shore excursion (Kroll, 2004). Cruise companies also collect additional revenues through recommending onshore shops, stores and restaurants. In many cases they promote ‘special prices’ available to cruise passengers only from select port merchants in return for a fee. One merchant in Cozumel interviewed by Sorensen (2006) reported paying a cruise line US\$30,000 in a single year in order to be promoted on ship. Again this constitutes a pure rent derived from market power.

Third, cruise companies are able to extract revenues through the threat of exit. Frequently these revenue gains take the form of reduced costs (such as taxes) or passing off operating costs to other entities. Here the key feature is that sites of production – cruise ships – are themselves highly mobile. This gives cruise companies the power of easy exit and shifting of capacity to meet market conditions. This happens regularly in response to seasonal demand, weather, political instability and changing markets. In addition, cruise firms can use the threat of exit when negotiating regulatory issues and other terms of service with host governments. Contrast this with other tourism or non-tourism enterprises. The literature on bargaining between multinational corporations and host country governments suggests the balance of bargaining power typically shifts from firm to host government over time (Vernon, 1971; Tarzi, 1995; Vachani, 1995). This is primarily due to the sunken costs made by firms. Once made they are difficult and expensive to remove. Cruise ships, however, are easily moveable. Historically cruise firms have used this mobility to respond to initiatives such as raising destination port fees. Caribbean governments and Alaskan towns, in particular, have faced threats by cruise companies to bypass them as destinations if they impose head taxes (Wood, 2004; Klein, 2005). As a result, passenger port charges remain very low in most destinations, especially next to comparable airport passenger fees.

Cruise firms also pass off many costs of cruising, particularly the construction of port facilities, through similar strategies. Firms regularly go to existing destinations

demanding upgrades, added berths and other accommodation (e.g. to accommodate newer megaships), arguing that without modernization they will exit. This is a particularly powerful argument for destinations that are easily substitutable. There is no substitute for Venice, but for cruise passengers, many Caribbean destinations, for example, are interchangeable. In 2014 the *Miami Herald* (2014) reported a port building boom throughout the Caribbean, as destinations and possible destinations build as a way to compete for cruise ship business. Most were funded by governments or contracted out by governments to private builders and operators. Notably, few costs were shared by cruise firms. This is also true of embarkation points (hub ports). In late 2014 Port Canaveral (Florida) completed the first of four new planned cruise terminals. Initial cost was US\$100 million. Mobile, Alabama previously spent more than US\$25 million on a cruise terminal that drew Carnival ships beginning in 2004, but the company pulled out of Mobile in 2011 in favour of other southern US ports. Meanwhile Tampa is looking at tens of millions in expenditures to upgrade facilities (including replacing the mammoth Sunshine Skyway Bridge) in order to accommodate megaships or possibly face elimination as an embarkation point (*Tampa Bay Times*, 2014). Most of these costs are borne by local authorities or are through public-private partnerships. The cruise companies rarely participate.

The final way that the cruise industry can exert market power is through directly politicizing that power through peak associations and lobbying. The Cruise Lines International Association was formed in 1975 and has gradually become a primary peak association for the industry. Originally focused on marketing, CLIA merged with lobbying group International Council of Cruise Lines in 2006. Today its membership includes more than 60 cruise lines and the organization claims to represent more than 90% of global cruise capacity (CLIA, 2015). There are certainly additional, primarily regionally based peak organizations as well, but CLIA merged again with seven smaller organizations in late 2012. It is perhaps no accident the merger came together months after the grounding and capsizing of the *Costa Concordia* off the coast of Italy, killing 32 people. Proponents argue the industry as a whole now speaks with one voice, and CLIA now has global representation at such bodies as the International Labour Organization in Geneva and the International Maritime Organization in London (PR Newswire, 2012). CLIA has been very active in a range of policy issues, including health and safety standards aboard ships, pollution regulations, taxation and labour standards.

CLIA originated as a US-based body and it has long lobbied national, state and local governments. According to the Center for Responsive Politics, spending by the overall cruise industry in the USA peaked at just below US\$5 million in 2008 before dropping off during the great recession. In 2014 it reached nearly US\$3 billion, with nearly half spent by CLIA (Center for Responsive Politics, 2015). The lobbying organization announced in December 2014 that it was centralizing its US operations by closing its Florida offices in 2014 and relocating all staff to its Washington, DC offices. This signals greater attention to national regulatory issues and legislation, particularly on the heels of several individual ship mishaps that led to bad press and consumer criticism. CLIA also refreshed its public relations campaign 'Cruise Forward', which had originally launched in 2012 to sway public opinion away from 'myths vs. reality' regarding a number of issues that had given the industry a black eye (pollution, health and safety) in order to 'clearly communicate the industry's leadership and positive actions' (CLIA, 2015) in these areas.

Ultimately these moves, of course, are consistent with practices in most industries. To the extent that they face legislation and regulation that will affect their operations and ultimately revenues, firms will organize and seek a seat at the table. What is particular to the cruise industry is that most lobbying seeks to maintain existing rents as well as to protect industry advantages vis-à-vis non-cruise competitors, specifically land-based tourism firms, and that with the merger this now takes place on a global scale.

Conclusion

Cruise lines operate in a unique industry. Owing to a long vibrant market within the global tourism industry, combined with registration rules, the loose regulation of international shipping and specific firm strategies, they have become powerful and wealthy. This chapter outlines the structure of the global cruise industry today, highlighting firm strategies, industry trends and market structure. From this it demonstrates that the nature of the industry combined with market structures allows cruise companies to exert various forms of market and political power that further revenues and profits while simultaneously making for very light regulation. For some critics such as US Senator Jay Rockefeller their market power, combined with insulation from regulatory control, have made such firms ‘a world unto themselves’ (Cruise Law News, 2012). At the very least they embody quintessential globalized corporate actors in early 21st-century capitalism.

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Representation without Taxation

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Introduction

The cruise industry touts its economic impact – global economic output in 2013 was US\$117 billion. According to the industry, cruise tourism supported 900,000 jobs and contributed to US\$38 billion in wages (BREA, 2014). The largest recipient, no doubt given the huge investment in shipbuilding in European shipyards, is Europe at US\$52.28 billion (44.7%); the USA is next at US\$44.09 billion (37.7%). Measures of the cruise sector's economic contribution are much smaller: its global economic contribution is US\$52.13 billion and employment is 417,979. The greatest economic impact is in North America (47.5%) followed by Europe (40.5%). North Americans account for 55% of cruise tourists whereas Europeans comprise 30% (see BREA, 2014).

Despite its huge economic impact, the three cruise corporations comprising almost 95% of the US market pay virtually no income tax in the USA. Carnival Corporation in 2003 paid a total of US\$29 million in taxes – just one-half of 1% of its US\$6.7 billion in revenues (Ruskin, 2004). As a foreign registered corporation its tax liability is limited to its US-based tour operations (Carnival Corporation, 2015). Because cruise corporations pay no federal income tax, they also pay no corporate income tax to the state where they are headquartered (Freedberg, 2003). In 2012, Senator Jay Rockefeller, in hearings before the Senate Commerce Committee, severely criticized Carnival Corporation – over the past 5 years it earned US\$11.3 billion in cumulative profit, but paid only 1.1% in state, local and foreign income tax (see Leonhardt, 2011; Jansen, 2012).

Cruise corporations do not pay taxes, and as foreign corporations they were until recently prohibited from making contributions to political campaigns in the USA. Regardless, the cruise industry has many friends in Washington, DC. In the 1990s, it successfully lobbied against extending US labour laws to foreign flagged vessels operating out of US ports, directly influenced the number of permits given for Glacier Bay National Park in Alaska, and received a US\$20 million a year saving after a senator inserted a single word in the Federal budget bill that exempted the 17 cruise lines operating in the USA from a US\$6 per passenger immigration fee to cover inspection costs for people arriving in US ports (Frantz, 1999a).

In 2001, the industry had language inserted into an appropriations bill allowing it to offer executives and other land-based workers more generous and secure pension benefits that had previously been barred by the tax code. The cost to the US

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treasury was US\$68 million (Weisman, 2001). On a smaller scale, Representative David Vitter inserted language into a Coast Guard Reauthorization bill in 2003 to relieve Carnival Corporation of US\$1.7 million in federal fines for two violations of the Coastwise Passenger Statute (Seatrade Insider, 2003), and in 2004, Senator Lisa Murkowski, backed by senators from Florida and Washington, added a provision to a corporate tax bill that saved the cruise industry US\$28 million. The amendment delayed for 1 year a requirement to pay taxes on income from air tickets, hotel rooms and tours sold in the USA (see Juneau Empire, 2004; Seatrade Insider, 2004). This chapter looks at the source of the industry's political influence – their representation without taxation.

Avoiding Taxation

The cruise industry like the shipping industry generally is largely foreign-registered. Even though corporate offices for most major cruise lines are in Florida, and the clientele served is primarily North American, the three major corporations are registered in Panama (Carnival Corporation), Liberia (Royal Caribbean Cruises Limited) or Bermuda (Norwegian Cruise Line (NCL) and Star Cruises). They derive many benefits, including avoidance of corporate taxes. The savings are significant. Estimates of annual lost tax revenues in 1999 to the USA from Carnival Corporation are in the half billion dollar range; Florida lost more than US\$40 million (Frantz, 1999b). UK-registered P&O Princess, before its merger in 2003 with Carnival Corporation, reportedly had a corporate tax rate of 5% based on its worldwide income – 72% of its income is from North America so is not taxed (Sesit, 2002).

Flags of convenience

These foreign-registered corporations often register their ships in a country offering a 'flag of convenience' – a situation where the beneficial ownership of a ship is in a country different than where it is registered. Most cruise ships in the 1990s were registered in the Bahamas, Panama or Liberia; however, Liberia fell off during the civil war in Sierra Leone while registries in Malta increased. The registries provide protection from burdensome income taxes, US and other nations' labour laws and other regulations. Laws of the country where the ship is registered apply to the ship and the flag state technically has responsibility for enforcement of international regulations and conventions; however, flag of convenience registries often leave inspection and certification of safety equipment to ports of call. This means the US Coast Guard, or a similar authority in Europe and Australia may conduct inspections.

Flags of convenience also severely limit recourse to US or other courts in disputes over wages or a workplace injury. A US court ruled in 2003 that claims related to a boiler explosion aboard NCL's *Norway*, which killed eight and injured 20 workers, had to be filed in the Philippines in order to comply with the employment contract that had been signed in the Philippines. This is not unusual. The employment contract of a worker on a Bahamian-registered ship states any dispute or claim 'shall be governed and adjudicated pursuant to laws of the Bahamas, regardless of any other legal remedies that may be available'.

The savings under a flag of convenience are significant and ship registry is big business. In 1995, Panama earned US\$47.5 million in ship registration fees and annual taxes – 5% of its federal budget – and another US\$50 million for maritime lawyers, agents and inspectors. The government operates 56 maritime consulates around the world from which a registration can be purchased. The consul can offer discounts of up to 50% for transfer of multiple ships to Panamanian registry, and a complete waiver of fees for a year in some cases. The consul receives a cash bonus based on the amount of business brought in (Morris, 1996). Panama's share of ship registries has expanded significantly.

Several countries took steps to prevent further loss of ship registries or to recover those previously lost. The UK successfully prevented Cunard's migration to another flag and regained much of the P&O and Princess fleets. After a 95% drop in the size of the UK-registered trading fleet and a 50% decline in the number of UK seafarers in just 20 years, the government pursued long-term strategies contained in the 1998 White Paper, *British Shipping: Charting a New Course*. Tonnage taxes were reduced from 13% to 5%, and reforms introduced in the Maritime Coastguard Agency. The size of the UK-registered fleet trebled between 1998 and 2004 (Mott, 2001; see also Office of the Deputy Prime Minister (DPM), 2004). It lost ground in late 2004 with Carnival's decision to shift its German-brand Seetour's AIDA ships from British to Italian registry.

Italy has similarly worked to keep cruise ships under its flag. In the 1990s it used subsidies to attract business to its shipbuilding yards and to its registry. A cruise line could receive a 30% subsidy for construction if a new ship is registered in Italy. This was on top of other grants used to attract business. With the dismantling of shipbuilding subsidies by the European Community, Italy like the UK introduced reforms to make its flag more attractive to cruise lines. It has retained Costa and added AIDA.

The disadvantage of a foreign flag

There is one key disadvantage of a flag of convenience. Most countries have laws prohibiting a foreign-flagged vessel (seagoing or via air) from transporting passengers between two ports or places within that country – what are called cabotage laws. In the USA, this is contained in the *Passenger Vessel Services Act of 1886* (PVSA). It was originally passed to protect US companies from competition by Canadian ferries that shuttled among resorts on the Great Lakes. It prevented a foreign vessel from picking up a passenger in one US port and disembarking that passenger at another US port. Trade between US ports is reserved for US-flagged vessels.

Key provisions of the PVSA have changed over time, but its core statement has not: 'No foreign vessel shall transport passengers between ports or places in the United States, either directly or by way of a foreign port, under penalty of US\$2 for each passenger so transported and landed'. The penalties increased to US\$200 in 1898 and to US\$300 in 2003. Several provisions have become more clearly defined. In 1910, the Attorney General issued a legal opinion that allowed an around-the-world cruise to embark passengers in New York and disembark them in San Francisco. In 1968, the Customs and Border Patrol introduced a distant port exception, which allowed a foreign-flagged cruise ship to transport passengers between two US ports as long as a

call is made at a distant foreign port. In 1985, a regulation was introduced that allowed round trip cruises from a US port to visit other US ports as long as the ship stopped at a nearby foreign port (US GAO, 2004).

Today, a foreign-flagged vessel may transport passengers between two US ports, with a distant foreign port in between, and it can transport passengers between a number of US ports as long as a nearby foreign port is included in the itinerary. This is a critical reason why Canadian ports are included in cruises of Alaska's Inside Passage – they provide the foreign port. The only thing a foreign-flagged vessel cannot do is to transport passengers between two US ports directly. The PVSA was reinforced by the *Merchant Marine Act of 1920* – popularly known as the Jones Act. Passed shortly after World War I, it promotes the growth of a well-equipped and modern merchant marine available for use in the nation's defence and that would grow foreign and domestic commerce. It stipulates only ships built in the US are entitled to be registered in the USA and thereby poses a strong barrier to foreign-registered cruise lines operating freely between US ports. This underlies NCL's need for an exemption from the Jones Act in 2003 before it could operate NCL America, a US-flagged cruise line that would offer inter-island cruises in Hawaii. At that point, cruise ships either included the foreign island Kiribati in its itinerary (requiring 2 days at sea), or began and/or started the itinerary in California with a stop in foreign port Ensenada.

In the autumn of 2002, NCL purchased for US\$29 million 'Project America', a failed effort by defunct American Classic Voyages (ACV) to build two US vessels at Litton Industries' Ingalls Shipbuilding in the USA. The two vessels were to be deployed in Hawaii as part of American Hawaii Cruises, a division of ACV. Costing US\$1.4 billion, they would not only be the largest cruise ships ever built in the USA, but the first large cruise ships since Ingalls had delivered the last American-built large cruise ships, *Brazil* and *Argentina*, to Moore McCormack Lines in 1958. The Maritime Administration lost US\$330 million on the failed project (DePledge, 2003). Also in the autumn of 2002, NCL met with Hawaii's senior Senator, Daniel Inouye, seeking his support for its plan to operate US-flagged vessels in Hawaii. In January 2003, Senator Inouye tacked a provision on to the 2003 Omnibus Appropriations Bill allowing NCL to operate three US-flagged ships in Hawaii (Ruel, 2003). The ships were the two Project America ships, which would be completed at Meyer Werft shipyard in Germany, and a current foreign-flagged ship. An argument used for the legislation was that by 2007, 3000 jobs would be created and US\$300 million in federal tax revenues generated. This would more than recoup the estimated US\$185 million lost by the Maritime Administration on Project America but falls short of the figure of US\$330 million released in April 2003 (DePledge, 2003). In the end, the plan was approved, with a provision prohibiting NCL from using the ships to transport passengers to ports in Alaska, the Gulf of Mexico or the Caribbean Sea (Magin, 2003).

Influencing Policy and Decision Makers

NCL's endeavour was one more element in the continuing debate about the PVSA and Jones Act. Segments of the cruise industry have lobbied for repeal or change in both the PVSA and the Jones Act, but without success. One reason

for the lack of success could be that interest in loosening restrictions imposed by cabotage laws has largely been from four states – Alaska, Washington, Hawaii and California – and a select group of cruise lines. It is an issue that has some advantages to the cruise industry, but isn't worth enough to incur much expense.

There had been a flurry of legislative activity between 1997 and 2000 directed at loosening cabotage law restrictions, before NCL's Project America. Four bills were introduced in 1997 and 1998 (see Klein, 2005). None was successful. Senators McCain, Hutchison, Feinstein and Murkowski tried again with S. 1510, introduced 5 August 1999. The legislation combined elements of previous bills. It allowed foreign-built vessels to be reflagged as US vessels and engage in domestic commerce, and permitted limited employment of foreign-flagged cruise ships in domestic commerce provided all maintenance and repairs to these ships is done in the USA and provided there is a commitment to build replacement vessels in the USA. These are essentially the conditions under which NCL committed to the Project America ships and its re-flagging of a foreign-built vessel. Like legislation before it, S. 1510 never reached a vote by the full Senate.

That these initiatives failed is not entirely surprising. Opposition was already well organized. In late 1995, a broad-based coalition called the Maritime Cabotage Task Force was formed of more than 400 American organizations and companies to support the Jones Act. The task force included US-flag ship operators, shipbuilding and ship repair yards, labour organizations; rail, trucking and airline groups; marine vendors and equipment manufacturers; and pro-defence coalitions. In 1997, the US House of Representatives passed a resolution of support for the Jones Act, and both Republican and Democratic Senate leaders declared their strong support for the Act. The cruise industry does not appear to have impacted the resolve of groups supporting key provisions of the Jones Act.

At the same time, the cruise industry has actively lobbied successfully against efforts by the US Government to increase its control over the industry. There were several Congressional initiatives in 1991 after the US Coast Guard and the National Transportation Safety Board brought safety concerns forward, and because for the first time the industry's avoidance of US taxes was raised as an issue. There was the Gibbons Bill, which would force companies to repay shipbuilding subsidies; the Murphy Bill, which would bring seafarers on foreign ships regularly using US ports under the US labour laws; and the Taylor Bill, which would strip foreign-flag vessels of the right to operate casinos unless they sailed on voyages of more than 36 h or made a port call – it would prohibit 'cruises to nowhere'. None of these bills was successful, but they define the issues. The battle lines drawn have scarcely changed over the past decade.

The cruise industry and legislators

The cruise industry actively participates in the political arena. Given the length of its efforts in the USA, and that it is visible, this analysis focuses mainly on the USA; however, it is safe to assume that similar processes are happening elsewhere in the world, especially as the Cruise Lines International Association assumes the role of most national and international cruise associations.

The media

The cruise industry spends well over US\$1 billion a year on advertising and promotion. This makes the media an important partner. It isn't just print or other advertisements, although these can be significant as seen in spending by three cruise lines on advertising in 2010 when Carnival Cruise Lines spent US\$66.4 million, NCL spent US\$56.3 million and Royal Caribbean International spent US\$53.5 million (Newman, 2011). There are also strategic alliances such as Carnival Cruise Lines co-sponsoring the New York Times Travel Show, co-sponsoring with the *Miami Herald* the 5th Annual Mayor's Ball and the Miami Wine and Food Festival. It is hard to know the degree to which spending on advertising and visible partnerships influences editorial decisions – most journalists argue that it does not, but regular monitoring of newspapers across North America, Europe and Australia suggests that it must. There are clear differences in where stories appear in terms of countries and in terms of which markets within a country. Anecdotal comments by reporters to this author reinforce this impression.

The cruise industry's relationship with the media is not passive. It regularly meets with newspaper editorial boards, either through its lobbyists or cruise industry executives themselves. Editorial boards report to this author that these meetings increase during times when there are critical issues, and when there is increased contact with the media by cruise industry critics. The account told more than once described industry efforts to shape the way issues were understood and how they should be presented. A common complaint by editorial boards was they were rarely exposed to the counterarguments against the industry. Sadly, those with counterarguments normally do not have lobbyists.

Media insiders also report attempts by the cruise industry to prevent appearances by critics. At the very least, as experienced by this author, they demand equal airtime and sometimes explicitly link advertising dollars to their efforts at persuasion. It is hard to know how often they are successful in undermining media attention. It is important to point out that not all media bow to industry pressure. There are many examples to demonstrate that simple fact. The point here is that media is pressured. We don't know when the industry is successful in closing access to critics or when it prevents from being aired news it considers negative, but we do know how often the industry's positive perspective is presented.

The cost of lobbyists

A more direct effort to influence policies and regulation is through lobbyists – professionals hired to influence legislators and their aides, and senior executives in government departments. The cruise industry spent an average US\$1.5 million per year on lobbyists in Washington, DC between 2012 and 2014 (see [Table 3.1](#)). This is almost one-third less than spent in 2009–2011, returning to levels in 2006–2008, which itself was twice what had been spent in 2003–2005, almost four times what was spent in 2000–2002 and seven times what had been spent in 1997–1999. Cruise industry lobbying is not restricted to Washington, DC. A review of the Washington Public Disclosure Commission's records reveal that Holland America Line spends US\$100,000 a year on lobbying activities in Washington state. The industry – mainly through Alaska

Table 3.1. Cruise industry spending on lobbying in Washington, DC, 1997–2014.^a (From: Secretary of the US Senate.)

Cruise line	1997–1999	2000–2002	2003–2005	2006–2008	2009–2011	2012–2014	Total
Carnival Corporation	246,000	90,000	130,000	170,000	1,044,000	3,067,000	4,747,000
Royal Caribbean	–	10,000	280,000	3,350,000	4,173,000	2,626,000	10,439,000
Norwegian Cruise Line	–	360,000	1,700,000	1,810,000	90,000	–	3,960,000
Princess	80,000	290,000	120,000	40,000	5000	–	535,000
Holland America	80,000	250,000	180,000	360,000	360,000	360,000	1,590,000
Ambassadors Int'l ^b	–	–	–	130,000	–	–	130,000
American Cruise Line	–	–	–	–	–	270,000	270,000
Arison Family Trust ^c	–	420,000	400,000	360,000	360,000	360,000	1,900,000
ICCL/CLIA	1,360,000	2,360,000	3,312,600	6,482,807	10,580,548	4,720,000	28,815,955
Total	1,766,000	3,780,000	6,122,600	12,702,807	16,612,548	11,403,000	52,386,955

^aAmounts are US dollars; for a breakdown by year, see <http://www.cruisejunkie.com/lobbying.pdf>

^bAmbassadors International owns Majestic America Cruises, Windstar Cruises and Ambassadors Marine Group.

^cTed Arison founded Carnival Cruise Lines; Micky Arison was previously Chairman and CEO of Carnival Corporation.

NB: For a breakdown of cruise industry spending on lobbying in Washington, DC by year, see www.cruisejunkie.com/lobbying.pdf

Cruise Association (now CLIA Alaska) – spends hundreds of thousands of dollars on lobbyists in Alaska (see Klein, 2005). The industry also actively supports candidates in local elections, hoping to have policies and regulations that are cruise-industry positive.

One significant development in recent years is that CLIA has reduced its lobbying expenditures, while the major cruise lines have increased theirs. It is not clear whether this reflects an erosion of traditional industry solidarity on critical issues, with individual corporations advocating their own interests, or of CLIA refocusing on its traditional role: an advocate for the cruise industry to travel agents and a body mainly engaged in marketing cruises. This may become clearer over time; however, it is possible to see individual cruise lines advocating their own interests. Between 2002 and 2008 NCL spent almost US\$4 million on lobbyists in order to garner support for its initiative to develop NCL America. It hasn't spent money on lobbyists since 2009.

It is interesting to note the increases in spending on lobbyists over time, but then a sizable decrease since 2012. The initial increased spending in the early 2000s was largely in response to environmental issues, which had come to the forefront after the industry paid over US\$50 million in fines and the environmental movement advocated for greater regulation of the cruise industry (see Klein, 2005, 2007). Further increases in spending in the second half of the decade are no doubt directly related to increased interest in crime on cruise ships (e.g. sexual assaults, persons overboard, accidents) and ship security, and the series of Congressional hearings beginning in 2005 and continuing through 2014 (see Klein, 2012). These hearings resulted in the Cruise Vessel Security and Safety Act of 2010, and maintained pressure on the cruise industry for greater transparency and responsibility. As noted at the start of the chapter, it was in 2012, at Congressional hearings, that Senator Rockefeller aggressively challenged the cruise industry's ability to avoid its fair share of corporate income tax in the USA. There were subsequent hearings in 2013 and 2014, however, they were more focused on cruise ship safety and security (post-*Costa Concordia*) and cruise passenger rights.

CLIA's surrogates

Other organizations also promote or lobby on behalf of the cruise industry. Regional trade associations are the most active. They are similar to CLIA but focus on a geographic area. The Florida-Caribbean Cruise Association (FCCA), which represents 19 cruise lines operating more than 100 vessels in the Florida, Caribbean and Mexican waters, is a good example. Created in 1972, the FCCA's mandate is to provide a forum for discussion on legislation, tourism, development, port safety, security and other cruise industry issues. It is the key player in the industry's relationship with Caribbean islands. Though it has initiatives to build positive relations with the people of the Caribbean, it often takes a political hard line on issues that directly interest its cruise line members. For example, when FCCA learned of the Caribbean Tourism Organization's plan in 2003 to institute a US\$20 levy on all passengers entering the Caribbean, it directly lobbied individual Ministers of Tourism and effectively killed the plan.

FCCA's equivalent in the Pacific Northwest and Hawaii is CLIA Northwest and Canada (CLIA-NWC), previously known as the Northwest Cruiseship Association. CLIA-NWC is a non-profit association representing the major cruise lines that operate in the Pacific Northwest (British Columbia, Washington State, Alaska and Hawaii) and in Atlantic Canada and Quebec. CLIA-NWC was established in 1986 for

the purpose of providing security services to member lines, but its role was later expanded to include government relations on legal and regulatory issues. It actively lobbies in Hawaii, Alaska, Washington State and Canada.

In recent years CLIA has supplanted the place and role of many regional cruise councils. For example, the European Cruise Council, founded in 2004, is now CLIA Europe and has affiliates such as CLIA UK and Ireland, CLIA Germany, CLIA France, etc. The same is occurring elsewhere, with CLIA Southeast Asia supplanting Australia Cruise Council (CLIA Australasia is a member of CLIA Southeast Asia) and other regional cruise councils. In addition there is CLIA North Asia (largely meaning China). Like elsewhere in the world, it is most common for executives from either Carnival Corporation or RCCL to head these CLIA branches. Carnival Australasia's CEO, Ann Sherry chairs CLIA Southeast Asia; CLIA North Asia is chaired by Royal Caribbean's Managing Director Asia and China, Zinan Liu (CLIA, 2014). The dominance of 'the big two' is revealing given the many smaller players whose interests may be quite different from the industry behemoths.

Campaign contributions: another strategy for influence

The effectiveness of lobbying increases when combined with campaign contributions (K. Rehbein, Marquette University, 2004, personal communication). The cruise industry contributes to campaigns through US-based tour companies – Princess Tours and Royal Celebrity Tours – corporate executives and cruise line employees, political action committees (PACs), and various other funds and committees. From 1990 through 2014 the industry cumulatively contributed over US\$7 million to federal campaigns; the average for the past four election cycles is approximately US\$700,000 per cycle (see [Table 3.2](#)).

Based on research done by Klein (2005), which found from 1997 to 2004 that 45% of the industry's total contributions went to state campaigns, we can expect a

Table 3.2. Cruise industry contributions to US federal candidates, parties and PACs, 1990–2014. (From: OpenSecrets.org)

Year	Contributions	Contribution cumulative total	% Democrat
1990	56,200	56,200	69
1992	275,625	331,825	64
1994	183,820	515,645	65
1996	462,974	978,619	39
1998	550,716	1,529,335	51
2000	913,900	2,443,235	39
2002	706,949	3,150,184	54
2004	670,650	3,820,834	46
2006	509,099	4,329,933	45
2008	816,460	5,146,393	72
2010	664,460	5,810,853	79
2012	697,189	6,508,042	54
2014	616,797	7,125,021	60

similar amount to be spent on state and local elections and campaigns today – this is on top of contributions for federal campaigns and political parties.

As shown in [Table 3.2](#), campaign contributions tend to favour the Democratic Party, most notably during the first election won by Bill Clinton, but the cruise industry's enthusiasm waned significantly through the Bush years until Obama's first election. The industry's contributions heavily favoured Democrats during Obama's first term, but as the Republicans increased their numbers in Congress cruise industry contributions became more balanced between the two parties. With Republicans holding a majority in both the House and Senate after 2014, and based on past patterns (see Klein, 2005), it can be anticipated that campaign contributions in the 2016 election will be more favourable to the Republican Party.

Separate from which party receives the greater proportion of campaign contributions is to whom the contributions go when the recipient is an individual candidate. Klein (2005) found that contributions are most frequent and greatest based on the role played by a member. For example, Senator Daniel Inouye was one of the largest recipients of funds when he chaired the Subcommittee on Surface Transportation and Merchant Marine of the Senate Commerce, Science and Transportation Committee. Seven other committee members also received campaign funds from the cruise industry. Of comparable importance in the House of Representatives is the Transportation and Infrastructure Committee's Coast Guard and Marine Transportation Subcommittee. While Democrat Inouye received contributions while chairing the Senate Committee, Representative Don Young, a Republican from Alaska who chaired the House Committee, was the largest recipient in the House of Representatives of campaign funds from the cruise industry. Twelve other members of the House Committee received funds from the cruise industry.

The situation has not changed over the years, except that campaign contributions appear contingent on the person filling the role of chairperson being 'friendly' to the cruise industry's interests. For example, Senator Rockefeller as chair of the Senate committee was critical and never received campaign contributions from the cruise industry, while his Republican counterpart in the House did. The pattern appears to continue that campaign contributions are strategic, with the greatest support going to those members of Congress who are in a pivotal position on a committee that has oversight of the cruise industry or that has the potential to either help or hinder the cruise industry (such as the issue of taxation, which would go before the Appropriations Committee in the Senate and the Ways and Means Committee of the House of Representatives).

Being subtle: building social capital

Another way to influence policies and decision makers is by building social capital, in the case of the cruise industry largely through philanthropy. Donations contribute to a positive image and, if used strategically, the benefits are significant. The cruise industry has several foundations. Royal Caribbean's Ocean Fund is one. It distributed US\$7.6 million between 1997 and 2008. Royal Caribbean established its Ocean Fund in 1996, about the time it was indicted for its 1994 discharges of oily bilge. The Fund's mission was 'to support efforts to restore and maintain a healthy marine environment, minimize the impact of human activity on this environment, and promote awareness

of ocean and coastal issues and respect for marine life' (Ocean Fund, 2004). The fund made its last contributions in 2008.

In sum, the Ocean Fund provided funds to 61 organizations. One organization, the World Wildlife Fund, whose board chair in the USA was also a member of the RCCL Board of Directors, received the most: US\$900,000, or 12% of the total given in grants. Seven organizations received US\$300,000 or more and collectively accounted for 45% of all contributions (see Cruise Research dot Org, 2010). These contributions were strategically given (or withdrawn) based on whether the organization or the project was favourable to the environment (not necessarily the marine environment) and, more importantly, the project supported or was neutral as regards the cruise industry and its threats to the environment. The Ocean Conservancy had several hundred thousand dollars withdrawn after its 2002 report, *Cruise Control*, was critical of the cruise industry for its environmental practices (Klein, 2005).

Carnival Corporation's Carnival Foundation is another source of social capital. It co-sponsors gala fundraisers and by 2004 had reportedly made 'more than US\$42 million in charitable donations, both through financial contributions through the Carnival Foundation, as well as in-kind donations to a wide range of local, national, and international charitable and arts-related organizations' (About.com, 2003). The in-kind donations include use of cruise ships for gala events – a large value for a relatively small expense and wonderful publicity. The cash contributions go to a wide range of groups in Miami and in Florida, including health, education, civic and community, and cultural organizations. These contributions buy goodwill for the cruise industry generally, but more specifically for Carnival Corporation and Carnival Cruise Lines. It has immeasurable value in the social media and political arena.

The industry also makes contributions across the USA through the Cruise Industry Charitable Foundation (CICF), administered by CLIA. Founded in 1998, the CICF 'focuses its efforts on programs that are designed to improve the quality of life in the communities served by the cruise industry. CICF supports programs that enhance educational opportunities for youth, including those designed to improve literacy, teach basic life skills, and promote good citizenship. The Foundation also supports academic enrichment opportunities aimed at enhancing student proficiencies in reading, math and science' (ICCL, 2004). The foundation has matured and become more sophisticated since the analysis done by Klein (2005). Previously, contributions were more strategic and focused on a smaller number of recipients. Between 1998 and 2003, 62% of the total US\$3.6 million in grants was given to ten organizations. A much greater proportion of smaller grants (US\$10,000 or less) were given between 2011 and 2013; there were 12 organizations receiving US\$40,000 or more, accounting for just over one-third (US\$1 million) of the total contributions of US\$2.8 million.

This is quite a turnaround from the nature of contributions earlier in the decade. However, several things remain constant. First, the single largest recipient of CICF funds is the Washington Workshops Foundation. Between 1998 and 2003 it received US\$1,088,959 – 30% of all money granted by CICF – to fund 'at risk' youth from Houston, Miami, New Orleans, New York City, Duluth, Arizona, Alaska, Washington and California. Washington Workshops is a 7-day programme of seminars, workshops and meetings that promotes interaction with senior government executives in order to provide students an opportunity to gain a greater understanding and appreciation of the US federal government and its day-to-day operations. The cruise industry

benefits when members of Congress get positive press at home for welcoming a delegation of high-school-age youths to Washington – the member of Congress feels good about the industry, as do the youths and their families. The media broadcasts the positive impression further. Between 2011 and 2013 Washington Workshops received US\$317,177 – 11.4% of all money granted by CICF. Other recipients receiving US\$50,000 or more were American Red Cross Philippines Relief (US\$100,000), Congressional Hispanic Caucus Foundation (US\$93,500), Florida Prepaid College programme (US\$93,295), Congressional Black Caucus Foundation (US\$85,000), Daniel K. Inouye Institute (US\$50,000), an organization serving first responders (US\$50,000) and an organization serving widows and children (US\$50,000).

Another thing remaining constant is how contributions have strategic value. The value of the largest contributions speak for themselves; there were many small grants – 136 organizations received grants of less than US\$40,000 over 3 years – provided first and foremost in areas where cruise tourism was present, but otherwise to national health, human service, education and civic organizations. Donations are often timed for maximal impact. As pointed out by Klein (2005), Celebrity Cruises' *Zenith* was used before its inaugural cruise from Jacksonville's new cruise terminal to host a luncheon and special presentation on 27 October 2003. US Representatives Corrine Brown, Ander Crenshaw and Cliff Stearns, and many members of the Florida legislature were present. 'Highlighting the event was the presentation of a US\$55,000 donation from CICF to be shared by nine local charities' (CICF Press Release, 2003). The media gave positive coverage, with photos, for the politicians and the cruise industry. A similar event was held in New York City on Celebrity Cruises' *Horizon* on 9 June 2001. In this case CICF donated US\$5000 each to ten organizations in the New York City Area. Representative Charles Rangel was in attendance, as were youth organization directors and children from the recipient organizations. The event received media attention and was used to promote 'an industry known for creating lifetime memories for their passengers as well as many economic opportunities for the city of New York' (CICF Press Release, 2001).

The point of this discussion is not to question or to criticize the cruise industry's philanthropic initiatives, but rather to see how these acts of goodwill build social capital that can come to play in political processes and discussions relevant to the cruise industry. It is also important to note that contributions often translate into reciprocity on the political front. The industry's ability to grow a positive image, including one of social responsibility, has many advantages.

Implications for Ports and Critics

For not paying taxes, the cruise industry fares very well in the USA as regards government services and protection. A single medical evacuation from a cruise ship can cost more than US\$1 million, a cost borne by the US taxpayer – there are hundreds of evacuations each year. When *Carnival Splendor* caught fire and went adrift in 2010, the US government spent US\$3.3 million to tow the ship from Mexico to the USA. There are many similar examples, including the cost of search and rescue when a passenger goes overboard. In addition, many ports and government agencies subsidize the cruise industry through port facilities and other infrastructure to support cruise

tourism. While these investments are generally justified by expected revenue from cruise ships and their passengers, in many cases ports find their expectations are significantly unfulfilled. But it is a difficult industry to confront given its cultivated friendships and its positive image.

The cruise industry's ability to maintain representation without taxation is particularly challenging for grassroots community groups and for non-governmental organizations concerned with environmental practices, labour issues and/or economic and social issues. It is difficult to demonize an industry that can so easily direct attention to all of the good things it does – and with lots of small philanthropic contributions it has many examples in almost every corner of the USA. Further, it is difficult to get attention, much less traction, when the cruise industry effectively communicates its position to policy makers, legislators and the media. This was particularly the case as the cruise industry dominated hearings before the US NTSB in 2014, but consumer groups such as International Cruise Victims Association asking to be heard were excluded; and that the rulemaking process associated with the Cruise Vessel Security and Safety Act of 2010 has been dominated by the industry; public input was only invited after much of the work had been completed – International Cruise Victims Association, which had pushed for the legislation, was again largely excluded from the process (K. Carver, Phoenix, 2014, personal communication). It cannot be underemphasized that recognizing the nature of the relationship between the industry and the various actors helps in thinking through strategies that are more likely to be successful.

It must be pointed out that the cruise industry operates much the same in other locales. In the Caribbean, the Florida-Caribbean Cruise Association provides philanthropic support and has many campaigns designed to build a positive image of the cruise industry among islanders. Similar efforts are no doubt being implemented as CLIA further expands around the world and subsumes within its structure the many traditional local cruise councils and cruise committees. Aside from the practical application that insights about the cruise industry may provide, this chapter identifies a fertile area for academic research in different areas where the cruise industry is maturing or just developing. There are many areas from which to choose for focus – e.g. campaign contributions, lobbying, building social capital, dynamic political processes – with each taking a historical perspective. It would be most interesting to see how the industry's political activism changes from the time of independent regional cruise councils and associations to an international network of CLIA, and how the industry's response to problems and social issues shifts from the local to the international.

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Flags of Convenience and the Global Cruise Labour Market

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Introduction

One is hard pressed to find another example of a sector of the economy that is more global in nature than the contemporary cruise industry. With international itineraries and international passengers, the industry is the product of regulations, state policies and financial imperatives that make transnational operations logical and profitable. The most visible reminder of this globalized industry, however, is the employment of a multi-ethnic crew. On a given ship, it is possible to find workers from dozens of countries. This is possible due to a process known as ‘flagging out’: the registration of ships in foreign countries using flags of convenience (FOCs). There are a myriad of reasons why shipping companies choose foreign flags over the flag of the state where ownership and operations are based, but in general the process allows cruise lines to operate their vessels efficiently with fewer costs and less regulatory burden. Most importantly it allows cruise lines to hire from wherever they choose. It is, in essence, a virtual form of outsourcing. And like outsourcing in terrestrial industries, the chief motivation involves saving on labour costs. With a few notable exceptions FOCs have come to characterize virtually the entire cruise industry.

While cruise lines enjoy obvious benefits by utilizing open registries, the FOC system has garnered heavy critique. Indeed, the term ‘flag of convenience’ itself gained recognition in the 1940s as a pejorative term popularized by the International Transport Workers’ Federation (ITF), a global labour union affiliation that attempts to harmonize the efforts of seafarers’ unions around the world (Lillie, 2004).¹ Their anti-FOC campaign arose specifically to address poor labour conditions and environmental concerns that came to be associated with lightly regulated open registries. In short, as workers increasingly became subject to laws associated with these newer flag states with fewer labour protections, the drawbacks of FOCs for worker welfare became increasingly evident. While some progress has been made over the decades to improve the performance of open-register flags, large questions about the outcome for workers remain important as FOCs represent the backbone of the shipping industry and thus shape the employment patterns found aboard cruise ships. This chapter aims to take stock of the role of open registries in creating this intensely global labour market, but also examines the costs associated with their use, especially those borne by the people that choose to work on luxury vessels. The historical context in which FOCs emerged, how they serve to shape the

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labour market, and what happens when cruise lines choose not to utilize open registries are included in the discussion.

Open Registrations in Historical Context

The use of FOCs in the cruise industry is part of a longer maritime history that predates the development of the contemporary cruise industry. For at least several centuries, ships often switched flags in order to ‘overcome obstacles or restrictions of a political or economic nature which affected their own country’ (Llácer, 2003, p. 514). Thus quite early in history, captains and ship owners adopted the idea of breaking the link between country of ownership and country of operations as a legal loophole. Later, open registries emerged in the first half of the 20th century when American passenger ship owners began registering their ships in Panama in order to avoid Prohibition laws (Alderton and Winchester, 2002). Later, World War II created a major impetus for expanding the use of foreign-flagged vessels (DeSombre, 2006). Before the attack on Pearl Harbor and its entrance into the global conflict, the USA utilized FOCs to establish trade with warring parties in direct opposition of its own policy of neutrality. Flagging its merchant marine in Panama also allowed the USA to trade with Britain without fear of creating a specific cause for war with Germany. Re-flagging ships with a Panamanian flag created a legal facade that US ships were actually Panamanian (Langewiesche, 2010). After the war, the number of ships registered in Panama increased significantly with the US Ship Sales Act of 1946 that permitted the sale of 1113 ‘Liberty’ ships to owners utilizing foreign flags. Shortly after in 1948, former Secretary of State Edward Stettinius led an effort to establish an open registry in Liberia in order to compete with Panama and serve as part of a larger development strategy for the African country (Carlisle, 1980). The benefits of flying these flags quickly became apparent to shipping companies around the world and over the next couple of decades several new entrants such as Costa Rica, Honduras, Lebanon, Cyprus, Singapore, Malta, Bermuda and the Bahamas emerged as open registries. For many of these new flag states, offering open registration became an important means of generating important foreign exchange and government revenue, especially for developing countries.

In some cases, registries are run much like businesses rather than governmental entities. For example, Liberia’s registration office headquarters is actually located on the outskirts of Washington, DC in Vienna, Virginia. It is managed by a US company, the Liberian International Shipping and Corporate Registry, which is contracted by the Liberian government to operate the registry. Similarly, International Registries, Inc., located in Reston, Virginia, runs the Marshall Islands’ registry. In these cases, the companies take a percentage of the tonnage taxes collected and the rest is transferred to the respective government. This is possible because registration of ships does not require the vessels to ever be physically present in the home country/port. Instead, flag states periodically send inspectors aboard ships when they enter ports to report on ships’ compliance with regulations. Many flag states have also authorized classification societies (groups originally created to rate or classify the physical state of ships to provide investors with knowledge of the risks associated with their investment) to complete statutory surveys in their stead (Boy and Neumann, 2012). In this way, some of the flags to emerge in later years even hailed from landlocked states like Bolivia and

Mongolia. The establishment of these new open registries and waves of global economic liberalization following the oil shocks of the 1970s saw the explosion of FOC use ever since (Walters and Bailey, 2013).

Second registries

By the mid-1980s open registries had placed significant pressure upon traditional flag states that were steadily losing ships and associated revenue. Some countries also saw this as an ongoing threat to national security, since foreign ships cannot be commandeered in the event of war. Thus promoting a national merchant marine was also seen as a necessity (Carlisle, 2009). In response, many of these countries began to create second registries that could compete with open registries. Some used their overseas dependencies for this purpose. For example, the UK maintains several second registries among its 'Red Ensign Group', which includes places like Bermuda and the Isle of Man. Others countries such as Italy and Germany that lack overseas territory simply created a second tier international registry. Italy in particular has been successful in attracting cruise lines by offering heavy construction discounts to companies that build and register ships in Italy (Klein, 2005).

Second registries effectively allow shipping companies many of the same privileges associated with FOCs such as the use of foreign crews and low tax burdens, but with some of the protections and positive marketing effects that come with national registration. These special registries have allowed countries to stem the tide of flagging out by recapturing some of the registration market (Carlisle, 2009). In short, there are now effectively three types of flags: national, open and second registries. The cruise industry overwhelmingly utilizes the latter two.

Although at least 15 different flags are flown by various cruise ships, currently five countries dominate ship registrations in the industry: the Bahamas, Bermuda, Italy, Panama and Malta (see Fig. 4.1). All of these allow registration of foreign-owned vessels. In the past, Liberia had been listed among the ranks of the most utilized flags, however, the Liberian civil war and the kleptocracy of the Charles Taylor regime led most cruise lines to re-flag their vessels. The stigma of Liberian registry presented

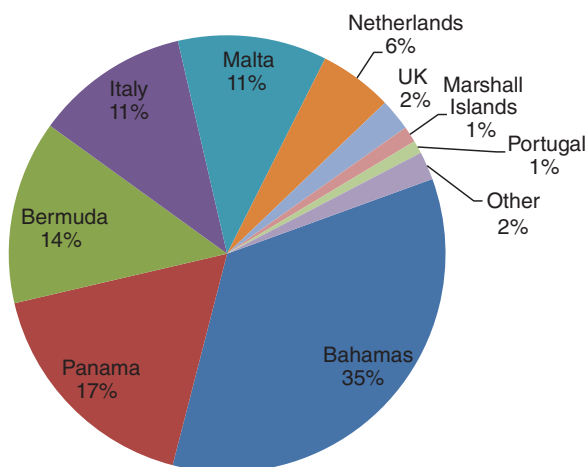


Fig. 4.1. Cruise industry flag use by tonnage. (Adapted from: Cruisemapper.org, 2015.)

cruise lines with unfavourable negative public relations fodder for anti-FOC groups like the ITF. The Bahamas became the chief beneficiary, especially after 2002 when the second largest cruise company, Royal Caribbean Cruise Line, re-flagged all of its ships in Nassau. Interestingly, Royal Caribbean remains a Liberian-registered corporation, an aspect less visible to the cruising public.

Indeed the overall impacts of open registries include the creation of a number of regulatory niches that attract vessels to their specific regulatory structure. While the regulatory havens created through foreign registration are a key part of the cruise industry business strategy, not all flags are created the same. Indeed, the FOC system allows ship owners to choose whichever registry best fits their operational needs (see [Table 4.1](#)).

The regulations that apply to each flag represent a variable mixture of ILO and International Maritime Organization (IMO) standards relating to the environment, safety and labour. Because flag states may ratify any variety of existing ILO and IMO standards into their own regulatory system, they are able to create a highly customized registry that may regulate more heavily in certain areas than others. They may also maintain special rules that provide a particular attraction for the cruise industry. For example, some ships are able to offer special wedding services to passengers due to the regulations associated with the flag state. As such, the captains of ships flying the Maltese (Celebrity, and Azamara Club) and Bermudian (Cunard, Princess) flags are allowed to officiate weddings while at sea. Ships from other flags must do so at ports, and with a notary public or another non-denominational official.

Table 4.1. Flag use by cruise line.

<i>Bahamas</i>	Royal Caribbean	Phoenix Reisen
	Carnival Celebration	Regent Seven Seas
	Cruise & Maritime Voyages	Seabourn
	Crystal	Silversea
	Disney	Success
	Fred Olson	Swan Hellenic Thomson
	Hapag-Lloyd	Windstar
	Nobel Caledonia	
	Norwegian	
	Paul Gauguin	
<i>Panama</i>	Carnival	Ocean Star
	Bohai Ferry Company	Star
	Mano Maritime	Voyages of Discovery
	MSC	
<i>Bermuda</i>	Cunard	Princess
	P&O	Voyages of Discovery
	Phoenix Reisen	
<i>Malta</i>	Azamara	Saga
	Celebrity	Seacloud
	Croisières de France	Star Clippers
	HNA	Thomson
	Pullmantur	TUI
<i>Italy</i>	Costa	AIDA
<i>Netherlands</i>	Holland America	

The ability to offer better wedding packages was cited by Cunard in 2011 as the reason they decided to re-flag their three ships in Bermuda from the UK. However, that reasoning may have been a thinly veiled attempt to cover for the fact that the UK flag became cost prohibitive with the passage of the Equality Act 2010, which stipulated that all EU employees must be paid equal to British citizens (Bryant, 2011). Considering the many Eastern Europeans employed on Cunard ships the Bermudian flag was certainly attractive for reasons beyond the ability to host weddings at sea.

Cruise Lines, FOCs, Flexibility and Cost Savings

Reduced costs and strategic flexibility are the primary reasons that FOCs now dominate international shipping. An open registry provides a ship owner with strategic flexibility of operations. Foremost in importance for cruise lines is the elimination of restrictions on crew and owner citizenship. With no nationality-based employment restrictions, ship owners can legally hire seafarers from wherever they choose. Traditional flags, conversely, typically require citizen crews. For example, a ship registered in the USA must only employ licensed US officers, and at least 75% of the rest of the crew must be citizens or permanent residents of US territories. Accordingly, they must all be paid wages commensurate with the American labour market, often collectively bargained with seafarers' unions, and subject to US labour regulations. Thus, from the perspective of the cruise lines, the ability to hire from low-wage countries is crucial. The issue is exacerbated in the cruise industry because it is particularly labour intensive, employing roughly one worker for every two to three passengers. On the largest vessels, such as Royal Caribbean's Oasis-class ships, almost 2400 workers will live aboard and work to serve over 6000 passengers. Even more numerous moderately sized ships typically employ well over 1000 workers. Indeed, annual crew costs from a typical traditional closed-register cargo ship can run anywhere from double to quadruple the cost of an open-registered ship (MARAD, 2011). Considering a typical cargo ship may employ only a couple dozen seafarers at most, the extrapolated savings are immense.

Open registries also allow for the reduction or elimination of most taxes, and reduction of other forms of regulation such as environmental and labour controls, depending on the flag (DeSombre, 2006). Rather than income taxes, ship owners pay a fee based on the tonnage of their ships. For an industry that generates as much revenue as the cruise industry, this is a significant cost saving. Finally, open registries allow cruise lines to build their ships wherever they choose. Typically, most cruise ships are built in Germany, Finland or Italy at heavily subsidized shipyards by highly trained and experienced workforces. In contrast, flag rules established by the Merchant Marine Act of 1920, popularly known as the 'Jones Act', require that US-registered ships involved in domestic trade must be built in the USA. Additionally all non-emergency repairs made at foreign shipyards are subject to a 50% *ad valorem* duty (MARAD, 2011). For all these reasons, the cruise industry is an intensely global industry. In a hypothetical example, FOC ships may be built in Italy, owned by a Liberian registered corporation, crewed by a mixture of Asians, Europeans and Latin Americans, all while technically being registered as a Bahamian ship, subject to Bahamian regulations.

Multinational Crews

The most visible impact of the cruise industry's use of open registries (other than the flag hanging off the back of the ship) is found in their crewing composition. With the legal ability to hire from anywhere in the world, shipping in general and cruise shipping in particular has come to be characterized by its global labour market. Indeed, there are few if any examples of other industries that can make a similar claim. Typically, a single cruise line might employ nationals from over 50 separate countries and have 40 or more countries represented on any given ship (Wood, 2000, p. 354). The only comprehensive survey of any kind on the cruise ship labour market recorded over 100 separate nationalities represented across the industry (Wu, 2005).

Why cruise lines utilize such a diverse body of workers is in question. Human resources managers claim that they seek out the people with the best combination of skills and low cost and that these people can be found all over the world (Terry, 2011). Yet, global sourcing presents a significant logistical challenge in both finding suitable workers and transporting them to the ships (Gibson and Walters, 2012). In order to manage the burden, most large cruise lines rely on employment agencies based in the countries where they recruit to screen potential workers, handle government documentation from both sending and receiving countries, and sign seafarers to their employment contracts. In cities like Manila, recruitment agencies, also commonly referred to in the shipping industry as 'manning agencies', are hubs in the cruise employment chain and are abuzz with activity at all times, with in-between-contract workers dealing with necessary paperwork and long lines of new applicants hoping to beat hundreds of other workers for the same position.

Diversification of labour sources also promotes greater labour market stability in the case that worker pools from any particular source decline due to economic or political changes. Conversely, diversification and the lack of restrictions on crew composition also allow cruise lines to take full advantage of changes in the global political economy, such as when a host of inexpensive workers flooded the seafaring labour market from Eastern Europe after the fall of communism. Critics of the industry have also suggested that ethnic diversity among the crew keeps workers culturally separated to an extent that prevents workers from organizing. Cruise lines have been particularly leery of unions since a dramatic strike by a majority Honduran crew aboard Carnival Cruise Lines ships in 1981. It ended with the workers being fired, declared illegal immigrants and deported by US Immigration and Naturalization Service at the behest of the cruise line (Klein, 2008).

Overall, roughly 70% of the labour force, especially those in positions involving menial and semi-skilled work, come from relatively poorer countries in South Asia, South East Asia, Central America, the Caribbean and the former Communist bloc in Eastern Europe. Of this group, Filipinos are by far the largest single cohort, alone representing around 30% of all cruise workers. The reasons for this anomaly lie in a combination of low salaries, high levels of English proficiency,² efforts by the Philippine state to outsource its labour surplus and an industry-wide discourse that positions Filipinos as the hardest working and most adaptable ethnicity (Terry, 2014). The remaining 30% hail from wealthier countries, particularly those with historic seafaring (Wu, 2005). Most of the positions held by workers from developing countries are found in the hotel, food and beverage, and deck and engine departments, including but not limited to room stewards, waiters, busboys, line cooks, dishwashers and

general cleaners, mechanics, plumbers, electricians, oilers, wipers and other below-decks jobs. How various ethnicities line up throughout these positions suggests the highly racialized nature of work on cruise ships, as ‘the deeper you go in the belly of the ship, the darker the crew’ (seafarer union representative quoted in Terry, 2011, p. 663). Indeed, the cruise industry presents a premiere example of labour market segmentation, as work on cruise vessels is highly stratified based on ethnicity and race.

While each ship and cruise line has its own particular crew composition, in general certain ethnic groups tend to be slotted into particular sectors. Thus, workers effectively ‘play’ roles that reflect broader power structures (Weaver, 2005a). Typically, the jobs with the highest pay, best working conditions and most responsibility/authority over other workers are granted to seafarers from economically advanced countries. Thus, most officers tend to come from traditional seafaring nations across Europe such as England, Norway, Italy and Greece. Other management and certain staff personnel such as those in entertainment and childcare are often European or North American as well.

Although there are certainly differences between the better-paid food service positions and lower-paid deck and engine jobs, in general all tend to work heavy hours (77 h per week, but with overtime extending to 12–14 h daily, 7 days per week) for lower pay relative to the workers from wealthy countries. One of the only surveys conducted on cruise wages showed a range from less than US\$1.50 per hour for some low-skilled positions to around US\$4 per hour for positions like room stewards (Klein, 2008). Thus, in all cases, such workers are making substantially less than minimum wage rates found in Europe or North America. It is of note that cruise lines claim that they do not pay their workers different salaries based strictly on nationality, rather, salaries are officially determined by position. However, because cruise lines can recruit from wherever they like for each position, they can match certain nationalities to each position within the hierarchy. In this way, wage stratification based on job duty runs conspicuously along racial and ethnic lines. For example, most positions in the deck and engine department that handle the maritime operation of ships, are held by South and South East Asians. Not surprisingly, these tend to be among the lowest paid positions on the ship.

Work contracts also tend to be much longer, ranging from 6 to 10 months on average compared to 4 months for a typical European officer. This is important because long contracts place a heavy burden on workers’ families who remain behind (Parreñas, 2005; Weaver, 2005b). Altogether, labour relations in the cruise industry have a particularly neocolonial feel as they reproduce similar racial and ethnic social divisions of those found in an earlier era (Chin, 2008; Nilan *et al.*, 2014). For example, Holland America ships heavily employ Dutch officers and Indonesian crewmembers to this day (Klein, 2008).

Worker Exploitation and Protection

The deterritorialized nature of international shipping makes protection of workers an ongoing challenge. Indeed, seafarers have always been considered an especially vulnerable class of workers because their work exists beyond the scope of traditional territorial boundaries (Terry, 2009). For this reason, as early as the 12th century in England, seafarers were afforded special protections under law to ensure that they

would not be subject to undue harm and mistreatment while at sea. In the early 20th century in the USA, the Jones Act came into force with specific provisions to allow seamen the ability to seek redress in American courts when injured or mistreated. Prior to the Jones Act, such provisions were generally tied to the countries or ships that operate in particular countries. The Jones Act became a cornerstone of seafarer protection for ships calling in the USA as it can apply to foreign seafarers on foreign vessels, as long as the foreign vessel has a base of operations in the USA. Unfortunately, a 2003 boiler explosion on the NCL ship *Norway* that killed eight Filipino seafarers and one Jamaican set the stage for a gutting of those rights. When the Filipino families sued the cruise line under the Jones Act, arbitration agreements written into the standard Filipino seafarer contracts were used to dismiss seafarer claims in US federal courts in favour of arbitration in the Philippines. By the terms of the injury schedule in the contract, the workers' families were only entitled to US\$50,000 plus US\$7000 for each child of the deceased. This was a fraction of what they would have received in a trial in a US court. The precedent set by the case effectively closed the US court system to foreign seafarers, destroying the Jones Act's power to protect workers and shifting risk from the companies to workers themselves (Terry, 2009). Since that time cruise lines have expanded the use of arbitration agreements in employment contracts as a way to insulate themselves from claims of negligence (Klein, 2008).

While this illustrates the risks that cruise workers now bear as a condition of employment in the industry, it also highlights that jurisprudence at sea has been effectively a mishmash of laws as varied as the number of flags being flown and port states where ships dropped anchor. Unfortunately, with the explosion of open register flag states with fewer legal protections and/or an inability to provide a means of enforcing work laws already on the books came a degradation of workers' rights in an overall race to the bottom. The problem was also exacerbated because the highly segmented labour forces coming from low-wage countries are often more vulnerable to exploitation due to their fear of being fired, and will accept greater risks and mistreatment because they are often the primary means of financial support for their families at home (Bauder, 2006). Seafarers often also find themselves paying bribes to recruiters in order to be placed on the ships, in some cases taking on debt in order to secure employment. In such cases, the first part of the contract is worked simply to pay back debt. Such workers are very unlikely to complain (Klein, 2002). This scenario is common in many of the countries where cruise lines recruit, especially in Central America and Eastern Europe where corruption is endemic. In short, FOCs have been an important means of securing a compliant, docile workforce.

Unsurprisingly, seafarer unions and worker welfare organizations view the FOC system as a problematic example of economic globalization in action. In their view, open registries make the protection of seafarers from unsafe working conditions or exploitation especially difficult (ITF, 2008). With coordinated efforts between seafarer unions and longshoremen's unions in ports, the ITF FOC campaign has had some impacts in forcing even some non-union shipping companies to compete with ITF wages. The cruise industry, however, has mostly managed to avoid unionization of its workforces (Klein, 2002). In the early 2000s, the ITF even went so far as to wage a 'Sweatship' campaign to address problematic aspects of cruise ship employment, like low unionization rates, low pay, long hours, poor food and inadequate quartering (Mather, 2002). Altogether, while FOCs are as alive as ever, these efforts

have had some success at least in helping to improve the overall standards of the most used open registries (Llácer, 2003; DeSombre, 2006). In 2006, protection of seafarers of FOC ships took a major step forward when a tripartite commission of the UN International Labour Organization (ILO) comprising states, labour representatives and ship owners, formed a new Maritime Labour Convention (MLC) as a means of consolidating all existing ILO maritime labour statutes into a single instrument. The MLC entered into force in August 2013, 1 year after 30 countries with a minimum of 33% of the world's tonnage ratified it. As of 2015, 66 countries with over 80% of the world's tonnage and over 99% of the cruise industry's tonnage have ratified the MLC (ILO, 2015).

Among the MLC's provisions are a cap on working hours at 72 h per week with no more than 14 h in a given day, guarantee of medical attention both onboard and ashore, paid annual leave, improved social security standards and larger living quarters. Other provisions include minimums for access to legal remedies when injured, standards for calculating pay and overtime, and onboard access to recreational facilities. The MLC is noteworthy because it effectively forces signatory states to accept all the ILO conventions as a package. Most importantly, the MLC comes with a more efficient system of enforcement, including the use both of flag-state inspection and certification in concert with port-state control inspections for ensuring that its provisions are actually carried out. In this way, a cruise ship can be inspected by port authorities where they travel and the owners fined if at any point where it is moored worker abuses are noted. Furthermore, this system is designed not only as a means of effective regulation but also to apply pressure to non-signatory flag states, whose ships will be subject to greater scrutiny in ports than ships from states that have ratified the MLC. For these reasons, the MLC has been dubbed the 'seafarers' Bill of Rights'.

While the MLC is certainly important for the cruise industry, and at a more general level, because it represents a deliberate attempt at designing global governance to regulate the most globalized of all industries (Tortell *et al.*, 2009), it is specifically designed as an attempt at moving from a piecemeal system of seafarer protection that varies from state to state to a more integrated global system of regulation. Economic geographers have long discussed the need for labour organizations to 'scale-up' to meet the challenge presented by transnational corporations and neoliberal globalization (Waterman and Wills, 2002). In other words, while labour markets in the cruise industry will certainly remain flexibilized, the MLC is designed to create some measure of security for an otherwise vulnerable group of workers, thus perhaps addressing a call for 'flexicurity' (Blanpain *et al.*, 2008). It is safe to assume that the MLC stands impact the cruise industry, although due to its only recent entry into force and the time it will take regulators and business to adapt to new conditions, how it will ultimately change working conditions on cruise ships is a bit of an open question. There is some suggestion that costs will rise as restrictions on working hours may increase the need for workers and that new ships will have to be built to accommodate room for workers at the expense of passenger space (Boy and Neumann, 2012).

Cabotage and the Hawaiian Experiment

One example stands out that illustrates the central position of FOCs and why using a traditional flag is tantamount to 'business suicide' in the contemporary cruise industry

(Gibson and Walters, 2012). In the mid-2000s NCL provided the experiment of utilizing fully American crews on three of its ships in the Hawaiian market. The reasons for their use of US flagged ships lie in the regulatory structure of American shipping, particularly regarding cabotage – transport of passengers between US ports. Specifically, the USA restricts foreign vessels from carrying passengers between two separate US ports without also stopping in an intervening distant foreign port. Any foreign operator caught breaking these rules is subject to a US\$300 per passenger fine. This rule was established with the Passenger Vessel Services Act in 1886 (PVSA – 46 U.S.C. 55103) and with slight amendments has served as protectionist legislation alongside the Jones Act ever since. The fear is that foreign ships would be able to undercut American labour and national security interests if allowed to compete in US waters. In short, cruise ships flying foreign flags are left with the options of ensuring that a foreign port is always included when embarking and returning to a US port or in running ‘cruises to nowhere’ that effectively give passengers a ride on the ship while never calling on a port. For this reason, the popular Alaskan cruises that depart from Seattle, Washington en route to places like Skagway, Ketchikan, or Juneau, Alaska stop first at Victoria, Canada in order to satisfy cabotage rules. Because Canada and the USA are close neighbours this situation does not pose much of a problem in the context of the Alaskan cruise market. Similarly, cruises in the Atlantic and Caribbean markets can easily satisfy foreign port rules with stops in the Bahamas or the many islands of the Caribbean. However, cabotage rules create a significant challenge for operations in the Hawaiian market.

Due to Hawaii’s great distance and relative isolation in the Pacific, using foreign-flagged ships presents a ‘Catch 22’ between delivering an attractive cruise itinerary or benefiting from the tremendous advantages of an open registry. Ideally, cruise lines would like to offer several itinerary options of 1 week or less that would allow passengers to both embark and disembark in Honolulu. Passengers could theoretically fly directly to and from Hawaii to meet or return from the ship. However, US cabotage rules disallow foreign-flagged cruise ships from leaving Honolulu and stopping at other islands without also stopping at a distant foreign port. For this reason, most Hawaiian cruises either depart or return to Los Angeles or San Diego with an intervening stop at Ensenada, Mexico. In some cases, passengers arrive to meet their ship in San Diego, leave their baggage with the ship and then are bussed to Ensenada to rejoin the ship where they officially board for the leg to Hawaii. The other options are cruises that either depart from or end at Vancouver, Canada. While these itineraries are functional they are limited by the number of people that can afford the extra cost of the longer voyage and/or have the extended time to spend so long at sea. The minimum length of Hawaiian cruises on foreign flagged vessels is 10 days, including roughly 5 straight at sea on the long trip between the islands and the mainland.

Due to these constraints, Hawaii could logically be seen as one of the few places where an American-flagged vessel may be able to compete with FOC ships. For this reason in the late 1990s the now-defunct American Classic Voyages (ACV) embarked on a strategy to corner the Hawaiian market by sailing US-flagged ships. The major obstacle was in finding ships that could be used for such a purpose. It did purchase an old American-built ship, *SS Independence*, to initially be used for this purpose. However, the ship was small and antiquated compared to the average cruise ship of the time. Any new US-flagged ship of significant size would have to be built. To accomplish this, ACV cut a deal with the US government to commission two new 1900-passenger ships

to be built at Litton-Ingalls shipyard in Pascagoula, Mississippi under the name Project America. In 1999, Congress allocated heavy subsidies in an effort to jump-start the US commercial (non-navy) shipbuilding industry and to expand the almost non-existent US-flagged cruise fleet. The new ships were to be the first cruise ships built in the USA in over 40 years. In return for agreeing to build the two ships for US\$800 million, ACV was also granted a waiver to re-flag the foreign-built *Nieuw Amsterdam*, purchased from Holland America Line, and re-flag it as the *MS Patriot*. This would allow them to begin operations in Hawaii while the two new large ships were being completed for 2004 and 2005. Unfortunately for ACV the tourism downturn in the wake of the 9/11 terror attacks doomed the fragile company, which filed for bankruptcy in December 2001. Project America had effectively cost taxpayers US\$180 million for a partially finished hull and parts for a second (Wayne, 2003).

NCL stepped in to take advantage of the situation, and after a heavy lobbying effort, was allowed to purchase the hull and parts for a fraction of its cost and have the rest finished at a shipyard in Germany. In the end only a fraction of the ships would be built in the USA, but congressional action allowed for their eventual registration as American ships for the purposes of transporting passengers between US ports, effectively giving NCL a monopoly on Hawaiian-based cruising (Klein, 2008). NCL created a new division, NCL America (NCLA), a US-incorporated subsidiary, to begin sailing in the Hawaiian market along the same strategy as ACV. At the same time, NCLA was also allowed the exclusive right to re-flag an existing foreign-built ship, *Norwegian Sky*, as the *Pride of Aloha*. In 2004 she began operations out of Honolulu, soon to be joined by the two Project America ships *Pride of America* (2005) and *Pride of Hawaii* (2006). From the beginning, the results of US-flagged cruise ships were a near-disaster. In a business that had come to expect very high customer service ratings, *Pride of Aloha* was receiving horrendous reviews from disgruntled passengers angry at the poor quality of food and service (Toth, 2004). Much of this stemmed from the fact that the new American crew was inexperienced and unfamiliar with the rigours of life and work on a cruise ship. Early on, workers walked off the ship in droves and left those who remained to pick up the slack, subsequently overburdened. Eventually customer service ratings stabilized with the adoption of a rigorous 21-day boot camp at the Seafarers' International Union's School of Seamanship in Maryland, but maintaining a US crew remained a challenge (Jenkins, 2005). While internationally registered cruise ships with an ethnically diverse crew typically experience a roughly 20% turnover rate annually, on NCLA ships worker turnover ran close to 100% on an annual basis.

Other challenges remained as well. Soon after the debut of NCLA, other cruise lines increased their presence in the market ostensibly to create greater competition. NCL management claimed the crowded market forced them to keep ticket prices down even though their ships were much more expensive to operate, while demand may simply not have been adequate to warrant three ships (Mak *et al.*, 2010). In any case, by 2008, NCL had entered into a new partnership with private equity firm Apollo Management that provided a billion dollar infusion of capital along with new members of the board of directors. At this time with a new focus, NCL decided to re-position *Pride of Aloha* and *Pride of Hawaii* to other markets under the main NCL brand. They were subsequently renamed as *Norwegian Sky* and *Norwegian Jade*, respectively, and re-flagged as foreign vessels. In 4 years, the company had lost over US\$250 million at a time when Carnival and its subsidiaries were recording roughly

US\$ 1 billion in profit annually (McAvoy, 2008). In the third quarter of 2008, NCL posted its first profit since 2006. While other factors such as high fuel costs were certainly part of NCL's financial woes, the repositioning of the two NCLA ships was acknowledged in shareholder reports of the time to be a key factor in reducing operational expenses. Today, *Pride of America* remains the only large cruise vessel sailing under an American flag. Its presence is a reminder of the limitations of non-FOC ships and the inability of the PVSA to foster an American cruise fleet operating from US ports.

Future Research

Despite the entrenchment of FOCs in the cruise industry, there remain questions to be asked of the system and how it relates to outcomes for workers and their livelihoods. Primarily, little is known about whether the Maritime Labour Convention that has recently come into effect is improving conditions for workers. Whether port state control and updated regulations are effective is an open question. Thus, more work is needed to ensure that the MLC is achieving what it was designed to do rather than serving to mask ongoing poor conditions for workers. The polyglot crews made possible through open registries also present an interesting laboratory for exploring shifting cultural dynamics of a globalized workforce. In particular, while work exists that explores ethnicity and social positioning (Terry, 2014), almost no work exists that explores gender as it is experienced at sea. While such work exists exploring 'hyper-masculinities' among cargo ship workers (McKay, 2007), no similar exploration of male and female identities can be found on the subjection of cruise workers. Considering that women comprise a significant portion of the workforce on cruise ships (unlike cargo ships), where workers are often expected to perform as 'emotional labourers', this is an area ripe for exploration.

Finally, while cruise lines today recruit heavily from particular countries that have long provided well-trained, yet inexpensive pools of workers, it is unclear how such patterns might shift in the future. As populations in traditional seafaring countries age and fewer officers can be found, and as economies begin to improve in long-term source countries, how the cruise lines will respond is an open question. Currently, some of the cheapest labour costs can be found in sub-Saharan Africa, but thus far it has not been a particularly large recruitment centre (Terry, 2011). How cruise lines will respond to shifting political economies is in question.

An Entrenched Industry Paradigm

While individual open registries have some particular provisions that set them apart, overall, the FOC system creates a decidedly more free market approach to maritime governance. In fact, open registries have been key to the spectacular growth of the cruise industry over the past several decades. The cost savings and flexibilities afforded to cruise lines by flagging out their ships create a revenue generating ability that would be unmatched were companies forced to fly the flag of traditional, wealthier seafaring nations that come with a higher regulatory burden. It is safe to say that without the use of open registries, the ability of cruise lines to offer mass market vacations to middle class clientele at affordable costs would be in serious doubt. Most

likely, without open registration, ships would be smaller and cruises would be much more expensive, a province only of the wealthy.

Of course as this chapter notes, these flexibilities come at a cost, mostly to workers. As it stands, FOCs allow the cruise industry to mine the great inequalities that exist in the world in order to deliver a remarkably successful product and spectacular profits. Yet, despite campaigns like ITF's War on Want and the ILO Maritime Labour Convention that aim to improve seafarer welfare, workers still shoulder disproportionate burdens and risks. The labour market segmentation that results in ethnic stratification also remains entrenched as a signature feature of most cruise lines.

Notes

¹ Both 'open register' and 'flag of convenience' are used synonymously here throughout without giving precedence to one term over the other.

² English has been the lingua franca of the cruise ship industry, as well as the most widely spoken language among passengers, especially in the North American cruise market. The newly emerging Chinese market and some other niche brands like TUI that run German-speaking ships are exceptions.

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Corporate Social Responsibility in the Cruise Sector

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Introduction

This chapter proposes a working definition and a set of criteria for how the cruise sector should acknowledge its corporate social responsibility (CSR), from the perspective that CSR must have the ability to create value to both society and the companies themselves. The concept of creating shared value hinges on the interdependence of a company's success and social welfare, and thus, on the ability to strengthen this link through the identification of new connections between the company and society. Because critics say that the concept is counterproductive in that it focuses too narrowly on a company's economic value creation, we take a wider and longer term materiality approach to defining how shared value can be achieved to define CSR programmes. Materiality is the threshold between the important and the trivial, and underlines the practice and enforcement of corporate disclosure; moreover, it is now central to the Global Reporting Initiative (GRI) requirements for defining CSR disclosure. However, CSR disclosure, and GRI in particular, requires a materiality assessment to be undertaken prior to CSR reporting. Materiality requires the identification of a set of potentially relevant issues, to conduct a (challenging) stakeholder engagement exercise and to prioritize issues, in order to first align a business' sustainability strategy with stakeholders' concerns, and then to report on them.

This chapter summarizes the key impacts that cruise companies communicated in their 2009–2011 reports and, more recently, in their updated 2015 reports, in response to the GRI's fourth generation framework (issued in May 2013). The chapter concludes with an analysis of the materiality of CSR reports. The analysis allows us to draw conclusions regarding the extent to which the current cruise sector industry's definition of its corporate social responsibilities matches the expectations of its stakeholders; it also looks at the evolution of the content of the CSR reports and theorizes reasons for patterns found. As will be outlined later in the chapter, the results show that cruise companies tend to both over-report immaterial issues and under-report material issues. Moreover, they demonstrate that the amount of information disclosed does not follow any clear pattern based on either stakeholders' influences or requests.

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Materiality Analysis: the Key to Successful CSR Reporting

The debate about whether businesses should or should not report on corporate responsibility is over (KPMG, 2013), as publishing sustainability reports have become a standard global practice in most sectors. As with other trends in reporting, once practices are widespread the focus moves on to examining the quality of reporting. One of the main challenges reporters face is the decision about which social and environmental issues are relevant and material. Stakeholders can be overwhelmed by glossy and lengthy reports; too much information can make benchmarking difficult and can result in important issues being ignored or simply not seen.

The Sustainability Accounting Standards Board (SASB) defines materiality as ‘a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the “total mix” of the information made available’ (SASB, 2013, p. 5). SASB standards are designed to encourage CSR disclosure for public listed corporations in the USA and, to this purpose, the SASB has designed an approach that determines materiality based on the interests of investors. The approach focuses on evidence of the potential economic impact of the information on revenues, costs, assets and liabilities, combined with an overall risk profile. It also adds a forward-looking adjustment, which considers any externalities that may be of interest to investors and their potential financial implications. The SASB states that a materiality analysis must be defined for each sector. For cruise lines, it has issued a provisional standard that indicates the topics and accounting metrics to be used for the issues that it considers material, namely: fuel use and air emissions; discharge management and ecological impacts; shipboard health and safety management; fair labour practices; and accident management (SASB, 2014).

AccountAbility and the Global Reporting Initiative (GRI) have also developed guidelines to address the materiality issue with a different approach to SASB. The key difference is their emphasis on broadening the range of end users of the information to include the information needs of management, investors and other stakeholders who take decisions that can affect long term business performance (Murningham and Grant, 2013). AccountAbility’s (2006) materiality framework has three stages: (i) identify issues relevant to internal and external stakeholders; (ii) prioritize issues based on internal and external criteria; and (iii) embed this methodology in the development and implementation of the strategy, reporting and stakeholder engagement processes.

There are several internationally accepted sustainability reporting frameworks, but the GRI guidelines are by far the most widely used (KPMG, 2013). Established in 1997, GRI launched the first version of its guidelines in 2000. Over time, these have evolved and sector supplements have been proposed and in 2013, the fourth generation (G4) was released, placing materiality at the core of the reporting process. Under the G4 guidelines, companies are encouraged to prepare more focused reports and to increase their transparency by detailing the materiality assessment conducted and explaining their stakeholder engagement process. Materiality for sustainability reporting is not limited to those aspects that have a significant financial impact on the organization, but is defined as those aspects that ‘reflect the organization’s significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders’ (GRI, 2013a, p.11). A potentially relevant issue does not have to be highly significant in both viewpoints

to be considered material for reporting. The organization will need to consider internal and external factors such as its overall mission, its values and its competitive strategy.

Materiality requires an inclusive view of the organization. Porter and Kramer (2006) predicted a necessary move from CSR to Creating Shared Value (CSV), as social responsibility moves from damage control and/or public relations campaigning, to building shared value between society and business. CSV is about ‘finding ways to leverage the connections between social and economic progress to create more value shared among multiple stakeholders’ (Maltz and Schein, 2012, p. 58). In order to achieve this target, a materiality analysis should identify opportunities to create shared value by, for example, identifying unmet needs in the market and developing new products accordingly, or identifying impacts and re-imagining the value chain. Under a CSV approach, reports will account on all material impacts, strategies adopted, practices implemented and value shared among the company and its stakeholders.

Cruise Industry CSR Reporting: 2009–2011

Consideration of the historic journey that led to cruise companies behaving in the way they do is outside the scope of this chapter but a highly readable account is provided by Garin (2005). There has been no appetite for members of the cruise sector to standardize how they report their sustainability practices, arguably for fear that this would increase the responsibilities placed on them by society. Hence our first step in proposing a working definition of what cruise companies should report on is to take the GRI’s G3 Sustainability Reporting Framework and adapt it to include the well-documented environmental and social impacts of the cruise industry. Bonilla *et al.* (2014) outlined both the hard disclosures required (including governance, credibility, performance and financial indicators) and the softer, yet still important, criteria (such as vision and strategy, overall business profile and specific initiatives). Their study tested transparency, not performance, and looked at whether cruise companies publicly acknowledged what they did in relation to a series of issues, rather than whether what they did was sufficient to satisfy stakeholders. [Table 5.1](#) summarizes the results of 29 brands in the cruise sector that report on *any* sustainability practices in relation to the industry index developed by Bonilla *et al.* (2014). The second column records the reporting practices of brands issuing CSR reports and the third column records information provided by cruise lines not issuing CSR reports, but instead publishing some information about their environmental and socio-economic practices on their web pages.

Although some brands had previously divulged environmental management information, the first corporate social reports from the cruise sector appeared around 2009 to 2011, mostly from brands belonging to Carnival and Royal Caribbean due to their industry salience as the two largest corporations. Disney and TUI also included sections on their cruise operations in their overall corporate social reports, albeit with less information (see [Table 5.2](#)). The content is evidence that these companies had been working behind the scenes for a considerable amount of time before reporting publicly. This is a good sign as public relations departments often get carried away with sensationalist messages before the governance structures have had time to make

Table 5.1. CSR disclosure (%).

Category	% CSR indicators communicated in CSR reports (see Table 5.2)	% CSR indicators communicated in websites (see Table 5.3)
TOTAL	39	3
ENVIRONMENT	42	3
A1 Governance structure and management systems	66	6
A2 Credibility	35	9
A3 Environmental Performance Indicators	41	1
Materials	0	0
Water	64	0
Biodiversity	0	0
Emissions, effluents and waste	48	1
Products and services	45	6
A4 Environmental financial indicators	14	0
A5 Vision and strategy claims	68	15
A6 Environmental Profile	39	2
A7 Environmental Initiatives	34	1
SOCIO-ECONOMIC	34	2
B1 Governance structure and management systems	39	1
B2 Credibility	36	6
B3 Key Social Indicators	33	1
Labour and decent work	48	0
Human rights	22	0
Society	22	2
Product responsibility	23	1
B4 Social spending	0	0
B5 Vision and strategy claims	68	8
B6 Social profile	27	2
C1 Economic indicators	16	1
Economic performance	12	0
Economic impact on destinations	18	1

the necessary adjustments. These companies reported on over 40% of the hard disclosure indicators, those that require tangible evidence and that are hard to copy by competitors. As expected, soft indicators were reported more often, for example, company visions and statements towards CSR. The fact that a similar percentage of management and performance indicators were reported on (around 40% on environmental, slightly lower on socioeconomic) also indicates that substantial work had taken place since these required time-consuming data collection and a comprehensive list of actions. Somewhat understandably, the indicators most reported on were those where financial savings could be made or those that were subject to increased regulation (Reinhardt, 1999; Jose and Lee, 2007; Piniella *et al.*, 2013).

Yet of the 80 cruise brands found worldwide, Bonilla *et al.* (2014) found that only 11 had CSR reports publically available in 2011 and a further 18 had some information

Table 5.2. Cruise brands producing corporate social responsibility reports (2009–2011).

Parent company	Brands
Carnival Corporation PLC	Princess Cruises Holland America Line Costa Cruises P&O Australia Carnival Cruise Lines AIDA Yachts of Seabourn Carnival UK Cunard UK P&O UK
	TUI Travel
Royal Caribbean Cruises Ltd	Royal Caribbean Celebrity Cruises Azamara
	Disney Cruise Line

on sustainability on their website (listed in [Table 5.3](#)). What is surprising is that companies the size of Norwegian Cruise Lines and MSC Cruises, both with capacity of around 30,000 passengers, were in the latter group, i.e. they did not produce CSR reports. Of the 18 companies with website information, there was barely any publication of their sustainability visions and strategies (8%) and little early evidence of management structures (6% environment, 3% socioeconomic), let alone performance results (1%). Of the total 80 cruise brands, 51 did not communicate any sustainability practices at all, although we have first-hand knowledge of companies who have good practices in place, but see risks in any public communication and prefer to ‘do the right thing without making much noise’.

Cruise Industry CSR Reporting: 2015 Update

This section evaluates the most recent corporate reporting practices of cruise companies against the criteria that industry stakeholders considered material (according to Font *et al.*, 2016). By identifying tendencies in reporting, this analysis helps to determine to what extent the current industry definition of its social responsibility matches the expectations of its stakeholders.

We shall first review the changes in CSR reporting for the 11 brands that were issuing CSR reports already in the 2009–2011 period ([Table 5.2](#)). We find that they are undergoing a process of standardization of their CSR reporting practices, by increasingly following reporting frameworks used across different industry sectors from the GRI. Three versions of the GRI Sustainability Reporting Framework (G3, G3.1 and G4) (GRI, n.d.) are currently used by companies, providing evolving frameworks in order to enable companies to be transparent about their performance and expanding guidance on how to define the content of sustainability reports (GRI, 2013b). Although GRI currently recognizes reports based on G3 and G3.1 Guidelines, reports

to be issues from 2016 onwards should be prepared in accordance with G4 Guidelines even if first time reporters prepare them.

The most current report from Carnival Corporation and PLC refers to the 2013 sustainable performance of its seven brands and was developed in accordance with GRI G4 Guidelines. Some individual brands within the Carnival group are still producing their own reports: Holland America issued its second report referring to the 2010–2012 period, following the G3.1 framework; and both the ‘AIDA cares 2014’ and P&O Australia 2011 sustainability report follow the G3 Guidelines. Other brands also follow the GRI Guidelines but do not use the GRI framework for reporting, such as Yachts of Seabourn 2009 and Carnival UK, including Cunard and P&O Cruises 2011. Costa Cruises prepared their 2012/13 Sustainability Report following G3.1 including a section devoted to the *Costa Concordia* disaster.

Royal Caribbean Cruises declares that they followed the G4 Guidelines in the preparation of their 2013 Sustainability Report, for three of its six brands (Royal Caribbean, Celebrity and Azamara, but not Pullmantur, CDF and TUI Cruises, a joint venture with TUI AG). However, this report cannot be found in the GRI database and there is no declaration of *in accordance* in the report. Disney produced its 2014 Citizenship Performance Summary, reviewed by CERES, which follows G3.1 and has a B self-assessed level, and states its intention to follow G4 for the following report. TUI also follows G3.1 and gives itself a C level of application.

Despite the transparency claims, most brands issue sustainability self-assessed reports with no external assurance (AIDA, P&O Australia, Holland America, Royal Caribbean, Yachts of Seabourn, Carnival UK and Disney), and only the reports from Carnival Corporation, TUI Travel and Costa Cruises have some external assurance, the first two on greenhouse gas emissions and Costa Cruises on the sustainability report (B+ application level). GRI recommends the use of external assurance to assess the extent to which the report has applied the GRI framework to reach its conclusions and whether the report provides a reasonable and balanced presentation of performance, the veracity of the data and all this conducted by groups external and independent of the organization.

No clear pattern has emerged with regard to the frequency of reporting of those cruise companies that do report on CSR. Only Disney and AIDA Cruises have published reports of their 2014 operations (at the time of going to press, May 2015). The latest reports of TUI Travel PLC, Royal Caribbean, Costa Cruises and Carnival Corporation PLC’s were from 2013. TUI includes a Greener Cruising link in the ‘Sustainability’ space of TUI Travel’s website explaining the main hits in relation to environment, destinations and crew, but this could not be located on Thomson’s web page. Unfortunately, Disney stopped producing the Disney Cruise Line supplement, and its cruise line impacts cannot be extracted from its global report. P&O Australia and Carnival UK’s latest available reports refer to 2011 data, and are from 2012. Other companies have reduced their CSR reporting compared to the data available in 2009–2011. For example, Holland America Line published a web report for 2010–2012 that was shorter than their previous downloadable pdf from 2009. Princess Cruises reports annually on their charitable donations through the Community Foundation (last available edition was for 2013) but has not issued any new sustainability report addressing their operational, economic, social or environmental impacts. Lastly, Yachts of Seabourn has not issued any report since 2009.

Environmental Dimension

The environmental dimension is usually the most detailed in the reports (with the exception of Princess Cruises, which has a longer socioeconomic section), as there is a longer tradition of environmental reporting. In general terms, most companies explain measures implemented in the past, but few of them set a plan with targets and dates, or explain how current performance has deviated from management plans. Costa's report is one of the most detailed, providing a systematic collection of environmental data in absolute and relative terms, including a comparison with the results from the previous report, but only for some indicators. Carnival's report does not break down the data by brand. Not all aspects receive the same level of disaggregation by all companies, and we break down the environmental dimension by (i) materials and biodiversity, (ii) emissions and effluents, (iii) water and wastewater and (iv) solid waste.

Materials and biodiversity

We still find the same issues under-reported. It is rare for cruise companies to report on the use of materials, although some recognize the importance of sustainable purchasing. AIDA provides the most explicit statement and claims a 'cradle to cradle' approach to procurement and purchasing as one of its environmental commitments, and explains some examples to reduce waste (AIDA Cruises, 2014, p. 6 and p. 20). 'When we buy products, we make sure that they can be recycled and fed back into biological processes' (AIDA Cruises, 2014, p. 26), requiring eco certifications for products consumed aboard such as carpets, flowers from local suppliers, cosmetic and body care products. Other brands give more general statements, such as Carnival UK who claim that 'more local produce is being purchased from local suppliers', with little additional explanation that would allow an evaluation of the potential impact. Similarly, companies continue to provide very little information in relation to their impacts on biodiversity, and refer to the ballast water management plan reminding the reader that the IMO Convention on this issue is still not compulsory. Carnival Corporation complies with it and two of its brands are testing treatment systems to remove organisms in ballast water. Holland America launched a sustainable seafood programme in 2011.

Emissions and effluents

The most comprehensive data reported refer to emissions and alternative energy used, such as the types of fuel consumed. Even TUI, which provides little information on cruises, reports on their emissions. Royal Caribbean provides the least evidence, while Costa and Carnival have the most. Companies report on CO₂ emissions, types of fuel consumed and initiatives implemented to reduced emissions. There is evidence of environmental issues driven by savings, for example, in the statement from Holland America: 'Responsible energy management is (...) the

most powerful levers we have to reduce the environmental footprint while reducing the bottom line'. There is further evidence of the economic incentive in Carnival's efforts to mitigate point source emissions with ECO Exhaust Gas Cleaning gradually implemented in its brands' ships, 'we have developed a breakthrough solution for cleaner air that will allow us to more cost effectively comply with the strict regulatory requirements in emission control areas (ECAs)' (Carnival Corporation and PLC, 2014, p. 47).

The most common measures implemented by cruise lines are related to itinerary optimization, vessel speed reduction, hull and propeller cleaning, and ship operation and maintenance initiatives, while those related with alternative fuels and shore-side power are less widespread. We find different brands within Carnival, for example, acting differently. Costa, for example, acknowledges that its output of emissions comes mainly from fuel combustion and that low sulfur fuel oil (LSFO) has 'a reduced sulfur content and is a much cleaner fuel' than high sulfur fuel oil. However, Costa only uses LSFO whenever requested (Costa Cruises, 2013, p. 37). Following the same pattern, Holland America only uses LSFO and marine gas oil in 'emission control areas'. In contrast, AIDA's ships are being equipped with technology to use liquefied natural gas and this brand is committed to the use of shore-side power, as all its ships are equipped with the technology. Other brands, more than explaining measures introduced, claim how these practices are not very effective and therefore not considered, but without proposing alternative strategies to reduce emissions.

Water and wastewater

Carnival Corporation claims 'along with climate change, water is another major challenge facing the world today' (Carnival Corporation, 2014, p. 51) and it recognizes that the challenge is to find 'innovative ways to reduce water use that do not affect the guest experience' (Carnival Corporation and PLC, 2014, p. 51). Therefore, some brands commit to not purchasing water from destinations where water is scant (Carnival, Costa, Holland America), and others account for the total water consumption, the amount of water bunkered (from destinations) and the water produced from sea water (Carnival, Costa, P&O, Holland America, Carnival UK, AIDA). Royal Caribbean provides general statements about this practice claiming, 'the majority of our water is produced on board', yet their consumption data reported refer to the average consumption per day on board compared with US residents at home (Royal Caribbean Cruises Ltd, 2014, p. 56).

Water consumption generates wastewater and companies generally report quantities and level of treatment on effluents such as grey water, black water and bilge water, with few exceptions (Royal Caribbean). Some companies claim to have 'adopted a series of very restrictive measures, deliberately designed to go beyond regulatory requirements' (Costa), but base them on the distance of discharge from shore and speed of ships, which in practice does not differ from what other companies do. Only some cruise lines report to have implemented advanced wastewater purification systems (AWPSs) (Royal Caribbean, Holland, Carnival UK, and consequently its parent company Carnival Corporation).

Solid waste

MARPOL requires certain waste management practices. Companies that provide any details of amounts report on tonnes of waste generated and disposal methods (e.g. P&O, AIDA, Royal Caribbean, Holland, Costa, Carnival Corporation), and only some companies explain the practices they have implemented to reduce the generation of waste. AIDA talks of the need to prevent waste and explains measures implemented to replace beverage containers with large volume capacities, reduce wrapping and other plastics, carpets, etc. (AIDA, 2014, p. 21). Costa's projects focus on the separation of aluminium, the processing of food waste for animal feed, the reduction of paper used and the participation in a European Commission waste reduction project together with 40 ports (Costa Cruises, 2013, p. 48 and p. 52).

Social Dimension

Companies are slowly making advances in reporting their social impacts and accounting for their responsibilities in this area. Some acknowledge the complexity of developing sound measurement systems, for example, Disney says:

Measuring social impact and behaviour change is an emerging science. We believe our measurements are both sound and representative of the impact we are contributing to society. We will continue to evaluate new tools for measuring social impact and behaviour change as they emerge. We believe this work is making a difference and recognize the value in better understanding our impact. (The Walt Disney Company, 2014, p. 6)

While some cruise companies keep sustainability at the periphery of their business, others are developing broader approaches that drive sustainability measures in an effort to have a positive material impact on both the company and its stakeholders. We shall comment on social indicators under three headings: (i) labour and decent work; (ii) human rights; and (iii) product responsibility.

Labour and decent work

In terms of labour and decent work, the types of contracts and limited freedom of association and collective bargaining provide evidence of the vulnerability of working conditions on cruise ships. Some claim that they provide decent work (Carnival UK), others display the geographical origin of their employees (Royal Caribbean), and others provide unconvincing explanations of the reasons for their lack of disclosure: 'The nature of the business does not allow the reliable and complete quantification of all the aspects indicated by the index, which has therefore been reported on the basis of the best information available' (Costa Cruises, 2013). Companies that provide more transparent disclosure show how the cruise industry is highly dependent on high-intensity, short-term contracts with salaries varying depending on the flag state regulation, for example, 'Shipboard contracts account for 88% of the total workforce, while in shore side 93% are permanent... Shipboard crew are employed on contracts ranging from four to 10 months' (P&O Australia, 2012, p. 31), and 'Our officers and

crew members work under contract, typically seven days per week, between three and 10 months in duration with typically two to three months off between contracts' (Holland America Line, n.d.).

Most companies under-report on freedom of association and collective bargaining, and there are considerable variations between brands and geographic locations. In some cases (e.g. P&O Australia), the majority of shore-side employees are covered by a collective bargaining agreement that permits the employees, under individual contracts, to make voluntary contributions that entitle them to trade union representation at any disciplinary or grievance hearing. Other companies (e.g. Carnival UK) do not recognize trade unions or collective bargaining agreements within their shore-side operations. Employee turnover rates, the rates of injury and fatalities, and diversity and equal opportunities are partially and/or scarcely disclosed.

Companies do, however, highlight their compliance with industry standards and regulations such as the International Labour Organization and some claim to exceed them, although they do not provide evidence of how this is accomplished. We find statements like, 'AIDA has been a pioneer in the industry when it comes to fair working conditions for our employees' (AIDA, 2014, p. 36). Most companies explain actions taken: 'to improve the work-life balance of the employee on board', 'creating a positive work environment' and 'recognition or incentive programs'. For example, Royal Caribbean undertakes employee satisfaction and engagement surveys, but although it highlights the high rates of participation it does not share the results.

Training programmes receive a considerable amount of attention. Companies sometimes disclose the average hours per employee, but without providing further detail on the percentage of employees trained. Common training topics are health and safety, job specific skills, ethics, data protection, anti-corruption and team coaching. Some highlight their long-term relationship with external universities (e.g. P&O Australia with the University of the South Pacific), or the running of educational centres internal to the company (e.g. Holland America Line University, AIDA's talent centres in India, Philippines, Indonesia, Ukraine and the European Simulator). Some companies explain their employee recognition or incentive programmes, their annual reviews and their appraisal processes for individual contributions.

Human rights

Companies claim to have codes of conduct for human rights, but do not provide hard data. For example, Costa Cruises say that they provide:

guidelines for ethical business behaviour so that in any situation Costa Cruises can maintain its reputation for integrity and uphold the standards of the company. The more reported indicators are the Management Approach to Human Rights, the Freedom of association and collective bargaining and Forced or compulsory labour. (Costa Cruises, 2013, p. 14)

Indicators that are rarely reported include the supplier's compliance with human rights and labour practices; this suggests that there is limited accountability in terms of their supply chain management. Exceptions to this trend include Royal Caribbean, Costa Cruises, TUI and Disney, where the organizations' relationships with their supply-chain partners are more than purely transactional, i.e. the organizations demand evidence of sustainability practices and provide guidance, knowledge and

support. Royal Caribbean and Costa Cruises require ‘all contractors and suppliers to agree to these fair labour principles’ in relation to forced labour, child labour, harassment or abuse, non-discrimination, health and safety, freedom of association and collective bargaining, wages and benefits, and hours of work. Reasons given by cruise companies to manage their suppliers in this way are manifold. This includes strategic issues:

Costa Cruises considers its suppliers strategic partners for the success of the enterprise. To this end the company is committed to building solid partnerships orientated not only to the fulfillment of its requirements regarding quality, price, reliability and innovation, but above all to the sharing of the principles of fairness, transparency and integrity. (Costa Cruises, 2013, p. 77)

Yet it also includes the management of reputational risks ‘arising from corrupt practices by employees or business partners’ (Carnival UK, 2011, p. 24).

Regarding the disclosure of partially negative information, there have been some positive developments in recent reports such as some organizations (e.g. Holland America, P&O Australia, AIDA, Carnival UK) disclosing the number of discrimination claims from their staff. Some publicly accept discrimination or harassment claims to be an issue for their company and explain the actions taken: ‘perception of the need for further actions to raise awareness of discrimination based on race, nationality, gender and sexual orientation, to eradicate management by shouting’ and ‘Mandatory courses for all shoreside and shipboard employees will be introduced in 2014, when a follow-up survey will be conducted’ (Costa Cruises, 2013, pp. 68–69).

Product responsibility

Product responsibility information (from more to less disclosed) includes practices that relate to customer satisfaction, health and safety impacts, incidents of non-compliance with regulations and voluntary codes of conduct, and substantiated complaints regarding breaches of customer privacy.

After the *Costa Concordia* grounding, several cruise companies reviewed their corporate and industry safety policies, procedures and best practices. The process was led by the Cruise Industry Operational Safety Review Task Force and facilitated by the Cruise Lines International Association (CLIA). As Royal Caribbean explains, many of the ideas discussed during these task force meetings were adopted as industry policies and incorporated into the management systems of each of the 26 CLIA member cruise lines (Royal Caribbean Cruises Ltd, 2014). Cruise companies highlight their increase in ‘Health Environment Safety Security’ management, from improvements in systems to increased levels of training, and some claim to go beyond the obligatory requirements of international regulations and voluntary guidelines. Costa Cruises includes a special section that details the *Costa Concordia* incident and the actions undertaken to reduce its impact on the environment. They also explain their processes for management and communication with stakeholders, and their new procedures and organizational changes that have been adopted since the incident. As a response to the *Costa Concordia* effect on the brand, and under the guidance of a new CEO, Costa defined, with the participation of stakeholders, its new corporate values

and CSR plays an important role in these. Since the incident, Costa Cruises claims to take a more open approach to identifying and discussing the industry's core issues with its stakeholders.

Companies report on the presence of an onboard medical team, although these are inevitably limited and their size is relative to the size of the ships. For example, Carnival UK (2011, p. 23) declares that 'Depending on the size of the ship and the length of the itinerary, the on board medical team will include one or two doctors and between two and four nurses. They operate twice daily clinics for routine cases but are on call 24/7.' Royal Caribbean explains the equipment of the company (Electronic Medical Records, crew vaccination programmes, influenza campaigns, blood transfusions equipment, dialysis at sea, pre-employment medical examinations, centres of medical excellence for the crew, etc.). However, it does not display the percentage of ships with this equipment.

There are three further issues within product responsibility that we rarely see reported, and that are worth highlighting here. AIDA stands out for reporting on their holistic approach to accessible tourism, facilitating the enjoyment of guests with mobility, hearing and visual disabilities. Similarly, Costa Cruises reports that it has developed specific cruise products for people with disabilities in partnership with non-governmental organizations. Royal Caribbean reports in detail on the cases of injuries, assaults, rapes and suicides, and the actions taken. TUI and AIDA stand out for their engagement with customers in sustainability awareness.

Economic Dimension

Companies continue to under-report economic data. Some companies make claims in relation to the global economic impact of the cruise industry (e.g. Carnival UK), but others do not address the economic dimension at all (e.g. Royal Caribbean). At best, companies partially disclose direct and indirect economic indicators by providing claims and examples, although these are given without quantitative support (e.g. the direct economic value generated and distributed, the proportion of spending on locally based suppliers, procedures for local hiring, the development and impact of infrastructure investment, and services for public benefit). Although the economic impact on destinations is addressed more commonly in recent reports than it was in the 2009 to 2011 reports, the companies' claims are usually not supported by hard evidence or data. Such examples include claims that 'Costa's positive influence on communities goes beyond tourism and also embraces the creation of income and other economic benefits, for example through the sourcing of supplies – especially fresh local produce – from suppliers at or close to the ports of call' (Costa Cruises, 2013, p. 96). An example of the economic impact of infrastructure investment comes from Carnival Corporation, which maintains a port development strategy that enhances and finances government-owned and operated cruise ports' facilities worldwide. Nevertheless, their claim is also not supported by hard evidence or data.

P&O Australia continues to lead on the disclosure of their economic impact on the local communities of the destinations that they visit. They disclose the actions taken at the destination level, 'Destination management plans have been produced for key remote ports identifying the current and potential environmental, social and cultural impact of cruise ship visits and recommending mitigation measures and infrastructure

requirements to support cruise operations, and offering guidance for potential business opportunities' (P&O Australia, 2012, p. 20). Unusually, they back this with evidence of their economic contribution, 'We contributed \$1.5 million for initiatives under AusAID's Enterprise Challenge Fund program in Vanuatu. Concluding at the end of 2011, these funds have been used to upgrade landing jetties, build amenity blocks and to help communities establish economically viable small businesses' (P&O Australia, 2012, p. 20). They also report actions at the community level:

The vast majority of these tours are now operated either by or in conjunction with the local communities at each destination and we are continuing to work with communities in Vanuatu, New Caledonia and Papua New Guinea to develop more experiences so they can share the economic benefits from cruising. (P&O Australia, 2012, p. 27)

Finally, they quantify their impact on the community:

Each time a P&O Cruises ship visits, these ports receive an economic contribution through port fees and direct tourist spending, that translated to around \$34 million in direct spending as a result of cruise ship visits to the Pacific Islands in 2011 and an estimated further \$15–\$20 million in indirect spending to tour operators, bus drivers, stall holders and other local businesses. (P&O Australia, 2012, p. 20)

Usually, companies highlight their economic contribution at the destination through philanthropic donations or development of shore excursions through partnerships with non-governmental organizations, which are not part of their core business. CSR activities that do relate to their core business include: (i) increasing the quality of life of the local communities of ports of call by donations of books for libraries, reusable goods from ships and disaster relief; (ii) increasing the quality of life of employees and their families with scholarships for employee family members, or seafarer charities in the countries from which crew are sourced for the ship; or (iii) increasing the consumers' awareness of responsible tourism and encouraging tourists to volunteer. Philanthropic actions are explained but often not quantified (except Carnival UK and Holland America). To date, no cruise company reports on the impact achieved from their actions.

Carnival UK, Costa Cruises and AIDA disclose their integration of sustainability with their core business operations. They report advances on shore excursions designed to increase benefits for the local communities at destinations receiving cruises. Carnival UK, in the 2011 Sustainability Report, declared:

Green World Tours are ... an innovative programme of charitable and responsible tourism-based excursions and activities designed to give something back to towns and communities featured in ships' itineraries while simultaneously creating uniquely rewarding experiences for passengers. (Carnival UK, 2011, p. 9)

Although they provide some detailed examples of the tours, they rarely quantify the total amount of contributions. Costa's 'neoCollection' tour visits United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites with longer stopovers and more emphasis on the local food produce of the destinations visited. AIDA emphasizes their sustainable shore-side excursions and uses sustainability symbols in its marketing to customers. While 'a central concern of the project is to make the measures in the respective destinations visible and to sensitize passengers to sustainability aspects on shore excursions' (AIDA, 2014), it is not evident how the locals will benefit from these excursions.

In summary, reporting on the economic contribution of the cruise industry to its destinations is still in its infancy. Actions taken to increase the linkages between the cruise industry and local communities at the destinations are more and more frequent, yet the companies' claims remain unsubstantiated as they still do not quantify their impact with hard facts.

2015: Brands Not Producing CSR Reports

A review of corporate websites for the main cruise companies shows that the 18 companies that provided limited CSR information on their websites in 2011 ([Table 5.3](#)) have made limited progress in terms of improved reporting since that time. We therefore provide a brief summary of their CSR reporting practices. From here on, all quotes provided are taken from the websites of the 18 companies, based on the information available in May 2015. Four years after our initial analysis, most companies provide the same information but with some updates. These updates mostly relate to the NGOs that the company contributes to directly or that they encourage their guests to contribute to, for example, Crystal Cruises 'offers guests more opportunities to give back'. The river cruise line Uniworld also encourages guests to collaborate with a non-governmental organization to 'provide sustainable education services and training opportunities to Cambodian children' claiming 'sustaining destinations we visit is of great importance to us'. They intend to provide 'river cruise operators worldwide the tools to operate with as little environmental impact as possible'.

Table 5.3. Cruise brands that communicate corporate social responsibility on their website only, in order of the amount of CSR information provided in 2011 (from high to low).

Cruise brands	% CSR indicators divulged in websites
Crystal Cruises	8.33
Norwegian Cruise Line	7.87
Hapag-Lloyd	4.94
MSC Cruises	3.39
Genting HK	3.10
Orion	2.31
SilverSea	2.16
Windstar	1.7
Uniworld	1.7
Fred Olsen	1.7
Tauck	1.41
Avalon	1.23
Scenic Tour	1.23
Compagnie du Ponant	1.23
Iberocruceros	1.23
Lüftner	1.08
Paul Gauguin	1.08
Hurtigruten	0.61

Since 2011, the biggest change appears to be the number of companies that, rather than producing their own reports, now redirect queries to their parent company, such as Iberocruceros, which refers to Costa's very extensive web page since Costa is the cruise brand that has been issuing CSR reports for the longest. Windstar Cruises also redirects their web page's visitors to Xantera, their parent company, where, in fact, most CSR information is focused on the sustainability practices of the company's other business and not on its cruising activities.

MSC has added very little information to their website in the last 4 years, but does now claim to make a commitment to use 'the highest quality fuel available on the market' and to contribute to two non-governmental organizations that work in Africa. A similar pattern is followed by Norwegian Cruise Line, which updates its Eco-Smart link by describing the advanced technologies installed in its newest ship as well as the installation of additional scrubbers on six ships in the line's fleet. Their website also incorporates a link claiming their commitment to healthy practices and stating that 'we have stringent protocols in place for cleaning and sanitation on all of our vessels'. None of the companies speak about working conditions or the adoption of the Marine Labour Convention, with the exception of Fred Olsen, which provides a CSR policy that includes references to the working environment, human rights, equality and diversity, etc. Surprisingly, some companies, such as Silversea and Scenic, have reduced the information they provide on their web pages in relation to their CSR practices.

A Stakeholder Approach to CSR

Having outlined the reports issued by these companies, our next step was to identify state of the art reporting practices for the cruise industry in terms of both CSR transparency and stakeholder approaches to creating shared value. The latter required consideration of what the industry's stakeholders might expect from cruise companies because CSR is a moving target that responds to society's expectations on corporations (Carroll and Shabana, 2010). We found that the cruise industry is very slow at becoming more transparent, since 2011 no additional companies have produced CSR reports. Additionally, finding the reports was not easy; in many cases it required real commitment to find them, on the investors' relations links, the GRI repository or hidden without any links from the brand's website and only available through Google searches. To enhance trust and foster accountability, CSR reports should be easily available to download from the 'About us' or 'Sustainability' pages.

Font *et al.* (2016) conducted a materiality analysis of the CSR reports and websites of cruise companies to understand to what extent the companies were responding to stakeholder expectations. The study surveyed stakeholders to find out: (i) the perceived relevance to them of the cruise companies' reports on certain indicators; and (ii) their perceived influence on the cruise sector in connection with each indicator. The findings showed that *all* the stakeholders considered *all* the economic indicators to be material but they perceived social indicators to be more material to them than environmental indicators (Font *et al.*, 2016). Yet, despite this overwhelmingly consistent feedback from the stakeholders, the same study showed a disclosure-expectations gap evidencing that the cruise companies' CSR reports do not answer to stakeholder claims.

While stakeholders in 2014 considered that the cruise industry should report on both the economic results and the economic impact on destinations (Font *et al.*, 2016), the reports available as of May 2015 show that the economic dimension still receives the lowest attention. Until 2015, only three cruise companies (Carnival Corporation, Costa Cruises and TUI Travel) had undertaken a materiality assessment and, of those, only Carnival Corporation had explained extensively the materiality process including a visual representation of the results as a materiality matrix. Transparency is opportunistic; the cruise industry displays favourable environmental reports and promotes aspects that help to maintain a positive environmental image, while under-reporting on key issues.

Font *et al.* (2016) found that stakeholders place slightly more importance on soft and management indicators than the cruise companies do; the cruise companies dedicate large parts of their reports to hard and performance indicators that are not valued as highly by the stakeholders. Font *et al.* also found that all sustainability indicators were rated as less material by the internal stakeholders than by the external stakeholders. Within the internal stakeholders group, the managers thought that the sustainability indicators were less material than the employees did. For example, the managers placed lower importance on human rights than all other stakeholders did. The external stakeholders placed more value on the bigger picture indicators such as vision and strategy, despite the fact that these are less evidence-based.

As society has taken a business case approach to CSR, the CSR practices tend to respond to corporate agendas to reduce cost and risk, gain competitive advantage, and enhance reputation and legitimacy. For example, there is a high disclosure of indicators such as water, emissions, effluents and waste that are increasingly regulated and for which effective control can lead to cost savings. In contrast to these factors, some indicators, such as biodiversity material are under-reported. This pattern has shown little progress since the first reports were issued.

We are therefore witnessing *reactive* CSR approaches (Wood, 1991). For CSR to be truly effective requires a fundamental change in approach, i.e. for corporations to become *proactive* agents for positive change, being ahead of stakeholder demands. Porter and Kramer (2011) label this approach as Creating Shared Value (CSV); they state that it is a change of agenda beyond CSR as damage control and towards genuine triple bottom-line integration into their corporate strategy (Porter and Kramer, 2006). A later study suggested that this is achieved by: (i) reconceiving products and markets to satisfy previously unmet needs; (ii) redesigning supply chains to redefine productivity by including impacts; and (iii) developing supportive company clusters (Porter *et al.*, 2012). CSV is far from the more utilitarian approach of CSR today (Crane *et al.*, 2014) and if it is to be achieved in the future, stakeholder concerns will need to be incorporated in practice into CSR. Over the years, stakeholder theory has presented the case for stakeholder-inclusive management and reporting (Wheeler *et al.*, 2003; Campbell, 2007). We argue that an application of this theory to corporate social reporting is through the added emphasis on materiality analysis in the GRI G4 reporting standards.

We next analysed the perceived influence of the stakeholders on the content of the cruise reports. Stakeholders reported that they have more influence on the generic, soft indicators than on the specifics, and on generic management indicators rather than actual performance. The internal stakeholders' perceptions of the influence that they have was greater than that of the external stakeholders (Clarkson, 1995). Moreover, a key finding was that both the suppliers to, and representatives of, the tourist destinations felt

that they had the lowest influence of all, which we understand to be as a result of their limited bargaining power in contractual relations (Garin, 2005; Klein, 2011). Legitimacy theory suggests that the stakeholders who perceive themselves to have the least power will be those that are least addressed in the CSR reports (Cormier *et al.*, 2004).

Comparing the material indicators of this study with the original list from Bonilla *et al.* (2014), we conclude that company reporting is internally driven, not stakeholder driven. The indicators reported generally reflect cost savings, organizational structures and management systems, rather than encompassing all the social and economic indicators that external stakeholders and employees demand. For example, 25% of the human rights indicators and 23% of economic indicators disclosed were perceived as material by employees but immaterial by management. This may be explained by the limited impact of stakeholder pressure on the reporting despite the increased media exposure of negative social and environmental impacts.

Conclusion

More research is needed to determine how CSR reports respond to stakeholder needs, if they are to have any validity (Moneva *et al.*, 2006; Basu and Palazzo, 2008). Our analysis showed that the cruise sector must provide more detailed CSR reports both in terms of how they listen to stakeholders and the actions that are taken as a consequence; the current reports respond to internal priorities and do not meet the needs of external stakeholders. It is surprising that in 2015 some major international cruise firms are still not producing CSR reports and those that do produce them focus on the aspects of sustainability that they feel comfortable with. As materiality is ‘the potential change in expectations that determines whether an item is relevant’ (Lo, 2010, p. 133), further qualitative research is needed to understand why stakeholders perceive some indicators to be more important than others and the reasons for their perceived level of influence. Raising expectations amongst stakeholders that their voices have a legitimate right to be heard is part of living in a more inclusive society. Cruise companies must make themselves more accountable; they must reach out to stakeholders and engage with them in order to find common solutions. In response to this, change could be driven by stakeholders who, in the past, have not felt themselves empowered to make demands (Garin, 2005; Klein, 2006). If this is to happen, cruise companies that practise CSR as reputation risk management will need to up their game (Bebbington *et al.*, 2008).

Cruise companies have the opportunity to create shared value. In the past, CSR reports have emphasized improvements to their environmental practices, especially where these have also led to cost cutting; however, it will be increasingly difficult for cruise companies to find such improvements. Any further CSR enhancements will necessarily have to come from more inclusive business models. This is good news for the businesses that see it as an opportunity for increased transparency as it will require them to learn how to use CSR as part of creating resilient, differentiated brands that are less price dependent. Sector-wide changes need to take place, and improving labour conditions as well as the economic benefits for destinations is likely to result in increased costs per passenger or reduced shareholder profits. The changes will require improvements in the socioeconomic conditions of destinations to preserve their identity, a greater focus on the environment, better working

conditions and full adoption of the requirements of the Marine Labour Convention throughout the industry. If successfully implemented, such changes could secure a long-term future for the sector. We look forward to reporting on the progress made.

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Passengers and Risk: Health, Wellbeing and Liability

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Introduction

Cruises are an increasingly popular style of vacation enjoyed by millions of people – more than 20 million in 2014. A market report produced by the Cruise Lines International Association (CLIA) to assist shipping companies with their occupancy projections, states that 94.8% of cruisers report satisfaction with their cruising experience (CLIA, 2008), but with passenger numbers of 20 million, that left over 1 million dissatisfied passengers in 2014 alone. Although there is clear majority in terms of customer satisfaction, apart from the obvious causes such as bad weather and seasickness, an unsettling question remains: what went wrong? This chapter explores three issues that may explain some possible causes of this dissatisfaction: illness outbreaks, onboard crime and health services. Each will be considered in turn.

Illness Outbreaks

The complexity and variety of illnesses on cruise ships has shifted over the past three decades. In the 1980s and 1990s outbreaks were commonly caused by food-borne bacteria such as *Shigella*, *Salmonella* and *Escherichia coli*, but these gave way to norovirus, which increased in incidence in 2001. Also in 2001, the Food Standards Agency (FSA) in the UK announced health officials would be given the statutory right to enter and inspect cruise ships, in a similar manner to the Vessel Sanitation Program in the USA. The FSA was reacting to a report from the Consumers' Association indicating an increase of food poisoning cases among cruise ship passengers (Gadher, 2001).

With better food processing and refrigeration, and more careful testing and treatment of drinking water loaded from shore, incidents caused by bacteria have reduced significantly. From 2002 through 2014 there were only four known outbreaks caused by *Salmonella*, affecting just two ships (i.e. back-to-back cruises of Celebrity Cruises' *Mercury* in July/August 2002, and Radisson Seven Sea's *Seven Seas Mariner* in 2002, and again in 2005) and ten caused by *E. coli*. There were four reports of Legionnaires'

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disease between 2002 and 2007 (*Ocean Monarch* and *Pacific Venus* in 2003, *Legend of the Seas* in 2005 and *Black Watch* in 2007), but none since.

As bacteria-caused illness has decreased, the incidence of illness caused by norovirus has increased significantly. Between 1999 and 2001, there were four or five illness outbreaks each year on cruise ships recorded by the US Centers for Disease Control (CDC) that were attributed to norovirus. In 2002, the CDC's reported numbers jumped to 29 illness outbreaks (most caused by norovirus). In total there were 44 cases of gastrointestinal illness reported on cruise ships worldwide in 2002. The number of outbreaks has fluctuated since 2002 with a high of 54 in 2006 and as few as 14 in 2014 (Cruise Junkie, 2015a).

Because illness outbreaks on cruise ships are highly visible, especially when more than 20% of passengers become ill, norovirus has been nicknamed the 'cruise ship virus'. The obvious question however, is whether norovirus is more common on cruise ships than elsewhere. The cruise industry claims the label is unfair because the virus is often found in institutional settings (e.g. schools, camps, prisons, nursing homes and hospitals). Although this is technically correct, their defence fails to acknowledge that cruise ships are perfect incubators for norovirus and a host of other viruses and bacteria because of the constant socializing within closed spaces.

Norovirus explained

Norovirus refers to a family of unclassified, small round-structured viruses previously referred to as Norwalk-like virus. It is named after Norwalk, Ohio, USA, where the first outbreak was documented in a school cafeteria. There are more than 100 known viruses within the norovirus family (Ando *et al.*, 2000); these break into at least five norovirus genogroups that in turn are divided into at least 31 genetic clusters. Norovirus causes nausea, vomiting, diarrhoea, abdominal pain, and sometimes a headache and low-grade fever. The most frequent complication is dehydration, especially among the very young and elderly. The disease usually develops 24 to 48 h after contaminated food or water is ingested (a median of 33 to 36 h, but can be as short as 12 h) and lasts for 24 to 60 h. Recovery is usually complete and there is no evidence of any serious long-term problems. A victim will normally be asymptomatic after 4 or 5 days, but continues to shed the virus for as long as 2 weeks. For this reason conscientious and correct hand washing is as essential on cruise ships as anywhere else.

Norovirus is transmitted by a faecal–oral route. It is contracted either by consumption of faecal-contaminated food or water or by direct person-to-person spread. Person-to-person spread occurs when someone touches an object previously touched by an infected person who has not washed their hands. It also includes transmission due to aerosolization of vomit where droplets contaminate a surface, which is then touched by another, or are transmitted via air and enter the oral mucosa and are swallowed (Bonifait *et al.*, 2015). Noroviruses are highly contagious and as few as ten viral particles may be sufficient to infect an individual. There is no known immunity to becoming ill after coming into contact with the virus, although some suggest there may be short term (a few months) immunity that is strain-specific. Given the genetic variability of noroviruses, individuals can therefore be repeatedly infected, but this may not be totally random. Findings suggest that people with blood type O are more susceptible than others (CDC, 2015). Furthermore, Lindesmith *et al.* (2003) found

that 29% of their study population lacked the gene required for norovirus binding, and did not become infected after receiving a dose of the virus.

Transmission through water or food prepared or served by an infected handler was the norm in the 1980s and 1990s. Forty-two per cent of outbreaks in one CDC study were attributed to water or food; only 12% were linked to person-to-person contact (*Morbidity and Mortality Weekly Report* (MMWR), 2001). Food and water contamination has clearly been reduced as a result of the Vessel Sanitation Program's twice-yearly ship inspections, but scores reflect cleanliness and are not a safe indication that the risk of illness from norovirus is reduced (Cramer *et al.*, 2003). If cruise industry claims are correct, transmission today is more commonly through direct person-to-person physical contact or from contact with a surface previously touched by someone with the virus on their hand. This renders norovirus a significant challenge for a cruise ship. Once the virus 'goes public', the immediate goal is containment, but with wide-scale infection, its source might never be determined.

Incidence of the illness

The cruise industry claims passengers bring the norovirus with them. This was first asserted in November 2002 after three successive illness outbreaks sickened more than 400 passengers and 50 crewmembers on Holland America Line's *Amsterdam*. The company's vice president of public relations, Rose Abello, declared at a press conference, 'The ship is not sick. There are sick people getting on the ship' (LaMendola and Steighorst, 2002). With large-scale illness outbreaks affecting other cruise ships as well, the industry's trade group, International Council of Cruise Lines (ICCL), adopted Abello's defence, and the industry's excuse that 'passengers bring it' became common (Klein, 2008).

The industry's position implicitly assumes that outbreaks are random, but a review of cases suggests this is not the case. Notably, the frequency of illness outbreaks is related to cruise length; shorter cruises have the lowest rates. A study by Cramer *et al.* (2006) found 27.4 outbreaks per 100,000 passenger days on cruises of 3–6 days, 26.5 per 100,000 passenger days on cruises of 7 days, 38.8 per 100,000 passenger days on cruises of 8–15 days, and 48.7 per 100,000 passenger days on cruises of 16–21 days. While it is tempting to conclude from these data that short cruises are safer, this might not be the case. To register as an outbreak, more than 3% of passengers or 2% of crewmembers must report illness, and the 3% figure is more easily reached over a longer period of time. Thus, one might conclude that while the rate of outbreak is higher for cruises that are longer, the risk may be greater on a short cruise where the 3% threshold is reached within a very short time.

It may be more enlightening to see whether there is a relationship between illness outbreaks and cruise line or cruise ship, i.e. whether some cruise lines or ships are more prone to illness outbreaks than others. [Table 6.1](#) shows the number of outbreaks by cruise line from 2002 through 2014. Princess Cruises and Holland America Line are disproportionately represented as a percentage of all reported outbreaks, together accounting for 167 cases, or one-third of all illness outbreaks recorded during that 13-year period. Both cruise lines have smaller passenger capacity than Carnival Cruise Lines (CCL) and Royal Caribbean International (RCI), but their share of outbreaks is greater.

Table 6.1. Illness outbreaks by cruise line, 2002–2014. (Source: www.cruisejunkie.com)

Cruise line	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	TOTAL
Carnival Cruise Lines	5	4	1	3	3	1	2	1	1	2	2	1	1	27
Celebrity Cruises	3	0	2	4	7	4	1	3	5	4	7	4	0	44
Clipper Cruises	3	7	2	2	0	0	0	0	0	0	0	0	0	14
Cunard Line	2	1	3	0	1	2	0	1	3	0	1	2	1	17
Disney Cruise Line	4	0	0	0	0	0	0	0	1	0	0	0	0	5
Fred Olsen Cruises	0	0	0	0	2	1	1	5	6	0	4	3	0	22
Holland America Line	10	4	7	6	13	11	9	8	6	3	3	2	2	84
MSC Cruises	0	1	0	0	0	0	0	3	1	0	2	0	0	7
Norwegian Cruise Line	4	5	7	3	6	8	6	1	1	1	1	1	1	45
P&O Cruises	1	3	1	1	3	1	5	2	2	1	1	1	1	23
P&O Australia	1	1	3	0	1	0	0	0	0	0	0	0	0	6
Princess Cruises	2	4	9	7	10	7	9	7	5	4	10	1	8	83
Royal Caribbean International	4	1	3	6	12	3	1	3	7	3	5	1	3	52
Regent Seven Seas	1	0	1	1	2	2	1	0	0	0	0	0	0	8
River Cruises	0	1	0	0	1	0	2	1	0	1	1	0	0	7
Other	6	8	9	5	6	7	1	2	5	4	3	2	2	60
TOTAL	46	40	48	38	67	47	38	37	43	23	40	18	19	504

Evidence of ship-specific outbreaks further supports the view that illness outbreaks are not entirely random. Table 6.2 shows ships having had five or more illness outbreaks from 2002 through 2014, and cases where there were outbreaks on back-to-back cruises (two or more successive cruises). The table identifies ships with the most frequent illness outbreaks and reveals wide variations between ships within a single cruise line. Not only can it be said that Holland America Line has the highest rate of illness, but three or four of its ships are disproportionately problematic. This raises more questions than it provides answers, as it is an empirical question as to why these ships have more frequent outbreaks than others.

Table 6.2. Cruise ships with five or more health outbreaks, 2002–2014. (Source: www.cruisejunkie.com)

Cruise ship	Total outbreaks	Number of back-to-back outbreaks
<i>Amsterdam</i> , Holland America	14	4
<i>Ryndam</i> , Holland America	14	4
<i>Veendam</i> , Holland America	11	1
<i>Boudicca</i> , Fred Olsen	10	1
<i>Celebrity Mercury</i>	10	2
<i>Sun Princess</i>	10	1
<i>Celebrity Constellation</i>	9	1
<i>Nantucket Clipper</i> , Clipper	9	—
<i>Norwegian Crown</i>	9	2
<i>Sea Princess</i>	9	1
<i>Volendam</i> , Holland America	8	—
<i>Aurora</i> , P&O	7	—
<i>Diamond Princess</i>	7	—
<i>Island Princess</i>	7	1
<i>Rotterdam</i> , Holland America	7	—
<i>Seven Seas Mariner</i> , Regent	7	1
<i>Dawn Princess</i>	6	—
<i>Queen Elizabeth</i> , Cunard	6	—
<i>Queen Mary</i> , Cunard	6	—
<i>Black Watch</i> , Fred Olsen	5	1
<i>Caribbean Princess</i>	5	—
<i>Coral Princess</i>	5	1
<i>Crown Princess</i>	5	2
<i>Norwegian Dream</i>	5	—
<i>Norwegian Sky/Pride of Aloha</i>	5	1
<i>Oceana</i> , P&O	5	—
<i>Oriana</i> , P&O	5	—
<i>Pacific Sky</i> , P&O Australia	5	1
<i>Radiance of the Seas</i> , Royal Caribbean	5	—
<i>Statendam</i> , Holland America	5	—
<i>Vision of the Seas</i> , Royal Caribbean	5	2
<i>Zaandam</i> , Holland America	5	—
<i>Zuiderdam</i> , Holland America	5	—

The role of crew

These outbreaks reflect how easily the norovirus can be transmitted from person to person or via food in a closed environment such as a cruise ship. The continuation of outbreaks on consecutive cruises with new passengers and the resurgence of outbreaks caused by the same virus strains during previous cruises on the same ship, or even on different ships of the same company, suggest that environmental contamination occurs. Infected crewmembers therefore seem the most likely reservoirs of infection for passengers (MMWR, 2001). This view is supported by research that found nearly half of all norovirus outbreaks are linked to ill food-service workers (Widdowson *et al.*, 2005), indicating that even if passengers bring an infection onboard, it is the ships that keep it alive, mostly likely through inadequate hand washing and sanitization processes.

The industry would argue against this conclusion, insisting that crewmembers are not key because of the relatively small number of reported illness among them compared to passengers. As far back as the 1980s and 1990s reported illnesses among crewmembers were at levels lower than passengers. However, those who choose to work at sea may be naturally less susceptible to gastrointestinal upsets, or are simply more stoic. More likely, however, is that there are strong disincentives against crewmembers reporting when they are ill (CDC, 2002). If they depend on tips, they may work even when they are ill, and as some risk losing their job if absent for more than 2 or 3 days, they will be pressured to return to work even when unwell. This is reflected in the number of health inspections indicating that crew are not removed from work when ill (Cruise Law News, 2015).

This poses a serious problem for controlling spread of the virus. Not only are ill crewmembers likely to work, but those ‘quarantined’ in their cabin – a cabin normally shared with other crewmembers – for 48 to 72 h, are likely to return to work when their symptoms ease, but while they are still contagious. The virus can easily be re-introduced and carried over from one cruise to another, especially by kitchen workers, food and beverage servers and those engaged in regular, direct contact with passengers. Crew, as much as passengers are potential sources of person-to-person contact. However, this problem cannot be addressed until the issue is considered more objectively, and causes of outbreaks are solely attributed to passengers bringing illness onboard. Quarantine practices for passengers are also disincentives to reporting illness, further complicating containment. If passengers report the slightest sense of illness, they risk being quarantined in their room for several days, missing ports they were looking forward to seeing, rather than keeping their illness a secret and continuing with their vacation.

Onboard Crime

A second area explored in this chapter is crime on cruise ships. As seen in [Table 6.3](#), the most common crimes reported on cruise ships are assault, sex-related incidents and theft. Also worth mentioning are incidents of assault with serious bodily injury (SBI) and persons overboard. Because persons overboard are not consistently reported to the Federal Bureau of Investigation (FBI), even though this is considered reportable under the Cruise Vessel Security and Safety Act of 2010, the actual number is higher

Table 6.3. Crimes reported by cruise lines to the FBI, 2007/2008 versus 2011.^a

	Year	Assault	Assault w/SBI	Death	Overboard	Sexual assault and rape	Sexual contact	Sexual – other	Theft	Theft over \$10K	Other	Total
Azamara	2008	–	–	–	–	1	–	–	2	–	–	3
Cruises	2011	1	–	–	–	–	–	–	1	–	–	2
Carnival	2008	9	5	5	3	40	48	5	73	3	6	197
Cruise Lines	2011	9	3	6	1	49	33	2	63	3	–	169
Celebrity Cruises	2008	5	1	–	–	–	7	–	2	3	1	19
	2011	35	–	1	2	4	4	1	24	3	–	74
Costa Cruises	2008	–	–	–	1	1	–	–	–	–	–	2
	2011	–	–	–	1	–	–	–	–	–	–	1
Disney	2008	–	–	–	–	–	–	1	1	–	–	2
Cruise Line	2011	–	–	–	–	–	–	–	–	1	–	1
Holland	2008	1	–	–	–	8	–	–	4	3	–	16
America Line	2011	1	–	–	1	1	1	–	–	–	–	4
Norwegian	2008	1	2	1	–	3	1	1	–	–	–	9
Cruise Line	2011	4	–	1	1	5	1	–	–	1	–	13
Princess	2008	2	1	1	–	2	2	1	–	–	–	9
Cruises	2011	–	–	–	–	2	–	–	–	1	–	3
Seabourn	2008	–	–	–	–	1	–	–	–	–	–	1
Cruises	2011	–	–	–	–	–	–	–	–	1	–	1
Regent	2008	–	–	–	–	–	–	–	–	–	–	–
Seven Seas	2011	–	–	–	–	1	–	–	–	–	–	1
Royal Caribbean	2008	96	8	3	–	17	19	–	7	3	11	164
International	2011 ^b	197	2	3	2	27	18	5	38	6	–	298
Other	2008	1	–	–	3	–	1	–	–	–	–	5
Total	2008	115	16	9	7	73	78	7	89	12	18	424
	2011	247	5	11	8	89	57	8	126	16	–	567

^aBased on crime reports provided by the FBI in response to a Freedom of Information request by International Cruise Victims Association. The first set of data covered 1 October 2007 – 30 September 2008. The second set was for 2008. Crime reports to the FBI are voluntary; the industry commitment made in March 2007 is to report to the FBI only crimes against US citizens.

^bData include five cases disclosed in discovery in a lawsuit that were not included in the FBI data. These include three rapes, one sexual assault and one case of sexual – other (i.e. indecent exposure).

than this table shows. According to Cruise Junkie dot com's dataset of persons overboard, there were about 15 incidents in 2007/2008 and 23 in 2011 (Cruise Junkie, 2015b).

Theft

As seen in [Table 6.3](#), Carnival Cruise Lines, Royal Caribbean International (RCI) and Celebrity Cruises have the highest number of thefts. The number of incidents on Carnival for the 2 years is three times greater than RCI even though Carnival's passenger capacity is 10% less than RCI; the number of thefts on Celebrity in 2011 is two-thirds of the number for RCI even though RCI has three times more capacity (CLIA, 2011). Converting these numbers to a standardized rate shows theft under \$10,000 is highest on Celebrity Cruises (85.4 per 100,000), followed closely by Carnival (82.4 per 100,000), and RCI has a rate almost half that of the others (43.8 per 100,000). It is difficult to know what accounts for these differences, but it is apparent that theft is also cruise line-specific. Many incidents involve possessions going missing from passenger cabins (jewellery or other items left in the open) or being removed from the safe in a passenger cabin. In very few cases is a perpetrator identified and property recovered.

The distinction between 'theft' and 'theft over \$10,000' is noteworthy. The critical difference, as disclosed by the FBI, is that the US Government does not consider thefts below \$10,000 worthy of investigation or prosecution. Thus, while there were over 200 thefts reported to the FBI by cruise lines in 2007/2008 and 2011, none was pursued beyond the cruise line's crime report. In contrast, thefts over \$10,000 are prosecuted to the extent possible by the FBI or other law enforcement agencies; crewmembers no doubt are aware of this threshold.

Assault

As with theft, RCI, Celebrity Cruises and Carnival Cruise Lines report the largest number of assaults. As seen in [Table 6.3](#), incidents on RCI were ten times those on Carnival in 2007/2008 and 20-fold higher in 2011. The rate for Celebrity was also higher in 2011. Standardized rates show the rate of assault on RCI in 2011 was 227 per 100,000, compared to 124 on Celebrity Cruises and 11.8 on Carnival. It is difficult to know whether these differences are an artefact of the cruise line and the passengers it attracts or a reflection of a lower tolerance level for reporting incidents. However, a detailed analysis indicates that a large portion of the difference between RCI, Celebrity and others lies in the high rate of domestic violence reports. Approximately half of the assaults on RCI in 2011 were assaults involving travelling companions.

While simple assaults often involve casual acquaintances or travelling companions, this is not the case for assault with serious bodily injury. Determination of which category an incident falls under is made aboard the cruise ship on which the incident occurred, but an assault with serious bodily injury is quite different. The case of San Diego grocer Scott Boney illustrates this point: in September 2007, Scott celebrated his 50th birthday with his wife and a number of friends on Carnival Cruise Lines' *Elation*. On the first night, he was pushed down a flight of stairs by a 21-year-old passenger, and when found, was non-responsive. Seven months later he still could not speak or write, or stand independently,

was fed through a stomach tube, and did not appear to recognize many family members and friends who visited and helped care for him (Klein, 2012).

The Boney case highlights two relevant issues, the first of which questions the adequacy of security personnel on cruise ships. This question has been repeatedly asked in relation to sexual assault incidents, not just in relation to the number of security staff, but also to their training. Several cases indicate security personnel may not be adequately trained to deal with crimes and with crime scenes. A model course on 'Crime Prevention, Detection, Evidence Preservation and Reporting', developed by the US Coast Guard, FBI and Maritime Administration in July 2011, and recently implemented, devotes just 3.5 h to actions to preserve crime scenes and crime scene reporting and documentation – considerably less than the 40-h course advocated by the International Cruise Victims Association. Furthermore, the course is delivered online, which might be sufficient as a refresher for those already trained, but not for those preparing for security roles on cruise ships. As related by Laurie Dishman after her 2007 testimony before the House of Representatives:

I didn't know who to call, because my rapist was supposedly 'security'. I told [my friend] what had happened, and we decided to call the Purser's desk, which prompted two officers to come to our cabin. Instead of securing the cabin, they sat on the bed, where the rape occurred. Eventually, I was permitted to go to the ship's doctor, but he told [my friend] and I to go back to our cabin and collect the sheets and clothing from the incident and to place them in plastic bags, which they had provided. (Dishman, 2007)

The other major issue is around responsible alcohol service. The bar tab of Mr Boney and one of his friends shows the purchase of 24 drinks (at a cost of more than US\$250) and several bottles of wine between ten people over dinner from the time they boarded the ship to 11:00 p.m. Depositions taken in the court case indicate Mr Boney was intoxicated, and there are other cases where intoxication has been a factor in grave events. Take the case of Lyndsay O'Brien, an Irish 15-year-old, who on 2 January 2006, fell overboard from the *Costa Magic* after being served a lethal amount of alcohol. Alcohol is involved in at least 62.5% of onboard assaults with serious bodily injury, 35% of simple assaults and 36% of sexual assaults (Klein, 2012). While these data suggest serious problems with responsible alcohol service, some cruise lines now offer 'all you can drink' packages at flat rates for the duration of a cruise. Generally, bar sales are one of the top sources of onboard revenue.

The third issue relates to onboard security. Unlike police in a community setting, who are objective and disinterested investigators, shipboard security personnel are compromised by the fact that they investigate crimes in which their colleagues or employer may be complicit, or party to the crime. It is questionable whether these security personnel can act in a disinterested, objective manner that places the interests of the victim above those of the organization that provides their pay and continued employment. It is difficult to view onboard security as comparable to the quality and objectivity of a land-based, community police force.

Persons overboard

The issue of persons overboard has been given attention since 2005 when the US Congress held hearings about such incidents. There have been more than 250 reports of a

person overboard since 2000; an average of 20 persons annually in the 5 years between 2010 and 2014 (Cruise Junkie, 2015b). Men are three times more likely than women to go missing overboard and on average are 3 years younger. Passengers are reported missing three times more often than crewmembers (Klein, 2013). About 11% of incidents are intentional suicides (e.g. the 15-year-old teenager who left a note after fighting with his parents, the 82-year-old man who went missing in the North Atlantic and cases where a spouse jumps overboard after an argument) and some are accidents (9.5%). One 23-year-old man fell overboard while urinating over the side as the ship left San Juan (he swam to shore), and a 19-year-old man climbed over a railing and threatened to kill himself after an argument with his girlfriend; unfortunately, when he tried to climb to safety he slipped and fell overboard. However, at least three cases were murders (plus a fourth where a body was thrown overboard to hide a murder), and several cases involved a severely intoxicated person bent over a railing to vomit.

Numerous incidents remain a mystery, and it is these that raise the most concern. These incidents involve people who have given no sign of being suicidal, are happy and enjoying the cruise (often with family members along), but go missing. Congressional hearings have heard about some of these cases: Merrian Carver, Annette Mizener, and Hue Pham and Hue Tram, to name a few. In these cases, video surveillance footage was not made available – in the case of Annette Mizener the camera had actually been covered with a map or newspaper. Video surveillance footage is readily available when it confirms an incident as suicide or accident, but is otherwise not generally made available. This suggests a need for better video coverage of deck areas and video feeds to be monitored in real time, at least on a random basis and at times when these incidents most frequently occur.

Another issue is the cost borne by US taxpayers when the US Coast Guard is enlisted to search for a missing passenger. This expense is not trivial. In just one case – that of Michelle Vilborg who went missing 70 miles south-west of Pensacola, Florida on 15 June 2009 – the total cost for the search was estimated by the Coast Guard at US\$813,807 (Freedom of Information Act (FOIA), 2011). As this is on a no-cost-recovery basis, it would seem fair that the cruise corporation (Carnival Corporation in this case) should be held liable for a portion of the costs.

An additional issue is proper detection of persons overboard. The Cruise Vessel Security and Safety Act of 2010 requires that ‘the vessel shall integrate technology that can be used for capturing images of passengers or detecting passengers who have fallen overboard, to the extent that such technology is available’ (US Code §3507(a) (1)(D)). The degree to which the cruise industry has complied with this requirement is unclear. There may be additional camera surveillance (but no indication that this is the case), but the measures recommended by the International Cruise Victims Association in discussions with the industry prior to the legislation being passed have not been adopted.

Sex-related incidents

Sexual assaults on cruise ships have gained the national media’s interest since 1999. One peak was in July 1999 when Carnival Cruise Lines disclosed in the discovery phase of a lawsuit involving an alleged rape that it had received 108 complaints of

sexual assaults involving crewmembers in the 5-year period ending August 1998. Royal Caribbean said it had had 58 reported sexual assaults on its ships during the same 5-year period. Several months earlier an investigative journalist with the *New York Times* described an alarming range of passenger claims of sexual assault and discussed how they were handled by the cruise lines. Based on an examination of court records and interviews with cruise line employees, law enforcement officials, and passengers and their lawyers, the article describes:

a pattern of cover-ups that often began as soon as the crime was reported at sea, in international waters where the only police are the ship's security officers. Accused crew/members are sometimes put ashore at the next port, with airfare to their home country. Industry lawyers are flown to the ship to question the accusers; and aboard ships flowing with liquor, counterclaims of consensual sex are common. The cruise lines aggressively contest lawsuits and insist on secrecy as a condition of settling (Frantz, 1998).

Frantz (1998) cites a former chief of security for Carnival Cruise Lines as saying:

You don't notify the FBI. You don't notify anybody. You start giving the victims bribes, upgrading their cabins, giving them champagne and trying to ease them off the ship until the legal department can take over. Even when I knew there was a crime, I was supposed to go in there and do everything in the world to get Carnival to look innocent.

Following a series of Congressional hearings between 2005 and 2008, and under scrutiny by legislators, the media and the International Cruise Victims Association, some cruise lines took providing care to victims more seriously.

Once a crime is reported, there are problems with preserving evidence. Passenger cabins are routinely cleaned twice a day, so much evidence is destroyed very quickly and there is often a delay between an attack and landing at a US port. Rape experts suggest that cases reported within 72 h provide the best forensic evidence but this time frame is difficult for attacks on a cruise ship. In addition, many victims may delay their report while they are aboard a ship through fear of reprisal and because there is no independent investigator or rape-treatment centre. Sadly, rapes on cruise ships are often reported too late for criminal investigation.

In cases when sexual assaults are reported promptly, victims and prosecutors have often been thwarted by the common practice among cruise lines of immediately returning the accused back home, purportedly because they violated company policies that prohibit passenger and crew fraternization. Reporters for the *Miami New Times* found that in each of five lawsuits against Carnival Cruise Line they reviewed, the employee was swept out of the country immediately after the ship arrived in port. In one case the employee was later rehired and subsequently served with a summons while docked in Los Angeles. Carnival's lawyers successfully argued the (Indian) employee could not be sued in US courts because American laws did not apply to him; not only was he a foreigner, but the alleged crime occurred in Barbados on a ship registered in Panama. The passenger's suit against Carnival Cruise Lines was settled out of court (Korten, 2000). Cruise lines have become visibly less supportive of perpetrators of sexual assault; however, there continue to be cases where assaults are minimized and perpetrators permitted to go free.

Table 6.4 gives a snapshot of the nature of sex-related incidents on the two cruise lines with the most incidents. These include rape, sexual assault, sexual contact (unwanted sexual touch) and sexual harassment. While the table reveals minors are often victims of sexual assaults, the actual rate is worse than it appears. At

Table 6.4. Comparison of reported sex-related incidents on CCL and RCI by year, 2007–2008 and 2011.

	CCL 2007–2008 ^b		CCL 2011 ^a		RCI 2007–2008 ^b		RCI 2011 ^a	
	Total	No. minors	Total	No. minors	Total	No. minors	Total	No. minors
Sexual assault – rape	40 ^c	3	10	7	17	6	13	3
Sexual assault			39	12			14	3
Sexual contact	48	6	33	2	19	4	18	1
Sexual harassment/ other	5	2	2	0	0	0	5	0
Total	93	11	84	21	36	10	50	7
Rate per 100,000	115.00 ^d		110.88		45.00 ^e		57.60	

^aData provided by the FBI in response to a Freedom of Information request (see Table 6.3).

^bSee 'Analysis of Crime Reports Received by the FBI from Cruise Ships, 1 October 2007 – 30 September 2008', Appendix B of Testimony of Ross A. Klein, PhD, before the Senate Committee on Commerce, Science, and Transportation Hearings on 'Oversight of the Cruise Industry', 1 March 2012, <http://www.cruisejunkie.com/crimedat.pdf>

^cData for 2007 do not separate 'Sexual assault – rape' from 'Sexual assault'.

^dSee Klein and Poulston, 2011.

^eThis is a significant improvement over a rate of rate for RCI of 111.97 per 100,000 in 2003–2005.

the start of hearings before the US Senate Commerce, Science, and Transportation, committee chairman Jay Rockefeller disclosed research undertaken by Committee staff revealing that 34% of all sexual assault victims on cruise ships are minors (US Congress, 2013).

As seen in the table, the rate of sexual assaults on Carnival Cruise Lines is significantly higher than that for RCI. Still more alarming is that Carnival's rate has not improved between these two periods. While RCI's rate increased between 2007/2008 and 2011, it must be noted that its rate for 2003–2005 was similar to that of Carnival at 111.97 per 100,000. Notably, RCI's rate in the two most recent periods is lower than the rate for on-land sex-related incidents, while Carnival's remains 50% higher than the rate ashore (Klein and Poulston, 2011; Klein, 2015).

Other changes have occurred over time. Data in 2003–2005 indicated that 77% of incidents were perpetrated by crew against passengers; more recent data indicate this has dropped to 50%, and the proportion of passenger-on-passenger cases has increased significantly. A review of incidents indicates approximately 40% occur in passenger cabins (Klein and Poulston, 2011), whereas crime reports indicate initial contact between a victim and perpetrator may occur in a bar, restaurant, disco or nightclub, or other public setting. A number of incidents involving minors had their genesis in contact made in or through the ship's youth programme. The main conclusion to be drawn from these figures is that ships with some cruise lines are no safer (or less safe) than the land-based community. Passengers need to be aware of sex-related incidents, as well as other crimes, so they can be vigilant about their safety and security.

Health Care, Medical Facilities and Liability

Most passengers are surprised to learn a cruise ship is not required under international maritime law to provide medical services. The only legal requirement, under the Standards of Training, Certification and Watchkeeping for Seafarers (SCTW) Convention, is that identified crewmembers have various levels of first aid and medical training. Regardless, modern cruise ships maintain an infirmary and almost all have a physician and nurse on staff. These medical professionals work under contract as concessionaires and receive a fee plus commissions on medical services, prescriptions and medical supplies. The precise qualifications of onboard medical care providers can vary widely. A 1996 survey administered by two Florida physicians to 11 cruise lines found not just inconsistencies across cruise lines, but also that 63% of ships had no blood testing equipment for diagnosing heart attacks, and 45% lacked mechanical ventilators or external pacemakers (Frantz, 1999). The study concluded that the quality of maritime medical care was inadequate, from the medical facilities to nurse and physician credentials. This led the American Medical Association (AMA) to call for greater awareness of the limited medical services available onboard ships and for the US Congress to develop medical standards for cruise ships. However, the cruise industry successfully kept the issue off the Congressional agenda, and instead adopted industry guidelines for medical facilities and personnel on cruise ships. These guidelines, written by the American College of Emergency Physicians, are voluntary and therefore not enforced. While they serve a purpose in public relations and for defusing critics, they do not establish predictable standards of care for the industry. As they state, 'they reflect a consensus among member lines of the facilities and staffing needs considered appropriate aboard cruise vessels' (Cruise Lines International Association (CLIA), 2015).

These guidelines have serious gaps. For example, they do not require certification in emergency or critical care, which is significant given that 90% of deaths on cruise ships are caused by a heart attack. However, the greatest weakness is the wide variation in actual equipment onboard a ship. While the guidelines suggest one infirmary bed per 1000 passengers and crew, one intensive care unit bed per ship, and a variety of equipment, there is no guarantee that these are in place. Actual equipment onboard varies according to itinerary, size of ship and anticipated demographic makeup of passengers, as well as by cruise line.

Onboard infirmaries are equipped to deal with minor injuries, including crew workplace injuries, and stabilizing a patient experiencing a heart attack or other acute condition. Realistically, they are more like a neighbourhood clinic than a hospital emergency room, and can most effectively deal with routine problems such as scrapes and cuts, sunburn and indigestion. They also serve as the 'family doctor' for the crew, treating anything from colds and influenza to high blood sugar and hypertension. This is reflected in the types of problems ship infirmaries tend to deal with; the most common passenger diagnosis is respiratory illness (26–29%). Injuries, most frequently sprains, and superficial wounds and contusions also account for a significant proportion of shipboard medical visits (10–18%), as do gastrointestinal illnesses (9–16%). Generally, the rate of medical consultation on cruises is higher than on shore. Crewmembers, although significantly younger than passengers, make proportionately more medical visits (Committee to Advise on Tropical Medicine and Travel (CATMAT), 2005, pp. 2–3).

The medical staff

There is wide variation in the training and background of medical personnel. Some cruise lines draw their physicians and nurses from the UK, the USA and/or Canada, and pay \$10,000 or more a month; all are board certified in one of these countries. In contrast, personnel on other cruise lines are drawn from a range of countries, have salaries reportedly as low as \$1057 a month, and are not necessarily board certified. A 1999 *New York Times* article reports that only 56% of doctors on Carnival Cruise Lines' ships had board certification or equivalent certifications, and 85% of the physicians on Royal Caribbean Cruise Lines were board certified (Frantz, 1999).

Board certification itself may not be altogether reassuring. For example, the physician on one cruise ship had 30 years of practice experience as an anaesthesiologist, but his expertise in emergency responses was untested. Another physician was specialized in oncological colorectal surgery, and although well respected within his specialization, was not regularly required to exercise skills in emergency medicine. It is not intended to question the competence of all onboard physicians, but to illustrate that the quality of medical qualifications and facilities varies widely from ship to ship and from cruise line to cruise line.

At the same time, it should be recognized that the Cruise Vessel Security and Safety Act of 2010 includes minimal requirements for medical care after a sexual assault. Not only is a cruise ship required to maintain in-date supplies of anti-retroviral medications and other medications to prevent sexually transmitted diseases after an assault, but it must also have medical staff with a current physician's or registered nurse's licence and at least 3 years of postgraduate or post-registration clinical practice in general and emergency medicine. It is unclear whether these standards are enforced or even monitored.

Liability for medical care

No doubt there are cases of malpractice on cruise ships. Americans and Canadians may assume they have the same rights and protections as they would on land when something goes wrong, but that is not the case. Even though a physician wears the uniform of a senior-ranked officer, is introduced to passengers onboard as the ship's physician (implying he, like the Captain, is an employee of the cruise line), and like other senior officers may host a dinner table for invited guests, the cruise lines (without exception) say the physician is a private concessionaire and as such they accept no liability for mistakes made. This is a hard concept to grapple with, considering that the service is offered by the cruise ship (and which collects the fees), but it was supported by the Florida Supreme Court in February 2007 and the US Supreme Court in October 2007.

The case in question began 10 years' prior to the Court's decision in March 1997. Fourteen-year-old Elizabeth Carlisle was on a Caribbean cruise on the *Carnival Destiny* with her family, when on the second night out of Miami she developed severe abdominal pain. She consulted the ship's physician, Dr Mauro Neri, who had finished medical school in his native Italy in 1981, had held nine medical jobs in Italy, Africa and England in the 15 years before joining Carnival Cruise Lines, and was earning \$1057 a month from the cruise line. Dr Neri advised that Elizabeth was suffering from

influenza and sent her on her way, but her pain became worse. On the third visit to the infirmary, after Elizabeth's parents specifically asked whether the problem could be appendicitis, Dr Neri conducted his first physical exam and responded that he was sure the problem was not the girl's appendix. When the pain increased, Elizabeth's parents called their family physician in Michigan, who advised they return home. They took this advice and shortly after arriving home Elizabeth underwent emergency surgery to remove her ruptured appendix. The infection had rendered the 14-year-old sterile and caused lifelong medical problems. Elizabeth sued Carnival Cruise Lines in Florida state court, a case she lost on Carnival's motion for summary judgment. The cruise line claimed it was not responsible for the medical negligence of the doctor onboard and pointed to the fine print in the passenger cruise contract to support its position.

The family appealed the Circuit Court's decision to Florida's Third District Court of Appeal where the parents argued the cruise line was vicariously liable for the doctor's negligence. Judge Joseph Nesbitt agreed and reversed the lower court's decision. The judge held that the cruise line had control over the doctor's medical services for agency law purposes; the doctor was to provide medical services to passengers and crew in accordance with the cruise line's guidelines. And as it was foreseeable that some passengers at sea would develop medical problems (and the only realistic option was treatment by the ship's doctor) the cruise line had an element of control over the doctor-patient relationship. As such, the cruise line's duty to exercise reasonable care under the circumstances extended to the actions of a ship's doctor placed onboard by the cruise line. As an agent of the cruise line, the doctor's negligence was imputed to the cruise line, invalidating the cruise ticket's purported limitation of liability for the negligence of its agents.

Judge Nesbitt's decision was groundbreaking, being the first case where a cruise line was held responsible for care provided by its physician. Not surprisingly, Carnival appealed the case to the Florida Supreme Court. While the court almost agreed with the lower court's assertion that a doctor's negligence at sea also shows negligence by the cruise line, it ultimately found in favour of Carnival. Justice Peggy Quince wrote in her opinion:

We find merit in the plaintiff's argument and the reasoning of the district court. However, because this is a maritime case, this Court and the Florida district courts of appeal must adhere to the federal principles of harmony and uniformity when applying federal maritime law. (Supreme Court of Florida, 2007, pp. 18–19)

The case was appealed to the US Supreme Court, which refused to hear it. This directly impacts the more than four malpractice cases filed each year (Chen, 2007, D1). Interestingly, medical care and medical malpractice are not addressed in the CLIA Passenger Bill of Rights (Cruise Ship Passengers Bill of Rights, 2015) that was issued in 2013 (see Klein, 2013 for an analysis of the Passenger Bill of Rights). Passenger rights when there is medical malpractice, was put into flux in November 2014 with a US Court of Appeals for the Eleventh Circuit decision in *Franza vs Royal Caribbean Cruises* (D.C. Docket No. 1:13-cv-20090-JAL; Case 13-13067). In this case a passenger was again misdiagnosed and the provision of medical care inordinately delayed, both contributing to the passenger's death. The decision effectively removed a cruise line's ability to claim a shipboard physician is an independent concessionaire and that it was therefore not liable for that physician's actions. Instead, the cruise line

can now be held liable for medical malpractice (Dickerson and Cohen, 2015). As stated by Justice Stanley Marcus in the court's decision:

Here, the roots of the *Barbetta* rule snake back into a wholly different world. Instead of nineteenth-century steamships, we now confront state-of-the-art cruise ships that house thousands of people and operate as floating cities, complete with well-stocked modern infirmaries and urgent care centers. In place of truly independent doctors and nurses, we must now acknowledge that medical professionals routinely work for corporate masters. And whereas ships historically went 'off the grid' when they set sail, modern technology enables distant ships to communicate instantaneously with the mainland in meaningful ways. In short, despite its prominence, the *Barbetta* rule now seems to prevail more by the strength of inertia than by the strength of its reasoning. In our view, '[t]he reasons that originally led' other courts to adopt 'the rule have long since disappeared.' The rule rests on three basic arguments that a shipowner cannot exercise meaningful control over its medical staff. But as we see it, none withstands close scrutiny.

The impact of the ruling in *Franza vs Royal Caribbean Cruises* remains to be seen. There is an opportunity now for passengers to believe they may have success in suing a cruise line for medical malpractice, but whether they will succeed and under what conditions remains to be seen.

Conclusion

A cruise ship is like a small town, with the largest ships afloat carrying nearly 9000 people. As in any town, there will be health issues, including illness outbreaks, sexual assaults and other crimes, and issues around medical care. Because cruise lines typically hide these issues, claiming a cruise is safe and carefree, most passengers and crewmembers board cruise ships without knowing the problems and without taking simple precautions. One purpose of this chapter is to provide information that may help passengers, staff and crew to take steps to protect their safety, security and health. An awareness of crime makes it easier to take steps for crime prevention, knowledge of how illness outbreaks begin and progress makes it easier to take steps to avoid illness, and having a clear set of expectations of the nature of health care on a cruise ship allows one to make informed decisions.

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Economics of Cruise Shipping: The Need for a New Business Model

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Introduction

The economics of cruise shipping is about the economic mechanisms operating in the cruise industry and within cruise shipping businesses, about the contexts which trigger them and the outcomes they produce. People unfamiliar with cruises tend to believe that the cruise industry is profitable because cruises are so expensive. This claim is routinely rejected by cruise experts, including experienced passengers, who argue instead that the price tag of mass market cruise holidays is not much different from that of land-based hotel accommodation of similar standard with full board in popular tourist destinations, and that cruises include a range of additional amenities, tilting the balance in favour of cruises. It has even been suggested that cruise ships could serve as cost-efficient alternatives to land-based assisted living facilities for the elderly (Lindquist and Golub, 2004).

Interestingly, the laypeople's view is both contestable and defensible. When uninformed commentators stress the high price level of cruises, their judgement reflects prejudice ('cruises are for the rich') and misunderstanding ('the ticket price is what you pay for your cruise'). Yet, as Kurt Tucholsky (1931) wrote, 'The people get most things wrong, but feel most things right' (p. 500; author's translation), and so it is here. Cruises are expensive, but not so much for their price tag as for the many extras that passengers are seduced into buying before and during their vacation at sea, and for the significant service charges and gratuities, which are voluntary from a legal point of view, but morally and habitually compulsory. Cruises are also expensive in terms of the environmental and social costs that are externalized by cruise operators (Klein, 2011; Manning, 2012).

Studying the economics of cruise lines requires access to fairly detailed financial data. However, most cruise lines are privately held and not obliged to publish their financials. Fortunately, the two biggest players of the industry, Carnival Corporation (Carnival) and Royal Caribbean Cruise Line (RCCL) have been stock-listed for over 20 years. Much of their historic and recent financial and other data are publicly available in their annual reports (Carnival, 2015; RCCL, 2015). What is more, Carnival and RCCL with their 142 ships and sales of US\$24 billion in 2014 have a combined

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world market share of 73% (Cruise Market Watch, 2015). This means that revenue, cost, capacity and occupancy figures of three-quarters of the global cruise industry can be found in these two companies' financial reports.

Cruise Shipping Economics Quiz

Let's start with a quiz to test your intuition of how the cruise industry, or at least three-quarters of it, makes profit, and to introduce some of the particularities of cruise shipping economics.

- Question 1: In 2014, Carnival and RCCL together sold cruise tickets worth US\$17.8 billion. Their cruise operations cost them US\$20.1 billion. But instead of a large deficit, they reported operating profits of US\$2.7 billion. How was this possible?
- Question 2: How much did Carnival and RCCL save on salaries in 2014 as a result of the tipping practices they encourage their passengers to follow?
- Question 3: How much money did their customers lend Carnival and RCCL in 2014, at what interest rate, and how much did the two cruise companies save as a result?
- Question 4: In 2014, the two companies posted pre-tax profits of US\$2.0 billion. How much profit tax did they pay?

Take a moment to let the questions sink in. It will make the answers more interesting. Ready? Here they are.

- Answer 1: onboard revenue

Carnival and RCCL owe their operating profits to their onboard business. Basically, cruise companies generate revenue in two consecutive stages. The ticket sale comes first, normally a couple of months before the cruise. For Carnival and RCCL, ticket revenues represent about three-quarters of total revenues. The second revenue component is onboard (and other) revenue, resulting from the sale of supplementary services such as insurance, shore excursions, drinks and spa treatments, and from the proceeds of casinos, art auctions, shops onboard and so forth.

Even though onboard business represents only one-quarter of total revenue, it is what keeps the whole cruise industry afloat. Without their onboard business, Carnival and RCCL would have faced an operating deficit of US\$2.3 billion in 2014, rather than the reported operating profit of US\$2.7 billion. The enormous profitability of Carnival and RCCL's onboard business becomes clear when its contribution of US\$5.1 billion is put in relation to the two companies' onboard revenues of US\$6.2 billion: the average return on onboard sales amounts to 82%! In other words, for every dollar spent on board, 82 cents are either operating profit or a subsidy for the operation of the cruise.

- Answer 2: cost-saving tips

Tipping saved Carnival and RCCL over US\$2 billion in salaries. For service staff, tips are a form of income, just like net (after-tax) salary. In fact, 'On cruise ships "tipping" does not mean "something extra" – it means "salary"' (Cruiseship.org, 2015). However, service staff have a clear preference for salary because for them depending on tips means economic uncertainty and vulnerability and the risk of being exploited by superiors and colleagues (Klein, 2001). Cruise companies have a clear preference as well,

but they prefer tips to salary. First, income tax and social charges drive a wedge between the net salary of an employee and the full cost of that employee to the company. In other words, income from tips is cheaper for companies than salary income. Second, higher salaries tend to lead to higher net prices. Here, the wedge is enlarged further by the VAT or sales tax, which has a leverage effect on net price increases. And third, companies advertise their products to consumers stating prices including VAT but excluding tips. So substituting salaries with tips makes cruise holidays appear less costly than they are.

‘Recommended’ tipping practices in the cruise industry vary by cruise line, cabin category, market and cruise region, but roughly speaking passengers can expect a service charge of US\$10–12 per person and cruise day and gratuities of 15% on bar bills to be added to their onboard account. In addition, gratuities are typically paid to individual service staff (cabin stewards, baggage handlers, waiters, excursion guides, etc.). The following statement summarizes the status quo: ‘I always try to tip roughly 10% of the cost of my cabin, which includes the service charge – and so I typically budget at least US\$15 to 20 per person, per day, on top of the service charge’ (Cruise Critic, 2014).

So if the amount of tips equals 10% of the ticket price, the volume of tips paid on Carnival and RCCL’s ships in 2014 must have amounted to US\$1.78 billion. Without tipping, the two cruise companies’ payroll would not only have been this much higher (assuming that service staff would not work for less); due to income tax and social charges of, say, 15%, the payroll would have had to be more than US\$2.0 billion or 70% higher than it actually was and could have inflated Carnival and RCCL’s operating costs by 10%.

- Answer 3: interest-free loans

In 2014, their customers lent Carnival and RCCL on average more than US\$5.1 billion free of interest, saving them financing costs of about US\$163 million. This seeming generosity is in fact the result of the cruise companies’ terms and conditions, requiring their customers to make a significant prepayment at the time of booking and to pay the remaining amount 2–4 months prior to departure. The cruise companies’ ability to dictate such payment conditions is a sign of their exceptional market power. In many other industries, customers are offered cash discounts for paying within 14 days after delivery.

Customer deposits show up in the cruise companies’ balance sheets as short-term liabilities until the beginning of the cruises to which they refer. A quarterly comparison of balance sheets reveals that the level of customer deposits varies throughout the year, reaching its bottom around Christmas and its peak in early summer, just before the beginning of the main cruising season. If Carnival and RCCL had to procure the amount of US\$5.1 billion in debt on the capital market, they would need to pay interest at a rate approximately equal to that of their existing debt, which can be estimated by dividing the two companies’ interest expenses by their average interest-bearing debt in 2014. Multiplying the resulting 3.2% by US\$5.1 billion yields a saving of US\$163 million in interest expenses.

- Answer 4: tax-free profits

On their combined 2014 pre-tax profits of US\$2.0 billion, Carnival and RCCL paid effectively no taxes. Carnival’s income statement says that the company paid US\$9 million in taxes after receiving a tax benefit of US\$6 million in 2013. In both years, Carnival’s pre-tax profit exceeded US\$1 billion. And RCCL’s income statement does

not even contain a line for taxes. While cruise lines insist that they contribute to government revenue through port authority payments, government fees, dockage fees and payroll taxes, there is much criticism of the *de facto* exemption from profit tax.

The Carnival Corporation wouldn't have much of a business without help from various branches of the government. The United States Coast Guard keeps the seas safe for Carnival's cruise ships. Customs officers make it possible for Carnival cruises to travel to other countries. State and local governments have built roads and bridges leading up to the ports where Carnival's ships dock. But Carnival's biggest government benefit of all may be the price it pays for many of those services. Over the last five years, the company has paid total corporate taxes – federal, state, local and foreign – equal to only 1.1 percent of its cumulative US\$11.3 billion in profits. Thanks to an obscure loophole in the tax code, Carnival can legally avoid most taxes. (Leonhardt, 2011, p. B1)

The loophole (in Section 883 of the US Internal Revenue Code) exempts certain foreign companies from US taxes on income derived from their international operation of ships, even if the source of the income is from the USA. Given this invitation to large-scale tax avoidance, it comes as no surprise that both Carnival and RCCL are foreign to the USA, despite being headquartered in Miami and listed at the New York Stock Exchange (*inter alia*): Carnival is incorporated in Panama and RCCL in Liberia.

Purpose and Structure of this Chapter

This little quiz was intended to show that cruise line profitability is no trivial matter of high ticket prices. On the contrary, the more the cruise industry grows in terms of available ship capacity, the lower ticket prices need to get in order to mobilize the demand necessary to fill that capacity. Therefore, capacity and revenue management, cost reduction and the expansion of the aforementioned onboard business have become essential drivers of profitability.

The purpose of this chapter, in addition to introducing key aspects of cruise shipping economics, is to highlight the direction and extent of the transformation the cruise industry's dominant business model is undergoing, largely in response to cruise shipping's own success and growth. 'A business model articulates the logic, the data and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise delivering that value' (Teece, 2010, p. 179; see also Zott *et al.*, 2011). The chapter will concentrate on the changing structure of cruise companies' revenues and costs to substantiate its claim that the cruise industry's dominant business model is in a process of profound transformation.

The remainder of this chapter consists of three main sections and a concluding section. The main sections will address the elements of the basic equation:

$$\text{Revenue} - \text{operating cost} = \text{operating profit.}$$

One by one, its three elements will be broken down into factors of analytic interest, examined empirically by drawing on data from Carnival and RCCL's financial reports, and explained in terms of economic mechanisms affecting them. Operating profit is often referred to as earnings before interest and taxes (EBIT), implying that there are also 'earnings after interest and taxes', commonly known as net earnings or after-tax

profit. Questions 3 and 4 of the above quiz were about interest and taxation-related particularities of cruise shipping, but since interest and taxes reflect a company's financing, legal structure and domicile, rather than the nature of its business, the rest of this chapter will focus on operating profit and its determinants. In cruise shipping, operating profit reflects how well a company performs its core activities: the operation and marketing of cruises, including onboard business, all transportation and tourist services provided.

Cruise Line Revenue

Between 2001 and 2014, Carnival and RCCL's nominal revenues grew by 249% and 157%, respectively. In real terms, i.e. adjusted for inflation using the US consumer price index as deflator, revenue growth amounted to 161% and 92%, respectively. So far, so good, but why did this growth occur? Did passenger numbers increase? Or prices? Or both? If prices did increase, was it because cruises got longer and therefore more expensive? And what about passenger spending per cruise day? In order to answer such questions, it is necessary to break down the revenue figure into factors that influence it. A first step is to express revenue as a product of the number of passenger cruise days (PCDs) sold by a cruise line and its revenue per passenger cruise day (revenue/PCD), that is, the average revenue generated with one passenger in one day. PCDs are a measure of occupancy. They are calculated by multiplying the number of passengers carried during the year by the number of days in their respective cruises. Total revenue can now be rewritten as:

$$\text{Revenue} \equiv \text{PCD} \bullet \text{revenue/PCD}.$$

The triple bar symbol represents identity rather than equality, because the right side is just an expansion of the left side. The two factors of revenue can be analysed separately to identify causes of revenue changes.

Figure 7.1 visualizes the evolution of PCDs and revenue/PCD for Carnival and RCCL over the period of 2001–2014. The two diagrams share the same primary and secondary vertical axes and can therefore be directly compared. The solid curves show the impressive increase in both cruise companies' PCDs. Carnival's doubling in PCD numbers between 2002 and 2004 did not only occur through organic growth but resulted from the merger with P&O Princess Cruises in the UK. The dotted curves illustrate the decline in revenues per PCD. The downward trend was fuelled twice by major external shocks: the terror attacks on 11 September 2001 (9/11) and the bankruptcy of the Lehman Brothers bank on 15 September 2008 (9/15).

Mathematically speaking, total revenue grew because the number of PCDs grew, whilst the decline in revenue per PCD dampened total revenue growth. But this view wrongly assumes the two factors to be independent. Instead, an economist would argue that the increases in total revenue and PCDs were made possible by the decline in revenue per PCD: if people need to pay less for a cruise day, more people can and want to afford a cruise. Demand and price are inversely related. Therefore, even though the relatively mature US market for ocean cruises has shown signs of saturation in recent years (Vogel and Oschmann, 2012), it can be assumed with some confidence that further declines in revenue per PCD will entail further increases in demand.

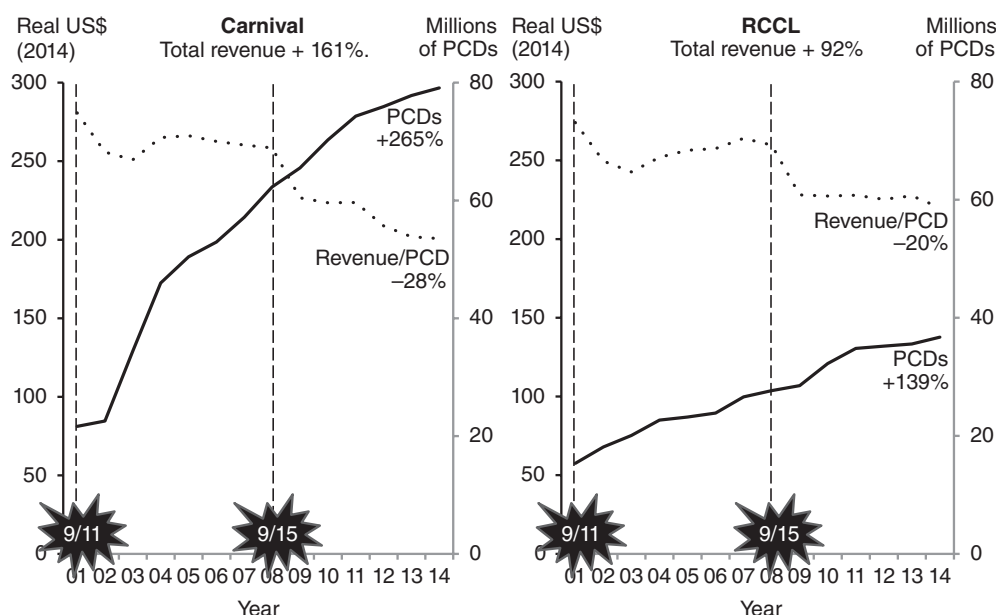


Fig. 7.1. Carnival and RCCL's PCDs and real revenue per PCD 2001–2014.

Ticket and Onboard Revenue

So far in this section, no distinction has been made between cruise ticket revenue and onboard revenue. But this distinction is fundamental for the study of cruise line business models, i.e. of the way cruise lines cover their fixed costs, earn their variable costs and make profit. To take the two revenue sources explicitly into account, the above identity can be restated as follows:

$$\text{Revenue} \equiv \text{PCD} \cdot (\text{ticket revenue/PCD} + \text{onboard revenue/PCD}).$$

In 2001–2014, Carnival's share of onboard in total revenue fluctuated between 22% (2001) and 25% (2014). At RCCL, the share of onboard revenue has been consistently higher, varying between 23% (2001) and 29% (2009). Of particular economic interest is how ticket and onboard revenues per PCD evolved in response to the external shocks of 9/11 and 9/15. [Figure 7.2](#) allows a visual analysis of this evolution. Like [Fig. 7.1](#), it consists of two diagrams for Carnival and RCCL and contains the dotted total revenue per PCD curves. But now, separate curves for ticket and onboard revenues per PCD have been added. Note that the unit of measurement on the vertical axis is no longer the absolute level of real revenue per PCD, but the relative level, with 2001 as base year. Therefore, all curves start at the 100% level in 2001.

[Figure 7.2](#) reveals that both cruise companies' ticket and onboard revenues per PCD have declined since 2001, yet Carnival has been affected more severely than RCCL. The terror attacks of 9/11 and also the collapse of Lehman Brothers on 9/15 triggered steep plunges in ticket revenues per PCD, which never recovered to their respective pre-disaster levels. Also onboard revenues per PCD dropped sharply during the financial and economic crises that followed 9/15. However, after 9/11, onboard

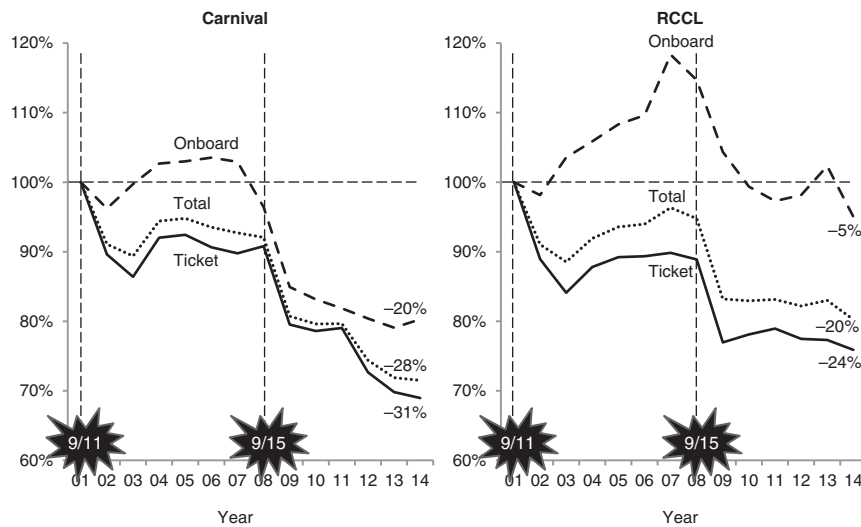


Fig. 7.2. Carnival and RCCL's real revenue per PCD 2001–2014 in percentages of their 2001 levels.

revenues per PCD only took a small dip, rebounded and, in the case of RCCL, even reached 118% of their pre-disaster level in 2007.

How can these divergent revenue patterns be explained? After both external shocks, bookings dropped significantly, forcing cruise lines to discount ticket prices in order to fill their fixed capacities. And indeed, 9/11 and 9/15 left no discernible traces on the PCD curves in Fig. 7.1. But while the symptoms were the same, the causes of people's hesitation to go cruising were different. After the terror attacks of 9/11, people were not unwilling to spend money *per se*; they were afraid or reluctant to fly to distant embarkation ports. But once onboard, they spent as much as before or more. After 9/15, however, the global economic outlook had become gloomy and households' financial prospects uncertain. These conditions affected not only people's willingness to book a cruise vacation but also their propensity to spend money onboard.

The remarkable fact that the PCD curves in Fig. 7.1 bear no signs of the 9/11 and 9/15 shocks merits comment. It demonstrates that cruise lines prefer lowering ticket prices, even drastically, in order to secure full occupancy, to the alternative of keeping ticket prices constant and risking lower occupancy. This policy makes economic sense when demand is price-elastic, i.e. when a price decrease of 1% induces a demand increase of more than 1%. With price-elastic demand, lowering the price leads to more revenue in the absence of capacity constraints. Since cruise lines do face capacity constraints – they cannot sell more cabins than they have – their optimal policy is to adjust prices so that demand for their cruises exactly equals supply, i.e. their available capacity. Cruise lines are really good at that: between 2001 and 2014, Carnival and RCCL's reported occupancy rates averaged at 105%, never dropped below 102% and never exceeded 107%.

Such seemingly impossible occupancy rates result from the common definition of cruise capacity as the number of cabins multiplied by two (assuming each cabin to be occupied by two people), multiplied by the number of revenue-producing ship operating days over a certain period. RCCL and Carnival refer to this capacity measure as available passenger cruise days (APCDs) and available lower berth days (ALBDs),

respectively. Carnival's term is more precise, as it distinguishes between lower and upper berths, the latter being additional pull-down beds or top bunk beds which do not count as capacity. When these extra beds are sold, actual occupancy can exceed capacity, and the occupancy rate can go beyond 100%.

Operating Costs

Capacity is a cruise line's dominant cost driver. Practically all costs are capacity-related, and since capacity is usually fixed both physically (number of cabins on a ship, number of ships in a fleet) and temporally (number of available cruise days per year) over the short run of a few months, a cruise line's cost base is also largely fixed. In turn, this means that occupancy-related or variable costs are only minor. Essentially, they are limited to travel agent commission, port costs, air and other transportation expenses, the cost of onboard business and the passengers' share of food cost. In total, only about 25% of Carnival and RCCL's operating costs were variable in 2014. This has two important implications: high occupancy rates are paramount for cruise lines and, to achieve them, ticket prices may be heavily discounted – down to the variable unit cost level if necessary (Vogel, 2012).

In the longer run, however, there are no fixed costs. Not only may capacities change over time, but also products, technologies, inputs, suppliers, etc. Carnival and RCCL's massive growth (see Fig. 7.1) would not have been possible without a substantial parallel decrease in costs per PCD. Continued cost reductions have been an essential element of the cruise companies' market penetration strategies in the face of declining ticket revenues or prices per PCD (see Fig. 7.2), which, in turn, were necessary to fill the rapidly growing ship capacities.

Figure 7.3 depicts Carnival and RCCL's operating costs of 2001 and 2014 in real US\$ per PCD by type of cost. In order to make Carnival's figures of the 2 years comparable with each other, a one-time impairment charge of US\$140 million in Carnival's 2001 income statement has been excluded from the diagram. It would have inflated total operating costs per PCD by almost US\$9. The rates of change of the respective cost positions also would have been higher and would not be comparable with RCCL's on a like-for-like basis. After this adjustment, Carnival's operating costs per PCD fell by 19% between 2001 and 2014, not enough to compensate the 31% decrease in ticket revenue per PCD. Similarly, RCCL's operating costs per PCD shrank by 17%, falling short of the 24% decline in ticket revenue per PCD. However, had fuel prices not more than doubled in real terms over the same period but remained constant, the companies' operating cost reductions per PCD would have amounted to 26% and 25%, respectively, enough at least for RCCL to offset the declining ticket revenue per PCD.

Both cruise companies achieved their most significant cost cuts per PCD in travel agent commissions and transportation expenses. Probably more than half of these cuts were the automatic result of falling ticket prices, as commissions are typically a fixed percentage of them. Cost savings in the areas of 'other' ship operating, marketing (including selling and administration), food (for passengers and crew) and onboard business benefited from economies of scale related to the cruise lines' bulk buying and growing negotiation power. Increasing marketing efficiency has been another important scale effect. The decrease in payroll (cost of shipboard personnel) and also to some extent in food cost can be explained with falling employee-to-passenger ratios which, in turn, reflect the shift towards more affordable mass market cruises on ever larger

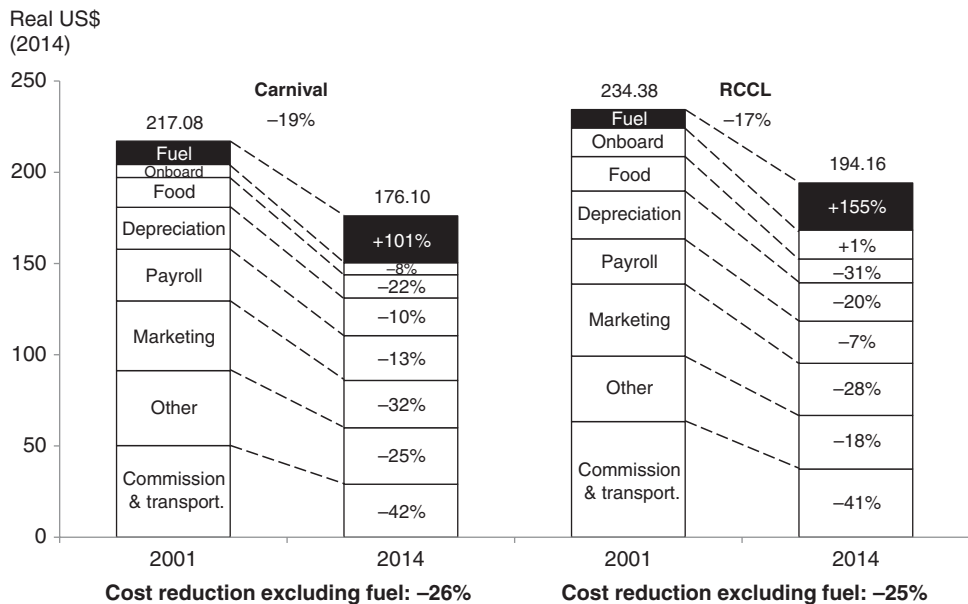


Fig. 7.3. Carnival and RCCL's real operating costs per PCD in 2001 and 2014 compared.

ships and also the impact of new technology, making ship operations more efficient. The different rates of increase in fuel cost per PCD, finally, can be attributed to the companies' very unequal starting points in 2001 due to their different and differently successful fuel hedging strategies at that time.

Onboard Business and Operating Profit

As Fig. 7.3 has shown, the cost of onboard business was Carnival and RCCL's smallest operating cost component in 2014, which clouds their existential dependence on onboard revenue. Figure 7.4 compares Carnival and RCCL's revenues per PCD against the respective operating costs per PCD. The cost stacks are the same as those for 2014 in Fig. 7.3, only arranged slightly differently. The black-shaded areas mark the revenue and cost sides of the cruise companies' onboard businesses. The arrows, which indicate the differences in height between the revenue stacks and the corresponding cost stacks, represent operating profit.

A number of useful observations can be made. First of all, the two cruise companies' revenue and cost structures are remarkably similar, in spite of the fact that Carnival and RCCL own diversified portfolios of mass market and niche cruise lines operating in different segments and parts of the world (Vogel, 2009a). So the revenue and cost structures shown in Fig. 7.4 can be seen as 'typical' for the cruise industry. A second observation is that the cost of onboard business in relation to onboard revenue is tiny. As pointed out before, the companies' average return on onboard sales in 2014 amounted to 82%. A third observation is that Carnival and RCCL's onboard revenues exceeded the sums of their respective cost of onboard business and operating profit. In other words, both companies were only able to report positive operating profit figures due to their successful onboard businesses, which even subsidized cruise operations

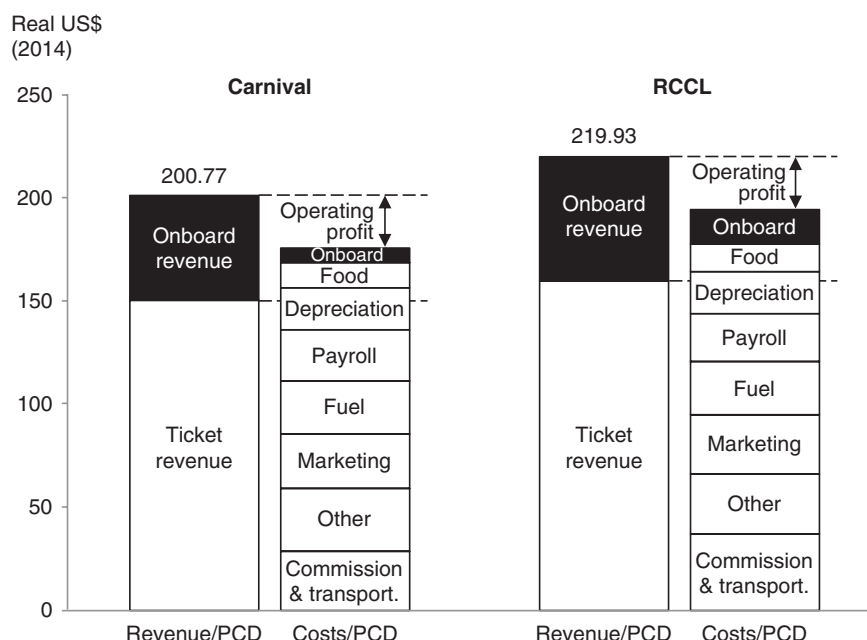


Fig. 7.4. Carnival and RCCL's real revenue, operating costs and operating profit per PCD in 2014.

unrelated to onboard business: according to Fig. 7.4, Carnival and RCCL financed their entire food cost and part of depreciation with onboard revenue.

There are various reasons why onboard business is so exceptionally profitable. One is the previously mentioned bulk buying by cruise lines and the volume discounts they receive. Another reason is that part of onboard revenue consists of payments by concessionaires who operate shipboard shops, restaurants, spas, etc., and who bear the costs of their own activities. So these costs of onboard business do not show up in Carnival and RCCL's income statements. The most important reason for the profitability of onboard business, however, has to do with the absence of competition onboard (Vogel, 2009b). A cruise ship is totally controlled by the cruise operator, who can therefore act as a temporary monopolist. The monopolist's profit-maximizing strategy is to create artificial scarcity of supply and to set prices above the competitive level. Of course, nobody on a cruise ship will get an impression of scarcity and exploitative pricing. It would not be in a cruise line's interest to upset passengers or make them feel unhappy. But even if prices onboard are only 20–30% higher than ashore – which most passengers find acceptable – the impact on the return on onboard sales is substantial. For example, if the cost of offering a certain product on board is US\$10 and its regular price ashore is US\$12, then raising the price on board by 30% to US\$15.60 more than doubles the return on sales for that product from $(12 - 10)/12 = 16.7\%$ to $(15.60 - 10)/15.60 = 35.9\%$.

What Business are Cruise Lines in?

In recent years, Carnival and RCCL have become increasingly dependent on their onboard businesses. Downward pressure on ticket prices resulting from rapid capacity

growth and external shocks (see Figs 7.1 and 7.2) have led to a situation where cruises are turned into sophisticated platforms optimized for selling all sorts of goods and services. McDonald's is sometimes said not to be in the hamburger business but in the cola and fries business because this is where they make their profits. In this sense, mass market cruise lines may be said to be in the shopping, casino and shore excursion business, rather than in passenger shipping. In order to induce passengers to spend time and money onboard rather than ashore, the big cruise lines design and promote their new ships as destinations in their own right (Weaver, 2005), rather than as floating hotels or means of transportation. The more money passengers are willing to spend during their cruise, the higher is the passengers' economic value to the cruise line and the more compelling is the argument to deliberately subsidize ticket prices with the passengers' expected onboard spending to lure more people into cruising (Vogel, 2011). This process has been a contributing factor in the decline of ticket revenue per PCD, but it is also instrumental in expanding the cruise industry's market potential.

To demonstrate the growing extent of the cruise industry's economic dependence on onboard business, a single snapshot like in Fig. 7.4 is not enough. Time series data and a suitable indicator are needed. One possible indicator is the ratio of net onboard revenue (i.e. onboard revenue minus cost of onboard business) and operating profit. For simplicity, it will be referred to as:

$$\text{NOR/OP} = \frac{\text{net onboard revenue}}{\text{operating profit}}$$

If operating profit exceeds net onboard revenue, then $\text{NOR/OP} < 100\%$, which means that ticket revenues alone are sufficient for a cruise company to be profitable. On the other hand, if net onboard revenue is greater than operating profit and thus $\text{NOR/OP} > 100\%$, onboard business subsidizes ticket prices. The line of demarcation separating these cases is defined by $\text{NOR/OP} = 100\%$ and depicted in Fig. 7.5a as a horizontal dashed line.

In Fig. 7.5a, Carnival's solid curve and RCCL's dotted curve illustrate the evolution of two companies' dependence on their onboard business between 2001 and 2014. Both curves show clear upward trends from 2005, which indicates that net onboard revenue has been growing faster than the companies' operating profits. Until 2008, Carnival was largely able to cover its operating costs (excluding the cost of onboard business) with its ticket revenue, and net onboard revenue was about equal to Carnival's operating profit ($\text{NOR/OP} \approx 100\%$). Since 2008, however, the company's onboard business has paid not only for operating profit but also for an increasing portion of operating costs ($\text{NOR/OP} > 100\%$). RCCL had already been relying on its onboard business to subsidize cruise operating costs for much longer, but the situation became more extreme after 2008.

Figure 7.5a could easily be misread as evidence that the cruise industry has made the transition to a business model allowing it to cope with its declining ticket revenues per PCD. However, such a reading of the diagram would neglect the fact that a ratio increases in value not only when its numerator grows faster than the denominator, but also when the denominator falls faster than the numerator. The peaks of RCCL's NOR/OP curve in 2009 and 2012, for example, are the result of particularly low operating profits in those years, not of particularly high net onboard revenues. Carnival's curve peaked in 2013 for the same reason. This side of the story is illustrated by Fig. 7.5b. Here, the two curves represent Carnival and RCCL's return on sales, i.e.

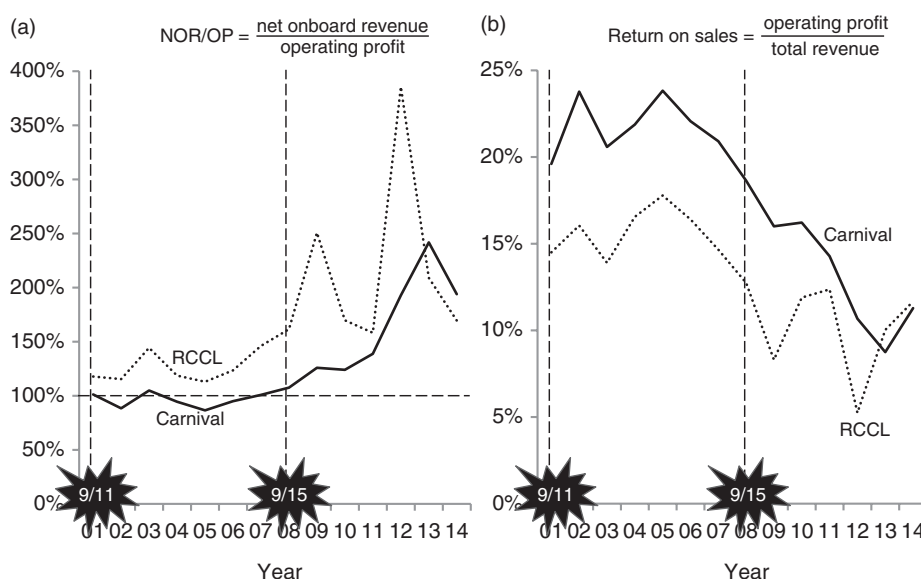


Fig 7.5. Carnival and RCCL's NOR/OP and return on sales 2001–2014.

operating profit in relation to total revenue. Return on sales is a measure of how much profit is being produced per dollar of sales. Both return-on-sales curves point downwards, which means that Carnival and RCCL's total revenues are becoming less and less profitable.

Conclusion

Carnival and RCCL, which represent three-quarters of the global ocean cruise industry, share some remarkable economic features: they receive interest-free loans worth billions of dollars through customer prepayments; they save further billions of dollars in labour costs due to the tipping practices they help to enforce; their occupancy rates consistently exceed 100%; and yet their cruise operations are losing money. Mainly as a consequence of the cruise industry's enormous capacity expansion in mass-market segments, ticket prices per PCD have fallen by over a quarter in real terms since 2001. Cost reductions have not been able to keep pace. The cruise lines' onboard businesses have to bear the increasingly heavy burden of delivering the entire operating profit and paying for a growing share of cruise operating costs.

A look at the cruise industry's order book for new ships (Cruise Industry News, 2015) suggests that the significant additional capacity expected over the coming years will not allow ticket prices to recover. Lower fuel prices may buy the cruise lines time but will not offer a permanent solution to the problem of eroding profitability. It seems more realistic to stop and reverse the downward trend of onboard revenues per PCD. The successful decoupling of RCCL's onboard business from ticket revenue in 2002–2007 (see Fig. 7.2) may offer lessons yet to be fully understood. But even then, it is unlikely that onboard business will save the day. Too big

are the combined effects of shrinking revenues per PCD (see Fig. 7.1) and shrinking returns on sales (see Fig. 7.5b) to be overcome by onboard business alone, which represents only about one-quarter of total revenue.

Teece's (2010) abovementioned business model definition demands 'a viable structure of revenues and costs'. Carnival and RCCL's financial data raise doubts about the viability of the companies' future structure of revenues and costs, and hence about their future business model. The transformation of the cruise industry from a fairly exclusive niche within the tourism sector into a mass-market phenomenon presents challenges to which the major cruise lines do not seem to have found an economically viable answer yet.

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High Fees on the High Seas?

The Provision of Extra-Fee Products and Services

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Introduction

Revenue management is the deliberate and selective use of pricing strategies as a means of influencing consumer demand (Klein, 2006; Gross and Lück, 2012; Vogel, 2012). Pricing strategies affect revenue generation and, ultimately, profitability. Some sellers provide extra-charge add-ons to consumers who purchase their main product. These add-ons are proliferating in a variety of industries, including the airline industry (Nason, 2009; Hamilton *et al.*, 2010). Air travellers sometimes have to pay a fee for checked baggage and onboard food. It could be argued that consumers have, across a range of domains, become more accustomed to additional-charge products and services. A more market-oriented ideology in the public sector across a number of countries has prompted the introduction of more user-pay schemes in connection with public services (More, 1999; Lee and Pearce, 2002). Many businesses have also turned to various forms of fee setting as a means of increasing revenue and profitability.

In the cruise industry, the practice of providing extra-fee products and services to passengers has become widespread. Passengers ‘find [themselves] forking out for everything from a cup of coffee to an ice cream bar or snack. You pay to dine in a specialty restaurant, for fitness classes, for in-cabin movies or to hire a DVD’ (Archer, 2008, p. 16). Extra-charge add-ons account for between 25% and 30% of the total revenue earned by Norwegian Cruise Line, Royal Caribbean Cruises Ltd and Carnival Corporation (Stieghorst, 2014).

The rise of extra-fee add-ons in the cruise industry has been noted by scholars (Klein, 2006; Gross and Lück, 2012; Vogel, 2012) as well as travel writers who contribute to newspapers and magazines (Archer, 2008; Elliott, 2011; Stieghorst, 2014). This chapter argues that a closer examination of the extra-fee phenomenon in the cruise industry exposes three tensions. The first tension relates to power: the power wielded by cruise lines as they structure their shipboard experiences and its connection with the rising power of consumers in the commercial realm. Second, a tension exists between, on the one hand, consumers who could potentially feel ‘nickel and dimed’ by the option to pay for so many extra items and, on the other, the notion that extra-fee charges could benefit passengers. The third tension involves the connection between standardization and customization, two processes that are responsible for

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creating a modular, choice-filled experience. These three tensions suggest that the provision and purchase of extra-fee items is underpinned by a complex series of relationships. The relationships that are described in this chapter are the product of certain tendencies and counter-tendencies that cut across each other. However, these tendencies and counter-tendencies are bound together by an overarching logic that increasingly accepts the adoption of additional charges and user fees.

There is a simultaneous attraction and aversion to extra-fee add-ons. The status quo with respect to certain business practices is accepted, even sometimes embraced, but it is also subject to criticism. This ambivalent condition reflects the nature of power relations that characterize the commercial interactions between cruise lines and their passengers. The profit motive is a central and guiding principle for these interactions. Current circumstances – shaped by the way in which power operates – are supported by consumers who, similar to cruise lines, typically respond positively to the principles that underpin the functioning of the free market. One can be critical of certain nuisances associated with the status quo – for example, a myriad of fees and charges – without rejecting ‘the system’ altogether. This chapter is sympathetic with conceptualizations of power and influence that are more nuanced and complex (Lukes, 2005). Countervailing tendencies may co-exist and reflect, at different times, either satisfaction or discontent but such tendencies (or their corresponding counter-tendencies) do not necessarily challenge current conditions more deeply. Extra-fee products and services, despite the complaints, would appear to have become a firmly entrenched phenomenon within the cruise industry.

The three tensions that have been identified and briefly summarized are addressed in separate sections of the chapter. Some conclusions are then provided. The data used in this chapter are derived from articles published in newspapers (such as *The Wall Street Journal*), travel magazines (such as *National Geographic Traveler*) and travel trade publications (such as *Travel Weekly*). Quotations that appear in this chapter are used to document the actions of cruise lines and to convey the beliefs and opinions of authors, analysts and industry participants who have written or spoken about the cruise industry. These commentators and practitioners support their points of view by offering evidence ranging from specific anecdotes to numerical data. The quotations that are used were selected from several publications and the ideas they address are organized into a comprehensible narrative. This narrative examines tensions shaped by tendencies and counter-tendencies. The interpretation offered by this chapter is one among many that could be written.

Exercising Power: Corporations, Consumers and the Adoption of Extra-Fee Products and Services

Stockholders, directors and senior managers continue to demand more profitability in consumer markets. Boosting ancillary revenue has been a valuable strategy for cruise lines seeking to increase profits (Klein, 2006; Gross and Lück, 2012; Vogel, 2012). There is a belief that cruise lines have shifted from a single price for their entire bundle of shipboard services to a range of extra charges for additional items. It has been observed that ‘for most of the 40-odd-year history of modern cruising, the industry touted its all-inclusive pricing as a selling point. The main exceptions were indulgences like casino gaming, spa treatments or shore excursions in ports of call’ (Stieghorst,

2014, p. 16). A single, inclusive price involves charging a fixed price for unrestricted consumption within a period of time. Buffet-style restaurants, cable television providers and amusement parks often practise this form of revenue management. Many amusement parks, for example, charge an admission fee that grants unrestricted access to rides and attractions during the day. The price, in essence, is independent of use. However, charging for the use of various products and services can also be an important way to generate revenue.

There is no doubt that an economic motive underpins the introduction of extra-fee products and services. These fees help to increase revenue. However, the increased sophistication of consumers – and the information technology available to them – makes it more difficult to raise base ticket prices without negative consequences for cruise lines because prospective passengers can acquire more comparative information via Internet searches. The clout that consumers currently possess and their ability to select from a number of cruise holiday options mean that cruise lines ‘would love to be able to raise ticket prices’ but ‘just [do not] seem to have the ability to do so’ (Stieghorst, 2014, p. 16).

Ticket prices are relatively easy to compare but the prices of extra-fee products and services are more difficult to determine prior to the trip. The Internet sites of cruise lines sometimes ‘indicate there’s a fee for a product or service without clearly stating that fee. It takes multiple clicks to find the information – if it’s there at all’ (Elliott, 2011, p. 19). There is also the suggestion that passengers are budget-minded prior to departure but are more willing to make purchases once they are onboard the cruise ship. A cruise-industry analyst affiliated with an investment research firm has noted that ‘cruisers remain cost conscious about fares but more willing to spend once they arrive on vacation’ (Stieghorst, 2014, p. 16). Rod McLeod – who has served as a senior executive for a number of prominent cruise lines – noted, in 2011, that ‘fares for Caribbean cruises have barely budged since the late 1980s as competition in the market has exploded’ (Petersen, 2011, p. D1).

Fierce competition means that high-margin add-ons compensate companies for the cheap ticket prices used to attract passengers. The behaviour and ingenuity of consumers, it would seem, have also encouraged cruise lines to turn to an increasing range of add-on fees. A commercial environment driven by two processes that exist in tension – enterprising cruise lines developing a fee structure that maximizes their money-making endeavours and skilled consumers seeking to avoid paying too much money – has helped to shape the current situation with respect to extra-charge add-ons. The competitive difficulty of raising base tickets’ prices, a barrier to one avenue of action, has prompted cruise lines to pursue a different avenue: developing additional-fee products and services.

Extra-Fee Products and Services: Resentment and Acceptance

There is the risk that consumers will become more negatively disposed towards add-ons and additional fees as the array of fees increases. One travel writer indicates that ‘on any cruise the chances are you’ll hear passengers moan they are being nickel and dimed, a term employed to express annoyance that so many things on a cruise ship come with an extra price tag’ (Archer, 2008, p. 16). There is a perception that ‘cruises may never have been the “all-inclusive” experiences they’re billed as,

but now they're becoming even less so' (Elliott, 2008, p. 33). Some cruise lines are developing new revenue streams. The entertainment offered onboard cruise ships is typically free 'but Carnival Cruise Lines recently unveiled a concert series called Carnival Live, with show tickets priced at US\$20 to US\$40 per person (or US\$100 to US\$150 for VIP seating)' (Stieghorst, 2014, p. 16). To suggest that passengers are 'nickel and dimed' may no longer be an apt way to describe the situation because cruise lines 'hit you for US\$10, US\$20, and US\$100s' (Archer, 2008, p. 16). Cruise ships, according to some passengers, have become an environment characterized by 'almost continual selling', which can be viewed as 'intrusive' (Shapiro, 2002, p. 58).

The tendency to associate extra-fee products and services with passenger resentment must be tempered by an acknowledgement of the ways in which consumers can benefit from the pricing strategies used by cruise lines. That 'fares will likely remain low as cruise lines try to earn more from onboard extras' may, as a result, enable so-called 'smart travelers [to] vacation on one of these floating cities without spending a fortune' (Elliott, 2011, p. 20). One piece of advice offered to prospective passengers 'is to book a discounted berth and budget carefully for the extras' (Elliott, 2011, p. 20). Even though 'the temptation to rack up a bigger tab is at nearly every turn', 'passengers can still have a relatively all-inclusive vacation by sticking to the free dining rooms and shows (and not drinking alcohol, soda or lattes)' (Peterson, 2011, p. D1).

Pricing has become a practice defined by the careful analysis of circumstances and informed managerial action. Techniques used by the retail sector to maximize revenue have made their way on to cruise ships. Carnival Cruise Lines recently introduced a 'best price guarantee' for shore excursions (Stieghorst, 2014, p. 16). Special offers within shipboard spas, bars and shops are developed by 'manager(s) who sail with each ship' and 'tweak' the price of extra-fee products and services (Stieghorst, 2014, p. 16). Identifying patterns and trends with respect to consumer behaviour through technologically enabled means of monitoring and measurement – and developing responses to those patterns and trends that increase sales – makes sense from a business perspective as it can contribute to better earnings and minimize dissatisfaction, including resentment, by assigning prices to items that passengers are willing to pay.

Various extra-fee add-ons also enable passengers to purchase exclusivity should they desire it. Extra-fee products and services are part of a growing 'ship-within-a-ship' phenomenon (Petersen, 2011, p. D1). This phenomenon is part of the effort by 'several cruise lines with big, mass-market ships to attract passengers who might normally sail on small luxury lines' (Petersen, 2011, p. D1). Onboard ships operated by Royal Caribbean International (RCI) – a cruise line owned by Royal Caribbean Cruises Ltd – 'the top amenity the guests [occupying suites] wanted was separate spaces reserved for them alone' (Petersen, 2011). Focus group research undertaken by the cruise line indicated that passengers occupying the higher-tier accommodation onboard the company's vessels 'weren't feeling like they were special when they left their suite' (Petersen, 2011, p. D1). The post-cruise satisfaction ratings provided by the passengers who then received these special privileges and amenities, including privacy, 'soared' (Petersen, 2011, p. D1). Passengers who wish to 'skip the lines' are seen as worthy of added effort because they 'tend to spend more when they're onboard' (Petersen, 2011, p. D1).

In some situations, an extra charge can be used to control demand. Johnny Rockets, a US chain of 1950s-themed diners that has outlets onboard ships operated by RCI, served free food to cruise-ship passengers until 1999. However, 'at certain

times lines formed outside the restaurant because demand was so high' (Hughes, 2000, p. 72). Enormous queues were seen as a threat to passenger satisfaction with Johnny Rockets and fees were 'initiated in part to stem demand' (Hughes, 2000, p. 72). A more recent example is the extra-fee restaurant Teppenyaki on board *Norwegian Pearl* where an additional charge 'manages demand ... [because it] seats a small number of guests' (Archer, 2008, p. 17). This crucial dimension of present-day cruise travel – extra-fee products and services – that has the potential to cause disappointment and even outrage amongst passengers can, when deftly managed, increase customer satisfaction. In one instance, Carnival Cruise Lines continued to increase the extra-fee charge for dinner in a shipboard restaurant – from US\$15, to US\$20, to US\$25 – because passenger demand was 'still heavy' after the initial price increases (Harris, 2001, p. B1). Restricting demand through a price mechanism therefore ensures that crowding does not impair the provision of an experience and it may promote the idea that the extra-fee item is desirable and has value.

The prevalence of extra-fee products and services has prompted some cruise lines to move in the opposite direction with respect to pricing. These cruise lines are trumpeting the many services they incorporate into their cruise vacations. 'A number of luxury cruise lines now market their bundled onboard products as a point of differentiation' (Stieghorst, 2014, p. 14) as they wish to distinguish their offering from that of mass-market cruise lines. For cruise lines that have many extra-fee add-ons, there is a marketing opportunity that accompanies the removal of fees should a cruise line decide to offer a previously charged-for add-on for free. Rewarding customer loyalty may also be possible by exempting repeat, or higher-yielding, customers from some of the fees. The tension between resentment of extra-fee products and services and acceptance of their use is influenced by the way in which they are presented to and perceived by passengers.

Standardization, Customization and Modularity

A third tension addressed in this chapter is the relationship between standardization and customization. When a balance is struck between these two processes, cruise ships can offer passengers modular experiences. Standardized components serve as building blocks for customization. The choices made by individuals, which reflect customization, occur within a wider framework of collective choice whereby the product alternatives that are available mirror broad understandings of customer preferences. Modularity refers to the practice of fastening together pre-existing objects or units; many combinations may be possible (Arnheiter and Harren, 2006). Through the purchase of various extra-fee items – in essence, modules – consumers obtain the product features that they desire.

A standardized set of products is used to meet the specific needs of passengers. There are choices – many even – but they are selected from a narrow field that is restricted. 'The three prime on board revenue streams' are 'alcohol sales, casino gambling and shore excursions' (Stieghorst, 2014, p. 16). Extra-fee restaurants are considered the 'fastest growing' shipboard revenue source (Stieghorst, 2014, p. 16). Passengers make particular decisions from a selection of pre-established options. There are recurring patterns with respect to passenger preferences – produced by and a product of standardization – that inform the revenue-generating activities of cruise

lines. A form of standardization has come to dominate cruise-ship design as more recently constructed vessels 'are being conceived from the start with onboard revenue in mind' (Stieghorst, 2014, p. 16). The set recipe for making a cruise ship currently involves creating shipboard environments that enable cruise lines to enhance their ability to earn money.

Offering extra-fee items for purchase not only reflects standardization. It can also be conceptualized as a type of customization. The decision to purchase extra-fee products and services has been described as 'a choice' by the chief executive officer of Norwegian Cruise Line, Kevin Sheehan (Stieghorst, 2014, p. 16). Taking up the offer to pay more money for additional product components is at the discretion of passengers. The cruise industry uses a menu-driven approach to customization. This approach creates opportunities for passengers to have a modular experience whereby standardization and customization are intertwined.

Processes that exist in tension can become synthesized. Modularity has become important within the domains of architecture, design and construction (Arnheiter and Harren, 2006). It is also a term that can be used to describe the nature of the shipboard experience – a middle territory or interface between standardization and customization. This tension between standardization and customization relates to the way in which the shipboard experience is characterized, an experience increasingly defined by extra-fee products and services. Two processes that are not entirely opposed to each other offer a mix of uniformity and tailored provision that is deemed to be attractive to passengers.

Concluding Remarks

Three tensions were examined in this chapter that characterize the use of extra-fee add-ons by cruise lines. The first tension is related to the adoption of extra-fee add-ons and the exercise of power. Second, extra-fee products and services have the potential to create resentment amongst passengers but can also offer benefits to those who cruise. A third tension relates to the development of a modular shipboard experience, one where standardization and customization are interconnected. These tensions demonstrate that the introduction and use of extra-fee items is the product of certain tendencies and counter-tendencies that do not necessarily undermine each other. The current economic climate favours the use of fees and extra-fee items but the processes and circumstances that shape their adoption and application are complex. Powerful commercial and cultural forces are at work but their functioning is by no means simple and straightforward. Tensions permeate and drive an increasingly widespread practice. Even though some criticize the use of extra-fee charges – annoyance has certainly been expressed – there would seem to be no indication that various add-ons and charges are about to disappear.

The growing size of cruise vessels, particularly those operated by companies that have typically targeted the mass market, has arguably been responsible for the tensions addressed in the chapter. With the additional space, cruise lines have sought to accommodate different types of passengers – affluent ones as well as the traditional base of middle-income consumers – onboard their ships. Paying extra money for products and services has come to include paying extra for exclusive access to particular spaces. Service provision of this nature, almost a return to the era of segregated cabin

classes on board earlier-period passenger ships, could start to drive business-related choices made by cruise lines. Cruise lines may decide to direct more attention and resources towards the most profitable revenue sources, thus potentially widening the quality divide between add-on services and those included within the core price of the cruise holiday. Such a divide would probably be received positively by those who routinely purchase extra-fee products and services but may prompt complaints from passengers who wish to cruise inexpensively.

There are aspects of extra-fee products and services worthy of further analysis. The way in which extra-charge add-ons are used to collect information regarding consumer preferences has not been addressed. Points of sale can also be points where information is gathered. Packaging extra-fee items – almost a return to the era of the single, fixed price – could potentially be profitable. Pre-departure packages that enable passengers to purchase their alcohol or soft drinks for the entire cruise are already available (Stieghorst, 2014). Therefore, passengers do not simply have to buy beverages one drink at a time. Revenue, in the future, will potentially be earned in more creative ways through the innovative coupling and decoupling of products and services.

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‘Oceans Apart’: Bridging the Gap between Academic Research and Professional Practice in Cruise Tourism

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Introduction

Despite its continuous growth over the past couple of decades, cruise tourism is a relatively novel field of academic research. The key questions posed by this rapidly growing tourism domain (e.g. competitive scope expansion, sustainability pressures, ethical pressures, supply chain management) underline the potential contribution of academic research, concurrently highlighting the associated methodological obstacles and epistemological dilemmas. Subject to the epistemological tradition/inheritance of tourism studies and the related absence of a unifying disciplinary paradigm, cruise tourism also represents an empirically unique and methodologically challenging research domain. At the same time, the professional focus of the cruise industry is concentrated on published market research: supporting the image of the cruise industry, facilitating market penetration and customer conversion. The gap between the utilitarian ‘marketism-dominated’ professional cruise practice and the eudemonic ‘social science-dominated’ academic research raises the central question of relevance.

In a similar manner, the associated predominance of descriptive, quantitative research complemented by fragmented, case study-driven qualitative exploration often falls short of the required methodological rigour, and by extension our depth of understanding with regards to cruise tourism phenomena. This may explain the lack of standardization in cruise tourism education and the ‘identity dilemma’ of numerous cruise researchers. The primary aim of this chapter is to provide an overview of those key challenges facing cruise tourism researchers today, whilst attempting to pragmatically address them, in order to provide the scientific and educational infrastructure required to productively support the cruise sector’s sustainable growth.

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The Research Scoping Challenge: Cruise Business versus Maritime Tourism Phenomenon

One may argue that cruises are a just a business domain and not an academic discipline. Alternatively, one may argue that cruises could be classified as an instance of maritime tourism. Maritime tourism is a significant part of travel and tourism, as for the most part this phenomenon takes place in coastal areas, with the sea being a vital element of the holiday experience. The perception of cruise tourism as a rather small subset of tourism presumably lies in the (mis-)conception that the cruise experience takes place solely at sea. Setting aside the fact that cruises also take place in rivers (or even lakes), the central element of a cruise is the itinerary; namely, the ports that are visited and the activities/excursions undertaken here. In addition, the value chain, the production and socioeconomic impacts of cruising also extend to their larger part on land. In simple terms, a cruise experience and its business activities extend way beyond the railings of the vessel. Therefore, it would actually be pertinent to refer to this domain of research as ‘maritime tourism’ (instead of cruise tourism).

None the less, ‘cruise tourism’ has historically dominated public perception and is arguably easier to visualize and scope for those, academics as well as non-academics, not specialized in it. As plastic as this term may be, it does however restrict the scope of the phenomenon as a study and research domain, raising questions about its status and relevance for scientific inquiry. Is the phenomenon unique and ubiquitous enough to warrant scientific research? Are the research outcomes of significance for scientific progress and for the wider society? Are the findings transferrable to other domains of human experience and behaviour? At the end of the day: does cruise tourism offer the potential for theory development, or is it simply a case study, a mere test-bed for the already established academic disciplines (e.g. leisure sociology, marketing, geography, economics)?

Indeed, like tourism in general, the academic status of cruise tourism is regarded to be pre-paradigmatic (i.e. lacking a unified paradigm) and multi-disciplinary (i.e. examined from a variety of disciplinary perspectives). This does not however disqualify it as a relevant domain for dedicated scientific inquiry, provided that its scope and impact is understood. Adopting the term ‘maritime tourism’ not only reflects the entirety of the phenomenon’s scope by integrating and underlining the role of land-based tourism activities, but also includes a number of ‘orphan’ tourism forms such as: sailing, diving and water-sports activities/events. The scope extension provided by the term ‘maritime tourism’, constitutes a more complete definition of the cruise phenomenon, whilst increasing its scientific relevance due to the wider impact it implies.

Even if the domain remains in its current labelling, developing it as a research domain and ensuring its contribution requires a clarification and communication of its true scope. Arguably this ontological and epistemological ‘fuzziness’ constitutes the most significant obstacle to cruise research evolution to date.

Cruise-related Academic Literature: Research Framework

Despite geometrical growth during the past decade, cruise-related academic literature represents a fairly small fraction of published tourism research, whilst being subjected to similar challenging characteristics. Papathanassis and Beckmann (2011) conducted

a systematic and comprehensive literature review of cruise tourism papers published between 1983 and 2011. The authors highlighted three key aspects of published tourism research.

- *Research fragmentation*: The first limitation can be summarized under the term ‘fragmentation’. Cruise research papers tend to be spread across a large number of general-scope tourism journals. According to their findings and in terms of article distribution across journals, they identified cruise articles in 59 different journals. Cruise research authorship seems to follow a similar pattern, with approximately 80% of cruise papers attributed to authors with a single cruise publication.
- *Descriptive focus*: Even though there appears to be a balance between quantitative-positivist and qualitative-humanist research, approximately one-third of cruise papers are descriptive.
- *Social science inheritance*: Examining the disciplinary affiliation, cruise research seems to follow the social science tradition of tourism. The majority of papers have a business-managerial focus (39% of papers), followed by sociology-psychology (18% of papers) and economics (17% of papers).

Cruise Tourism Research Framework

Following a thematic analysis of published cruise literature, Papathanassis and Beckmann (2011, pp. 163–166) proposed a number of emerging themes, leading to a proposed cruise research framework, which is graphically depicted in [Fig. 9.1](#). More specifically, this framework describes:

- *Research domains*: Cruise staff, cruise passengers, destinations, cruise operators, cruise vessels;
- *Their interrelationships* (e.g. destination–passengers, passengers–staff);
- *Extracted themes and their potential*: ‘The cruise market’, ‘the cruise society’, ‘cruises and society’ and ‘cruise administration’.

Theme 1: cruise market

The first theme (‘cruise market’) focuses on the relationship between cruise operators and their actual and potential passengers. Approximately one-third of cruise-related papers are primarily concerned with marketing practices in the cruise sector. Market trends and consumption analysis, demand forecasting, customer expectations and pricing issues remain highly relevant, presumably reflecting their significance for the sector and its business stakeholders.

Tourism in general, and the cruise business increasingly so, are both driven by capacity-related risk. Sector growth goes hand in hand with increasing capacities, rendering their effective management a matter of organizational survival in the longer term. In this context, research concerned with influencing or forecasting demand is as pertinent as it is desirable since it ultimately aids the management of capacity risk. Considering the fact that over the past 5 years capacities have been increasing at a higher rate than passenger numbers (Papathanassis, 2008, p. 3), it would be reasonable

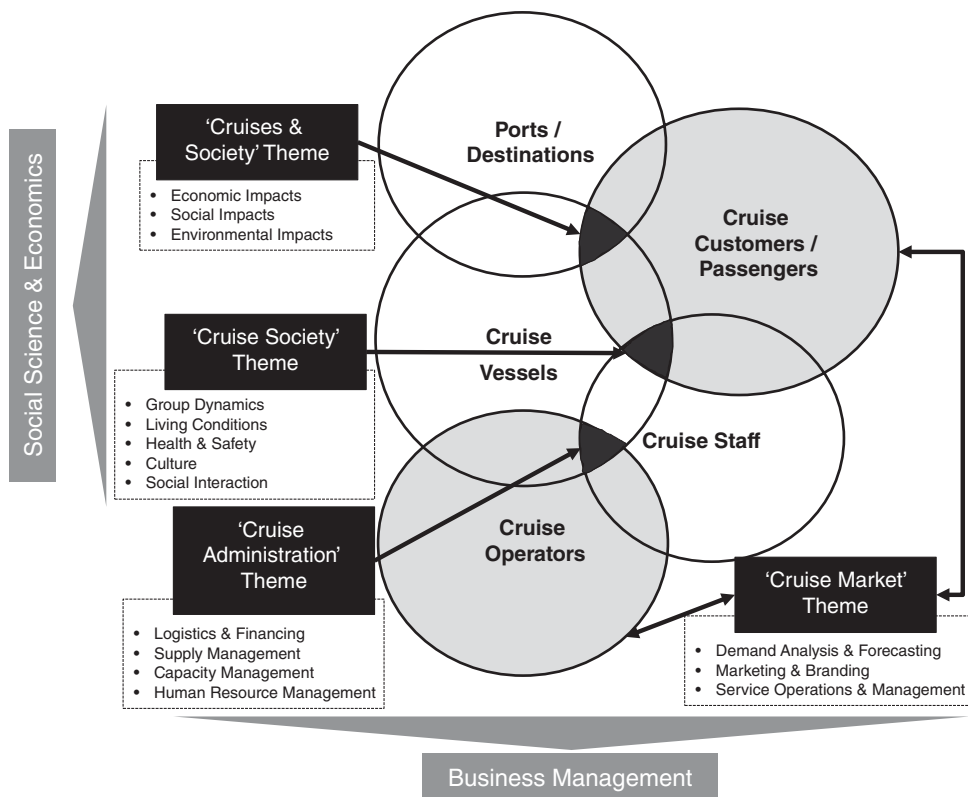


Fig. 9.1. Cruise research framework.

to argue that this subfield of cruise research will remain relevant and sustain its centrality in academic literature.

Theme 2: cruise society

The focus here is on the interaction between cruise staff and passengers and the experience of living and working onboard a cruise vessel. Relevant research topics under this theme are: safety, living conditions, emergence of subcultures, group dynamics, work–life balance, sense making and identity. The confined space of a cruise vessel, the maritime character and tradition, and the demographic diversity of crew and passengers create a highly complex social environment.

Bearing this in mind, the study of social life and human behaviour onboard offers significant theory-building and practice-improving opportunities. In terms of theory-building, knowledge created under this theme can be readily compared with and/or transferred to other, similar social environments (e.g. holiday resorts, seniors' residences, suburban university campuses, aircraft carriers). Moreover, in terms of practice improvements, the human resources challenges posed by increasing cruise vessel size ('floating resorts') and the cruise sector's internationalization underline both the ethical imperative and research potential of this under-represented theme.

Theme 3: cruises and society

The third theme refers to the implications of cruise vessels and their passengers on ports of call. It is often acclaimed that a cruise is more than a cruise ship. Just as a ship cannot forgo harbours, a cruise cannot abstain from an itinerary. Ports/destinations are the primary interface between the 'cruising entity' (i.e. vessel and passengers) and its wider environment. Failing to take into consideration this interface would imply that a cruise vessel is a closed system, which would be a simplistic assumption.

In accordance, a quarter of cruise-related papers deal with the social, economic and environmental impacts of cruising activity at ports of call. Sustainability is indeed a central issue for tourism in general and for cruises in particular (Lester and Weeden, 2004). Aside from ethical imperatives, natural as well as cultural resources are the backbone of the holiday experience. For regions such as Alaska (Stewart and Draper, 2006, 2009), or the Galapagos Islands, environmental management equals business sustainability.

Nevertheless, the interrelationship between cruise vessel and port has been implicitly perceived as unidirectional. Namely, the focus has been on the impact of cruising on the destinations, and not on the impact destinations (or itineraries) have on cruising. From a researcher's point of view, this merits some questioning. To what extent do cruise staff and/or cruise repeaters immerse in the regional culture of the itinerary (e.g. Caribbean, North Sea)? How does the itinerary affect the catering, as well as the practices and procedures on board? How do locals interact and perceive the cruise ship, its staff and the tourists?

Theme 4: cruise administration

The fourth and last theme is concerned with how cruise operators manage their fleets, ships and staff. The value chain and core processes of cruise operators remain somewhat under-researched. Setting aside descriptive accounts of generic processes and common practices in cruise textbooks, there is limited management research and scientific observation/experimentation on cruise operating. It is important to distinguish between hotel operations onboard a cruise ship and cruise operating. Cruise operating has a wider scope, involving the strategic, tactical and operational management of both land- and ship-based resources. Processes such as itinerary planning, ship financing, chartering and yield management offer ample potential for the application of and domain-specific study of operational research techniques and information system development methods. In addition, there are a number of maritime technological and design challenges to be addressed (e.g. propulsion technologies, energy management and ship design). Although such aspects have been extensively researched from a maritime engineering perspective, their domain-specific application and effectiveness in the cruise context leave a lot to be desired. Perhaps, a current example of this is presented by the questionable effectiveness of maritime emergency procedures and safety technologies, following the *Concordia* incident.

Managing a cruise fleet is fundamentally different from managing a hotel department onboard a cruise ship. Strategic management, managerial accounting, human resource planning and development, supply chain management and outsourcing, may

be perceived as rather generic for the daily hotel operations of a cruise, but are relevant for the daily management of a cruise operator. Increasing competition and concentration in the cruise sector underlines this research theme's centrality and rationale. Bridging the gap between the descriptiveness of hotel operations and generality of business management could enable the transformation of cruise tourism research from a field of study to a practically relevant academic discipline.

The unifying definition emerging from the proposed research framework is, 'Cruise tourism is a socio-economic system generated by the interaction between human, organizational and geographical entities, aimed at producing maritime-transportation-enabled leisure experiences' (Papathanassis and Beckmann, 2011, p. 166)

Data Availability and Methodological Challenges

Macro-level secondary data

For a researcher looking for secondary data on the cruise industry, there are a number of sources providing macro-level Key Performance Indicators (KPIs) and descriptive statistics such as: passenger number development, passenger spending, average cruise prices, average cruise duration, motivation for taking a cruise, worldwide cruise vessel count and lower berths. Key online sources include the following.

Industry associations and market research

- European Cruise Council/Cruise Lines International Association (CLIA) Europe – <http://www.cliaeurope.eu>
- Cruise Lines International Association (CLIA) – <http://www.cruising.org/about-the-industry/research>
- Cruise Market Watch – <http://www.cruisemarketwatch.com>
- GP Wild International Ltd – <http://www.gpwild.co.uk/index.html>

Cruise industry critics/activists

- Cruise Ship Deaths – <http://www.cruiseshipdeaths.com>
- Cruise Junkie – <http://www.cruisejunkie.com>
- Friends of the Earth – <http://www.foe.org/cruise-report-card>
- Cruise Critic – <http://www.cruisecritic.com>

Port Alliances

- Cruise Europe – <http://www.cruiseeurope.com/statistics>
- MedCruise – <http://www.medcruise.com>
- Florida Caribbean Cruise Association – <http://www.f-cca.com/research.html>
- Cruise Baltic/Northern Europe – <http://www.cruisebaltic.com>

It should be noted that the above-mentioned sources, despite providing a useful overview of the cruise sector, represent diverse economic (and other) interests. Methodological transparency and rigour leave a lot to be desired and the raw data are seldom available for own analysis. None the less, the above-mentioned sources are frequently cited in scientific and trade publications.

Primary data and accessibility limitations

Where primary research data are concerned, obtaining them represents a real challenge. When on a cruise and with the utilization of Integrated Property Management Systems (IPMS) such as Fidelio Cruises, one cannot help but be amazed at the completeness, digitalization, integration and sheer volumes of information cruise operators receive about the consumption, whereabouts and activities of their guests. This combined with the data provided by onboard satisfaction surveys and the data model continuity enabled by loyalty programmes, can lead to the conclusion that the ‘transparent customer’ is a long-standing reality in the cruise industry. Digitalization and the ‘controllable’ environment of a cruise ship render it an ideal pool of primary data. So, whilst the typical cruise operator enjoys an enormous amount of customer data, academic researchers encounter significant difficulties gaining access to company data, cruise professionals, key stakeholders and, last but not least, guests.

The cruise operators act as ‘protective gate-keepers’ to this rich pool of research data, adopting a rather restrictive and utilitarian approach. Simply stated, guests are not to be ‘disturbed’ by interviews and/or questionnaires, and all information provided by crewmembers and cruise operator representatives cannot jeopardize the company’s image. Cruise operators are highly capable of controlling the flow of information and data from and to their vessels, and as would be expected they fully utilize this capability to their immediate business interest. Often their sphere of influence extends beyond the vessel itself, to include cruise terminals (i.e. port authorities need to ask permission from cruise operators to interview cruise guests). Given that this is the case, and considering that cruise passengers often explore ports in organized excursions, accessing them for primary research can be indeed very challenging and without the cruise operators’ ‘permission’ virtually impossible. In light of the above, scientific research implicitly needs to coincide with the interests of the ‘gate-keepers’. This in turn may partly explain the ‘managerial’ research focus mentioned earlier in this chapter. More specifically, referring to [Fig. 9.1](#), this means a predominance of research into themes 1 (cruise market) and 4 (cruise administration), at the expense of the other two themes (cruises and society and the cruise society).

For individual cruise researchers, maintaining good relationships with cruise operators and conducting business-relevant research is the key to primary data access. On the one hand, this primary data access limitation encourages practically relevant research. On the other hand, academic qualities such as a critical subjectivity, unbiased mindset and methodological rigour may be inhibited. In addition, the *scarcity of primary data fosters a kind of ‘research opportunism’* and eventually may lead to research question scope limitation, repetition and even data recycling.

At this point, it is worth mentioning that data accessibility restrictions and their implications for academic research scope and development are not just present in the cruise domain. A number of authors (e.g. Hodgkinson *et al.*, 2001; Tranfield *et al.*,

2003) have warned about a resulting type of research ‘poverty’, characterized by a proliferation of either irrelevant theory or invalid practice. Franklin and Crang (2001), as well as Tribe (2006, 2010), have highlighted similar issues in the tourism research domain. At the end of the day, cruise researches are subjected to a ‘balancing act’ between practicality relevance and scientific rigour. Researchers serving business interests gain access to conduct mainly market research surveys. The availability of these data tends to drive the research questions and not the other way around (‘research opportunism’). Papathanassis *et al.* (2012) analysed the research methods utilized in published cruise research papers and asserted that:

The predominance of descriptive statistics in quantitative cruise research papers and the corresponding sample origins (i.e. single cruise or single cruise operator) suggest a research design serving primarily market research purposes. In other words, the research is driven by a narrow business interest to understand the composition and preferences of a particular set of consumers. (p. 176)

Quantitative cruise research primarily utilizes structured questionnaire surveys conducted in the scope of a single cruise or cruises of the same operator. The average sample size for cruise surveys is estimated to be 340–350 respondents (Papathanassis *et al.*, 2012). These mainly consist of single port visitors, single cruise voyages and undergraduate students. In terms of qualitative analysis, there is a fairly balanced application of the most commonly implemented methods: interviewing and participant observation and case study analysis (Papathanassis *et al.*, 2012).

Data availability or methodological inadequacy?

On this basis, the above-mentioned authors concluded ‘ground-breaking research methods in cruise tourism are almost absent’. A number of tourism scholars have criticized the lack of innovation in tourism research approaches (Tribe, 2006; Ren *et al.*, 2010; Liburd, 2012; Benckendorff and Zehrer, 2013; Xin *et al.*, 2013). This tourism research ‘inheritance’ is visible in the subdomain of cruises. Given the limitations and challenges posed by the data availability demanded for ‘traditional’ social research, the solution may well lie in the choice of research methodology *per se*. The risk of research opportunism is encapsulated in the notion of the data (availability) driving the research questions. But the data requirements are also driven by the chosen research methodology. And more importantly, research methodology is determined by the background of those conducting and publishing it. Perhaps, tackling the limitations posed by restricted data availability lies in addressing the ‘who’ – researcher – and ‘how’ – methodology – of the research process; as opposed to the ‘what’ – data and research questions (Papathanassis and Dias, 2014).

The Future of Cruise Research

Research process ‘inclusion’ and research-based learning

Various researchers have addressed the issue of ‘inclusion’ in tourism research, criticizing the dominance of certain demographic and cultural groups within the

research community (e.g. Becher and Trowler, 2001; Tribe, 2006, 2010). In this context, the concept of inclusion needs to extend beyond the aspects of gender and cultural background and address academic background. Especially nowadays, with the possibilities enabled by collaborative, web-enabled technologies, professionals, students and even ‘hobby-researchers’ can be more effectively integrated into cruise research. Involving, for example, undergraduate students in the research process (e.g. student conferences/colloquia, Master’s research programmes, research-based-learning modules) and not (mis-)using them as convenient survey respondent substitutes could be beneficial for their education (Papathanassis, 2013) and concurrently aid the research effort in the under-researched field of cruise tourism. Investing in students is arguably vital for the scientific development of cruise tourism for a variety of reasons.

Given the growth of the cruise industry and the corresponding demand for qualified human resources, the relatively small number of undergraduate and postgraduate degrees on cruise tourism (presumably less than ten worldwide) may appear surprising. To a certain degree this reflects a scarcity of dedicated academics/researchers in the area and the subsequent limited body of knowledge, rendering the development and implementation of cruise curricula rather difficult. Adopting research-based learning approaches could be seen as a productive way of complementing a ‘Spartanic’ cruise curriculum, whilst enabling students to develop their research skills and also gain an appreciation for the utility of academia in the industry. A number of those students may well become the future decision makers and ‘gate-keepers’ of the cruise industry, while others may opt for academia, forming a future generation of researchers. In the long term, this would ameliorate the obstacles of data availability and scientific understaffing, whilst contributing to the professionalization and sustainable growth of the sector.

On a critical note, one could also argue that there is not sufficient demand or need for a larger number of cruise-specialized degrees. Even though graduate employability rates have not been reported to be an issue, whether the cruise sector will continue to sufficiently grow and develop so as to absorb an increased number of highly skilled, cruise-specialized graduates is a key question. This represents a general issue in tourism education: the competition between tourism and non-tourism graduates (Zagonari, 2009). The risk here is that cruise- or tourism-specialized graduates are employed for low-paid, operational positions due to their familiarity with the industry, whilst graduates of other disciplines such as finance have better chances on the career ladder. In this case, university-level education in tourism (and cruises) would be perhaps less pertinent than vocational training. On the other hand, there are a number of issues to consider before reaching such a conclusion. To begin with, integrating ‘traditional disciplines’ in a cruise/tourism curriculum, combined with sector-specific internships (Gibson and Busby, 2009; Papathanassis *et al.*, 2013), is not only indispensable, but would also provide graduates with an optimal mix of competences, whilst allowing them a certain degree of career flexibility (especially considering the wider scope implied by the term ‘maritime tourism’). Moreover, tourism and cruise degrees are relatively ‘young’ in the university education landscape and it may take some time for employers to acknowledge their value. To summarize, the extent to which specialized cruise tourism degree programmes are demanded may well depend on their curricular architecture and on their diffusion in the industry.

Research Methodology Innovation: Online Data Mining, Triangulation, Computer-assisted Data Analysis Software

In the shorter term, an alternative way of dealing with the issue of data availability/access would be to look for alternative ‘data pools’ and sampling frames. The proliferation of the Internet and web 2.0 offers a number of opportunities in this respect, without compromising research ethics (e.g. by conducting ‘undercover’, non-permitted research onboard or at ports). There are a number of cruise forums, social network groups, cruise review portals and blogs, representing a huge pool of data and respondents for research purposes. Apart from posting surveys online, new technologies such as ‘online data mining’ offer new options for research (e.g. Sohns *et al.*, 2011; Papathanassis *et al.*, 2012). Online data mining tools automate the online data collection process readily improving the practicality and feasibility of coding, analysing, normalizing and aggregating large amounts of distributed and fragmented online data.

Despite its inherent limitations and biases, online research is arguably more comprehensive and representative than the current practice of sampling from a single cruise, port or cruise operator. Moreover, the sheer volume of data available on the Internet enables bridging the divide between quantitative and qualitative approaches (e.g. Kollwitz and Papathanassis, 2011). Sufficiently large amounts of available qualitative data lend themselves to statistically relevant quantification with the help of Computer-assisted Qualitative Data Analysis Software (CAQDAS) tools. Alternatively, quantitative data can be complemented and interpreted using web-enabled communication technologies, which enable a more convenient and content-rich interview than their offline, paper and pen equivalents. Skype interviews for example, practically eliminate interview logistics, can be non-intrusively recorded and allow real-time sharing of interview-enriching multimedia materials. Online questionnaires can be more dynamically administered (than their paper alternatives), rendering it realistic to implement interview question roadmaps/dependency trees (i.e. the next administered question depends on the answer to the previous question). Screen-sharing and recording software such as ‘Teamviewer’ could be utilized for experimentation purposes (e.g. interaction of users with cruise holiday content, booking workflows, etc.). All the above are just examples to demonstrate the potential of utilizing the web and research software to open new possibilities for cruise research.

Synergies between Consulting Projects and Research: Action Research

Finally, there are also methodological solutions available to achieve synergies between business-focused projects and academic research, beyond that of ‘data recycling’ (e.g. opportunistically utilizing data collected for a single-case market research project to generate compatible research questions). ‘Action research’ and/or ‘grounded action’ are iterative research methodologies, primarily conceived to accompany, facilitate and extract knowledge from professional project activities in real time (i.e. as they take place and not *ex post*). As such, they could contribute to the actual market research or consulting project at hand, while at the same time incorporate the rigour, transparency and systematic approach demanded for scientific research. This would

render the previously mentioned interconnection between consulting projects and research from ‘opportunism’ to ‘synergism’.

Knowledge Dissemination: Research Innovation versus Publication Imperative

Obviously, fuelling cruise research with inclusion and innovation requires a certain degree of methodological experimentation and familiarization on the part of the research community. The outcomes of such efforts may result in ‘unorthodox’ research papers, which in turn may encounter resistance/rejection in mainstream tourism (especially considering the absence of dedicated cruise journals). Currently cruise tourism papers sporadically appear in mainstream, generalist-scope tourism journals or in the occasional special issue, due to the specialized nature of the topic. This combined with a diversion from commonly accepted methodological standards may make it even more difficult for cruise researchers to find reputable publication outlets for their work. Therefore, it is imperative for the future of cruise research that dedicated journals are launched and distributed. Over the years, dedicated research communities such as the Cruise Research Society¹ have established a foundation for this, through annual conference series (i.e. International Cruise Conference), the mentoring of young researchers and the promotion of networking between the geographically and institutionally dispersed cruise academics. Cruise tourism journals would be required to adopt the ‘inclusion’ and ‘innovation’ principles in their paper acceptance scope and review processes. Extending journal readership beyond the academic community (i.e. of interest to management-level cruise professionals) would render it more economically attractive for publishers, as it would also capitalize on the professional focus characterizing today’s cruise researchers.

Academic Journal Appropriateness for Knowledge Dissemination

The issues and challenges associated with publishing cruise research in mainstream, peer-reviewed scientific journals raise the wider question of their appropriateness for knowledge multiplication at this early development stage of cruise tourism as a scientific domain. Given the readership and paper acceptance standards of peer-reviewed journals, scientific rigour carries more weight than practical relevance. In order to ensure research funding, attract new researchers and justify further development in this new scientific domain, the impact of research ought to be visible and pertinent for a wider audience. In today’s cut-throat publishing business and citation index-obsessed academic world, launching a specialized academic journal, aimed at a relatively small number of scientists may well present an unattractive option. A specialized research area publication, tailored to the needs of a specialist group implies limited idea exposure, knowledge impact and ultimately economic rationale. For academic disciplines with long traditions, extensive research and proven/accepted relevance, the investment in academic rigour via ‘Darwinian’ paper selection processes and a tight research scope may well be pertinent for maintaining and refining the existing body of knowledge. None the less, even in these cases there are a number of critical voices. Biswas

and Kirchherr (2015) highlight that 32% of peer-reviewed articles in social sciences are not cited at all. Looking more closely at the reputable tourism journals, the average cites per paper range from 0 to 3.5.² And even when a paper is cited, it does not necessarily mean it has been actually properly read. The authors point out that only approximately 20% of articles cited have been read. According to the authors, 'Impacts of peer-reviewed publications even within the academic community are miniscule' (Biswas and Kirchherr, 2015).

But in a relatively new research area, such as cruise tourism, in the midst of defining and creating a basic body of knowledge, over-focusing on scientific rigour at the expense of practical relevance and knowledge diffusion may be counterproductive. At this stage, placing particular effort on maximizing the impact of research findings on business practices, public policies and wider public perception/education constitutes a vital component for cruise-related research relevance and justification. If one is to accept this line of argument, the previous proposition of launching more 'inclusive' cruise journals is worth considering. In addition, publishing in popular media (i.e. trade magazines) and presenting ideas and research findings at professional/trade events may be more effective than striving for acceptance in a high-ranked academic journal or than submitting to academic conferences. This would also necessitate a reconsideration and redefinition of academic performance measurement in universities. Complementing the traditional publication list with a publicity record and public speech list for evaluation and career development purposes would be a realistic step in this direction.

Conclusion: Bridging the Gap between Academic Research and Professional Practice

Summarizing the contents of this chapter, the following issues have been highlighted and discussed:

- *Research scope*: 'Cruise tourism' as a description for a research domain, although widely accepted and highly plastic for a wider audience, is inherently subject to misinterpretation of the actual scope and reach of the phenomenon to which it corresponds.
- *Academic literature*: Cruise-related literature, despite its noticeable growth and potential, is still relatively limited and exemplified by an over-representation of business management issues.
- *Data availability*: Basic secondary data on the macro-performance of the industry are available and easily accessible. None the less, they ought to be critically assessed and cautiously utilized as their source corresponds to various interest groups (industry associations, port alliances and/activists) and the data serve primarily public relations purposes. Primary data on the other hand are not readily available to researchers, forcing them to attend and cater to the business interests of the industry's 'gate-keepers' in exchange for the permission to gain access to data sources.

All the above-mentioned issues are interrelated, resulting in a limited, business focus in cruise research. This in turn, hinders the acceptance, involvement and dissemination of cruise research in the wider academic community.

Bridging this gap between the sector and academia requires a re-definition/re-conceptualization of the cruise domain scope beyond the 'cruise ship centrality' currently dominating the perceptions of the phenomenon (and of the industry for that matter). Incidentally, the current sustainability-related, reputational and competitive challenges facing the cruise sector also call for managing the cruise experience and value chain beyond the boundaries of the cruise vessel. Fostering more inclusion and methodological innovation in the research process could effectively bypass existing data collection obstacles, whilst generating new data and novel knowledge for the professional as well as for the academic community.

Here, apart from facilitating the 'scientification' of the industry via innovative, relevant and rigorous research, there is an additional key benefit involved. Advances in the theoretical foundations of cruise tourism would also enable the creation of sufficiently scoped, standardized university-level curricula in the domain, increasing the offering of relevant undergraduate (and postgraduate) programmes. At the end of the day, codifying knowledge and educating a new generation of cruise professionals is the key to addressing the emerging issues of a maturing cruise sector. At a second glance, the needs of professional cruise practice and the requirements for the effective development of cruise tourism as a scientific domain are not in conflict. The issues addressed here and the corresponding proposals suggest that the cruise industry and academia are actually not 'oceans apart', but are rather 'sailing on the same boat'.

Notes

¹ <http://www.cruiseresearchsociety.com>

² <http://www.scimagojr.com>

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Part 2 The Cruise Experience: People and Passengers

Part 1 introduced the fundamentals of the cruise industry examining its power and profits, role as a lobby group, flags of convenience and its labour market, corporate social responsibility, risk and economics. It concluded with an overview of academic research and professional practice in cruise tourism.

This section of the book, Part 2, introduces the people in the industry and the cruise experience. It comprises five chapters. In Chapter 10, Philip Gibson (UK) investigates talent management in the context of all cruise ship employment. In Chapter 11, Maree Thyne and James Henry (New Zealand) outline how Port Chalmers, New Zealand is catering for crew needs. Chapter 12, 'Mediating the Cruise Experience', by Jo-Anne Lester (UK), examines some of the cultural conventions of traditional cruising. In Chapter 13, Júlio Mendes and Manuela Guerreiro (Portugal) conceptualize the cruise passenger experience in the context of the emerging 'experience economy'. Chapter 14, by Bingjie Liu and Lori Pennington-Gray (USA) examines the management of the cruise industry in relation to health-related crises. Finally, Peter Tarlow (USA) outlines the safety and security challenges facing the cruise experience.



In 2015 we took the trip of a lifetime to Galapagos, Ecuador. We sailed around the islands for 8 days in the expedition yacht *La Pinta* (1438 t), enjoying the birds and wildlife. In the photo above the yacht is in the background, a frigate bird flies overhead, as my wife Wendy and our friends enjoy our very first moment in Galapagos. The second person from the left is Francisco Dousdebés, Environmental Affairs Manager, Metropolitan Touring, owner of *La Pinta*. The company is one of the pioneers of Galapagos cruising and has been in the business for over 60 years. Francisco is a global expert on sustainable cruising. (From: Ross Dowling.)

Talent Management and the Cruise Industry

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Introduction

This chapter investigates talent management in the context of all cruise ship employment by referring to recent research looking at the perceptions of employers and employees. In doing this the author intends to add to the understanding about important human resource aspects of cruise ship tourism. This chapter addresses a number of evolving fields of research in considering human resource management, talent management and the cruise industry, and it is the nature of evolution that some aspects of what will be considered are not always fully formed but are works in progress. It is hoped that through this chapter the reader will gain some insight into current practices and also be in a position to continue to observe with greater understanding the complexity of talent management for cruise operators. Every business presents recruitment, retention and development quandaries. Whether from scarcity of skilled staff or unappealing job characteristics, through to competition from other employers or a lack of progression opportunities, the idiosyncrasies and resultant variables of the business context and environment create unique models of practice. The task of ensuring cruise ships are appropriately crewed is daunting. Cruise operators must meet all the demands of operating a large floating hotel safely; and to meet customer needs, where the ratio of crew to passengers can be between 1:1 for luxury products and 1:3 for more mainstream brands. Then, add into that scenario the context-specific challenges such as the stipulation that all employees possess a medical certificate that confirms they are fit to perform a 'safety duty' at sea, the requirement that in order to sail, the ship must show evidence of being staffed with employees who possess specific training and certificates, and the reality that for most crew onboard their work means they must live on that ship for months until their contract is completed.

The uniqueness of this employment area does not stop there. The ship crosses borders, and passengers and crew are subject to the visa requirements that are required in individual countries. The ship is both the work place and the social space for crew. The ship is operated by a company with a particular corporate vision, which impacts employment life onboard, but the requisite mandatory employability issues that are related to a ship's country of registration (also known as 'flag of convenience') are relatively loosely regulated. Finally, the ship may well be home and office for the employees but it also engages in travelling across the world's sometimes unpredictable oceans and seas (Gibson, 2012a).

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This chapter aims to reveal and discuss some of the factors mentioned above so as to highlight critical issues and develop an understanding about this fascinatingly individual employment area. In the first section, a consideration of practice in relation to talent management is provided. This will show how current thinking in respect of strategizing the general question of employing talented people at work has evolved. Thereafter, the context-rich issues concerning employment at sea are identified before the chapter considers talent management practices as applied by cruise brands and again discusses the findings of a recent research project. In the penultimate section, the discussion does a *volte face* and changes focus by examining crew perceptions of working at sea and by referring to recent research. The chapter concludes with a summary and by highlighting critical issues for further study.

Talent Management

Talent management is a relatively recent focus for most contemporary businesses but even more so for cruise companies. Human resource management (HRM) has evolved from being passively supportive, reacting to the human resource demands that arose, to being more centrally and strategically influential, by harnessing the subtle shift in business philosophy that prioritizes the need to manage that business's talent potential (Thunnissen *et al.*, 2013). The practices relating to recruitment, staff development and deployment implied by taking a talent management approach are very similar to those that existed for businesses in times pre-dating the identification of talent management as a particular discipline, but the newness is in the coordination, the synergy with the business objectives and the strategic intent of maximizing the potential of talent for the sake of creating a high performance workplace and a long-term competitive advantage (Saddler and Hills, 2011). HRM is incredibly wasteful if the investment into securing the right type of workforce is misapplied (Deery, 2008).

According to Pilbeam and Corbridge (2010) a relatively succinct definition for talent in an organization is, 'Those individuals who can make a difference to organizational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential' (p. 102). This proposes that talent can be a latent condition and that employers should focus on what employees can do in helping a business achieve targets and objectives but also to take steps to identify and nurture the potential that the employee may possess, which could benefit the business's future. The corollary to this definition suggests that finding talent requires some effort and a business must take strategic steps to make sure talent is nurtured.

The Chartered Institute of Personnel and Development (CIPD) also suggests the following as a definition of talent management: 'Talent management refers to the way that businesses go about systematically sourcing, recruiting, developing, retaining, deploying and engaging with employees that have a particular value to that business' (CIPD, 2014). While Armstrong (2006) declares talent management to be 'the process of acquiring and nurturing talent, wherever it is and wherever it is needed, by using a number of interdependent HRM policies and practices in the fields of resourcing, learning and development, performance management and succession planning'.

There are many different approaches that can be taken by businesses in terms of developing a talent management strategy (Hughes and Rog, 2008), but the following provides an overview about practice in a broad sense.

Sourcing

Talent can be sourced as either ‘new hires’ or from within the workforce. Key goals in addressing sourcing are to:

- Identify the preferred talent characteristics (but avoid setting the parameters too narrowly – as this can lead to an over-reduction of the talent pool and the rejection of high calibre individuals);
- Establish a mechanism for identifying talent potential from within the current workforce (such as a performance review process or a high performers register);
- Develop an approach to ensure external candidates are targeted effectively (using trusted networks, recognizably successful sources and also work on developing these networks and sources); and
- Create a mechanism that helps candidates to be attracted to the employer (making the brand connect with the employee).

Recruiting

Recruitment is a vital stage in the process because it establishes commitment from the employee and the employer. Important targets for recruiting are to:

- Establish an effective system – a talent pipeline (that communicates in a timely, effective and accurate fashion);
- Ensure the best approach is taken to recruit (in-house, outsourced or a dual system depending on role and circumstances of recruitment);
- Encourage and manage speculative applications from high potential recruits (it is important to capture opportunities and talent availability may emerge outside established recruitment cycles); and
- Harness the power of social media (to extend the reach using popular and contemporary channels of communication).

Developing

Employees arrive at an organization knowing what they know but with a desire to learn and grow. Critical objectives for developing are to:

- Establish the availability of a development budget and how it is used (so that development opportunities are publicized, managed fairly and monitored);
- Encourage the growth of a learning organization (so that employees take responsibility for their own personal development within a nurturing context);
- Establish a development for talent management approach that suits the strategic aims (this may be targeted at high performers, available to all employees or a blended approach); and
- Put in place a performance management system (that is responsive to changing inter-related needs of the individual and the business).

Retaining

When staff leave an organization there can be a number of effects. Depending on the individual, the business can lose key knowledge, can become destabilized and there may be significant cost implications. The key aspects for retaining are to:

- Measure retention to make strategic decisions (retention issues are complex and they reflect matters such as economic conditions, labour market conditions and industry characteristics);
- Know why employees leave (investigate to ensure full comprehension);
- Establish processes to encourage retention (this could be targeted at high potential employees or at the whole workforce); and
- Recognize that sometimes some staff are not a good fit (and it may benefit the company if they don't stay).

Deploying

How personnel are made use of in their day-to-day professional lives is critical in terms of deriving the highest value and to ensure employee satisfaction. Important issues for deploying are to:

- Evaluate talent and, in line with performance management, ensure a strategic plan is developed to make full use of talent potential (this may be in recognition of future roles by broadening experience and establishing a learning plan for high performers to fill key positions); and
- Establish an overview for succession planning and management (to plan for the future).

Engaging

Motivated staff are generally satisfied staff, yet there are serious complexities in achieving an engaged workforce. Essential functions for engaging are to:

- Develop an engagement plan (to encourage loyalty, motivation and commitment);
- Ensure engagement leads to positive change (publicize successes, encourage participation and invest in engagement);
- Monitor engagement (by using an engagement survey or by ensuring managers and leaders are trained to analyse engagement and the working culture); and
- Build trust (engagement can be undermined if there is distrust within an organization).

Each element of the process to establish talent management has importance and, in the sense that there is also congruity between each element, talent management is therefore a multi-dimensional activity, which cannot be left to chance. The linkages are complex: while in an obvious way the stages appear linear and chronological, engagement with the various facets or elements of talent management can also lead to the development of pathways and routes for individuals to make use of to suit their professional development and ambition. For example, employees may be recruited for opportunities while already in employment within the same business, or be engaged

and developing enthusiasm for the job that hasn't even started while within the recruitment phrase. Irrespective of the route employed, what is clear is that the talent management process is required to be systematic in order to be most effective.

The challenges for those developing a talent management strategy are in constructing an approach that is responsive to labour market conditions, that measures the human resource (HR) capability and capacity within the business, and embraces the vision, mission and strategic objectives for the firm. The resultant talent pipeline has to be flexible to changing times (a business may have to grow or shrink depending on economic conditions) and permeable to allow tactical plans to be introduced (e.g. a company may decide to introduce a fast-track graduate recruitment scheme or develop a new enhanced engagement programme).

According to the CIPD (2014), talent management is deployed as a strategic tool by around 50% of businesses in the UK. There is an increasing awareness of the power and competitive advantage that is derived by taking this approach, and cruise businesses are certainly aware of the criticality in making sure they make full use of talent management. There are, as identified in the introduction to this chapter, interesting issues relating to the cruise industry that have a bearing on the introduction and implementation of a strategic talent management approach. This is examined further in the next section, which will highlight those issues and reflect on research findings about how some cruise brands aim to make use of talent management.

Talent Management and Major Cruise Brands

Cruise businesses have a global outreach yet cater to defined markets, which can be both geographical and/or demographic (Gibson, 2012b). The implications of this situation mean that there can be challenges to manage the talent mix in terms of:

- Securing the volumes of employees with particular skills and aptitudes that are required to be deployed;
- Noting the future needs of the business in terms of new ship launches;
- Establishing contracts at sea;
- Reacting to ever-changing international economic conditions; and
- Meeting the demands of international regulations.

In addition, every cruise brand has a headquarters or head office, invariably located in a home market country, which is, depending on the policy of centralization, charged with controlling, supporting and developing the business. This shore-based head office will also require a talent management process, distinct and separate from the ship talent management process yet with synergies to allow one to plug into the other. The need for the two systems is contained within the differences in ship and shore dynamics (see [Table 10.1](#)).

Many cruise company HR managers believe there is a natural condition that means a certain type of employee on cruise ships is unlikely to stay beyond one or two contracts, which is exceedingly difficult to mitigate against. This is often attributed to the employee from a developed country such as the UK, Ireland, Germany and Australia, who seeks employment in order to take advantage of travel opportunities and thus satisfy intrinsic or personal needs (Herzberg, 1974). To contrast with this, there is also

Table 10.1. Ship–shore dynamics.

Cruise headquarters employment	Cruise ship employment
Staff recruited to be located close to the company offices (when office work is dominant job focus)	Crew recruited internationally and then deployed to specific ships
Traditional working patterns sometimes configured to relate to times when ships in port	Cruise contracts (4–9 months and 10 h per day every day) depending on rank and seniority

a belief that employees from developing countries, such as the Philippines, Romania and the Caribbean, are more likely to be loyal to their employer because their primary driver is to earn money that will be sent home and satisfy extrinsic needs (Gibson and Walters, 2012).

However, this dialectic may not be as accurate as first thought. Responses to a recent Plymouth University survey, received from a sample of 338 cruise employees, suggest the top five reasons for cruise employees from *developed* countries to work at sea are:

1. To travel the world, 85.5%.
2. To make international friends, 48.2%.
3. Because it is easy to save money, 38.3%.
4. To be part of a diverse workforce, 25.2%.
5. The potential to earn more money than at home, 24.3%.

For cruise employees from *developing* countries the top five reasons to work at sea are:

1. To travel the world, 76.1%.
2. The potential to earn more money than at home, 52.2%.
3. To send money home to family, 46.3%.
4. To be part of a diverse workforce, 34.3%.
5. Because it is easy to save money, 25.4%.

When considering these findings, the intrinsic and extrinsic factors are more complex than some might expect. Individuals are unlikely to have single reasons for making their choices and, for example, the intrinsic appeal of travel is common for all employees as being significant and not just those from developed countries. Also, for a business that seems to attract considerable commentary about low pay and labour costs, particularly for those employees from developing countries (Brida and Zapata, 2010; Artini *et al.*, 2011; Weeden *et al.*, 2011; Sieben and Haunschild, 2012), there seems to be contradictory evidence in this piece of research, which suggests otherwise.

Cruise recruiters are empowered and enabled by the international regulations concerning the ship's flag or registration to recruit staff globally. Within this context different cruise brands may take different approaches. Cruise companies do not quite fit the model of internationalization proposed by Wind *et al.* (1973), which refers to variants in forms of centricity, where: ethno-centricity is home country focused; poly-centricity is host country focused; regio-centricity is regionally oriented and geo-centricity is world focused. Instead, the cruise business can be influenced by their origins (where the cruise brand was first introduced) and evolving historical practices,

which can mean that generations of employees are sourced as a matter of course from familiar countries or regions. This approach can be seen to be in tune with the expectations of the target market. This is because experienced or repeat guests know who to expect, in terms of employee nationality, and they also recognize the way that recruitment is done as being both cultural and brand specific. Some cruise brands also perceive the importance of employee national identity within the brand architecture and are sensitive to ensuring clients' expectations of nationality mix are addressed.

Cruise brands are under considerable pressure to source customer-facing employees at the 'right price' to provide best value and to ensure the cruise brand remains competitive within this international maritime world of relatively low impact regulations (see the next paragraph for an explanation). In this circumstance, cruise companies make use of networks of tried and trusted international agents to source employees who are suitably job oriented with the appropriate skills and attributes (Gibson and Swift, 2011). Finally, cruise companies must also source employees with hard-to-find knowledge and qualifications, such as certificated deck and engine officers and, in those circumstances, there are well-known options for identifying worthwhile talent pipelines. This cruise-related worldview is not the same kind of international centricity model that a typical global hotel company would recognize (Roper *et al.*, 1999), but rather it demonstrates the critical mix of targeted, frequently market-driven pragmatism that is at the heart of practice in relation to cruise recruitment.

The circumstances within which cruise businesses operate are defined by international regulations without which the cruise and maritime industries would not be the same (Terry, 2011; Bonilla-Priego *et al.*, 2014). The International Maritime Organization (IMO) has established a system that enables cruise operators and other ship owners to choose to register or license their vessels in any country, which is certified to undertake registrations. In doing this the IMO has created a competitive business platform where costs (including labour costs), quality and opportunity are key to HR development. The inevitable competition between cruise operators then drives decision makers to make strategic decisions to keep costs low so as to maintain a business model which has created low selling prices and consistent growth (Papathanassis and Vogel, 2012).

In 2013, the International Labor Organization introduced the Marine Labor Convention (MLC), which aims to establish minimum standards for seafarers (Terry, 2011). These standards targeted all maritime employers and not just cruise ships and highlighted the problems faced by seafarers who may be working on all types of ships internationally. The MLC included regulations relating to minimum requirements for seafarers to work on ships including: employment conditions; accommodation provision; recreational care; welfare and social security protection; as well as outlining compliance and enforcement arrangements (International Labor Organization, 2012). This convention creates a challenge for all shipping companies to meet these minimum standards.

The aforementioned contextual and business-related parameters set the scene for cruise operators to undertake their talent management approaches. The volume of recruits, as well as the scarcity of specific, skills rich, certified personnel required, seasons the challenge with a critical imperative. The combination of having a time-constrained cruise schedule and the need to secure the right crew in place to operate the cruise are fundamentals. Faced with this challenge, building a sophisticated model to

ensure talent is at the forefront of the cruise company's strategy may seem to be aspirational. In the next section three case studies are presented that illuminate practice in relation to cruise talent management. The case studies provide an insight into the types of plans and initiatives that contemporary cruise professionals are implementing or aiming to implement and demonstrate how individual cruise companies address the various elements or stages of talent management.

Talent Management Research Case Studies

A recent research project was undertaken to identify current talent management approaches that are utilized by a small number of well-known cruise brands in respect of hotel department employees in order to identify current practice (Gibson and Hine, 2013 and Gibson, 2014). Senior cruise HR professionals were interviewed and case studies were developed from the transcriptions. The cruise brands are not identified by name, in order to ensure confidentiality, but they are typical of modern successful international cruise brands.

Case 1

The first case highlights the talent management practices of a major multiple cruise brand operator. The company has a developing talent management system that is built on the need to source and retain employees with suitable technical skills and behavioural traits for the hospitality industry. In addition they look to identify potential applicants who are both willing and able to adopt the lifestyle that accompanies working onboard ships.

The company divides their recruitment focus into three distinctive sections. The largest scale segment, referred to as 'bulk', relates to those who are employed in areas such as restaurants, kitchens, public areas and accommodation servicing. These can be entry-level positions through to supervisory posts. The second segment is 'management', which indicates those who have seniority and responsibility for operational management. Finally, 'marine' is concerned with the technical running of the ship.

The company employs or contracts dedicated teams and individuals in various countries to recruit for each area of the business. This approach ensures efficiency in the process and that necessary behavioural traits and 'common sense' attributes are identified in potential employees. This strategy has been adopted to ensure that operational staff dedicate all of their time to their main objective – running the business – as opposed to recruiting new talent.

A website, which is claimed to be robust, together with a reported strong social media presence, help to promote recruitment within the brands. All of the lifestyle elements that are concerned with ship life are clearly explained, so that potential employees are fully aware of the commitment that they are making when deciding to work on a ship. This assists in the reduction of labour turnover so talent is retained and developed in their brands.

The company has started a campaign to develop employer branding so as to target hospitality schools, highlighting the cruise brands within the company and cruise life as an option for students in terms of work placement opportunities and as a long-term career choice. By recruiting students, the company creates the opportunity for the students to reflect on their impressions of the industry as a career. Those who enjoy the experience are said to re-apply on completion of their studies.

Continued

Case 1. Continued.

Employee engagement is an essential attribute to the company's HR strategy. By continually asking employees for feedback on each of their contracts, the company effectively monitors how engaged they are; they can then take action when employees are not engaged. The company also has a policy of encouraging training and development throughout their brands. In developing this approach the company has introduced a rigorous training initiative that helps to prepare employees to take on greater levels of responsibility and leadership. Promotions are only offered to employees after they have not only completed internal training, but also been objectively assessed in an interview. This ensures that employees meet specific standards, helping to maintain engagement and consistent working conditions on all of the company's ships.

Case 2

The second case study considers talent management undertaken by a luxury cruise ship operator. This cruise brand is undergoing considerable change in the way the support and management shore side is undertaken. This involves the introduction of a new performance management and appraisal system, the development of an executive programme for the training of managers and an exercise to clearly map career paths through the business. The aim in making these changes is to ensure the appraisal systems and the performance management system will mean that the brand can improve communication and feedback for all employees.

This process will also provide an opportunity for commonality to be established between managers on different ships so that employees' essential skills can be developed. Ultimately the approach should ensure that talent would be more readily identified, nurtured and developed regardless of which ship employees are deployed to when on contracts.

The cruise brand has also started looking at employee engagement differently. Instead of focusing on crew member satisfaction they are now looking at how engaged employees are on their contracts by asking questions related to management in areas that employees are assigned to work. They also aim to identify whether or not employees feel that their managers care about their development. By monitoring and developing engagement initiatives the cruise brand aims to improve the experience offered to employees, improve training and relationships with management and, in turn, reduce labour turnover.

The biggest problem the cruise brand faces in terms of HRM for this particular type of cruise operator is how their ships compare to other large cruise liners. As a luxury business the ships closely resemble yachts in terms of the facilities that they offer to employees.

Correspondingly and comparatively, some employees can then make a judgement that there is very little to do onboard the ships when they are off duty. This perception not only makes it difficult to recruit people to work for the company but also to retain them. As a result the cruise brand has a higher than average labour turnover figure. This is explained by the number of employees who choose a career in the cruise industry who then migrate towards some of the larger cruise liners for employment due to the additional benefits that these brands offer. The brand offers 4-month contracts to

Continued

Case 2. Continued

employees, which is attractive in terms of the ratio between time at sea and time on leave, yet some employees also believe this contract can be limiting in terms of earning potential in comparison to other cruise brand employers who offer longer contracts. However, by not having a 'home port' the experience and variation in ports does help in attracting some employees who particularly value the travel associated with working within the cruise industry.

Case 3

The final cruise case study reflects talent management as undertaken by an established cruise operator, which is responsible for a small number of well-known and successful cruise brands and is undergoing considerable change to develop their talent management plans. The company has identified that talent management is an area that requires additional work and that within the maritime context, talent management initiatives are not as developed as in many shore-based organizations. At present the company is looking at the development of their performance management practices, their appraisal system and their succession planning approaches.

The current focus is based on using a carefully constructed appraisal system and a 360-degree feedback process to inform the internal promotion process. In order to achieve this the company started by aligning job descriptions across their brands; one job role could have three or four different job titles across their fleet, therefore this exercise ensures consistency and that standards are current across all brands. From a HR perspective this initiative has also resulted in a review of HR management on board and led to the development of a shipboard human resource manager role that is responsible for all of the HR issues that may arise while at sea. These personnel are members of the ship management team and therefore have an instrumental role in the cascade of information and communication on board.

Alongside promotion, engagement is a key method of ensuring that employees are retained within the brands. The onus is on line managers to ensure that employees are engaged on a day-to-day basis. In the wider context, investment into crew facilities is, in part, the responsibility of a crew-managed committee, which has the power to decide where funds are spent each year. This helps to ensure that employees are engaged and contribute to their own welfare and are engaged in the initiatives aimed at increasing their satisfaction with life onboard. The company has also spent some time reflecting on the provision of meals and staff eating habits to make sure what is done is at the correct quality and is fit for purpose to meet cultural needs.

In general terms, the company prefers to focus on individuals and their personal development needs within their roles, rather than developing a range of prescribed training courses beyond mandatory training. This is identified from the appraisal and performance management processes. That said, the company has invested in establishing a leadership development programme, which focuses on the core skills that leaders require and is predicated on the need for excellence in communication. The expectation is that by developing leadership and management internally the company will create the conditions to cascade good practice throughout the organization.

Finally, in relation to recruitment, the company has introduced a sophisticated portal. This portal is expected to increase the efficiency of recruitment by ensuring the sifting and selection process commences instantaneously and that information is managed intelligently. This approach is expected to increase efficiency in relation to recruitment and the retention of talent.

Each of these three cases provides useful insight into the nuances that help to define the complex realities of talent management at sea. They clearly demonstrate, to varying degrees, that talent management as a discipline is playing a significant part in the world of cruise HR and, increasingly, cruise brands are recognizing the need to manage their talent to create a more robust human resource for the future. By reflecting on these data and considering the earlier contextualized discussion, the following interpretation can have potential value when related to talent management practices.

The evidence in this interpretation (Table 10.2) suggests employers' needs in relation to each element of talent management are heavily influenced by contextual issues. The points raised in the analysis above may have equivalencies shore side, but the implications of working at sea for lengthy contracts, the individuality of the shipboard environment and community, and the realities that exist when working and living on a ship as it travels on an itinerary create unique circumstances.

In the final row of the table there are critical issues to be reflected upon in terms of encouraging engagement. Managers clearly identify the importance of engagement and they actively seek to increase engagement by establishing positive socio-professional conditions while tackling factors that could lead to disengagement. One particular tactic in this effort is to ensure they seek feedback from the crew. In the next section the views of the crew are considered so as to capture their perspectives concerning engagement and talent at sea.

Talent Perspectives

The final part of this chapter turns around the question of talent management and looks at it from the crew's perspective. This section reflects on work that contributed to a research paper by Gibson and Perkins (2015), which examined crew perceptions of working at sea. The research investigated how staff engagement was affected by the extended social interactions (Pettinger, 2010) between colleagues who are working and socializing onboard cruise ships. The extended social interaction is a state that exists onboard cruise ships that is influenced by lengthy continuous contracts, where there are no days off, and the potential of long working hours during each working day (Gibson and Kemp, 2012). By reflecting on the impacts on engagement the research tunes into a critical aspect of talent management (Gibbons, 2006), which has a bearing on the workforce in terms of motivation, passion and performance (Cotton, 1993; Rich *et al.*, 2010).

The findings were based on a sample response size of 281, which was constituted of 53% males and 47% females with an average age of 37. The respondents were those who said they had worked or were working on cruise ships. The survey did not distinguish between nationality or rank. Questions were designed to address issues emerging from literature that referred to the relationship between socialization and effectiveness at work (Gibbons, 2006; Lee-Ross, 2008), the reality of working at sea in terms of the community, the maritime context and the socialization process (Foster, 1986; Klein, 2002; Raub and Streit, 2006; Wiscombe *et al.*, 2011; Gibson and Walters, 2012; Larsen *et al.*, 2012; Dennett *et al.*, 2013) and the impact on engagement (Macey *et al.*, 2009).

The findings suggest interesting points for discussion. First, they support claims made by theorists such as Lee-Ross (2008) that for many the reality of working at sea

Table 10.2. Consideration of talent management issues.

Talent management practice	Case and context notes
Sourcing	Importance of trusted international network of agents to deal with all categories of crew Direct employment also important for sourcing key talent Employer branding is at a relatively early stage but most cruise operators aware of importance for developing this approach Importance in clearly communicating realities of ship life Some cruise brands are targeting universities and colleges
Recruiting	Criticality of the website as the interface for recruitment Importance of social media for recruitment communications The need to identify behaviour traits in relation to 'fitting in' onboard to ensure the recruitment process is efficient Common sense attributes are seen to be important
Developing	Cruise brands encourage training and development with a particular focus on leadership and responsibility Performance management and/or appraisal made use of/address this aspect Career mapping is important to show routes for progression and linked development needs Important to establish commonality in management approaches By locating a HR manager onboard the importance of HR and development is emphasized and put into action
Retaining	Ensuring applicants are aware of life onboard issues can help prevent early leavers Cruise brands have evolving systems in place targeting key talent By targeting students with commitment, cruise brands are increasing opportunities to recruit employees with long-term career ambitions Travel options and itineraries play a part in retention
Deploying	Promotion is dependent on performance and levels of training Contract length varies by type of brand and operational factors
Engaging	Cruise brands actively seek feedback to measure engagement and monitor engagement continuously Communication and systems for feedback are seen to be important particularly because of the nature of international travel and ships as individual business units within a fleet with shared objectives Disengagement is seen as a problem and is addressed immediately Management relations with crew seen as a major issue Each ship has a different engagement environment depending on facilities available Crew have an active part in deciding on their own welfare Crew catering is recognized as very important for engagement

is a highly social experience and strong friendships are forged within this setting. Comparatively speaking, respondents made a qualitative judgement that the forms of friendships were stronger than those found shore side. In addition, the working environment and the working relationships appear to have positive effects on the way the respondents perceived enthusiasm, commitment and motivation. In turn, this suggests

Table 10.3. Responses to survey questions ($n = 281$).

Survey questions	Agree (%)	Disagree or can't say (%)
I spend much of my free time onboard socializing with my colleagues	86.5	13.5
Many of my colleagues are my friends	82	18
I feel that I am more committed to meeting targets because of my working relationships with my colleagues	86	14
My working relationship with colleagues negatively affects the enthusiasm and commitment I feel for my company	20.4	79.6
My working relationship with colleagues motivates me at work	86	14
The working relationships formed onboard are stronger than what I have experienced in shore side workplaces	77	23

that the way the employee interprets the working relationships onboard and the working environment has a direct bearing on how the employee engages with the business and their employer, as is inferred by the response relating to achieving targets.

Ultimately the research highlights the importance of understanding the way that the community onboard achieves and maintains equilibrium. It also seems to underline the importance of managers and leaders in being sensitive to the way they influence the social and professional *milieu* onboard. The findings highlight the need to undertake further research to comprehend the complex social professional community onboard and to identify the impacts of community, culture, context and contracts on engagement (Dennett *et al.*, 2013).

The inception of larger cruise ships with increasing numbers of crew onboard presents real challenges to managers in seeking to replicate successful working practices with communities at sea. In addition, as identified earlier, the growth of the smaller luxury segment of cruising also highlights that the working community in settings where the criticality of making the socio-professional balance work is less secure.

Conclusion

The chapter has sought to discuss talent management from within the highly individual world of the cruise industry. The cruise industry has consolidated over the last 10 years, with cruise market leaders establishing strong brands and developing and refining approaches to constructing robust, integrated and consistent talent management systems. Yet as the discussion in this chapter has revealed, there are opportunities for cruise employers to examine their practices to build on what they do. In particular, there are real advantages for cruise brands to enhance their approaches to developing their physical and virtual employer branding strategy. This would enable employers who far exceed the minimum requirements of the MLC to communicate that to potential employees and to become employers of choice. In recognizing that employees from developed and developing regions have complex

employment circumstances and complex intrinsic and extrinsic drivers, cruise employers can aim to address those factors in order to retain staff and seek to avoid the expensive process that is inevitable when labour churn is endemic.

There are critical issues at hand concerning the nature of cruise employment and engagement. Cruise employment has the potential to cultivate powerful social communities and cruise companies are clearly aware of this phenomenon. The research suggests that more can be made of this reality, both in terms of strengthening the conditions within the environment that are the Petri dish for growing social cohesion and in making use of this strength in highlighting the positive for employment branding.

Finally, there are undoubtedly several important areas that are identified within this chapter that would benefit from future research, including, to name but a few: the need to further understand the social and professional dynamics onboard cruise ships; the importance of developing a more in-depth understanding about engagement in the cruise industry; and the role of strategic HRM and talent management in securing long term goals for the industry. The cruise industry remains under-researched, in part, because it is wary of being open to possible market-damaging criticism connected to operational circumstances that are established in response to international maritime regulations (Papathanassis and Beckmann, 2011). The cruise industry may operate in an under-regulated trading environment, but there are competitive advantages in celebrating the positives of cruise employment in developing desirable employment options where talent is valued and in highlighting the professionalism of careers and employees onboard to build trust among guests and within the professional domain.

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A Sailor's Life for Me: An Example of How One Port of Call Has Developed in the Hope of Meeting Crew Expectations

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Introduction

With the global cruise ship industry reported to be worth US\$117 billion (CLIA, 2014), it is no surprise that this industry is recognized as one of the fastest growing segments of the tourism industry today (Douglas, 2004; Dickinson and Vladimir, 2008; Sun *et al.*, 2011). Due to the increased number of ships and cruise tourism development generally, new ports are being explored and one geographic market that is being expanded is Australasia. The 2014 Cruise Down Under Conference identified Australasia as having growing appeal and as Asia Pacific becomes the base for more ships, further expansion in the South Pacific region is forecast (Cruise Down Under, 2014).

The size of New Zealand's cruise sector has more than doubled over the past 5 years (Cruise New Zealand, 2015) and shows no signs of slowing up. It has been reported that the cruise industry contributes NZ\$365 million in value-added to the New Zealand economy and is forecast to grow to NZ\$422 million by 2016. The 2014–15 cruise season in New Zealand was expecting 125 cruises bringing around 200,000 passengers and 88,000 crew (CLIA, 2014), thus demonstrating the enormous impact, through sheer numbers, that both passengers and crew may have on destinations visited.

A cruise itinerary around New Zealand typically includes the following ports: Auckland, Tauranga, Napier, Wellington, Akaroa, Port Chalmers (Dunedin) and Fiordland. For the region served by Port Chalmers, it was estimated that the total direct cruise tourism expenditure alone would equate to NZ\$37.6 million during the 2013/2014 cruise ship season (Cruise New Zealand, 2015), clearly demonstrating a valuable industry to the Otago region – one that Dunedin City Council, Port Otago Ltd, tourism industry members and retailers are taking seriously. This chapter presents a snapshot of how one port of call (Port Chalmers) has developed to meet the demands of the influx of visitors from the cruise ships, with a particular emphasis on developments put in place specifically for crewmembers. Crew commonly make up one-third of the total number of people onboard a cruise ship, and although they will not all come ashore at every destination, a large proportion will certainly disembark at some stage of the voyage (indeed it is estimated that around 11% of direct cruise

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tourism expenditure is crew related (Cruise New Zealand, 2013). However, arguably the crew market remains a forgotten market, at least in the academic literature. Very little is reported on the impact that this market has onshore, specifically around their choices of activities and attractions and reasons for disembarking. To date, recent literature on crew has mainly focused on their behaviour and experiences onboard the ship, as opposed to onshore; for example, Gibson and Perkins (2015) investigated the extended social interactions between crew members, and Larsen *et al.* (2012) looked at the crew's work environment and its influence on organization commitment and job satisfaction. What we know a lot less about is what encourages the crew to disembark at ports of call, and their expectations and experiences at these ports. This chapter will provide insight into the constraints and priorities of the crew market, and discuss implications for port and destination development.

When it comes to expenditure patterns within the cruise industry, Dwyer *et al.* (2004) identified four types: passenger related, crew related, operator expenditure on vessels and support. The total expenditure estimates for the 2013–2014 season were AU\$3.2 billion for Australasia (Cruise Down Under, 2014) and NZ\$373.4 million for New Zealand (Cruise New Zealand, 2015), so hugely valuable to the Australasian economies. Yet we still know little about the drivers behind spending behaviour (e.g. what entices crew off a ship, and their behaviour once ashore). Although work has begun on passenger motivations for disembarking and their behaviour ashore (Jaakson, 2004; Henry and Thyne, 2007; Andriotis and Agiomirgianakis, 2010; Thyne *et al.*, 2015), we still have little published research available around the actual demand and behaviour of the crew within a shore experience.

Cruise ships often identify the needs and demand of their passengers (through onboard surveys). Such research has not, until now, been undertaken to ascertain demand for onshore experiences by crew. Very little is known about what motivates crew to go onshore, and what they do when they are there. The crew make up a large proportion of the cruise market, with passenger to crew ratios averaging around 3:1. Hence with such numbers, they have the ability to significantly impact upon the communities visited. The crew may also perform an influencing role in what passengers do when visiting a port. See, for example, Lloyd *et al.* (2011), who discuss the importance of word of mouth from the crew to passengers. So arguably it is useful to understand what can entice the crew off the ship.

The purpose of this chapter is to report on exploratory research that has been undertaken with both current and former cruise ship crewmembers. Findings of this research will be presented, as well as how these findings have been considered within the development of several initiatives in and around Port Chalmers and the city of Dunedin. This chapter provides a snapshot of a region that has considered research findings (including those reported in this chapter) and undertaken developments and initiatives accordingly, specifically for cruise crew and passengers. In order to disseminate our research findings, we presented our research to stakeholders of the local cruise network, including Port Otago Ltd, Dunedin City Council, Tourism Dunedin and the Retailers Association.¹ We also became active members of the Dunedin Cruise Action Group and disseminated our findings amongst the group. Our research contributed to a number of destination initiatives and development schemes; these are discussed in turn under each theme presented in the results.

As mentioned, the data presented in this chapter have been collected from previous and current crewmembers. The discussion is specific to one port of call – Port Chalmers.

Port Chalmers is the main port of call for cruise ships coming to the Otago region. It is a small town (population of around 3000) and is about 15 km from Dunedin (the main city of Otago, population around 120,000). Most passengers who disembark from a cruise ship will be transported directly out of Port Chalmers to either Dunedin City or directly on to their tour (e.g. Natures Wonders, which is on the Otago Peninsula, or onto the Taieri Gorge Railway Train). This is not necessarily the case for crewmembers, who in fact may choose to remain in Port Chalmers, or head into the city for only a couple of hours. This will be discussed further in the results section. First, however, the methodology undertaken for this research will be described.

Methodology

The methodology employed for this research is in two stages. First we undertook exploratory in-depth interviews with 11 ex-crewmembers from large cruise ships. Participants of these interviews varied in their occupations onboard, ranging from senior management to the retail staff, however, unfortunately there was no representation from waiting or cabin staff. The purpose of the interview was to uncover a number of details about crew behaviour (both on the ship and off): their behaviour ashore (e.g. how often they disembarked, the activities they undertook and attractions they visited, spending behaviour); their perceived influence on passengers in making decisions to disembark and what to do when onshore (perceptions around their word of mouth influence); and any suggestions they might have for port development. These interviews were undertaken in 2009–2010, and the data were collated and presented to the Port of Otago Ltd, Dunedin City Council and the Dunedin Retailers Association. Recommendations were made to these bodies, specifically around how they might best serve and accommodate the demand of crew. These suggestions we have outlined in this chapter, alongside the current initiatives and developments that have actually been undertaken. The purpose of this is to demonstrate how the findings (of what started out as academic research) have been disseminated and to, and implemented by, industry members – making a real difference to the product offering.

The second and more recent stage of this research has been the development and implementation of a questionnaire to over 170 current cruise ship crewmembers, with the aim of gaining a wider understanding of current crew behaviour and expectations. Crewmembers disembarking into Port Chalmers between November 2014 and March 2015 completed the questionnaire. Respondents completed a short questionnaire, with the aim to investigate activities undertaken and attractions visited. Respondents were also asked to detail spending behaviour. Preliminary analysis of these data is reported at the end of this chapter. However, the majority of this chapter is focused on the subsequent port developments resulting from the interview data.

Findings

Generally we uncovered the richest information from the interview data; it was these data that directly shaped developments at the relevant port of call – it is the purpose of this chapter to demonstrate the connection between the research findings and the port development. Therefore major themes drawn from the data and connected

development are discussed in this section. First, however, a general overview of crew behaviour is presented, as summarized from our findings.

A typical ship's company is made up of crew from different functional areas (e.g. officers and hotel/front of house management, entertainers, medical support, deck hands and engineers, hotel food and beverage, housekeeping) and depending upon the functional area and hierarchy within, different amounts of shore time are available to crew. For example, hotel food and beverage staff plus hotel housekeeping tend to be the staff who have the least time ashore and are often mainly motivated to earn money to send back to their home countries. They are also the lowest paid of the crew. For the deck hands and engineers it is more of a career choice and they do get more regular time ashore. The entertainers and the hotel management crew can generally arrange longer shore leave and are often motivated to be on the cruise ship as a way of seeing the world. As such, their behaviour may differ from other crew. The officers and senior crew may behave in a similar fashion to entertainers and hotel management as they can also arrange shore leave and are the highest earning crew.

We have not broken the themes presented down relative to occupation, but the above is important to bear in mind when considering the impact and significance of crew (and their behaviour) in destination development.

Our findings reveal some of the main reasons that crew will go ashore (regardless of their rank and position) revolve around contacting home. So one of the main services crews are looking for is e-mail/Wi-Fi (as this is very expensive to use on the ship). Our results revealed a large demand from the crew for free Wi-Fi at a port of call. Another major reason to go ashore (especially if time is very tight) is to stock up on amenities, so crews are especially interested in discovering supermarkets and shops. The local supermarket in Port Chalmers has embraced this growing market by ensuring that those disembarking know there is a supermarket a 5-min walk from the ship (a huge sign indicating the supermarket is only a short distance away has been positioned on the side of a building in full view when disembarking).

These are the two major reasons for crew to disembark; however, an analysis of all the data collected revealed a number of areas which also need to be considered by the visited destination – specifically around how they can and should accommodate the crew (and passengers) disembarking cruise ships. These areas can be grouped under the following themes: signage, access/time, providing contemporary information, promoting crew deals and crew-only tours.

Each theme identified through the ex-crew interviews will now be discussed, and this will be followed by a description of associated changes taking place. Direct quotations are taken from the interviews.

Signage

A major concern expressed within the initial interviews undertaken was around signage. Our respondents made it very clear that passengers and crew need to know exactly where they are going when they disembark.

If they (passengers and crew) come off and they can see 'Shuttle Bus this way' 'Taxis this way' etc. – that always helps. So you know how far everything is too – to town and the meeting place, you know, where you have to meet to get back and all that sort of information, what time is the last bus. That's the sort of thing that makes a

good port. You know, some of the ports we've been to ... some are brilliant, really well organized and you know exactly what's – what's happening, all signage, you know which way to go, even if you've never been there before and some ports – you've just not got a clue and you need to fend for yourself. (Assistant Manager)

Port Otago Ltd has made a real effort to improve signage for both crew and passengers. Signage to the independent tour meeting places is now well designated, as is signage to transportation options. There is a 'Welcome to Port Chalmers' sign on display on the roof of a shed, clearly visible from the ship as it arrives into port. Passengers and crew are also signposted to the information site (marquee), which is situated on the wharf. Welcome signs are also displayed around Dunedin city centre (especially around the shopping malls), directly mentioning each ship that has arrived into port that day. One of our respondents had explicitly mentioned the value of doing this from their vast international cruise experience:

So you know if you've got ships that are coming in regularly – when we went in the Caribbean all the time they were just – but you can just see them change the signs, it's not a big deal, but you know the cruise ship passengers loved it and they would go in there for that reason. Say if a souvenir shop in Dunedin had a sign up, you know: 'we welcome people from ...' – that would make – be a big deal and would encourage people – 'cos there's so much around the Octagon that's souvenirs... (Assistant Manager)

Shelter

As Otago is often considered less temperate than the northern regions of New Zealand, the importance of shelter for passengers and crew when disembarking the ship was often referred to in our interviews: 'There is a lot of waiting around for passengers and crew when trying to disembark, and they need shelter, otherwise people tend to get a bit grouchy' (Assistant Manager).

Although the gangway remains uncovered (due to operational requirements of the ship) there is now a temporary marquee erected on the wharf each time a ship berths. This marquee hosts the information centre, free Wi-Fi, seating and acts as the meeting place for tour groups. There is also a building (a short walk from the marquee) that houses the shuttle buses into the main city centre (it also includes seating). The ships-organized tour buses are positioned beside the gangway. The other buses and coaches for the freedom passengers and crew are positioned immediately outside the marquee.

Access/time

As the ships run to a very tight schedule, both crew and passengers are restricted as to how long they have ashore. There is a real fear amongst crew and passengers around missing the ship when it is disembarking and this will affect the activities they participate in when they are ashore. It also means that crew especially require an efficient transportation option, as many crew may only have a couple of hours ashore (between their employment responsibilities) so they need to be able to get from A to B quickly: 'We would be in more trouble if we missed the ship, compared to passengers. Very serious trouble. It's a very big crime ... so we have to make sure we're back' (entertainer).

Say if you've got two hours, I know from experience if I had two hours to go ashore, and I really wanted to go ashore, I'd far rather jump in a taxi and pay a bit more to get where I wanted to go. Like a taxi between four people is next-to-nothing, especially with the wages that some of them are earning, if you have to queue up for a shuttle bus sometimes that's really off-putting for the amount of time you've got – if like you have to queue for half an hour there's no point in going in, so I'll just wait, you know, I won't get off the ship. You need those port days to catch up on sleep and things like that and do your washing if it's too much of a hassle to get off the ship and actually get somewhere. (Assistant Manager)

Crew now have their own (free) shuttle bus available to them, for transportation between Port Chalmers and Dunedin. These free shuttles are on the hour (both to and from the city). Taxis are also available for crew and can be ordered for them.

Providing crew with contemporary information

This theme was discussed in the context of two main areas: first, ensuring that crew have accessible information available to them once they are ashore, as they do not have time to research a destination prior to arrival; and second, ensuring crew have contemporary information about a destination, not only for their own interest, but most importantly to pass on (correct) information to the passengers. Information is now available to crew and passengers on the wharf about available tours, transportation options, attractions and activities in the Otago region. This information is housed in the marquee (as described below) and is distributed by the Dunedin visitor i-site staff.

The value of crew–passenger word of mouth was often referred to in our interviews:

Passengers are always asking the crew because the crew are the ones that have been doing the circuit, so I think they take more notice of the crew more than anything else. (Assistant Manager)

One of the things that when I did the job on the ship, when I was Front of House Manager in charge of the reception desk, you try and get as much information to where you would go ashore. On your time off you'd be getting maps, any guide books, anything and build up a kind of portfolio for each port you went to. Cos the more information you've got at the desk, the better you can serve your passengers... So the more you've got the more that they can pass onto their guests. But I think the takeaway maps – I've got a whole collection of takeaway maps from around the world – they're just the best thing ever because a lot of the passengers don't do any research before, as soon as they get there everything's on that map telling the most important thing is the most obvious landmarks and where to go and all the rest of it and anyone can read a map. So that's probably one of the biggest tools is if you know you can get maps out to them on the quayside. (Front of House Manager)

Crew also talked about the word of mouth that they provide to other crewmembers: 'They always ask you about what there is to do ashore, what's there to do in a port' (casino employee). Finally, crew that we interviewed stressed the importance of information provided on a destination being up-to-date and contemporary. This related to crew being able to answer any questions that passengers may have about a destination:

Knowledge is power, there's nothing worse than going up to a port and not knowing how far it is into town or just little things like that. Like it does make you look silly and that's what your job is, you should know all those things. (Assistant Manager)

To ensure that appropriate destination information is disseminated to crew and passengers, the Dunedin Cruise Action Group and the *Otago Daily Times* (the main regional newspaper) created a Visitor's Guide bespoke for cruise passengers/crew. This guide provides local maps, current information on attractions and activities, shopping, restaurant and bar guides, and transport information. This guide is given out to passengers and crew as they disembark. Daily updates on tours and destination offerings are provided at the Information Centre in the marquee erected on the wharf.

Promoting crew deals

Related to the expressed necessity of crew knowing as much as possible about a destination, is the idea of destinations engaging with crew through deals, loyalty schemes and familiarity tours. Crewmembers discussed the value of such schemes in getting crew familiar with a destination, and promoting positive word of mouth: 'When you go around the streets of Gibraltar, every shop has got a sign up saying "crew discount" – that's what you need to get the crew off the ship and into your shop' (Front of House Manager):

Anything that gave crew a kind of a discount or recognized that they were crew, like if you showed your crew card and you got, I don't know, fifty cents off, you know, something like that, that definitely encourages people to go – absolutely. And I was always surprised that when I worked in the crew office that they didn't target the crew more, they're the ones with the money, like they have got a lot of money to spend... (Assistant Manager)

This is something that the Dunedin Cruise Action Group are aware of, and although there are possibly some individual operators taking action, as yet there is no overarching strategy around promoting bespoke deals to crewmembers. As such, we need to learn more about the benefit of doing this to understand if there are examples from other destinations that we can draw upon.

Crew-only tours

This relates to the above theme – providing crew with an experience of the activities and attractions on offer – but also acknowledging that crew need to spend time away from the passengers, having some time out:

But more often than not the crew would just be getting off to have a couple of hours off and the biggest thing was to go somewhere nice to eat or somewhere really good for the crew to drink, you know, away from the passengers because they can't – you know that's their only time out really. (Assistant Manager)

But also some crew express the fact that they are happy to do the same organized tour as passengers, especially if they have not been to the destination before, the advantage of which is that you know you will make it back in time to the ship: 'That's

the advantage of doing the tour. Because if you are on an organized tour, they have to wait for you' (entertainer).

Currently crew-only tours have not been offered in the Otago region, but crew are able to travel on whichever tours are offered. However, crew-only activities have been organized in the past. These have been arranged on occasion when crews have requested a special event such as a sporting event (crew playing football together); this has been organized at a local sports ground in the city of Dunedin.

Access to, and knowledge of, common amenities

Common amenities and services that were mentioned, which crew are specifically looking for when disembarking, include: different food and drink (from what they get on the ship), a supermarket, Internet/free Wi-Fi, access to a telephone (although increasingly less of a concern with the increase of mobile phone ownership), currency exchange and electronic funds transfer at point of sale (EFT-Pos) card payment systems.

EFT-Pos is fantastic, not just promoting EFT-Pos, but also actually saying: you don't need bureau de change, you don't need it, you don't need to queue up, waste your time. Taxis take it (EFT-Pos), all bars take Visa cards, credit cards, and to make it more of a shopping place you need to promote the EFT-Pos... (Assistant Manager)

In addition, the local supermarket in Port Chalmers has enabled their cash registers to accept/handle foreign exchange, specifically Australian and US dollars, for payment and they will give change in NZ dollars. According to the supermarket, this facility has been very well received by crew and passengers alike: 'Signage is clearly displayed letting crew (and passengers) know that the above amenities are available in Port Chalmers – so a short walk from the ship'.

In summary, our interviews confirmed that there is a large proportion of crew-members who are willing and able to get ashore, even just for a few hours (some for only an hour or two). Although many of these may only want to stock up on amenities or just walk around dry land, many more are willing to experience some of the tourism offerings of a destination. We often heard in our interviews that crew are there to 'see the world' and many are willing to spend money: 'I used to get off at 9 am and get back on this ship at 6 pm and then I went straight to work' (Assistant Manager); this respondent estimated that around 70% of crew on a ship have the same drive (although clearly often not the same time available).

Survey Data

As mentioned, a second stage of this research was to collect further insights from the crew, the aim of which was to corroborate our conclusions drawn from the exploratory data. A summary of the survey data will now be presented.

In total we had 170 responses to the crew survey with a wide range of occupations covered, including bar attendants, beauty therapists, deck officers, electricians, engineers, musicians, nurses, shop staff, waiting staff and youth staff. The majority of respondents had been on a number of cruises – with 38% having been on between five and ten cruises previously and 15% having been on over ten cruises. The majority of

respondents had been to Port Chalmers before (67%) and of those who gave their main reasons for disembarking (39% of the 170 respondents), most were disembarking to access the free Wi-Fi (38%), followed by a walk or a look around Port Chalmers (26%). However, there were a large number of respondents catching the shuttle bus into the city centre (57%) and nearly 26% of respondents mentioned a specific tour that they were joining (often the Cadburys factory tour). From the information we got on spending (many respondents unfortunately chose not to complete this section of the survey) we found the majority of crew spend was on food and drink – versus tours and shopping. This confirms our interview findings: possibly due to crew being time-poor and wanting to have time out from the passengers, they will probably choose to visit bars and restaurants over participating in tours. However, this really does open up the possibilities for bespoke (short) tours for crew only. All of our interviewees expressed this as a desire, but it is yet to be actioned by the destination.

That was kind of one of the things you'd always look for, is that you'd want to go ashore and get the – the real deal for something that is authentic, you're looking for authentic food and drink from the region or even being souvenirs and things, something that you can only get from the – and you'd not want to go to a tourist park, you want to go: I want to see the real New Zealand or the real wherever you are. (Entertainer)

One of the – the biggest things that crew go ashore for is the different food ... they want different food than they have on board. (Engineer)

I think they all like to go ashore and they all like to go to bars and drink and have decent food, different food from – from the ship. They – they all like to do that sort of thing and just go and relax and go and see something that's different. (Casino employee)

Unfortunately, although we received a decent sample size for the crew survey, responses to questions around motivations for disembarking, attractions visited, activities undertaken and spending behaviour were quite low (around two-thirds of the sample). This is possibly due to the strict time pressures crew are under whilst ashore; even though the questionnaire was very short, it was still difficult to get all of them to complete it. Further research needs to consider methods that are more conducive to higher response rates.

Conclusion

Port Chalmers and Dunedin City have made a number of significant changes and developments in consideration of the large increase in tourist numbers (through the cruise industry) now visiting the Otago region. With no signs of slowing up, this rapidly increasing industry demands attention, specifically attention to the needs, expectations and motivations of passengers and crew, if destinations are serious about remaining as popular choices on cruise itineraries.

This chapter has provided a snapshot of what one port of call has undertaken over a period of a few years, when their passenger and crew numbers have nearly doubled over a 5-year period (Cruise Dunedin, 2015). Cruise industry stakeholders have reacted well to suggestions presented to them, with this chapter focusing on crew

demand. Although crew may often only have limited time ashore, local facilities still need to be managed according to demand and expectations. Destination stakeholders have reacted to this, with undercover arrangements for local Wi-Fi, a free shuttle bus into town, an up-to-date notice board regarding local facilities made available, clear signage and availability of EFT-Pos.

Stakeholders should be commended for developments undertaken, but arguably many of these may be reactive as opposed to proactive. With crewmembers making up a significant proportion of visitors to a region, their voice needs to be sought and heard. They have their own motives, demand and expectations, and these can be tapped into by destinations by providing bespoke services, product offerings and incentives (through discounts and loyalty schemes) to crewmembers. We know that many crew use their occupation as a way to see the world, a big part of which is to get ashore and experience a destination. But also crews are vital in spreading the good word to passengers. All crew, from housekeeping staff, waiting staff, front office staff, managers, to deck hands, engineers and entertainers, have a role to play in passing on destination information to passengers and fellow (possibly new) crewmembers. If destinations want this information to be as positive as possible, free familiarization tours or crew discounts seem quite valuable marketing tactics to encourage positive word of mouth. In an increasingly competitive environment, with many 'new' destinations forecast to appear on cruise itineraries, current destinations want to ensure they hold a competitive advantage – arguably this may come from the value perceived in disembarking: 'what's in it for them?' Destinations need to stand out, ensure they are giving reasons for crew and passengers to disembark and constantly keep abreast of their visitor needs and demand, never losing sight of the valuable crewmember.

Notes

¹ Port Otago Limited is located on the Otago Harbour, operating two wharf systems. The one that we are referring to in this chapter is Port Chalmers. Port Otago is the primary export port for the South Island, New Zealand (www.portotago.co.nz); Dunedin City Council is the regional government body; Tourism Dunedin was the regional tourism organization at the time when the qualitative data was collected; Dunedin Retailers Association is a formalized network of local Dunedin retailers.

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Mediating the Cruise Experience

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Introduction

The concept of a holiday at sea evokes a range of reactions among consumers. For some people the prospect of a cruise conjures up images of relaxation, luxury and exclusivity. Conversely, for others a set of more negative associations surfaces in relation to this type of travel, for example seasickness, or a sense of confinement brought about by the spatial constraints and bounded nature of a ship at sea. Given the inaccessibility of cruise ships and the limited opportunities for consumers to ‘pre-view’ this type of holiday space prior to consumption, a cruise can be considered a relatively high-risk purchase. This is particularly so for those yet to experience a cruise holiday first-hand. Moreover, despite competitive pricing amongst providers, and an assertion of value for money, cruise holidays remain relatively expensive purchases. Consequently, it is not just the ideas and impressions that people form about what a cruise holiday entails that it is important to understand, but significantly how these ideas and impressions come into being.

Set against this backdrop, this chapter is concerned with the discursive construction of the cruise experience through a range of mediating discourses. Taking a case study approach by examining Cunard Cruises and the traditions of dress associated with travelling onboard a Cunard ocean liner, the primary aim is to explore the ways in which various media forms contribute to particular notions of what is the cruise experience. This chapter embraces Couldry’s (2012, p. 35) definition of media, one that encompasses ‘not just traditional media (television, radio, press, film) but all the other media platforms, mobile or fixed, through which content of any sort – both institutionally and individually produced – is now accessible or transmissible’. Acknowledging this scope, the mediating discourses reflected upon in this chapter are primarily drawn from: Cunard’s promotional brochures; a YouTube video accessed through Cunard’s website and online blog; Cunard’s Facebook site; and the film epic, *Titanic* (1997), directed by James Cameron. Whilst this chapter draws reference to some of the content of these media forms, it is not the primary objective here to carry out an in-depth discourse analysis of such, the pursuit of which falls beyond the scope of this chapter. Moving beyond an analysis of the constructed discourses of the traditions of dress in the cruise context *per se*, the intention here is to draw attention to the ways in which discourse circulates in societies.

First, the chapter reflects on the discursive power of a range of media forms in the context of the mediatization of tourism (Jansson, 2002; Lester and Scarles, 2013a).

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Second, a Foucauldian perspective on discourse, power and discipline is presented giving consideration to the discursive nature of being human. Thereafter, focusing on the case of Cunard Cruises and traditions of dress, this chapter explores a selected range of media forms to reveal the multifaceted and non-linear ways (see Månsson, 2011; Couldry, 2012; Lester and Scarles, 2013a) in which this aspect of the cruise experience is mediated. The following section provides a brief overview of connections between media forms, practices and tourism.

Mediating Tourism

The various information sources and mechanisms through which tourism products and experiences are mediated to far-reaching audiences continue to receive attention from tourism scholars (Crouch *et al.*, 2005; Tussyadiah and Fesenmaier, 2009; Månsson, 2011; Lester and Scarles, 2013a). This is particularly so when set against a backdrop of newer technologies (Robinson, 2012; Scherle and Lessmeister, 2013) and continued engagement with social media (Parra-López *et al.*, 2011; Sigala *et al.*, 2012; Munar *et al.*, 2013). Certainly the ways in which knowledge and experiences are created and communicated to tourist audiences can no longer be conceived as a linear process, but rather a more complex one of co-production (Scarles and Lester, 2013), with consumers more empowered in the process. As Scarles and Lester (2013, p. 2) state, '[a]s co-producers or indeed, co-mediators, of tourist experiences, tourists negotiate not only the other, but also the self, as mediation influences social identities and how these are subsequently expressed and shared by tourists'.

Within media-infused societies (Couldry, 2012) the role of more traditional forms of media and the construction of the tourist gaze are well established and continue to be credited for the influence they exert, often at a subliminal level, on the tourist imagination (see Crouch *et al.*, 2005; Reijnders, 2011; Lean *et al.*, 2014). Drawing specifically on media culture, Jansson (2002, p. 432) draws links between the mediatization of tourism and 'imaginative hedonism' or 'hyper-tourism', and states:

Mediascapes ... consist of the multitude of the mediated texts surrounding people in their everyday lives – television programs, magazines, advertisements, postcards and so on. While these texts are diffused and consumed in sociophysical spaces, they also *represent* these other spaces, providing people with both realistic and phantasmagorical visions of the world. And, as the postmodern argument tells us, in contemporary society it has become increasingly difficult to separate 'representations' from 'reality', signifiers from their signified.

Amid continuing advancements in communication and mobile technologies it is not just the reach of media that is of significance but also consumption practices. It is argued that increasing availability of information via multiple forms of media and communication interfaces results in what is 'characterized as 'sound-bites', snippets of data that we receive, often within relatively short periods of time and in close succession' (Lester and Scarles, 2013b, p. 260). Such societal conditions for media production and consumption underpin the continuing significance of and attention that should be given to discourses around tourism, spaces, places and peoples. It has and continues to be argued that the institution of media is significant in constructions of tourist imaginings and sense of place (Crouch *et al.*, 2005; Reijnders, 2011;

Lean *et al.*, 2014). Indeed making the link between people's daily consumption of a range of media forms, Crouch *et al.* (2005, p. 1) argues:

...the activity of tourism itself makes sense only as an imaginative process which involves a certain comprehension of the world and enthuses a distinctive emotional engagement with it. This is true even if the experience of tourism is only confined to a cycle of anticipation, activity and retrospection.

It is these links between discourse, the tourist imagination and enactments of tourism that are conceptually important, and that provide the broad framework within which the value of seeking a greater understanding of the mediating discourses of tourism is situated.

The case study focus on traditions of dress in this chapter necessitates a brief reflection on the 'body' and 'dress' as communicators of discourse themselves. As a 'medium of expression' (Benthall and Polhemus, 1975) the ways in which the body operates as a key marker of identity is often conceived through its visual form and one that is highly mediated; the omnipresence of body as a mediator of identity occurs by means of bodily presence and performances in the corporeal sense in addition to a multitude of cultural representations. Regarding the power of discourse and cultural constructions of the body, Azzarito (2010, p. 157) asserts:

Cultural images of the body, as they are delivered through visual culture (i.e., photographs, advertisements, magazine imagery, video, internet) inform the subjective experiences of young people, and their choices to "act" (i.e., the performance of the body, including clothes, gestures, adornments, and physical practices) in crafting their bodies.

Entwistle's (2000a) insightful work on fashion and the body highlight some of the, perhaps taken for granted, mediating power of dress in relation to identity. These include, for example, gendering of the body and how dress mediates notions of femininity or masculinity or the role of dress/fashion in defining class divisions. Dress functions as key visual markers of identity contributing to aspects of social acceptance, social bonding and social ordering:

Dress lies at the margins of the body and marks the boundary between self and other, individual and society. This boundary is intimate and personal, since our dress forms the visible envelope of the self ... it is also social, since our dress is structured by social forces and subject to social and moral pressures. (Entwistle, 2000b, p. 327)

The significance of dress as a key identity marker and issues of social acceptance and belonging holds particular resonance within the cruise context, particularly given the unique spatial conditions within which the cruise experience unfolds. The architectural design of public spaces on cruise ships with their vast atriums, cascading stairs, inner walkways and balconies (Fig. 12.1) facilitates the act of 'looking' and being 'looked at'.

As such to appropriate Foucault's panoptic gaze, such spaces arguably have a self-regulating function in terms of behaviour (Foucault, 1991) and thus become places for the conscious display of self and collective identity. Indeed the subject of dress and expectations of appropriate attire for passengers, particularly for dining, has long been associated with travelling at sea for leisure purposes (Quartermaine and Peter, 2006) with a continued presence into today's marketplace for holidays at sea. Furthermore, as will be illustrated later in this chapter, in some sectors of the cruise industry directives concerning dress is an emotive and contested issue, particularly so in the context of the formalities of what is deemed to be appropriate outfits/clothing.



Fig. 12.1. *Queen Elizabeth*, interior passenger space. (From: Author's own photograph, *Pearls of the Adriatic*, voyage number Q414, embarkation 29 August 2014.)

A Foucauldian Perspective

The themes of inquiry presented in this chapter can be aligned with Foucault's thinking, not only in relation to his definition of discourse but also regarding concepts of power and the human subject as a discursive construct. Foucault's approach to discourse entails what he terms a discursive formation in that:

Whenever one can describe, between a number of statements, such a system of dispersion, whenever, between objects, types of statement, concepts, or thematic choices, one can define a regularity (an order, correlations, positions and functionings, transformations), we will say, for the sake of convenience, that we are dealing with a *discursive formation*. (Foucault, 1989, p. 41 original emphasis)

The connection between discourse and notions of discipline and power are key aspects underpinning much of Foucault's thinking. Rose (2007, p. 143) refers to Foucault's work on discourse and power in which the productive nature of discourse is highlighted:

Discourse disciplines subjects into certain ways of thinking and acting, but this is not simply repressive; it does not impose rules for thought and behavior on a pre-existing human agent. Instead, human subjects are produced through discourses. Our sense of our self is made through the operation of discourse. So too are objects, relations, places, scenes: discourse produces the world as it understands it.

The application of Foucauldian thinking on discourse is not new to tourism, certainly in relation to recognizing the industry at an institutional level for its powerful role in constructing and directing the tourist gaze (Urry, 1990; Cheong and Miller, 2000;

Urry, 2002). Wang (2000, p. 173) highlights the ways in which discourse consciously and unconsciously pervades environments typified by both content and importantly the many mechanisms, or rather 'vehicles of discourse', through which they are expressed. Indeed in the context of cruise tourism Sheridan and Teal (2006, p. 315) remind us of the assortment of discourses around which 'the tourist gaze is constructed ... including the cruise company, the cruise ship, marketing and the voyage'.

As set out in the introduction, the interest in discourse and its mediating power in relation to aspects of the cruise experience addressed in this chapter considers both content of media and some of the ways these circulate in societies. Significantly, it is how texts work together to produce particular discursive formations (Foucault, 1989) that is of interest. As Rose (2012, p. 225) reminds us, it is the sites and modalities of discourse that warrant attention, and adopting a Foucauldian perspective also highlights the significance and role of institutions and practices through which social constructs are 'produced, disseminated and lived'. In addition to acknowledging institutional influences, including those of tourism and the media, the significance of cruise ships as discursive domains is reflected upon. Ships themselves have been referred to as 'total institutions' (Aubert and Arner, 1959; Weaver, 2005) and as social cocoons (Papathanassis and Beckmann, 2011) due to the enclosed and detached nature of ships when at sea.

Cruise ships have been characterized as ocular-centric and panoptic spaces of work and leisure with their communities and activities subject to constant surveillance and self-regulation (J. Lester, *Tourism and film: real, 'reel' and imagined spaces of cruise ships*. University of Wales Institute, Cardiff, UK, 2011, unpublished PhD thesis). Whilst this may also be so in relation to land-based tourism enclaves, cruise ships are unique in this respect because of their physical isolation. It can be argued that cruise ships are specific bounded spaces at sea with their own subcultures, articulated through aspects of body, language and image, for example, through dress, rituals and objects. Indeed highlighting the semiotic fabric of cruise ships, Berger (2006, p. 127) notes several aspects of the materiality of cruise ships, including for example the display of art and paintings, the tableware in passenger dining spaces, the music ensembles, all of which contribute to the notion 'that taking a cruise is a refined experience'. Events such as the staging of Captain's cocktails or dining at the Captain's table, are examples of traditions associated with the cruise experience, of which appropriate cruise attire plays its part. As such in the architectural design and material sense, along with particular embodied practices, cruise ships themselves operate as sites of discourse (see Berger, 2004, 2006).

The following section introduces the Cunard case study and in so doing briefly reflects on the traditions of dress and their significance as key components of the contemporary cruise experience.

Cunard and Traditions of Dress

Cunard is a globally recognized and established cruise brand in today's marketplace, credited as 'not merely one of the oldest cruise lines, but also arguably the most famous' (Hudson 2011, p. 1543). Cunard's inter- and immediate post-war histories are intertwined with the merger of the American White Star Line (see Hudson, 2011). Utilizing Cunard as the case study through which to explore cruise tourism's mediating discourses is particularly relevant given the company's seafaring heritage and traditions,

characteristics of which remain key to its brand identity, particularly so following Carnival Corporation's acquisition of the company in 1998 (Hudson, 2011).

The focus here on embodied practices and traditions of dress is particularly pertinent amid contemporary debates surrounding dress and appropriate cruising attire, debates that have almost certainly been brought about as a consequence of considerable expansion of the industry over the past two decades with significant product development and changing consumer profiles. From a British perspective the concept of 'cruise attire' can be traced back to the inter-war period. During this time shipping companies and major department stores, such as Messrs Lewis of Manchester, worked together to create elaborate window displays to promote cruising as a leisure activity (Coons and Varias, 2003). These visual displays are an early example of the mediation of dress codes entering the public psyche. Indeed photographs from the archives of Cunard¹ illustrate what at the time would have been appropriate dress for passengers, contributing to the glamorization of cruise travel.

Figure 12.2 provides an example of onboard literature aimed at passengers that explicitly communicates expectations regarding suitable cruise attire.²



Fig. 12.2. *Cunard Cruise News*, Bulletin No. 1. On Board R.M.S. 'MAURETANIA' December 29th, 1954. (From: D42/PR3/20/21/25 Cunard Archives, Courtesy of the University of Liverpool Library.)

A section within this literature includes the following directive regarding expectations of dress:

What Shall We Wear? At the very mention of tropical or semi-tropical countries, our minds naturally turn to sunshine and the thought of scantier clothing, sometimes not realising that the residents of these countries have their own opinions regarding dress in general.

For instance, they look with concern at those affecting unconventional attire, such as ladies appearing in shorts or beach pyjamas, or gentlemen in shirt sleeves in hotel dining rooms or lobbies, clubs or restaurants.

On board the “Mauretania” we too adhere to the same standards in the Lounges and Restaurants, where gentlemen are requested to wear coats.

Excerpt from *Cunard Cruise News* (Source: D42/PR3/20/21/25 Cunard Archives, Courtesy of The University of Liverpool Library).

Stated expectations of what is appropriate for dining, occasions such as Captain’s cocktails and access to particular public spaces onboard ships is a continuing feature of onboard communication today. Examples drawn from a more recent equivalent of the Cunard’s daily cruise news publications (*Pearls of the Adriatic*, voyage number Q414, embarkation 29 August 2014) contain explicit statements regarding evening dress requirements, either formal or informal, prominently placed on the front covers of each. The back page of each edition reiterates the dress requirements with fuller explanations of what formal and informal entails. The news distributed to all passenger cabins on the first day of the voyage also provides a summary section inside the publication. Such detail included in a cruise company’s onboard literature is not uncommon to other major companies and can be considered, in part, testament to the continuing significance of dress in today’s contemporary cruise market. Figure 12.3 is a further illustration of compliance with and thus significance of dress codes aboard Cunard ships.



Fig. 12.3. Signage onboard *Queen Elizabeth*. (From: Author’s own photograph, *Pearls of the Adriatic*, voyage number Q414, embarkation 29 August 2014.)

Despite diminishing formalities in the cruise sector more broadly (Ward, 2010; WTO, 2010), Cunard remains one of the cruise lines that continue to be associated with entrenched traditions and expectations surrounding dress etiquette. The significance of its policies and this element of the cruise experience were brought to the fore in 2013 when the company's then President and Managing Director, Peter Shanks, announced a relaxation of onboard dress codes. The previously advertised dress codes of 'formal', 'semi-formal' and 'elegant casual' were to be replaced with what was described as a simplification of the guidance to that of 'formal' and 'informal'. The British press and media reported these changes, which in itself contributed to narratives surrounding expectations of such traditions. What is interesting in this context (discussed in a later section) are the ways in which social media was used to provide explanations, gather opinion and exchange views between the company and consumers on the subject.

The following section explores a select range of discourses surrounding aspects of the Cunard cruise experience and traditions of dress. As laid out in the introduction, an in-depth and more complete discourse analysis is beyond the scope of this chapter. What the following aims to provide is an insight into a purposively selected range of media forms that contribute to the production of discursive formations in the Foucauldian sense, and thus particular 'knowledge(s)', surrounding this aspect of the cruise experience. The selection of media forms and analysis is partial and approached predominantly from a British perspective. In addition to being an academic who teaches and researches in the field, the author's background and experiences both as a former cruise ship worker and as an occasional cruise ship tourist undoubtedly influence the insights presented below.

Cunard Cruise and Discourses of Dress

The media forms presented below have been purposively selected and represent just a small proportion of the mediating discourses in circulation relating to the cruise experience and traditions of dress. Promotional brochures are illustrative of their continued omnipresence as key mediators of travel information (Scarles, 2004); websites and social media platforms highlight ongoing developments in technologies that shape and contribute to the co-production and exchange of information (Urry and Larsen, 2011); and film is an example of popular culture and the powerful role filmscapes play in place-making processes (Winchester *et al.*, 2003).

Cunard's promotional brochures

Amid the digital era and the continued advancements in online and mobile technologies, print media such as tourism brochures continue to populate the shelves of high street travel agents. Cunard is no exception, with the production of hardcopy brochures in addition to the provision of e-versions, which can be downloaded directly from Cunard's website.³ Alternatively, customized brochures can be browsed selectively online with the option of these being subsequently e-mailed to the recipient.⁴ The Cunard website is a central repository for a range of alternative online brochures including those that focus on particular itineraries, for example world cruises or those dedicated to unique product offerings such as Cunard weddings. This availability of

brochures, hardcopy or online, aligns with what has been argued to be the mediating power of the brochure in initiating first encounters between tourists and destinations (Scarles, 2004).

Cruise brochures are essentially a combination of what is described as ‘a mix of promotional and lure brochures’ (Anastasiadou and Migas, 2013, p. 124), meaning that in addition to their informative function brochures also exist as tools to entice consumers, creating expectations and anticipation of cruise holidays (Weeden and Lester, 2006). In terms of the visual lure of Cunard’s brochures, images portraying life at sea aboard a Cunard liner reaffirm the glamour and a sense of occasion, dress being one of the key mediators of such. Amid concerns regarding diminishing standards associated with expectations of dress, a cursory look through the hardcopy Cunard brochure,⁵ readily available from the high street travel agent, arguably offers a level of reassurance to those who wish to maintain the formalities of dress. Despite the occasional leisurely image of a passenger captured lounging on deck, utilizing the swimming facilities or playing deck games, the narrative of ‘dressing up’ is clearly portrayed throughout the early sections of the brochure ahead of the detailed itinerary and destination content thereafter. Even the occasional picture of a male passenger in shirt and jacket, without tie, does little to detract from the sense of formality. The pictures portraying glamorous and elegant evening wear leave little doubt as to the opportunities for evening gowns, cocktail dresses and black tie. These formalities of dress are not only confined to depictions of passengers. The visual imagery in this early section of the brochure also includes several examples of the ship’s personnel in full formal uniform.

The August 2015–January 2017 Cunard brochure online⁶ further aligns with the hardcopy publication, again communicating the formality and glamour of cruise travel in its depiction of both staff and passengers’ clothing. Following the distinctive black, red and gold front cover of the brochure, the almost full size picture of the Captain in full white uniform appears. Thereafter many images of passengers either show formal dress or hint at such, through for example sparkling dance shoes. Focusing on the portrayal of life onboard during the evening, akin to the hardcopy brochure, the general picture is one of glamour amid the more formal approaches to dressing for dinner.

In the context of dress and the informative function of brochures, the textual narratives of Cunard’s brochures, whether hardcopy or online, provide clear directives and details of what ‘formal’ and ‘informal’ attire entails, for example.

Cunard brochure World Voyages 2016 – hardcopy⁷

The company directive on dress codes is contained in the frequently asked questions section of the brochure and includes guidance on the formal and informal policy. The following directive is also included:

Please note that after 6.00 pm shorts, blue or worn denim (for men and women), sandals and sleeveless tops (for men) are not considered appropriate within any of the ship’s public areas. (p. 118)

Cunard brochure August 2015–January 2017 – online⁸

A section that advertises itself for those ‘New to Cunard’ with the heading ‘Embark on a very civilized adventure’ includes the following narrative:

The Queens Rooms are also the setting for our legendary themed Balls. They're a wonderful excuse to dress up and take to the floor in the largest ballrooms at sea, to the accompaniment of renowned musical ensembles and big bands. (p. 5)

A further section 'Evenings on Board' with the heading 'You never looked lovelier' talks of 'the fun of dressing for the occasion' (p. 27). Alongside the brief detailing of formal and informal attire the following is presented:

Passengers who prefer to dress more casually are always very welcome to dine in the Lido restaurants or Kings Court and to unwind for the evening in the Winter Garden or Garden Lounge. (p. 27)

The frequently asked questions section of the online brochure also contains details on the dress codes and, in addition to the 'casual' venues as highlighted in the above, this section specifically advises passengers who wish to dress more casually on formal nights that:

They should not use other areas within the ship, including our Alternative Dining restaurants, out of respect for their fellow passengers. (p. 178)

On one level providing venues for casual dining and thus dress during the evening could be conceived as extending levels of understanding and consideration in appreciating that some passengers may not want to dress for dinner on every occasion, perhaps a recognition that dependent upon a ship's itinerary and sightseeing activities, for some, cruising can be a tiring experience. None the less, directives of suitable attire, polite as they may be, contribute to the discipline of behaviour in the Foucauldian sense. Individuals may be informed as to the 'codes of conduct' related to dress but may also feel subjected to the disciplinary 'gaze' of others. When connected to access to particular spaces, physical boundaries are created and this establishes who belongs and who does not premised upon identity, as visually conveyed through the materiality of dress. As such, textual, material and visual discourses work together establishing a discursive formation that, for some, may discipline behaviour through compliance with expectations of dress.

Cunard's website

Whilst an analysis of Cunard's website *per se* is beyond the scope of this chapter it is useful to reflect on the extent to which Cunard, like many companies, has embraced social media and websites as part of its communication strategies. At the bottom of Cunard's home page the company has links to its accounts: Instagram, Twitter, Facebook, Google plus, YouTube and its own Blog. As one illustration on the topic of dress, Cunard's opening page on its blog hosts a YouTube video of the British-American actress Jane Seymour with the caption 'Jane Seymour tells Cunard what she packs for a Transatlantic Crossing in Grills'.⁹ The video clip features the actress as she sails on the *Queen Mary 2* in June 2015 on the Eastbound Transatlantic route.

During the 3 min 36 s of audio-visual text Jane Seymour talks of 'glamorous evenings', 'parties' and the 'elegant experience'. On several occasions reference is made to opportunities for 'dressing up' and the sense of occasion. In describing her packing for the trip she talks of evening gowns, cocktail dresses, the little black dress as a must, her beaded gown as being perfect as it doesn't wrinkle and mentions a favourite by the fashion designer Gustavo Cadile. Accessible through Cunard's website, this video is

particularly significant in the context of the company's amendments to its onboard dress policy and ensuing consumer rhetoric that surrounded this (discussed below). The overall message in this video clip is certainly not one of diminishing dress standards but rather serves to reinforce established traditions surrounding the formalities of dress and evening wear as part of the Cunard experience.

This example is just one illustration of online communication amid the multiple ways by which companies are now engaging with their consumers utilizing the Internet as a primary communication interface. The following extends this focus, reflecting on online forums utilized and constructed by producers and consumers of travel experiences.

Discussion forums and social media

Given access issues for research studies that investigate cruise passengers' experiences, it is perhaps not surprising that web-based research, utilizing discussion forums and social networking sites, is surfacing as a means to explore and develop insights into opinions and experiences of cruise passengers. Even prior to key technological advancements such as web 2.0, Dann (1996, p. 161) predicted 'the language of tourism will increasingly become a language of cyberspace', the impact and influence of which lies in the global reach and accessibility of such.

Brejla and Gilbert (2014, p. 159) reveal the significance of CruiseCritic.com, claimed to be 'the market leader in cruise-related information and online holiday review websites'. Amid a range of opinions and experiences expressed and published on website forums about the cruise experience (in addition to CruiseCritic.com, see also, for example, TripAdvisor, Fodors), those connected to dress are also evident. Guidance on dress codes for different companies also exists, such as that published by, for example, the *Travel Trade Gazette* online.¹⁰ This in itself is a key indicator of the significance of dress, and perhaps anxieties that exist surrounding these in the context of the cruise sector. For Cunard, the guidance posted November 2014 attributed current dress codes to what it described as 'the firm's roots as a pioneer of luxury transatlantic cruising'.

An initial review of the Internet and online forums reveals the interplay and dialogue between producers of the cruise experience and consumers. In the context of this case study and the subject of dress, the ways in which the industry utilized online media to reach potential consumer audiences is interesting in itself. Through the company's Facebook site, 22 March 2013,¹¹ Cunard thanked consumers for all the comments received regarding changes to the company's dress codes for passengers. The message affirmed that the dress codes remained for formal nights, describing this as part of the company's genetic make-up, but that relaxation of dress codes for other evenings responded to 'travel trends among luxury travellers'. The Facebook entry posted the following message from Peter Shanks, Cunard's President and Managing Director at the time:

The glamour of dressing to the nines is a hallmark of travelling with Cunard, and distinguishes us from the mass of cruise operators where dressing up has become a thing of the past. In a world where everything seems to tend towards the casual, Cunard is proud to give passengers the opportunity to put on their best bib and tucker and bring an extra special sense of occasion to an evening at sea. On other nights, we aim to loosen the tie – making it optional – but we still require men to wear a jacket. (excerpt from Facebook entry, 22 March 2013)

A review of some of the comments blogged in response to the entry by Cunard reveals that issues of dress and dress codes are an emotive subject for many bloggers. It is clear that requirements and directives surrounding what constitutes appropriate attire on a Cunard vessel are linked to a range of issues such as traditions, histories associated with ocean liners, concepts of grandeur, Britishness and class. The overarching narrative is one of dress as an expression of established standards.

Amid the many Facebook entries that support a continuation of the formalities of dress there are some that actively oppose these. Social media platforms operate as deviant spaces, not only making visible conflicting opinions but also the nature of these and how they are expressed in public spaces such as Facebook. Inter-exchanges between bloggers could be construed at times as antagonistic, the distance and anonymity of participants providing 'safe' ground upon which to actively disagree with others. Indeed, hidden identities of contributors to online forums resulting in the ease and freedom to express views and opinions are seen as one of the benefits of research engaging with such spaces of dialogue (Langer and Beckman, 2005).

This example provides an illustration of the development of web 2.0 enabling interactions between users from supply and demand sides, and how 'the new online reality represents a radical change, with the latter experiencing an up to now unknown degree of empowerment' (Scherle and Lessmeister, 2013, p. 100). These discursive spaces on occasion enable blunt and honest opinion and in so doing highlight their potential to make powerful contributions in communicating key elements of a holiday experience to both existing and prospective consumers.

The following section presents a final example of discourse that draws attention to popular culture and specifically the mediating power of film in place-making (Winchester *et al.*, 2003) and the construction of particular ways of seeing places and spaces of travel and tourism (see O'Connor and Kim, 2013). The infamous *RMS Titanic* was built and owned by White Star Line, however, given the merging histories and connections previously commented on between White Star Line and Cunard Line and the associations of both with 'the golden age of passenger shipping' (Gladden, 2014, p. 57), a section from James Cameron's 1997 film *Titanic* is presented below as a case example of the depictions of dress presented amid an era of perceived luxury of sea travel as mediated through popular film.

The Film *Titanic*

Along with a variety of visual media, film shapes particular comprehensions of the world for individuals and society (Zimmermann, 2007). The significance of film and its mediating power lies in its everydayness. It is certainly argued that film, as a social phenomenon, is an extremely powerful interface that mediates and communicates the world to a far-reaching audience often in the home environment, thus influencing the perceptions individuals hold of the social world and to an extent how they operate within it. This is perhaps even more so given mobile technologies that enable people to 'watch' movies in transit and in environments other than the home and cinema, as Kim (2010, p. 61) asserts: 'film and television experiences as everyday routines are becoming one of the most powerful information sources and image creators, and one of the most common social and cultural activities'.

Written and directed by James Cameron, *Titanic* (1997) has been classified both as an historical epic and a disaster movie (Lubin, 1999). The film 'sold more tickets in its first year of release than any other motion picture in history [and] was the first ever to gross one billion dollars in worldwide sales' (Lubin, 1999, p. 1). Set against the backdrop of what continues to be documented as the most tragic of maritime disasters, Cameron's Hollywood blockbuster constructs a 'class-torn' romance between Jack Dawson, a steerage passenger (played by Leonardo DiCaprio) and Rose DeWitt Bukater, a first class passenger (played by Kate Winslet).

Cameron's *Titanic* illustrates the significance of dress and cruise attire, not just in terms of the glamorization of ocean travel of the time but also as a key visual marker that both communicates social divisions and creates boundaries between groups of passengers. Bound up with issues of class status and wealth, particular scenes within the film highlight the power of clothing in defining a sense of belonging and, in the case of the ship, literally which physical onboard spaces passengers are permitted to occupy or not. The following presents the Author's summary and interpretation of just one scene from the film to highlight this theme and how dress can be powerfully used as a type of subterfuge, a disguise to achieve acceptance within a particular social context:

Jack, having supposedly rescued Rose from 'falling overboard', is invited to dine with the family in the first class restaurant. In response to the invitation extended to Jack to attend dinner with Rose's family and fiancé, Molly Brown, a sympathetic first class passenger, foresees the ridicule that Jack will endure by accepting such an unimaginable invitation and thus endeavours to assist Jack by helping him dress the part. Jack is 'costumed' in the appropriate attire fit for such an occasion. Jack is welcomed into the first class public areas and proceeds to transcend the cascading stairs of the ship's atrium waiting for the arrival of Rose and her family. Not accompanied by anyone and recognizing no one to talk to, Jack looks rather uncomfortable as he folds his arms and leans against a pillar. Jack starts to mimic the mannerisms of those around him, for example, he stands with one arm resting gently behind his back, and he bows his head to acknowledge those that pass him by. Unlike on the deck when he was dressed in his usual attire and was looked at as though he was out of place, his dress now commands acknowledgement in terms of a nod of polite greeting. Waiting for Rose to arrive, Jack continues to practise what he is observing around him. Prior to Rose's appearance for dinner, Cal (Rose's fiancé) had sauntered past Jack giving him a nonchalant glance of polite acknowledgement. Rose interrupts Cal's advance towards the dining room to introduce Jack. Having clearly not recognized him and somewhat surprised, Cal, uncharitably remarks: 'Dawson, well it's amazing, you could almost pass for a gentleman'.

Such a scene highlights the links between power and hierarchy communicated through bodies, often depicted by clothing, adornments and 'robes of power' (Winchester *et al.*, 2003). The fact that Jack's presence in the first class public areas is not returned with a side-glance or quizzical look from those around him occupying the same space is testament to the power of dress and the ability of such performance to mask one's class-based identity. Thus the materiality and ritual of dress throughout the film clearly depicts a bygone era in which class divides were more established, identifiable and rigidly enforced. Arguably *Titanic* perpetuates concepts associated with cruising as a holiday experience based on exclusivity, affordability and explicit displays of opulence, such as depicted through one's dress.

The above examples of discourse are drawn from a range of media forms and provide insight into particular types of information circulating in society to explore

traditions of dress and dress codes pertaining to cruise holidays and associated experiences. The following section provides a summary and concluding reflections.

Summary and Concluding Reflections

This chapter was concerned with mediating practices and discourse in the tourism context. Taking a case study approach Cunard was selected to explore some of the ways in which information is mediated and knowledge constructed in the context of cruise experiences with a particular focus on the traditions of dress and associated dress codes for passengers. Greater appreciation of the discursive construction of the cruise experience is important given the points made at the outset concerning potential risk in relation to purchase. Indeed it is posited that for many consumers the notion of a cruise holiday exists only as an imagined construct (see J. Lester, *Tourism and film: real, 'reel' and imagined spaces of cruise ships*. University of Wales Institute, Cardiff, UK, 2011, unpublished PhD Thesis).

The 'vehicles of discourse' are many (Wang, 2000, p. 173) and in the context of tourism and cruise, as explored in this chapter, consumers are exposed to a myriad of information sources communicated via multiple mediating platforms. These include a mix of purposeful promotional media and those that circulate perhaps less intentionally in sociocultural contexts, such as that of popular film. Although an in-depth discourse analysis of such was beyond the scope of this chapter, the brief foray into some of the vehicles of discourse in the context of Cunard and traditions of dress does shed light on different media forms and in so doing reveals some interesting dynamics surrounding traditions and expectations of dress. Regardless of the reality of passenger behaviour in relation to dress in practice, this chapter provides insight into the creation of what Foucault (1989, p. 41) refers to as 'a discursive formation' and evidences the continuing representations of dress amid the presence of discussion and debate surrounding formalities of dress within the cruise sector.

This initial exploration has centred not so much on the production of discourse, but rather on the site/s of such and how these circulate in society. Indeed, amid media-infused societies (Couldry, 2012) the ways in which individuals interface with different media are of interest, particularly given the propensity of routine exposure to snippets of information (Lester and Scarles, 2013b). Consequently the nature of consumer practice and experience in relation to knowledge acquisition warrants further investigation. For example, regardless of the information and discourses circulating in particular contexts, greater appreciation of that which is either consciously or subconsciously consumed or what is actively searched for or not would be of interest. What has been highlighted with the examples presented in this chapter supports the notion that in some instances consumers cannot be conceived as passive receivers of information, but rather as active participants in the knowledge-producing process (see Månsson, 2011; Couldry, 2012; Lester and Scarles, 2013a).

There is much scope for further research into the cruise experience and how it is mediated, including that of the intertextual nature of discourse within and across media forms. Often overlooked sites of discourse that arguably receive less attention in tourism contexts are the more object and material nature of buildings, architectural structures and other artefacts as expressed through embodied practices and associated adornments such as clothing. As such it is argued that a ship's architecture and spatial particularities do contribute to practices associated with dress, a contention that warrants further consideration and investigation.

The explorations presented here illustrate the many mediating forms that construct and communicate aspects of the cruise experience. Whether the rhetoric of dress codes is realized in actuality or not, is not the primary concern here. This is not to say this is an unimportant question. On the contrary, given the points made above it is posited that practices and performances of dress contribute to ongoing discursive formations regarding entrenched ideas and expectations associated with cruise attire. It is important, however, to acknowledge the arguments that discourse is not necessarily about truth *per se* (Foucault, 1989; Wang, 2000; Rose, 2012), but rather as Wang (2000, p. 173) expresses, it is that which ‘embodies collective consciousness’. It is this consciousness that renders consideration of the consequences of mediating practices and the production of discursive formations that is important, with the potential to influence consumers’ decision making, not only regarding whether to purchase a cruise or not, but even the type of cruise, the company or which ship to travel with.

Notes

- ¹ http://www.dailymail.co.uk/travel/travel_news/article-3000444/Photos-reveal-life-board-Cunard-ships-cruise-line-celebrates-175-years.html (accessed 13 August 2015).
- ² Cunard Archives: Liverpool University.
- ³ <http://www.cunard.co.uk/cruise-search/how-to-book/download-a-brochure> (accessed 14 August 2015).
- ⁴ <https://cunard.inbro.net> (accessed 14 August 2015).
- ⁵ Cunard brochure *World Voyages 2016* (hardcopy).
- ⁶ <http://www.cunard.co.uk/Documents/Brochures/Cunard-brochure-2016-2017.pdf> (accessed 14 August 2015).
- ⁷ Cunard brochure *World Voyages 2016* (hardcopy).
- ⁸ <http://www.cunard.co.uk/Documents/Brochures/Cunard-brochure-2016-2017.pdf> (accessed 14 August 2015).
- ⁹ Jane Seymour tells Cunard what she packs for a Transatlantic Crossing in Grills, <http://wearecunard.com> (accessed 21 September 2015).
- ¹⁰ www.ttgdigital.com/toolkit/the-ttg-guide-to-cruise-line-dress-codes/4693386.article (accessed 13 August 2015).
- ¹¹ www.facebook.com/cunard/posts/10151580756453223 (accessed 14 August 2014).

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Conceptualizing the Cruise Ship Tourist Experience

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Introduction

Economic globalization and international consumption patterns are driving organizations to find innovative solutions to add value and differentiate their offer. This trend is especially noticeable in the tourism sector given that ‘the differentiation of the offer, and the search for exotic and innovative experiences, on demand, converges on the development of the concept of tourist experience, at academic or practitioner level’ (Mendes and Guerreiro, 2010, p. 316).

Stakeholders’ ability to get the tourist involved in the process is crucial to enhance the experience and make it memorable. Tourism management must take into account the environment in which tourists will have their experiences. In the same way that an organization ‘is not able to offer a consumer experience’, but rather ‘the circumstances and the environment in which consumers will live an experience’ (Mossberg, 2007, p. 63), a tourist destination should offer the visitors opportunities to have memorable experiences. The success of these will be reflected in the way the tourist evaluates the experience of the visit, which also influences his/her future decisions.

With respect to cruise ship tourism it is particularly relevant to determine to what extent this kind of product should be considered in terms of tourist experience. Such a task is especially challenging, because in this kind of experience tourists move in distinct settings: on the one hand, the cruise ship, which falls under the responsibility of the cruise line operator; and, on the other, the places onshore where there are many actors with particular values and culture, often incompatible. This diversity of settings and actors makes the design and implementation of the concept of tourist experience difficult.

The main purpose of this chapter is to understand and discuss how the cruise experience can be conceptualized. Based on the review of the literature in the area of tourism experiences, in particular with regard to its development in the context and atmosphere of tourism cruises, we try to contribute in theoretical terms to acknowledge this issue and the sustainability of this construct. Although these issues may be analysed and discussed from other perspectives (e.g. sociology, economy, psychology, and so on) we have selected the marketing and management approach, finding ways to establish it in the centre of our concerns and finding that cruise consumers look for

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affective memories, sensation and symbolism, which combine to create a holistic and long-lasting personal experience. From marketing, management or development perspectives, individuals involved in sea or river cruises are a resource to be wooed (Mancini, 2000).

Tourist Experience

Pizam (2010, p. 343) emphasizes the importance of experience in the tourism context by stating, 'the creation of memorable tourist experiences is the essence and raison d'être of the hospitality industry'. As a research area, the tourist experience dates back to the 1960s. Throughout the 1970s, research developed in the framework of the social sciences, and the work of MacCannell (1973) has stood out. The author considers the tourist experience a ritual of the modern society, in which the tourist looks for authenticity and meaning.

Cutler and Carmichael (2010), based on Mannell and Iso-Ahola (1987, referred to by Cutler and Carmichael, 2010), identify three approaches in tourist experience research: the first, in the past two decades, concludes that literature has contributed largely to clarify the identification of the elements and the dimension of the tourist experience; the second, called 'post-hoc satisfaction' (Cutler and Carmichael, 2010, p. 5), focuses on the study of the relationship between the motivations and psychological reactions, on the identification of elements contributing to satisfaction and on the evaluation of the experience; the third approach aims primarily to analyse the nature of the tourist experience in real time, focusing particularly on a specific activity or place and neglecting the experience as a whole. Cutler and Carmichael (2010) underline the need for more research in this area given that the studies are still scarce, especially regarding the tourism sector. They also argue that research on tourist experience allows approaching it from the perspective of the management of the organizations and attractions, based on the consumer theory and product development, and on their contribution to improve the experience. Despite the contribution of these studies to clarify the dynamic nature of the tourist experience, according to Andereck *et al.* (2006) they have added little to the understanding of its meaning. Still, with few exceptions, academic research on the conceptualization and measurement of tourist experience remains sparse (Gretzel *et al.*, 2006).

The experience economy paradigm was proposed by Pine and Gilmore (1999; Gilmore and Pine, 2002) to improve the performance of service providers, but gradually it has moved to the tourism agenda, either by academics or professionals (Gilmore and Pine, 2002; Stamboulis and Skayannis, 2003). The research carried out by several authors has contributed in recent years to clarify the nature (Crick-Furman and Prentice, 2000), the formation process (Prentice *et al.*, 1998; Uriely *et al.*, 2002) and the diversity (Prentice, 2004) of tourist experience. However, its study applied to specific environments is still limited. The concept of tourist experience is a complex and multifaceted psychological process (Cutler and Carmichael, 2010), thus, researchers have been trying to come up with a broad and consensual concept encompassing the multiple perspectives, and also to put forward a coherent conceptual framework integrating its various dimensions and nature. Pine and Gilmore (1999, p. 12) define experience as the set of 'events in which individuals engage in personal terms'. Oh *et al.* (2007, p. 120) add that from the consumer's perspective, the tourist experience is

something ‘pleasant, engaging and memorable’. Tung and Ritchie (2011, p. 1371) state, ‘The experience is something intensely subjective on which an individual has been engaged on an emotional, physical, intellectual, and spiritual level.’

It is generally accepted that the tourist experience is, by definition, a subjective and personal construction, intangible and continuous (Feifer, 1985; Frazer, 1989; Lengkeek, 2001; Uriely *et al.*, 2002; O’Dell, 2007) that takes place at a given, and definitive, moment (Cary, 2004). ‘Everything at the destination in which tourists take part is considered an experience. It can be behavioural or perceptual in nature, cognitive or emotional, expressed or implied’ (Oh *et al.*, 2007, p. 120). It is, therefore, a multidimensional and complex concept. As a starting point, many authors agree that the tourist experience is, intrinsically, a particular one, different from everyday experience (Cohen, 2004; Cutler and Carmichael, 2010), given that an act of tourism offers a specific set of experiences, memories and emotions regarding the places visited (Noy, 2007). This perspective correlates the emergence of a tourist experience and the places visited, according to the definition proposed by Stamboulis and Skayannis (2003): that experience arises from the interaction between tourists and the destination. In this case, the destination is the stage and the tourist is the actor. In turn, memory is to Larsen (2007) the best indicator of the tourist experience to the extent that a relevant experience is one that is memorable. Ryan (1997, cited by Li, 2000, p. 865) argues that a tourist experience is any ‘multifunctional leisure activity, which involves both learning and entertainment’. It coincides, therefore, with any experience of contact with places and landscapes (Seamon, 1979; Tuan, 1993), being the ‘entertainment only one aspect of the experience’ (Pine and Gilmore, 1999, p. 3). The composite nature of the tourist experience has elicited a multidimensional approach. However, some lacunae are acknowledged in terms of articulation between, for example, the phase in which the tourist experience occurs, the influences it receives, and the most relevant results and criteria.

The phases of the tourist experience

Regarding the tourist experience analysed from the tourist’s perspective, the studies identify a flow that starts with the initial expectations, followed by the experience of the event, the construction of the memory of the event, upon which new expectations are built (Fig. 13.1).

Highmore (2002) conceptualizes the experience in two distinct phases. The first concerns the moment in which the experience takes place, and the second corresponds to its evaluation, in a process that stems from reflection and assigns a personal meaning to the events experienced. In recent years, research has been focused on the assessment of the experience, in particular the emotional, physical, spiritual and intellectual

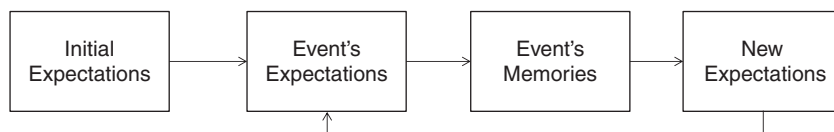


Fig. 13.1. The phases of the tourist experience. (From: Own work based on Larsen’s theory, 2007.)

engagement of the individual vis-à-vis a particular event and its impact on the construction of memorable impressions (Pine and Gilmore, 1999; Gram, 2005). Aiming to characterize the phases of a tourist experience, Ferdinand and Williams (2010, based on the work of Killion, 1992, and Craig-Smith and French, 1994), outline five phases in the travel experience: namely, planning, travel to the site, on-site activities, return travel from the site and recollection, which can correspond to the anticipatory, experiential and reflective phases.

This attempt to map chronologically the tourist experience can be found in Ferdinand and Williams' (2010, pp. 206–209) work. To the authors the sequence of that experience can be described in a four-phase flow: 'pre-experience' (anticipatory phase arising from previous contacts, reports of friends or family members about the destination, advertising, opinion articles, among others, upon which the image of the destination and the expectations are formed); 'on-site activities' (experiential phase influenced by the set of activities, events, interactions and opportunities to buy memorabilia during the experience); 'post-experience' (reflection phase during which the tourist develops a process of assigning meanings to the experience – at this phase, the 'souvenirs' acquired during the trip, and then organized and socialized, act as pictorial elements around which the individual represents the memories of the experience of visiting a certain place); and 'in-between experiences' (includes the phases of travelling to and from the site in which transportation plays a crucial role in the tourist experience).

The tourist experience encompasses several phases (Rossman and Schlatter, 2000 cited in Cutler and Carmichael, 2010), and research has verified its evolution and volatile nature. Although the literature has identified the phases and actors of the tourist experience, Ryan (2003), corroborated by Cutler and Carmichael (2010), has noted that there is still little research about their relational character.

Consumption of tourist experiences

The consumption of experiences is a growing segment (Pine and Gilmore, 1999), particularly in the tourism sector. In the literature there is a recurrent idea that consumers seek memorable, distinctive and unique experiences (Oh *et al.*, 2007). This demand trend encourages organizations to add value to their offer in addition to a high level of functional quality. From this perspective, and according to Pine and Gilmore (1999), the offer should consider the environment in which the consumer will be at the moment of consumption. Sternberg (1997, pp. 952, 954), among other authors, believes that 'tourism primarily sells a staged experience' and that tourism's central productive activity is 'the creation of the touristic experience'. This experience involves two main characters and its architecture arises from the interaction between them. Thus, in addition to the tourists, O'Dell (2007) draws attention to the crucial role played by the various elements along the value chain of the tourism industry, to the extent that the various stakeholders are in the main responsible for the 'generation, staging and consumption of experiences through the manipulation of place and presentation of culture' (Cutler and Carmichael, 2010, p. 4). Oh *et al.* (2007, p. 119) point out 'what tourists seek and consume at destinations is engaging experiences accompanied by the goods and/or service components of the destinations'. Binkhorst and Den Dekker (2009, p. 313, based on studies of Nijs and Peters, 2002; and Ter Borg,

2003) argue that in their travels, tourists 'are in quest of psychological needs such as inspiration, authenticity, belonging to a meaningful community, value and meaning in general'.

Within the conceptual framework of tourism demand, the tourist experience leads to a transformation process of activities and infrastructures in the destination, which result in benefits and value offered to the tourist (Haas *et al.*, 1980; Manning, 1986; Driver *et al.*, 1987; Andersson, 2007). Throughout the 1970s, several authors (e.g. Cohen, 1972; Turner and Ash, 1975) came to acknowledge that, in conceptual terms, the tourist experience means a 'rupture with the routine and where the bizarre and novelty are key elements' (Mendes and Guerreiro, 2010, p. 316). According to Binkhorst *et al.* (2010, p. 42), 'as soon as the individual engages in the travel decision-making process he escapes from the daily routine to which he returns only after the trip'. In this case, 'tourism is, by nature, an industry of experiences' (Mendes and Guerreiro, 2010, p. 317).

In the course of a tourist experience, whatever the tourist sees or learns, the sources of enjoyment and his/her experience of a different way of life are factors that must be taken into account when designing the environments where the experiences will occur. Van der Duim (2005, in Binkhorst *et al.*, 2010, p. 42) refers to this complex of stakeholders and things interacting as 'tourismscapes', which includes fellow travellers, travel agents and tour operators, transportation and accommodation providers, tourist guides, on-site activities, residents, natural and historical landscapes, attractions, events, museums, technology, as well as governmental and private agencies responsible for the offers at the destinations. While a 'social construct' (Jennings, 2006, p. 13), the formation of the tourist experience is influenced by situational factors (Urry, 1990) such as the dominant social matrix, or the group dynamics, and also by the natural environment. For Urry (1995) the tourist experience is fundamentally a visual event, different from daily routine.

Regarding the study of the factors that influence the formation of the tourist experience (Jennings and Nickerson, 2006, cited in Cutler and Carmichael, 2010), three essential aspects were identified: the tourist, the producer (or destination) and the local population. In turn, Mossberg (2007) and Gibbs and Ritchie (2010) have identified four main elements that influence the tourist experience: natural environment, service providers, other tourists and souvenirs. At all times, and with various degrees of intensity, the different elements contribute to the formation of the tourist experience. Therefore, it is a hybrid, dynamic and creative process, in which tourists are both producers and consumers of the experience. Alongside Binkhorst *et al.* (2010, pp. 41, 42) it is assumed, as a starting point, that in tourism the 'experience environment is made up of all the people and things that surround the tourist'. Hence, and according to the same authors, 'each person is surrounded by a unique tourism experience network of all stakeholders'. As such, the notion follows that the tourist experience unfolds as a process of continuous and permanent co-creation resulting from the interactions established between the various participants who share the same environment – suppliers, tourists and local stakeholders. Binkhorst and den Dekker (2009, p. 313) define the co-creation as a 'process through which customers interact with the organization and create their own experience'. Thus, a co-creative experience refers to the outcome of the interaction between the individual, the place where he/she is, the moment and a given situation. Tourism is by nature one of the most interesting sources of experiences, a context in which individuals tend to build their own narratives.

Cruise Ship Tourism

Cruise tourism allows travel between ports and countries, with pre-set itineraries and offer all-inclusive services, so that in the same physical space, transport, accommodation and leisure merge (Tang and Jang, 2013; Tamajón, 2015). Cruise tourism is relatively recent, originating in the early 1970s in Miami, with cruises throughout the Caribbean (UNWTO, 2010, p. xi). Their emergence concurs with the advent of large passenger jet aircraft, which started competing with ocean liners in passenger transport, especially between Europe and North America. It became evident to the owners of vessels that it would be necessary to change their activity. Given that cruise tourism is an emerging tourism product, the literature on the topic is scarce and dates back only to the late 1980s. According to Tamajón (2015), among the first published academic works there are those of Lawton and Butler (1987).

According to European Cruise Council statistics (European Cruise Council, 2011), the cruise industry was worth around €14.5 billion in 2010, with a global growth rate at around 8% per year, since 1980. Between 2006 and 2010, the number of tourists from Europe increased by 11.8%. According to the latest report of the Cruise Lines International Association (CLIA, 2014), the US market is still dominant, representing 10.92 million passengers, followed by the UK and Ireland (1.73 million), Germany (1.69), Italy (0.87), Australia (0.83), Canada (0.77), China (0.73) and Brazil (0.73). The size of the ships and the growing popularity of cruises have led to a change in their image. From 'floating hotels', cruises gradually became perceived as 'floating resorts' (Papathanassis, 2012, p. 1148), 'theme parks' (Rodrigue and Notteboom, 2013, p. 32) or 'marine resorts' (UNWTO, 2010, p. xii). For Rodrigue and Notteboom (2013, p. 32) 'the ship is the destination', 'with all related services' (bar, restaurants, theatres, casinos, swimming pools, etc.). Due in part to design innovations that made the cruise product more attractive and accessible to the mass market, the cruise industry is one of the fastest-growing sectors of leisure travel (Kwortnik, 2008).

In this scenario, there is a noticeable trend towards an increasing standardization of ships and itineraries (Papathanassis, 2010) based on strict control of the environments of consumption (Weaver, 2005) in and out of the ship (Jaakson, 2004). If, on the one hand, this context democratizes the access to this type of tourism product and adds to the sense of safety, on the other hand, it is a limited and unattractive option for certain segments of tourists (Dickinson and Vladimir, 1997). It is argued, following Papathanassis (2012), that there is the need to implement innovative initiatives and bring differentiation, aimed particularly at creating rewarding and memorable tourist experiences. According to Rodrigue and Notteboom (2013, p. 32) 'an increasing competition led to the adoption of differentiation strategies aimed to generate value by offering tourist experiences'. The offer of experiences is possibly, according to Binkhorst and Den Dekker (2009, p. 312), 'the best option to survive in increasingly competitive markets'. More and more, consumers are in search of experiences, which 'dazzle their senses', 'engage them personally', 'touch their hearts' and 'stimulate their minds' (Schmitt, 1999), whilst indulging in 'fantasies, feelings and fun' (Holbrook and Hirschman, 1982).

Contrary to most cases in the tourism industry, this subsector 'sells itineraries, not destinations' (Rodrigue and Notteboom, 2013, p. 35), which emphasizes the importance of the design of the itinerary and the selection of ports. Thus, the authors propose a classification of ports according to their role in the host region: (i) destination cruise

port, the cruise port area can be the sole destination if the tourism offer is diversified and attractive (cases of Venice and Barcelona); (ii) gateway cruise port to major tourist destinations (case of Civitavecchia in relation to Rome); and (iii) balanced cruise ports, where excursions are available to visit attractions and the surrounding area (Rodrigue and Notteboom, 2013).

The design of the cruise tourism experience

The cruise ship is a stage, perhaps the most important. The cruise operators control every aspect of this setting in which the tourist will spend most of the time during the trip. Amenities and services, interactions with fellow passengers or personnel, as well as the selection of itineraries and ports of call are meticulously planned so as to provide the best and the most memorable tourist experience (Huang and Hsu, 2010). Some cruise ship operators tried to innovate by launching megaships full of fantastic amenities and unique shipsapes, conceptualized by Kwortnik (2008, p. 292) as 'a context-specific type of service-scape that includes both the man-made physical and social environment in which the cruise service is delivered (the ship), as well as the natural environment (the ocean) that provides a broader experiential context'. In fact, as Kwortnik (2008) noted, the shipsapes, mainly the atmospheric effects, shape the passengers' cruise experiences. Thus, we must highlight how critical is staging the tourist experience (Pine and Gilmore, 1999).

A cruise ship is increasingly regarded as a floating resort, offering the tourist a multifaceted and complex set of experiences that take place in various environments. It can be considered the destination itself. There, the tourist spends most of his/her time and money enjoying various services, namely, accommodation, catering, leisure, entertainment, among others (Kwortnik, 2008). These floating resorts or 'Fun Ships' (Dickinson and Vladimir, 1997) can offer almost everything the tourist needs. To Garin (2005, p. 198), 'cruise ships exist to produce nothing but the immediate experiences of pleasure and satisfaction'. Companies try to keep the cruiser onboard spending money on leisure activities, thus preventing them from interacting with nature and local cultures onshore during stopovers (Kwortnik, 2008).

The pressure for cost reduction led to the development of mass-market products. In this scenario, operators cut prices to gain market share. As a result, differentiation of the offer according to market segments became critical to companies. More and more, traditional marketing approaches that focus on functional product attributes are inadequate (e.g. Schmitt, 2003; Gentile *et al.*, 2007) in this emergent research field. Experiential marketing and customer experience management are nowadays the key words for a new vision of this interaction between customers and cruise managers. The traditional perspective of production shifted to a marketing perspective towards the delivery of customized experiences. Cruise tourism offers the possibility of visiting several places along an itinerary which, taken together, represent a global tourist experience. Thus, it is important to make a careful consideration of the various environments where the experience takes place, so as to ensure the success of the trip. If onboard experiences are carefully staged, onshore the variables are less controllable and may interfere with the quality of the leisure time, affecting the overall assessment of the experience (Huang and Hsu, 2010).

Tourists' involvement in the planning process is critical to the success of the trip. However, cruise operators should assume a pivotal role in coordinating all experiences along the itinerary. Considering that a cruise ship is 'a complex physical and social context' (Kwortnik, 2008, p. 305), customer-to-customer interaction impacts the cruise experience and the satisfaction of tourists, however, it remains a variable difficult to monitor (Huang and Hsu, 2010). Customer experience originates from a set of interactions between customer and product, a company or part of its organization, which provoke a reaction (LaSalle and Britton, 2003). Cruise ships have high staff-guest ratios and the levels of contact between guests and employees are more prolonged. As a result, this condition offers greater opportunities for interactions (Gibson, 2008) and might considerably influence cruisers' overall experiences.

The 'positivity or negativity of interpersonal interaction may have an enveloping effect on overall customer experience, which by itself is emotionally charged' in a customer-to-customer relationships context during a cruise experience (Huang and Hsu, 2010, p. 86). Furthermore, the authors found that 'the cruise experience had positive direct effect on vacation satisfaction' especially on relaxation and learning dimensions. This finding supports the statement from Oh *et al.* (2007), according to which the service-scape will determine which dimensions will impact more each tourist. Thus, it is advisable that the operators, in their efforts to manage the environment where tourists will have their memorable cruise experiences, foster the right conditions to build bridges between customers and to create the appropriate social context for the experience (Kwortnik, 2008; Huang and Hsu, 2010).

The set of experiences in the various contexts contributes, to a greater or lesser extent, to the overall tourist experience. It is a challenge for decision makers to come up with an adequate system for planning experiences. [Figure 13.2](#) depicts the flow of information that will support the design of tourist experiences onboard and onshore.

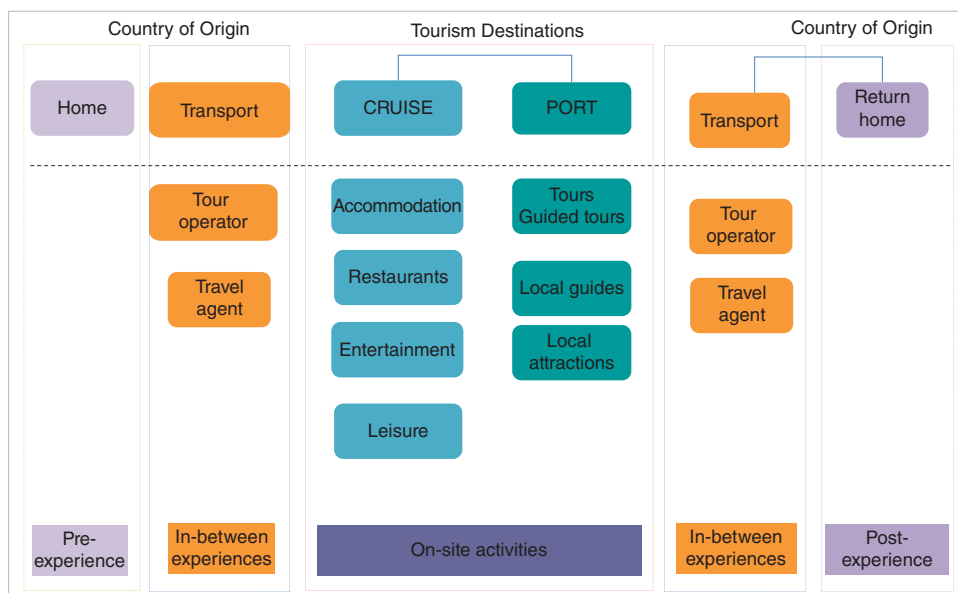


Fig. 13.2. The design of the tourist experience on site.

It is of importance to monitor the expectations regarding the experiences onboard and on land in order to ensure a compatible offer and to increase the satisfaction level. Likewise, monitoring the level of satisfaction regarding the experiences undergone in any of the settings will help to develop an ongoing process of designing based on a permanent flow of information.

This research acknowledges the essential role played in this process by officials and administrators at cruise destinations, who, in partnership with cruise operators, should articulate the various agents involved in the value chain of tourist experience. The different stakeholders should understand the concept and be able to offer environments where tourists will have rewarding experiences.

The value chain of the cruise tourist experience

In his book *Competitive Advantage: Creating and Sustaining Superior Performance*, published in 1985, Michael Porter analyses the value chain as a model that integrates the set of interrelated activities undertaken by an organization in order to obtain a competitive position. The value chain describes the set of activities and respective relationships that enable providing the product or service including design, production, delivery and after-sale service. Each of the intermediate stages covers a specific set of activities more or less dense, depending on the sector of activity (Kaplinsky and Morris, 2001). Taking on the wider definition of tourism proposed by Judd (2006), tourism involves a wide range of products and services that interact to provide a tourist experience that comprises both tangible (e.g. hotel, restaurant, transportation) and intangible parts (e.g. sunset, scenery, mood). Thus, it becomes clear the diversity of actors that, in each moment, integrate the tourism value chain of a given region.

In the case of cruise ships, it is usual to consider that the ‘products that cruise lines offer are the physical configuration of their ships, and other more subjective evaluations of the accommodations, the food, the entertainment offered, etc.’ (Kuwornu *et al.*, 2013, p. 93). This process is much more complex regarding the cruises to the extent that in this case several value chains overlap. In addition to the onboard experience, tourists have different experiences on shore at ports of call. ‘Passengers on cruises that disembark, even briefly, are considered visitors’ in the places where they have the opportunity to visit attractions, shopping, tours or other activities (Brida *et al.*, 2012, p. 136). The design of the value chain of the cruise tourist experience should reflect the complexity of actors, activities, and events experienced on and off board and the phase of the experience (Fig. 13.3).

The management of the cruise tourist experience becomes particularly challenging when it comes to activities carried out in two distinct settings, each with different levels of control over the offer: the ship and the places visited. Off the ship, the experiences occur in a different environment and involve other stakeholders who, in general, are beyond the control of the cruise operator. It is a sequence of specific value chains where, in every moment, the tourist experience is influenced by local cultures, concepts of tourists and tourism, different levels of quality of life and attitudes towards tourism, among other things. Tourists look for knowledge enrichment and also search for authentic and memorable experiences. Customers buy a vacation experience, a composite product, and the people responsible for all of the activities onboard and ashore hold the keys to making it a memorable and satisfying occasion. When

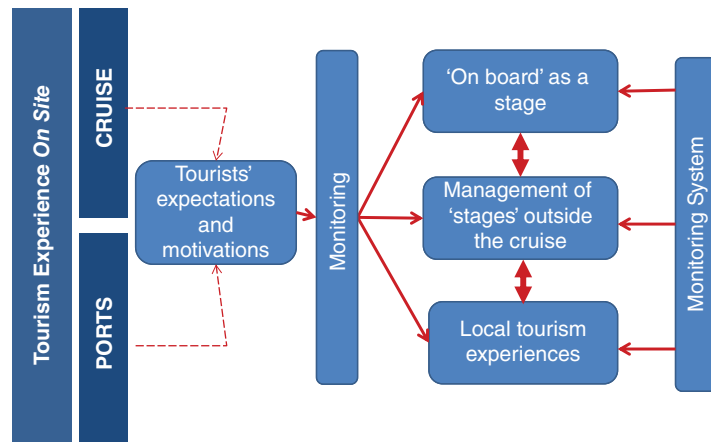


Fig 13.3. The value chain of the cruise tourist experience.

customers take cruises, they purchase something more complex than simply the experience of being on a vessel. The itinerary plays an essential role, representing the sum of destinations visited throughout the trip. In line with this idea, the UNWTO (2010, p. xii) stated that ‘destinations and cruise lines need not necessarily be considered incompatible – on the contrary, there are significant areas for cooperation and mutual benefit.’ In this context:

It is critical for companies, tour operators, and travel agents involved in cruise tourism business to correctly assess and identify the various demands and requirements, service perceptions and behavioral intentions of cruise tourists, in order to convince their customers to sign up for a holiday on a cruise ship. (Arli and Ceyun, 2014, p. 77)

Discussion

The new economic era – the experience economy – we have entered in the 21st century is challenging the tourism industry in general, and the cruise industry in particular. To address tourist’s expectations in a radically different way, a new perspective on what is truly being delivered to them is required. Within the current era, tourism cruise marketers, in order to thrive and compete globally, are bound to recognize that experiences, not goods or services, are what motivate visitors to repeat travel and recommend a cruise to friends and relatives. Researchers face many challenges and obstacles in this particular area of investigation due to the difficulties and inherent complexity of experience-related issues, as an effect of the dynamic, subjective, emotional and in construct definition and consensus, the opportunity for multiple theoretical approaches, as well as the contextual nature of the experience itself. In sum, the consolidation of the construct and its operationalization both for the purpose of understanding the phenomenon and for practical benefits to the industry is a mandatory task.

The process by which tourists perceive, consume and remember an experience during a cruise is complex and multifaceted due to the large number of actors and factors involved in it. Consequently, the overall experience onboard the vessel or onshore derives

from piecemeal experiences, separated by time and space, from the initial departure experience to the experience of returning home. At a conceptual level, tourist experience comprises a continuous flux of related and integrated services that are acquired during a limited period of time, often in different geographic areas.

The experience is affected by a large set of factors, many of which are not directly related to the acquisition of a specific service. It is the combination of inherent factors and associated satisfaction in terms of acquired and consumed services during the holistic tourism experience that determines tourists' overall satisfaction with the cruise. Understanding tourists' experiences, based on the identification of their perceptions and emotions during the trip, is a central issue for the cruise experiential marketing.

In a context of globalization and increasing competition in the cruise market, finding ways to differentiate specific and composite products offered by cruise operators is crucial to success. Fostering competitiveness entails adopting an unequivocal understanding and comprehensive approach to meet the balance between cruisers' expectations and emotions, and other aspects of onboard behaviour. The concerns about tourist experiences have led marketers to face different and more complex challenges. These challenges mean that they need to develop and adopt new approaches and different procedures to manage interactions between tourists and cruise companies.

Although there has been considerable theoretical thinking on the subject, not much empirical research is available. One reason is the multidimensional, complex and highly diversified nature of the cruise tourist experience. Another reason is related to the fact that supporting constructs, namely, satisfaction, quality and value, are concepts ambiguous to a certain degree, not always part of an integrated perspective or subject of consistent research. The understanding of major and relevant dimensions of tourist paradigms, aiming at achieving a high level of tourist satisfaction, requires more empirical research onboard and during the stopovers. Bearing in mind the complexity that characterizes the tourism value chain, and in particular cruise tourism, as well as the diversity of stakeholders and settings that contribute to the formation of the tourist experience 'on site', the challenging task in terms of deepening, designing, monitoring and the managing of the tourist product becomes clear.

Conclusion

Cruise tourism is one of the fastest growing segments in tourism industry, with an average annual growth rate of around 8% worldwide, since 1980. This tourist product comprises a mix of activities aboard ship and onshore, being a paradigmatic case of an integrated and composite experience. The implementation and management of an adequate information system that can provide interaction between tourists who participate in the process of co-creation of the experience and the diverse local actors is crucial to ensure the coordination between the various actors and moments of the value chain of the tourist experience on cruises. Overall, cruisers expect a fun, relaxing, get-away experience with plenty of excitement. As an industry, cruise tourism needs to stop focusing so much on the commoditization of travel and put more focus on developing and delivering superior experiences to their guests. Cruise management should understand the diverse nature of cruisers' experiences and create a more tailored environment.

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Managing Health-related Crises in the Cruise Industry

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Introduction

Serving more than 20 million passengers and with a growth rate at two-digit levels, the cruise industry is now becoming one of the most prosperous and fastest growing sectors within the tourism industry (World Tourism Organization (WTO), 2010; Cruise Lines International Association (CLIA), 2014). The expanding cruise industry has made significant contributions to the global economy (CLIA, 2014). A recent report shows that in 2013, the cruise industry generated US\$117 billion in total economic impact around the world, including approximately US\$37.1 billion in revenue, more than 890,000 full-time positions and total wages of US\$38.47 billion (CLIA, 2014). According to the CLIA (2014), more than 21 million people had taken a cruise trip in 2013. The cruise industry has experienced continuous global growth, which manifests as sharp increases in demand, additions of new ships and new cruise lines, and expansion of carrying capacities (CLIA, 2014).

In spite of the increasing popularity, travelling by sea is associated with an increased exposure to health risks, such as seasickness (e.g. nausea, vomiting, and diarrhoea), respiratory diseases (e.g. coughing, sneezing) and stressors associated with cruising (e.g. changes in diet, variation in climate) (Centers for Disease Control and Prevention (CDC), 2014a). These health risks have the potential to develop into health-related crises, which can impact the personal health and wellbeing of passengers, crewmembers and even local residents (Henderson, 2007; Bert *et al.*, 2014). Other undesirable outcomes associated with these crisis events include disruptions of regular operations, reputational damage, and property and structural damages (Coombs, 2014). Additionally, crisis damages can affect multiple stakeholders. A recent study shows that crisis events that take place on cruise ships not only result in customers' dissatisfaction towards the cruise line company, but also lead to negative impressions of port destinations and the entire cruise industry (Crimson Hexagon, 2013).

The cruise industry has battled for years with health-related crises, but the results are inconsistent. Cruise ships are not immune from any health problems and it is difficult to control the crisis situation on board (Henderson, 2007; Bert *et al.*, 2014). Such a complex circumstance is due to the microbiological characteristics of viruses, the cruise ship's environment as a closed community, the higher age profile of the cruise market and the popularity of group activities on cruise ships (Scaioli *et al.*, 2013; Bert *et al.*, 2014; CDC, 2014a). Consequently, governments, cruise line companies and

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other related agencies must face these challenges and undertake a proactive approach to manage health-related crises (Henderson, 2007). However, empirical studies have revealed the shortcomings in practitioners' inability to manage a health-related crisis (Liu *et al.*, 2015). Very few studies have examined the cruise industry's management practices pertinent to health-related crises.

Thus, the purpose of this chapter is to obtain a comprehensive understanding of health-related crises issues within the cruise industry and to provide empirical recommendations for both practitioners and scholars. Specifically, this chapter is divided into three parts: the first part briefly reviews the relevant concepts and definitions, the second part examines current measures related to two major public health concerns related to cruise travel (i.e. norovirus and influenza) and the third part provides recommendations for both practitioners and researchers.

Related Concepts and Definitions

Crisis and health-related crises

A crisis can be defined as 'the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organization's performance and generate negative outcomes' (Coombs, 2014, p. 2). A crisis event is characterized as perceptual, unpredictable, associated with serious impacts and capable of violating stakeholders' expectations (Coombs, 2014). In a tourism context, these crisis events can produce distorted images of the destination and affiliated hospitality products, as well as negatively affect tourists' perception of the destination/hospitality products' comfort, attractiveness, safety and appeal (Santana, 2004).

The tourism crisis management framework covers various types of crises, ranging from natural disasters, technological or man-made crises, health-related crises, to conflict-based incidents (Pennington-Gray and Pizam, 2011). Health-related crises can be further divided into: (i) epidemic diseases, which can rapidly spread among people (e.g. influenza); (ii) pandemic diseases, which can spread through populations across different regions on a large scale (e.g. cholera, smallpox); and (iii) endemic diseases that are associated with specific geographical locations (e.g. malaria in Africa) (Pennington-Gray and Pizam, 2011). According to the method of transmission, diseases can be divided into food-borne diseases (e.g. salmonellosis, botulism), water-borne diseases (e.g. cholera, enterotoxigenic *Escherichia coli*, typhoid) and respiratory infections (e.g. avian flu, Legionnaires' disease).

Impacts of health-related crises

Outbreaks of health-related crises oftentimes are associated with disaster impacts. From an individual perspective, tourists' concerns of potential health risks may arise with the onset of health-related crises (Henderson, 2007). Subsequently, the increased level of perceived risk may lead to behavioural changes, including switching to a safe destination, cancelling the original travel plan and even requesting refunds as compensation (Kozak *et al.*, 2007). Further, impacts resulting from health-related crises can be institutional, which are manifested at two levels: the firm level and the destination

level (Williams and Baláž, 2014). At a firm level, the institutional impacts include disruptions of regular operations, declines in revenue income and recession of the market. At the destination level, the institutional impacts include decreases in the number of visitors, and cumulative outcomes of an unsafe and unfavourable destination image. Noticeably, the service industry at a destination largely relies on the various hospitality establishments, and undoubtedly, these two types of impacts are intertwined (Rittichainuwat and Chakraborty, 2009).

Significance of managing health-related crises in the cruise industry

With the growing public interest in health and safety, crisis management becomes a topic of particular importance within the hospitality and tourism industry (Ritchie, 2008; Pennington-Gray *et al.*, 2011). It is the industry's responsibility to offer a healthy and secure environment for guests, residents, employees and other stakeholders (Williams and Baláž, 2014). Strategic crisis management plans can assist various hospitality establishments in preparing for a crisis, mitigating the negative outcomes, and recovery (Pennington-Gray *et al.*, 2011). From a macro perspective, a comprehensive crisis management plan should take into account different stages of a crisis event (i.e. pre-crisis, during the crisis and post-crisis), and consider different types of crisis situations (Pennington-Gray and Pizam, 2011; Coombs, 2014). From a micro perspective, crisis management practices should cover different aspects pertinent to a crisis, including readiness, reduction, response and recovery (Ritchie, 2008). Furthermore, effective crisis communication can directly contribute to the success of crisis management practices, because strategic crisis communicating can assure the public, secure the stakeholders and protect the reputational assets for organizations (Ritchie, 2008; Pennington-Gray *et al.*, 2011; Coombs, 2014).

Major Health-related Crises in the Cruise Industry

Outbreaks of health-related crises are concerning because of the potential serious health consequences and the high costs to the industry, community and the environment (CDC, 2015). Specifically, the World Health Organization (WHO) (2010) has identified norovirus (NoV) and influenza outbreaks as the major public health challenges for the cruise industry. Thus, this section reviews these two health-related crises.

Norovirus (NoV)

NoV is the leading cause of human acute viral gastroenteritis. It is usually mild and self-limiting, but highly infectious; occasionally, complications and death may occur (Nitch-Osuch, 2008). NoV can be transmitted quickly through several paths, such as consumption of contaminated food and/or drink, physical contact with ill people and/or objects they have touched and even a particular form of airborne transmission (CDC, 2014b). NoV outbreaks are relatively common on cruise ships. As shown in [Table 14.1](#), the US CDC reports that NoVs are responsible for the majority of gastrointestinal outbreaks on cruise ships (CDC, 2015). The increases in NoV outbreaks on

Table 14.1. Outbreaks of gastrointestinal illness cases for cruise lines. (From: CDC, 2015.)

Year	Total no. of outbreaks	No. of NoV outbreaks	Other	Unknown	% of NoV outbreaks
2003	27	15	10	2	55.6
2004	36	17	7	12	47.2
2005	19	14	1	4	73.7
2006	37	32	4	1	86.5
2007	23	17	4	2	73.9
2008	15	14	1	0	93.3
2009	15	10	2	3	66.7
2010	14	8	0	6	57.1
2011	14	10	2	2	71.4
2012	16	16	1	0	100
2013	9	8	1	0	88.9
2014	9	8	1	1	88.9

Some of the outbreaks are caused by more than one agent.

cruise ships are attributed to the viruses' microbiological characteristics, the expansion in global passengers and the cruise ship's environment as a closed community (Bert *et al.*, 2014). Oftentimes passengers' misbehaviours (e.g. delaying reports, concealing symptoms) may complicate the situation and lead to propagation of outbreaks (Neri *et al.*, 2008). Furthermore, due to port visits and related touristic activities, the spread of NoV infections may involve a bigger population that is beyond the cruise community. For instance, a recent study found that during the organized tours in ports, symptomatic passengers had the chance to interact with other passengers as well as local residents, who were thereby exposed to the risk, resulting in higher rates of infection (Vivancos *et al.*, 2010).

Sanitation programmes

VESSEL SANITATION PROGRAMME To minimize the risks of public health threats for passengers and crews on cruise ships, different sanitation programmes have been established. With a primary concern for gastroenteritis illness, the US CDC set up the Vessel Sanitation Program (VSP) in 1975. In cooperation with the cruise industry, participating cruise ships need to have medical personnel maintain logs of gastrointestinal illness cases and report the total number of cases 24 h before the arrival in a US port (CDC, 2015). According to the VSP (CDC, 2015), vessels that involve a foreign itinerary and carry more than 13 passengers are subject to unannounced inspections twice a year, and if needed, re-inspections by the CDC. The VSP has been updated and renewed a few times over the past 30 years, and the newest version *VSP 2011 Operations Manual* has taken into account different emerging trends, such as new technology, advanced food science and emerging pathogens.

As shown in Table 14.2, the VSP covers different types of measures. Following an inspection, each ship will be given a score, which is then published in the Summary of Sanitation Inspector of International Cruise Ships (CDC, 2015). The VSP also provides

Table 14.2. Major areas for VSP inspection. (From: Vessel Sanitation Program; CDC, 2015.)

Major areas VSP inspects on a ship	Inspectors look at
Medical facilities	Documentation for gastrointestinal illness surveillance Medical logs
Potable water systems	Procedures from water source to storage until use Water distribution Protection and any cross-connections Disinfection process
Swimming pools and whirlpool spas	Filtration Disinfection General maintenance Safety
Galleys and dining rooms	Food protection during sourcing, provisioning, storage, preparation and service Employee health and personal hygiene Facility equipment maintenance and dishwashing
Child activity centres	Properly equipped diaper changing stations, toilets and hand washing stations Facility disinfection Infection control for ill children
Hotel accommodations	Routine cleaning sequences and infection control procedures during outbreaks of gastrointestinal illness, including the use of appropriate disinfectants and outbreak policies
Ventilation systems	System maintenance System cleaning
Common areas of the ship	Integrated pest management strategies General cleanliness Maintenance

weekly outbreak reports, which feature cruise ships that have 3% or more of passengers or crew with symptoms of a gastrointestinal illness or an unusual illness (CDC, 2015).

As displayed in [Table 14.3](#), the major cruise lines all have reached satisfactory inspection scores (>85) in the past 5 years. The VSP has proven to be a successful programme with respects to controlling gastronomical illness outbreaks on cruise ship.

EU SHIP SANITATION PROGRAMME Similarly, the European Commission has started developing an Integrated EU Ship Sanitation Programme in the past few years. As shown in [Figure 14.1](#), a series of maritime transport-related public health programmes have been implemented, including SHIPSAN (2006–2008), SHIPTRAINET (2008–2011) and EU SHIPSAN ACT (2013–2016). The EU SHIPSAN ACT not only involves inspection, training and surveillance, but also considers occupational health risks for staff, other health threats besides gastronomical illness (i.e. chemical and radiological agents), and establishing communication networks and information systems. The ultimate goal is to establish a systematic, comprehensive and practical sanitation programme that is applicable to the cruise industry in Europe and capable of reducing health threats that are associated with maritime transports. Although the procedure has not been finalized yet, the continuous efforts in this area are inspiring and have gradually proven the validity and usefulness of the sanitation programme.

Table 14.3. VSP scores for major cruise lines from 2009–2014. (From: Vessel Sanitation Program; CDC, 2015.)

Cruise line	Year	No. of inspected ships	Average inspection score
Carnival Cruise Line	2009	39	97
	2010	45	97.13
	2011	44	96.09
	2012	47	96.66
	2013	39	96.41
	2014	49	96.45
Disney Cruise Line	2009	4	98.25
	2010	4	98
	2011	6	97.5
	2012	7	97.14
	2013	8	95.5
	2014	10	97.5
Holland America Line	2009	23	97.43
	2010	27	97.04
	2011	30	97.23
	2012	22	95.27
	2013	26	96.69
	2014	24	93.38
Princess Cruises	2009	24	97.92
	2010	24	98.38
	2011	25	97.4
	2012	21	98.1
	2013	24	95.54
	2014	19	94.32
Royal Caribbean International	2009	34	97.5
	2010	23	97.26
	2011	28	96.68
	2012	36	97.25
	2013	35	96.37
	2014	32	96.12

Crisis communication practices

The establishment of sanitation programmes serves as a solid foundation for preventing, monitoring and controlling health threats on cruise ships. However, managing a health-related crisis like NoV outbreaks is a complex task, especially considering the increasing media attention that has been devoted to this issue in recent years. Therefore, a comprehensive and exhaustive crisis management plan not only relies on sanitation measures and public health practices, but also requires communicational efforts (Scaioli *et al.*, 2013). Crisis communications involve internal communication and external communication. Internal communication, which largely relies on surveillance data, aims to have a better understanding of the crisis status onboard (i.e. the number of infected cases, the symptoms and the conditions of infected passengers) (Cramer *et al.*, 2006). External communication covers two parts: one deals with the communication between the ships' crewmembers and public health agencies, as well as other related agencies affiliated with the visited countries; while the other deals with communicating about the outbreak with the public (Bert *et al.*, 2014; Coombs, 2014).

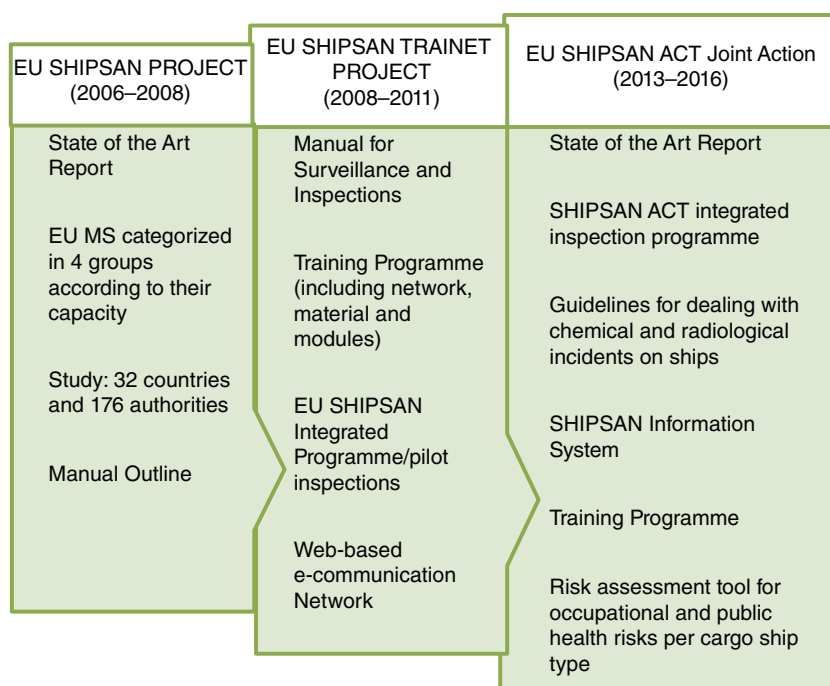


Fig 14.1. Main deliverables of EU SHIP PROJECTS, EUSHIPSAN TRAINET PROJECT and EU SHIPSAN ACT. (From: SHIPSAN ACT, 2015.)

Current practices: Princess Cruise Lines' responses to NoV outbreaks

Crisis responses are important for the cruise line company because effective crisis response strategies can help organizations protect their reputational assets and brand images during crisis situations, and accelerate the recovery process following a crisis (Coombs, 2014). Thus, we examined one of the major cruise lines' responses to NoV outbreaks in the past 10 years. Princess Cruises is one of the oldest and the best-known names in the cruise industry, and currently is the third largest cruise line in the world. However, NoV has become one of the major problems for Princess Cruises (CDC, 2015). To analyse Princess Cruise Line's responses, we collected a sample using a key-word search (e.g. 'norovirus' 'Princess Cruises') from the database LexisNexis. The time-frame is from 2004–2014. The final sample includes 21 responses, and each response served as a unit of analysis.

The Situational Crisis Communication Theory (SCCT) is one of the important theoretical frameworks in the field of crisis communication (Avery *et al.*, 2010). Following the SCCT framework, we established a coding scheme, which included instructing information, adjusting information and crisis reputational management strategies (Table 14.4). The developed scheme is used to examine and evaluate the cruise line's responses.

Table 14.5 presents the results of the content analysis. In most cases, it is not until after multiple incidents occur that the cruise line will take actions and officially

Table 14.4. Crisis communication strategies analysis framework.

Instructing information	Basic information	Basic information about the norovirus	e.g. The illness was confirmed as norovirus, which is highly contagious and typically transmitted from person to person
	General approach	General approaches that cruise lines use to prevent the norovirus outbreaks	e.g. All our ships have stringent ongoing cleaning and hygiene policies in place as a part of normal onboard operations
Adjusting information	Sympathy	The cruise lines expressed sympathy for guests' experiences	e.g. We are sorry this incident has impacted our guests' vacations
	Corrective actions	The cruise line took actions to address the incident	e.g. We will increase cleaning and disinfection procedures according to our outbreak prevention and response plan
Reputation management	Denial	Include strategies of attack the accuser, denial and scapegoat	e.g. The company believes a passenger who brought it aboard exposed the 19 June passengers to the virus
	Diminish	Include strategies of excuses and justification	e.g. It's not a cruise ship disease. It happens elsewhere
	Rebuild	Include strategies of compensation and apology	e.g. We will give the 3078 passengers on the ship full refunds and a 25% credit on a future cruise
	Bolster	Include strategies of reminding, ingratiation and victimization	e.g. The health and safety of our crew and guests is our top priority

respond to the crisis. However, when responding, Princess Cruises incorporates all three necessary components as suggested by the SCCT. As different reputational management options have been employed, strategies of diminishing and rebuilding are presented more often in these responses. To rebuild the company image and to assure passengers, Princess Cruises usually provides various kinds of compensation to passengers, including refunds, future credits and complementary hospitality services. To diminish the negative influence, Princess Cruises normally justifies the appropriateness of its measures. Generally speaking, the content of these responses are strategic and appropriate, where all three elements were included and the reputational strategy matches the crisis situation (Coombs, 2014). However, the instructing information did not specify how passengers can protect themselves against NoV infections on cruise ships.

Table 14.5. Princess Cruise Line's responses to NoV outbreaks between 2004 and 2014.

Year	No. of NoV outbreaks	No. of responses	Response rate	Response strategy			
				Instructing information	Adjusting information	Reputation option	Reputation strategy
2004	8	4	50%	✓	✓	✓	Diminish, rebuild
2005	4	0	0%	n.a.	n.a.	n.a.	n.a.
2006	5	4	80%	✓	✓	✓	Rebuild
2007	3	1	33%	✓	✓	✓	Denial
2008	2	2	100%	✓	✓	✓	Rebuild
2009	3	1	33%	✓	✓	✓	Diminish, rebuild
2010	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
2011	4	1	25%	✓	✓	✓	Denial
2012	7	5	71%	✓	✓	✓	Diminish, rebuild
2013	1	1	100%	✓	✓	✓	Rebuild
2014	3	2	67%	✓	✓	✓	Rebuild, bolster

Influenza

Cruise ships have been known for outbreaks of gastrointestinal disease for many years, but more recently, influenza has been added to the list of diseases affecting sea travels (Schlaich *et al.*, 2012). Influenza, which is caused by influenza virus A, B or C, can cause annual epidemics of acute respiratory diseases (Ward *et al.*, 2010). Outbreaks of an influenza epidemic can lead to severe health consequences as well as substantial expenses for the passengers and the cruise lines (Ward *et al.*, 2010). The increasing frequency of influenza outbreaks on cruise ships in recent years is due to: (i) the large number of people onboard, which may contain infected and susceptible individuals; (ii) foreign itineraries, which may involve tropical or semitropical destinations where influenza viruses circulate all year round; and (iii) the cruise ship's environment in which people can interact with each other easily, and this close contact may transmit influenza viruses (Schlaich *et al.*, 2012).

Current measures

In 2010, the WHO identified influenza A (H1N1) as widespread, suggesting that the major task now is to manage the crisis and to mitigate the spread (WHO, 2010). In response, the CDC has provided guidance for cruise ships on influenza-like illness (ILI) management (CDC, 2014c). As shown in Table 14.6, the CDC guidelines cover different stages of cruise travel, including pre-travel, during a voyage and after a voyage. First, regarding the pre-travel status, the CDC recommends that both passengers and crews should be vaccinated, and that people who have shown signs of influenza-like illness should be advised not to travel. Second, during the voyage, the CDC suggests that medical personnel should pay attention to people who display influenza symptoms. Meanwhile people with ILI onboard should seek medical evaluations immediately. Once confirmed, infected individuals should be kept isolated in their cabins or quarters at least 24 h after their fever ends without using fever-reducing medications. Third, after the voyage, the cruise ship should report all the ILI cases.

Table 14.6. Current measures of managing influenza-like illness on cruise ships. (From: CLIA, 2012; CDC, 2015.)

Measures \ Agencies		US CDC	Cruise industry
Pre-travel	Vaccination and screening	CDC recommends that all persons 6 months of age and older be vaccinated each year with influenza vaccine Crewmembers should be vaccinated yearly Any passengers who has ILI at the time of embarkation should be advised not to travel	All passengers will be required to complete and sign a written questionnaire prior to boarding a CLIA member cruise ship anywhere in the world. Medical personnel at each cruise line will make case by case decisions regarding the boarding of these passengers
	Monitoring / Prevention	Cruise ships' medical personnel should pay attention to people who have signs and symptoms of influenza Persons who experience severe illness should seek medical evaluation immediately	Food sanitation protocol Member lines will carry adequate quantities of influenza supplies
During a voyage	Isolation	Passengers and crewmembers who have become ill with ILI should be medically evaluated and remain isolated Passengers and crew who develop ILI while still onboard should notify the shipboard infirmery immediately and remain isolated in their cabins or quarters	Medical staff will isolate and treat passengers and crew with flu symptoms
	Reporting	CDC requests reporting of total ILI/influenza cases (including zero) for each voyage by using the Maritime Illness and Death Reporting System (MIDRS) cumulative report form	Partnership with different health organizations
After a voyage	Disembarkation	A disembarking cruise ship passenger or crewmember who has ILI or who has had fever within the 24 h prior to disembarking should be advised to stay in home or hotel isolation in the city of disembarkation and to refrain from further travel until recovery	

People who have experienced/shown ILI symptoms are advised to stay isolated and avoid further travels until they are free from fevers without using fever-reducing medications for at least 24 h.

In response to the call to address the issue of ILI, cruise line companies have implemented all the recommended measures (CLIA, 2012). Prior to the voyage, cruise ships have ensured that they have equipped themselves with medical personnel and sufficient influenza supplies, such as flu testing kits, facemasks and antiviral medications. During the voyage, crewmembers are required to pay extra attention to issues surrounding ILI, such as practising food safety sanitation protocols, providing medical evaluation/treatments, isolating sick passengers and reporting cases in a timely manner. After the voyage, cruise ships need to report infected cases and the situation pertinent to the ILI. Furthermore, cruise line companies have employed a screening process, which requires passengers to complete a health survey before embarkation, and correspondingly, cruise ships can deny the boarding of passengers who have shown ILI symptoms (CLIA, 2012).

Crisis communication practices: the cruise industry's responses to the 2009 H1N1 pandemic

Outbreaks of influenza are associated with international travel, and the risk of transition may be enhanced when exposed to a crowded and semi-closed environment such as during a cruise (WHO, 2009). Studies confirmed that the 2009 H1N1 outbreak occurred on cruise ships, which had infected passengers and crewmembers and led to subsequent cases that were epidemiologically linked to symptomized passengers (Ward *et al.*, 2010). Given the significance of the 2009 H1N1 outbreak, we examined how major cruise line companies and organizations responded to the issue. Data were retrieved from official websites, press releases, reports and statements, using a keyword search (e.g. 'H1N1', 'influenza'). As a result, the sample contained seven responses, and each response served as a unit of analysis. Content analysis was then conducted following the SCCT framework (Table 14.4).

As shown in Table 14.7, three organizations (i.e. CLIA, European Cruise Council and Alaska Cruise Association) and four cruise companies (i.e. Royal Caribbean, Celebrity Cruises, P&O Cruises and Carnival Corporation & plc.) were included. Noticeably, the Carnival Corporation & plc. comprises multiple cruise lines, such as Carnival Cruise Lines, Holland America Line, Princess Cruises, The Yachts of Seabourn, AIDA Cruises, Costa Cruises, Cunard Line and Ibero Cruises.

Interestingly, organizations in the sample are more likely to provide instructing information about H1N1 (e.g. what is H1N1, the current spread, preventive actions) and adjusting information (e.g. what actions did cruise lines take to prevent the issue), whereas cruise line companies tend to focus more on reputational management options. Further, when applying reputational management strategies, cruise line companies more frequently present strategies of diminishing (e.g. apology), rebuilding (e.g. addressing health and safety issues) and bolstering (e.g. compensation). Cruise line companies tend to justify their current measures, provide compensation for affected passengers and try to establish a public image of cruise safety. Given the type of crisis situation, the choice of reputational management strategies is deemed appropriate (Kim and Liu, 2012).

Figure 14.2 presents a statement provided by Carnival Cruise Line regarding the influenza outbreak. The cruise line updated the crisis situation (e.g. 'there are currently

Table 14.7. Major cruise line companies'/organizations' responses to the 2009 H1N1 pandemic.

Organization/company	Response strategy			
	Instructing information	Adjusting information	Reputation option	Reputation strategy
Cruise Line International Association	✓	✓	✓	Rebuild Bolster
European Cruise Council	✓	✓	×	
Alaska Cruise Association	✓	✓	×	
Royal Caribbean	✓	✓	✓	Diminish Bolster
Celebrity Cruises	✓	✓	✓	Rebuild Bolster
P&O Cruises	✓	×	✓	Rebuild Bolster
Carnival Corporation & plc. ^a	×	✓	✓	Diminish Bolster

^aCarnival Corporation & plc. comprises Carnival Cruise Lines, Holland America Line, Princess Cruises, The Yachts of Seabourn, AIDA Cruises, Costa Cruises, Cunard Line, Ibero Cruises, Ocean Village, P&O Cruises and P&O Cruises Australia.

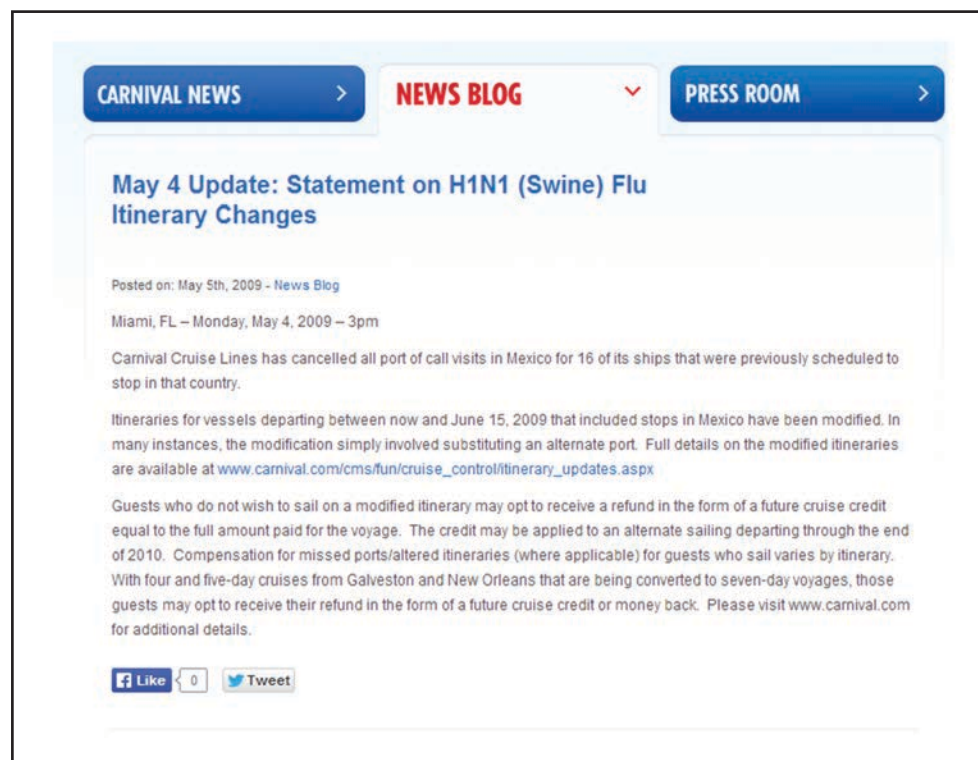


Fig 14.2. Sample response. (From: Carnival Cruise Line, 2009.)

no reported cases of swine influenza on Carnival ships') and explicated their corrective actions (e.g. 'consulting closely with public health officials' 'decided to cancel calls at Mexican ports for all current sailings'). To protect their reputation, the cruise line offered compensation as part of the bolstering strategy (e.g. 'guests ... will be given the option to re-schedule their cruise') and addressed their efforts in health and safety as part of the rebuilding strategy (e.g. 'Carnival enforces the highest standards for cleaning and sanitation...').

Recommendations

To create comprehensive tourism crisis management plans, practices should be addressed in four phrases: risk reduction, readiness, response and recovery (Ritchie, 2008; Pennington-Gray *et al.*, 2011). This section aims to provide recommendations with respects to managing health-related crises thoroughly in the cruise industry.

Risk reduction

Global travel has been blamed as one of the major causes that expose people to a wide range of health threats (WHO, 2010). Although the chance of exposure to health risks largely depends on the destination, the time and the way of travelling, cruise ships' semi-closed environment is seen as a vulnerable situation that can easily transmit health epidemics (Nitch-Osuch, 2008). To reduce the risk, cruise lines need to continuously work with different health authorities (e.g. CDC, WHO), implementing the recommended measures as well as staying in full compliance with guidelines. Existing programmes, such as VSP and EUSHIPSAN ACT, can ensure a safer environment for cruise ships, and therefore prevent the outbreaks and reduce the possibility of viral transitions.

Readiness

To enhance the readiness for outbreaks of health-related crises, the cruise industry needs to employ certain prevention measures to guarantee that all the standards are well met. More importantly, cruise ships must use an intensive surveillance approach that coincides with emerging health issues. Ebola serves as a recent example where cruise ships were caught unprepared (Bever *et al.*, 2014). To increase the preparedness and to better control a crisis situation like that, the cruise industry needs to keep in line with current affairs, consider different types of crisis in advance, and always have emergency plans in place.

Response

The purposes of responding to a crisis are twofold. The first aim is to relieve the crisis situation and mitigate the spread of the epidemic. With the onset of an outbreak onboard, cruise ships need to activate emergency plans, evacuating passengers in danger and reducing the probability of damages. Meanwhile, the crewmembers need to

communicate the crisis situation to health authorities, including general authorities such as CDC, and the specific health agencies at the destination. The second aim here is to offer effective external crisis communication. Following a crisis, communication efforts need to be dedicated to public communication. Cruise line companies must explicate the crisis situation, display a sympathetic attitude, justify current measures and employ different reputational management strategies (e.g. rebuilding, diminishing). Additionally, cruise line companies can feature the crisis-related information/response across various media channels (e.g. websites, social media channels and news media).

Recovery

A successful recovery programme does not merely aim to return to the original operation process before the crisis, but also to ‘build back better’ (AICST, 2004, p. 32). To recover from a health-related crisis, cruise lines as well as the cruise industry should be dedicated to the following areas: (i) information management, which attempts to establish an effective surveillance and emergency response system; (ii) post-crisis communication, which should be strategic in nature and try to restore passengers’ confidence in the cruise line; and (iii) case management, which requires care in handling infected cases, quick responses to the crisis situation, as well as good cooperation with other actors (e.g. WHO, CDC) (AICST, 2004; Glaesser, 2011).

Conclusion

It is apparent that the continuous outbreak of health-related crises has significantly impacted the management practices of the cruise industry. From a theoretical perspective, findings of this study highlight the need for future research in this area, which should extend the scope beyond cruise vessels and operations, and include crisis management practices related to ports/destinations, staff management and passenger management. Additionally, the findings of this study have several practical implications. First, to reduce exposure to health risks and to become more prepared, a sanitary environment should be guaranteed as the baseline. To do so, practitioners need to maintain partners with health authorities, stay in full compliance with guidelines, update the protocol regularly with consideration of emerging health issues and monitor the condition of cruise ships carefully. Second, our findings suggest that the cruise industry needs to improve its communication efforts. Practitioners need to demonstrate a responsive and responsible attitude during the times of crisis, offering crisis responses that are strategic, clear and consistent. Third, to embrace an uncertain future, the cruise industry needs to undertake a proactive approach in crisis management, paying more attention to emerging health issues as well as preparing itself with comprehensive and exhaustive crisis management plans.

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Cruises, Safety and Security in a Violent World

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Introduction

Almost since the dawn of time the human race has had a love–hate relationship with the great expanses of waters that cover most of the earth. It is from the sea that life flows and it is the oceans' vastness that perhaps most frightens us. It is water that acts as a natural barrier separating us from each other and dividing the continents. It is water that allows life and yet the greatest reservoirs of water, the oceans, are perhaps the most hostile to human life. We know most land animals and understand them, but the sea provides us with multiple animals that still are enigmas to us.

The earliest chapters of Genesis present this dichotomy through two biblical tales. The first, the story of Noah, tells the tale of perhaps the first 'cruise'. It was not a planned cruise, yet the personages' names act as a dead give-away about much of the tale. There is Noah, whose name in Hebrew means: 'rest', 'relax' or 'veg out'. Accompanying Noah are his sons, whose names reflect personality types common to any modern cruise director. We have 'Shem', translated literally as 'name' but perhaps best translated as 'big deal'. We have 'Yafet', meaning 'the good looking one, the pretty boy in the crowd' and we have 'Cham', meaning 'heat/the hot one'. Their cruise, along with their nameless wives, was a 'cruise to no-where'. It was a cruise that could not have been comfortable, may have carried diseases and its passengers were all too ready to disembark at the first 'port of call'. The biblical text provides us with few other details about this cruise. We have no idea how the passengers aboard the ark spent their time, how they dealt with sanitation problems, what they took onboard for entertainment or even what they ate.

The second sea voyage mentioned in Genesis is from the Jonah story. The Book of Jonah is an adventure tale that takes place on the high seas. Once again, many of the book's themes and aspects remind us of modern cruises and parallel many of the sociological or practical aspects found in modern cruising. For example, like the modern cruise passenger, Jonah had to purchase a ticket and just as in the Book of Jonah, modern cruise lines face passenger safety issues and must make decisions on when and whom to protect. In a like manner, vessels used by cruise lines, although presumably much stronger and heavier than the boat which Jonah used, also must face issues of inclement weather and natural phenomena. These biblical texts serve then as a prelude to one of modern cruising's most pressing issues: that of safety and security.

The Book of Exodus perhaps summarizes this love–hate relationship between humanity and the sea. The splitting of the Red Sea (technically *Yam Suf* or Sea of Reeds) demonstrates our fascination with the sea. It is the sea that will protect the Children

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Table 15.1. Some cruise safety and security issues.

Issues of safety	Issues of security	Issues of ports of call safety and security
Passenger and crew safety, i.e.	Terrorist attack	Terrorist attack
Falls	Piracy	Assaults on locals
Overexertion	Assaults	Robbery
Illness	Murder	Contagious diseases
Safety techniques used	Security techniques	
Signage	Profiling	
Health warnings	Document control	
Medical personnel	X-ray machines	
Control of alcohol	Trained staff	

of Israel, and it is the sea that will swallow up the Egyptian armies. The sea acts as both saviour and destroyer. The splitting of the sea's waters reminds us that the seas and oceans can be both our friend and enemy. In these biblical tales we see the dichotomy between issues of safety and security. From the perspective of this chapter we shall say that safety deals with issues of health and wellbeing. To a great extent, safety is either unintentional or reflexive in nature. Security, on the other hand, tends to be the result of a deliberate action. Often when we speak about security we do not merely look at the action but also the cause(s) behind the action. To clarify this point, let us assume that there is a railing on a ship that is loose and due to its lack of repair permits someone to fall. The railing's poor condition may have not been reported or noted and thus its state of disrepair is a safety issue. However, if someone intentionally loosens the railing so that a fall will occur, we then move from an issue of safety to one of security. Cruise security and safety are intertwined but also separate issues. [Table 15.1](#) puts these issues into some specific categories.

Below is a listing of some of the principle issues of both safety and security. It should be noted that in almost all cases there may be some overlapping between safety and security issues.

Issues of security

1. Terrorist attacks against a cruise liner.
2. Terrorism at ports of call.
3. Passenger security.
4. Crew security.
5. Baggage security.
6. Theft.

Issues of safety

1. Food services.
2. Ship's physical condition.

3. Health issues.
4. Protection from storms.
5. Ship signage.

We can then divide these issues into issues of ship security and issues of land security. For example, a terrorist attack against visitors docked at a port is a land and local issue but it is also a cruise security issue. Another example of the fluidity between onboard cruise security and land security issues is if passengers do damage to stores or places of interest at a port of call – that too is a cruise security or safety issue.

Ports of call

1. Threats.
2. Means of protection.
3. Diseases from abroad.

Yachting and marina industry

The yachting and marina industry is part of the cruise industry but we best place it on the margins of the industry. Yachting is an important industry in places such as the Caribbean and the Mediterranean, and the interrelationship between yachting and marinas, and cruises and cruise terminals cannot, nor should not, be overlooked. However, due to economies of scales and proportionality we need to separate yachts and marinas from large ocean-going cruise vessels and large cruise terminals.

[Table 15.2](#) places these different components in a general context.

Historical Background

We may argue that middle class cruises, as a form of mass vacations, are a post-World War II phenomenon. There are those, however, who might disagree. They note several exceptions to the above statement. For example, the introduction of prohibition by the USA produced the ‘cruise to nowhere’, or the ‘booze cruise’. Daniel

Table 15.2. Location context of safety and security issues.

	Passengers	Crew	Port	Applies to yachts?
Safety issues	Health Food State of the ship	Health Illnesses Food safety	Infections by disembarking passengers	Yes
Security issues	Robberies Assaults Issues of terrorism	Passenger sexuality Issues of terrorism Assaults	Petty theft Problems of prostitution and drugs	Theft at the marinas is a major issue Damage to docked boats

Okrent, in his 2010 book *Last Call*, claims that prohibition produced the ‘booze cruise’ and from that phenomenon the modern cruise industry was born. There were also numerous luxury liners both prior to and during the inter-war years. This chapter, however, takes the position that cruises for the mass middle class, rather than for the ‘privileged classes’ are a child of the post-World War II years.

Despite the relative newness of the industry, the end of the 20th century and the beginning of the 21st century have posed a number of safety and security challenges. In the past 100 years, cruise lines have had to deal with everything from ships becoming inoperable to outbreaks of onboard illnesses, from electrical failures to ships having sunk. Each one of these disasters has not only caused a potential loss of life but also resulted in negative publicity for the cruise industry.

Ocean travel

Despite luxury line cruises, prior to World War II most ship travel was more a form of transportation than a form of recreational travel. Transocean voyages, be they transatlantic, transpacific or trans-Indian ocean, were long and hard. For example the millions of Europeans who made the long sea journey in the latter part of the 19th or early part of the 20th centuries to the USA, Latin America, especially Brazil and Argentina, or to Oceania, saw the seas as impediments and not as positive experiences. The slave trade from Africa to the Americas was another form of sea travel, in which human beings were herded on to ships and kept in conditions that were often worse than those of cattle. Slave traders saw human beings as mere ‘objects of profit’. Slave traders saw slaves not as human beings but rather they were nothing more than mere cargo. The slave traders’ goal was to get their cargo to market at the lowest cost possible. The concept of comfort was non-existent. In other cases, pre-modern travel was not much better than the original voyages of such famous ships as the *Mayflower*, which brought the first British refugees to North American shores. In the worst of cases, such as the slave trade, these voyages might be called a form of ‘aquatic hell’.

In the latter decades of the 19th century and in the non-war years of the first half of the 20th century there was another form of sea travel, especially across the North Atlantic. This was the luxury cruise, and although legally it was not reserved for the upper classes, the cost made it so in reality. This luxury form of sea travel could not have been more different from the horrors described above. Upper class sea travel was elegant, and provided the wealthy a leisurely way to cross the Atlantic in style. The journey was part of the travel experience and for many wealthy young people part of their educational experience. These were voyages of elegance and style along with transportation. With the end of mass immigration from Europe to the USA in the 1920s, ship owners began to market the idea that cruises provided delightful ocean-going experiences (Smithsonian Institute, n.d.).

After World War II and especially in the decade of the 1970s, sea travel became a destination not only for the upper classes but also for the masses. Some argue that modern cruises are descendant from the days of prohibition and the booze cruise. Others argue that the modern cruise industry was born in the late 1970s, with the debut of the American television programme *Love Boat* and the rise of the all-inclusive ‘hotel on the high seas’. The *Love Boat* did more than present an ideal vacation, it also created a new industry: the sea journey. Cruising became so popular that it literally put some resort

areas, such as New York's Catskill Mountains, out of business. There were, however, differences between the idealized tranquil seas as exemplified by cruise promotional materials, and reality. This all-inclusive vacation for the masses is far different from that of the luxury cruise travel of the past where ship travel was a means of getting from point A to point B. Urry and Larsen (2010) note that to a great extent modern mass tourism cruises are manifestations of what Ritzer (2008) calls the McDonaldization principle. Ritzer argues that what tourists (or in these cases, consumers of cruises) desire is: (i) a standardized and predictable product; and (ii) a product that is risk free and calculable.

Such a cruise product has the same name as the pre-World War II cruises but is very different from the luxury and uniqueness offered in the pre-McDonaldized era. The ultimate example of early 20th-century transatlantic cruising was to be the *Titanic*. Unfortunately, the *Titanic* proved to be the symbol of cruise insecurity rather than security. On 14 April 1912, the ship collided with an iceberg and some 1517 people lost their lives. Ironically, the White Star line claimed that the *Titanic* disaster would not impact business. Thus, a *New York Times* article of 17 April 1912 stated 'most of the steamship people said that they could see no reason why the sinking of the "unsinkable" should affect the summer traffic in any way'.

The sinking of the *Titanic* was not the only problem that the cruise industry would face. In the decades that followed the world would be involved in two world wars, and cruise ships became sitting ducks for enemy ships and submarines. With the end of World War II, sea travel now had to face the added competition of air travel and the fact that the travelling public could measure travel time between continents in hours instead of days.

Cruise travel's problems did not end with the surrender of the Axis powers. Because cruise ships are large, slow moving and not easy to manoeuvre, pirates and terrorists may see them as easy prey. The world learned just how vulnerable cruise ships are when on 7 October 1985 Palestinian terrorists attacked the unarmed Italian Cruise ship the *Achille Lauro* (History.com, n.d.). After capturing the ship they murdered a disabled 69-year-old American man, Leon Klinghoffer, and threw him overboard. Klinghoffer's 'crime' was that he was an American Jew who was in the wrong place at the wrong time. From a historical perspective this attack would be the first of many against unarmed civilians throughout the world.

Since the 1980s cruise companies have had to deal with both acts of terrorism and acts of piracy, especially off the eastern coast of Africa. Cruise executives and the travelling public have become aware that these vessels were and are still vulnerable to at least five types of security problems. These are the following.

1. Criminal activity committed by passengers against other passengers or staff.
2. Criminal activity committed by staff against passengers or other staff members.
3. Issues of health safety.
4. The possibility of a port security breach.
5. The possibility of a terrorism or pirate attack on the high seas.

The first years of the 21st century have not been easy for the cruise industry. For example, in 2010 *Carnival Splendor* was the centre of a great deal of media attention, as it dealt with a major shipboard fire. While the reasons for the fire that shut down the cruise ship's electricity are not known, the results of the fire are well known, with headlines such as 'As tugboats haul in unhappy passengers, how safe is a cruise?' (Tarlow, 2014, p. 146).

The *Carnival Splendor's* fire resulted in the following:

- A major loss of revenue for the Carnival Cruise ship line both in negative publicity and the fact that the company needed to provide passengers with full refunds;
- Thousands of inconvenienced and unhappy passengers;
- The fact that the USA had to send Coast Guard ships to rescue the passengers; and
- A great deal of unwanted publicity in the world media.

It is not surprising that the Carnival Cruise line had to take extraordinary measures to protect its brand name. The *Carnival Splendor's* misfortunes underline the importance of the constant need for improved safety and security vigilance and demonstrate once again the importance of safety and security issues not only to a cruise ship's passengers and crew, but also to a cruise ship's reputation and overall bottom line.

The *Carnival Splendor's* troubles, however, were not unique to the cruise industry. For example, there was the incident on the island of St Kitts (eastern Caribbean) where 17 cruise ship passengers on a tour bus were robbed at gunpoint (Cruisecritic.com, 2010). Although no one should blame the cruise line for what occurs 'off-ship', the fact that local thieves succeeded in robbing 17 of its customers during a planned shore excursion points to the fact that cruises are more than mere carefree love boats in the sun, and what happens onshore impacts the cruise experience. Cruise security and land security are often intertwined, and onboard events can impact a cruise port of call and vice versa. Another example of problems for the cruise industry was noted in an article in the Lisbon (Portugal) newspaper *O Expresso*. The newspaper reported on 15 November 2010 that 'Tens of Spies (are on board) Caribbean Cruise liners' (*Dezenas de espiões navegam nas Caraíbas*) 'meaning that not all passengers cruise for the sake or vacationing or relaxation' (*O Expresso*, 2010). Due to this overlapping between safety and security, we may wish to use the term 'cruise surety'. Surety is an insurance word that indicates the mathematical point where safety, security, reputation, economics and ecology meet. These are interlocking aspects of tourism surety. Each component impacts the other and all impact the whole (see Fig. 15.1).

Just as in the case of the land travel industry, both safety and security mishaps can destroy not only a vacation but also the industry's reputation and economic wellbeing. When we reduce cruises to their most basic level, a cruise is a business and a business can only survive if it has a greater amount of incoming money than an outflow of cash. In the 21st century, the cruise business is highly competitive and often dependent on word-of-mouth and/or social media. Thus, if a cruise ship is considered unsafe or suffers from negative social media or word-of-mouth advertising, that ship's economic viability may be at risk. It is for this reason we collapse these terms into the general term of 'surety'. Again, cruise surety is the point where safety, security and economic viability meet. In this chapter we use the words surety, security and safety interchangeably. They all refer to the concept of surety unless otherwise specified. Tarlow *et al.* (2012) have noted:

Cruises combine not only aspects of security and curiosity, but also represent a valid alternative to integrate hospitality and mobilities, but unless otherwise resolved, cruise tourism in case of accidents may become a trap. From Titanic to Costa Concordia the degree of vulnerability of passengers may actually be higher in cruises than other means of transport (first and foremost whenever a strange virus surfaces and expands rapidly on board). (Miller *et al.*, 2000; Lois *et al.*, 2004, cited in Tarlow *et al.*, 2012).

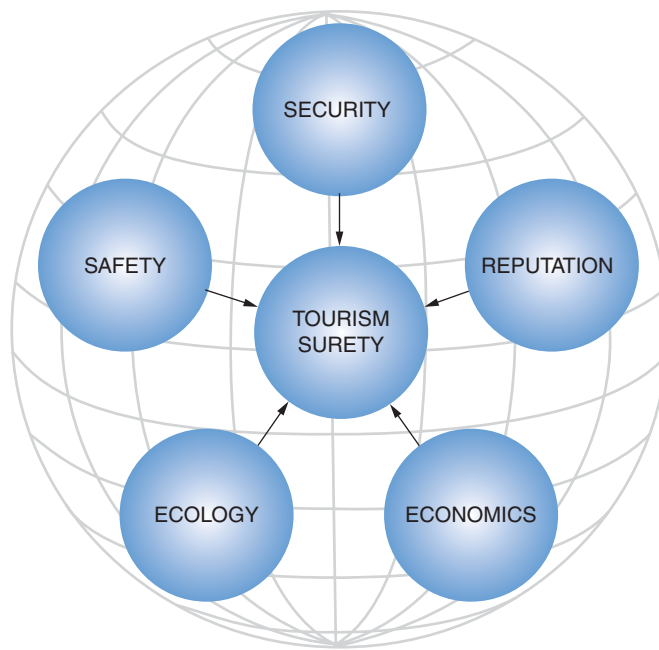


Fig. 15.1. Tourism surety.

Specialists understand that there is no perfection, but rather the goal is to concentrate on improvements with the realization that a mistake may cost a life/lives. Security specialists know there are far too many variables to permit anyone to claim that s/he can offer total travel surety. Instead, the surety specialist's goal is not to eliminate all risks, but to lower the probability that a risk may become a reality and even a crisis.

Cruise Security and Risk

Cruise security and risk managers are well aware of the multiple problems that they face on ship. While cruise passengers exhibit all of the sociological characteristics of land-based tourists, additional complications may arise at sea. Among these are issues of international law: the fact that the crew may be composed of staff from a variety of nations, the close quarters of a cruise ship, the fact that the sea may provide additional security and safety challenges, such as issues of piracy or sea swells. Like all tourists, cruise passengers have special needs and produce particular challenges. When thinking about cruise security it is essential to remember that a cruise ship at its most basic level is not about transportation but rather about tourism. It is the journey that forms the experience. Cruises, then, are less about being 'there' than travelling to 'there'. These international aquatic hotels present many challenges. Among these are:

- Crews are often composed of a myriad of nationalities; all crewmembers must adhere to the ship's policies, but many of them come from different cultures and often have different ideas about a range of issues. In a like manner, on many cruises there is a wide diversity of nationalities, languages and cultures among the passengers.

- Cruises bring a relatively large number of people together in a relatively small space. These cultural differences, combined with the close quarters of a cruise ship and the intensity of life on a cruise, may lead to particular problems. For example, women may be subjected to harassment at close quarters and with few retreat opportunities.
- Internationalization can create positive cross-cultural experiences, but at the same time it may mean that there are different perceptions of what is or is not acceptable behaviour.
- Cruises are closed spaces. On land, people come and go freely. On a cruise ship for the most part, the population remains static. This stagnation of clientele means that there is no in- or outflow of people and due to close proximity, what might be a minor problem on land may become a major issue at sea.
- This cacophony of personalities at sea, without a means of physical separation, translates into both psychological and physical challenges. In such a closed social environment we can view acts such as pilferage from an entirely different perspective. Because passengers and crewmembers are away from home, their homes also become more vulnerable. Thus, *eturbo news* (2010), citing CNN, reported on 13 June 2010 that, 'This weekend's hot story involves a now former Royal Caribbean employee who has been accused of using customer information to burglarize cruise travelers while they were off on vacation'. The CNN report noted that Bethsaida Sandoval, 38, had been arrested and charged for 24 counts of burglary in Palm Beach County. Sandoval admitted that she and her husband were involved in the crimes, and according to the probable cause affidavit, used her position within the cruise line to source victims' home addresses.
- In the case of land tourism, for the most part, police officers are part of the same business and national culture. In the world of cruises, people from many national cultures are blended in the hope that they will produce one business culture.
- Landed tourist security is based on one set of laws and has both public (police) and private (security agencies) working a known piece of territory. In the case of cruises, there are multiple levels of legal complexities. For example, there may be onboard private cruise security, while onshore there may be a mixture of private and public security. Because cruise ships travel across legal jurisdictions there may also be overlapping of or disparity between legal issues.
- Due to a false sense of security and a closed cybernetic social system cruise security officials must deal with a greater sense of lack of inhibition.
- Although all forms of tourism may be magnets for terrorism, most cruise liners are unprotected and, were an incident to occur, the results would be catastrophic.
- Often supply chains are limited. By definition, a cruise ship is a self-contained vessel. This means that bringing on additional supplies, replacing supplies or finding supplies that were not contemplated, may become a challenge. Supplies may range from anything including food to equipment to special medical needs.
- Medical emergencies, especially in the case of a contagious disease, may become major challenges due to the fact that a cruise liner is a closed system.
- Inclement weather is always a problem for cruise ships, passengers and staff. Ocean-going vessels must deal with the possibility that a cruise ship can sink with not only loss of property but also potential for a great loss of life.
- Issues of crime and piracy. Not only have cruise ships suffered from everything from piracy to acts of terrorism, from illnesses to mechanical failures, but in an

age of 24/7 news cycles, no matter what happens, the news is quickly broadcast throughout the world.

- The 24-h news cycle means that the cruise industry must not only battle whatever the current challenge at the time may be, but it must also solve the problem in front of a worldwide audience. As with tourism surety, cruise surety becomes the point where issues of safety and security touch upon issues of economics and reputation.

Component Parts of Cruise Surety

Cruise surety specialists, like their colleagues on land, can divide the field of surety into six component parts or challenges. These challenges become larger in closed systems such as cruise ships. The following sociological factors then must always be considered.

Traveller protection

Cruise surety assumes that security professionals and (when on land, police) know how to protect passengers from locals who might seek to do them harm, from other passengers who may be on the cruise to commit crimes and even from cruise staff. The issue of interactions between staff members and cruise passengers is especially touchy. Often both cruise staff and passengers are young, passengers may wear skimpy clothing, and the potential for a hormonal disturbance is ever present. This challenge grows due to the fact that people are in close contact for prolonged periods of time. Cruise surety must find ways to protect the passenger from cruise staff members who may be willing to commit fraud or make sexual advances. In the world of cruising this task is especially challenging and must be broken down into several parts. These include protection of cruise passengers from staff members and from other passengers, staff members from passengers and other staff members and the fact that while at port it is close to impossible for the ship's staff to assure passengers' total safety.

Protection of staff and of the cruise liner's reputation

A cruise industry that does not care about its staff (workers) cannot survive long. Staff members are first and foremost human beings, and subject to all the psychological and physical ills that can befall a passenger, from illness to feelings of isolation. The second aspect of a cruise surety programme is to find ways to ensure that honest staff members can work in an environment that is free from crime and hostility. To work on a cruise is a high-pressure job and it is all too easy for staff members to be abused or for tempers to flare leading to a hostile work situation. Staff members must often bunk with someone from a different culture and/or language group. Sharing a room is never easy, but when there are potential cultural or value differences then slight disagreements can turn into security issues. Staff members may also have to deal with unruly passengers who have left their common sense and inhibitions at home. Finally, employees are the human face of the cruise line. In the case of a social misstep, often passengers (and the courts) will blame not only the staff member but also the cruise company.

Vessel protection

It is the responsibility of the cruise security team to protect the ship from undue damage. However, once in port, or in a nation's territorial waters, the security team must work closely with local authorities and local laws will take precedent. Ship surety also takes into account the needs of cleaning staff and engineers, and seeks to ensure that the ship's environment is both attractive and secure/safe. Protection of a vessel can range from simply dealing with a person who becomes hostile due to too much to drink, to an act of terrorism and/or piracy. Cruise passengers may simply forget to care for furniture, appliances or equipment. Vessel protection will differ as circumstances and locations change. It requires a great deal of flexibility among the security/surety staff.

Ecological management

In the world of cruising, ecological management is especially important as the world worries about the health of its oceans and the ever-decreasing sea life population. Cruise ships have had especially challenging issues related to ecological management, both close to shore and on the high seas. Ecological management is related to, and yet distinct from, site security. In the case of cruise ships, ecological management refers to the vessel being on the high seas, being at a port of call and dealing with the special needs of a harbour. Ecological factors are, then, an important part of cruise surety. These include the cruise liner's impact on the port of call, the dumping of garbage at sea and its potential pollution, on-land waste disposal and fuel pollution. Here are some of the accusations against the cruise industry when it comes to issues of ecology:

- A cruise liner such as *Queen Mary 2* emits 0.43 kg of CO₂ per passenger mile, compared with 0.257 kg for a long-haul flight (even allowing for the further damage of emissions being produced in the upper atmosphere).
- On average, passengers on a cruise ship each account for 3.5 kg of rubbish daily – compared with the 0.8 kg each generated by local people onshore.
- Although the industry is working to reduce engine emissions by using seawater to remove harmful components, this is far from the norm.
- Ships release an estimated 1.2 to 1.6 million metric tonnes of tiny airborne particles each year.
- There may be significant damage to coral reefs from cruise liners. There are 109 countries with coral reefs. In 90 of them (about 70% of cruise destinations are in biodiversity hotspots) reefs are being damaged by cruise ship anchors and sewage, by tourists breaking off chunks of coral and by commercial harvesting for sale to tourists (responsiblevacation.com, n.d.).

Often locals who reside at the ports of call complain of 'temporary invasions' in which thousands of passengers disembark for a few hours, turn their cities into traffic challenges and then suddenly depart. Visitors tend to forget that destinations often must deal with great amounts of garbage and trash left behind, and that people who live at these ports of call will continue to be there after the cruise ship has departed. One example concerns water. In many islands, fresh water is a major resource challenge. The need to protect limited resources with expanding and contracting populations must be faced and reviewed on a continual basis. Cruise ecology, however, should not

only be restricted to the physical, it also involves the cultural ecology. There is also the question of the impact of large numbers of people, arriving for a short period of time, on the local culture. It behoves specialists in cruise surety to protect the cultural ecology of the area being visited. Protecting the cultural ecology along with the physical ecology of a locale is a major preventative step that cruise surety professionals can take to lower crime rates and to assure a safer and more secure environment.

Economic protection

As mentioned above, the cruise industry is first and foremost a business. The industry is a major generator of income for both the ship's home port and for all ports of call. As such, cruise ships present not only security but also economic challenges. The latter may range from visitors being overcharged, to the local merchants needing to change products in order to meet new demands. The new merchandise, however, becomes both repetitive (everyone selling T-shirts) to becoming a burden when the cruise ships are not in port. Because cruise ships are a major source of income for many locales, terrorists may see a cruise site as an ideal opportunity to create economic havoc. An attack on a cruise ship, especially in a port of call would not only cause a create deal of property and life damage, but would also create a publicity nightmare that would do long term damage to the port's and possibly the port of call's regional economic wellbeing.

Criminals, as differentiated from terrorists, do not wish to destroy a cruise locale, but rather view that locale as an ideal 'fishing' ground from which to harvest an abundance of riches. There are different economic motivations between a terrorism element (it seeks to destroy economic viability) and a criminal element (it seeks a parasitic relationship with the tourism industry). Law enforcement agents and cruise security professionals have a special role in protecting the economic viability of each locale. How security professionals act and the methods that they use can reinforce the marketing department's message or undercut this message (Tarlow, 2006a).

Reputation protection

We only need to read the newspaper to note crimes and acts of terrorism against cruise liners receive a great deal of media attention. The classical method of simply denying that there is a problem is no longer valid, and has become counter-productive. When there is a lapse in cruise security, the effect is long term. Some of the consequences to a ship's reputation include the ship's moving from upper to lower class clientele, the need to drop prices, the general deterioration of the cruise product offered, and the need for a major marketing effort to counteract the negative reputation. Below is a partial listing of cruises that have had a great deal of negative publicity. A not exhaustive sample of cruise ship disasters on land would include:

- Attacks in Mazatlan, Mexico (January 2011) caused cruise ships to drop that city as a port of call. Just prior to the elimination of Mazatlan as a port of call, there were three reported robberies involving passengers or crewmembers.
- In Puerto Vallarta (Mexico), 22 cruise passengers were robbed (February 2012) while on what appears to be a cruise-sponsored shore excursion.

The situation on the sea has also been challenging for cruise companies. In the last few years, cruise ships have had numerous mechanical and technical problems. Among these are:

- Fire on the high seas (*Carnival Splendor*, November 2010);
- Unexpected repair stops (*Carnival Magic*, November 2011);
- Cruise collisions (*Carnival Fantasy* and *Carnival Imagination* in July 2011);
- The grounding and subsequent sinking of the *Costa Concordia* in January 2012 resulting in the loss of life; and
- The *Costa Allegra* becoming inoperative in February 2012 in Indian Ocean waters, making it a 'sitting duck' for pirates who regularly ply these waters.

These recent cruise disasters are part of a long history of famous cruise liner disasters. Among some of the now historical disasters are:

- July 24, 1956 the sinking of an Italian cruise liner in the waters off Nantucket (Massachusetts, USA), after colliding with the Swedish vessel *Stockholm*. The accident resulted in the death of 50 passengers.
- In December 1988 some 55 people died aboard the *Bateau Mouche IV* just off Rio de Janeiro's Copacabana beach. The ship was carrying 127 New Year's holiday makers.
- On 4 October 1997 some 700 people on a romantic cruise were rescued off the coast of Cyprus.
- Some 1706 people were rescued from a French liner in February of 2001 in the Caribbean waters of Nevis.
- In November of 2007 off the coast of the South Shetland Islands in the Antarctic Ocean 100 passengers and 54 crewmembers were rescued after a cruise ship collided with an iceberg.

To simplify the issues of cruise safety and security this chapter touches on several sociological issues. These issues are presented as separate problems for reasons of academic simplification and for reasons of readability. In the real world multiple situations may occur simultaneously.

General Cruise Ship Concerns

Cruise ship passengers share a great deal of sociological commonality with other forms of leisure traveller. In *Tourism in Turbulent Times*, Tarlow (2006b) has written of the sociology of tourists. The following is an adaptation of these principles to the world of cruise travellers:

- Travellers tend to leave their common sense at home. Most vacationers tend to assume that the place to which they are travelling is safe. This is certainly true of cruise passengers, many of whom believe that they are in a closed and protected environment. As such, there is a tendency to leave one's worries at home, to assume that someone else is looking out for the person travelling and that nothing will happen. Tarlow (2006b) notes that the word 'vacation' gives us an insight into this phenomenon. We derive the word vacation from the French word 'vacances' meaning 'vacant'. A vacation then is a time of mind-vacancy, a period when we relax and tend not to think.

- It is often easy to identify cruise travellers at a port of call. These travellers often fail to blend in with the local culture. They may not use local dress or speak the local language. Unlike other forms of tourists, cruise travellers' time frames are a great deal shorter than other forms of tourism travel and therefore they have less time to adjust to the place. Land travel is based on a place (or group of places) that act(s) as the destination; in the world of cruises, the cruise experience is often the destination.
- Travellers are often in a state of anomie. To travel is to be confused. There are many reasons for this anomic state. Often cruise travellers simply ache from cramped quarters, may have had too much to drink or may have partied too hard. The French Sociologist David Emile Durkheim (1893) was the first to identify and name this sociological state of disorientation as 'anomie'. Anomic cruise travellers are not only liable to make silly travel mistakes, to let down their guard, or simply to be careless, but also those who would prey on them are well aware of their anomic state and may seek to take advantage of them. For example, a taxi driver may assume that a cruise passenger is in an anomic state and overcharge simply because s/he knows that the cruise passenger not only does not know any better but will not spend the time and energy to file a formal complaint.
- Passengers may tend to drop inhibitions when they travel. People tend to do things when on travel that they might not try at home. This lowering of inhibitions may result in experimentation, be it with drugs, alcohol or sexual experiences, which they may later regret, or have to deal with unpleasant consequences. When people travel they often feel that they are anonymous, and this state of anomie permits them to be ruder than usual. For many, the cruise is a place where inhibitions can be safely lowered. This is especially true because many cruises visit ports that are part of the drug routes, or where drugs have been traditionally available (McElroy, 2006).
- To travel is to be stressed. Cruises promise stress-free vacations, but often the search for fun results in stress. Stress-related issues in cruise security mean that people tend to enter into higher levels of anomic states, tend to think in less rational ways and are often anger prone.
- Closely related to stress is the issue of time. Cruise passengers, like other forms of tourists, seem to be able to forgive almost anything other than loss of time. One merely has to observe how people line up for shipboard events and become frustrated if an event begins late. In such situations it is not uncommon to see the anger, disappointment, frustration and stress on passengers' faces to understand how powerful time is in travel.

The above principles translate into very specific cruise surety challenges:

- Cruise vacationers tend to be either more reserved than the general population or more fun-seeking than the general population. This means that crews must discern between those who seek to be pampered and those who are more adventure seeking at sea than they would be on land. Often this problem is 'solved' by niche marketing.
- Some cruise-goers bring large amounts of luggage, which makes control difficult.
- Lowering of inhibitions may be manifested by unacceptable demands and/or rudeness to staff.

- Reality loss in the form of anomic behaviour, especially on shore leave, may become dangerous for the passengers and a continual challenge to the cruise line.
- Many communities have mixed feelings towards the arrival of cruise passengers and often do not have adequate police forces. The overwhelming of shore facilities becomes even more problematic as cruise ships become larger.
- Cruise-goers may transfer any form of discomfort into anger towards staff, toward citizens of the ports visited, or to each other. As in the case of air travel, this anger migrates towards staff members.

Some reasons to be concerned about cruise ship safety:

- Most of the security factors that apply to places of lodging also, to one degree or another, apply to cruises.
- Cruise ships are often in international waters, outside of the protection of any specific government, and open to attack. Additionally, due to the vastness of the seas, it is more difficult to rush help to a cruise liner than it is to a land-based location.
- Cruise ships provide all four potential reasons for terrorism as noted in the section on terrorism.
- Cruises may be considered by some religious fanatics to be symbolic of a decadent western culture.
- Cruise ships are open and historically have been easy to penetrate.
- Few people are surprised to see great variations in dress and language on a cruise ship.
- It is not uncommon to hide one's identity on a cruise ship.
- Passenger inhibitions often disappear on a cruise ship.

Other security issues specific to cruise ships:

- Protection must be multi-tiered. Passengers may be vulnerable in three places:
 - On the open seas;
 - At/near a port or entrance to port; and
 - Off-ship/onshore.
- Passengers' profiles may attract terrorists.
- Passengers may be wealthy.
- Passengers may be multinational.
- Passengers may not speak the language of the cruise ship's staff.
- Passengers may not report suspicious behaviour or may be afraid to create a commotion.
- Crews may be multinational and respond in different ways according to cultural norms.
- Ship routes may bring ships close to points from which attacks are easy.
- Terrorists may be passengers or may choose to attack from another ship or even from the air.
- Because once an attack has occurred crisis management is difficult at best, passive protection methods are necessary.
- Evacuations may be difficult and will turn almost instantaneously into major news stories.
- Terrorism may come in the form of illnesses or contaminated food.
- Even the perception that an illness or a food poisoning incident may have been caused by terrorism may damage the industry.

Issues of Health and Cruises

To a great extent, cruise vacations are about the joy of eating. An example of the system's fragility is the cruise ship *Carnival Splendor* having lost its electricity and therefore its refrigeration, resulting in the loss of much of the ship's food supply. Headlines such as 'Cruise passengers endure stench, cold food' indicate just how strong the challenges of food safety and viability are (AJC.com, 2010).

Food, then, plays not only a vital physical role in keeping us healthy, but also a vital economic role in how people judge a vacation. This social phenomenon is important for a land vacation, and it may be even more important for a cruise, where passengers expect all-you-can-eat gourmet dining experiences. The cruise dining experience is not merely one of safety but part of the total psychological package that the cruise line is selling to its customers. Not only must cruise lines develop the highest food safety levels possible, but they must also accomplish this within the confines of small quarters, and in a manner that promotes the cruise experience.

Starting around 2006 the media reported that the cruise industry suffered from what some people at the time believed to be an issue of food terrorism. In reality no such thing happened, rather it was a case of the Norwalk virus (NV – also known as norovirus) that surfaced in cruise passengers due to some people not properly washing their hands (About travel, 2010a).

It should be noted that:

- Norovirus is not a 'cruise ship' virus, nor does it limit itself to sea-going vessels.
- Norovirus spreads swiftly wherever there are many people in a small area, including nursing homes, restaurants, hotels, dormitories and cruise ships.
- The common cold is the only illness more common, and the Centers for Disease Control and Prevention in Atlanta estimates that there are more than 20 million cases of norovirus annually.
- Norovirus is associated with cruise travel simply because health officials are required to track illnesses on ships (and not at hotels and resorts), therefore, outbreaks are found and reported more quickly at sea than on land (cruisecritic.com, n.d. a).

The company About travel (2010b) reported:

According to the Associated Press in 2001, 'The Seattle-based Holland-America cruise line hopes to kill a virus that has been sickening cruise ship passengers by the hundreds in recent weeks.' Despite the cruise line's repeated attempts to disinfect the ship's 10 passenger decks and 690 staterooms over the past month while the Amsterdam remained in service, more than 500 people aboard the ship contracted the Norwalk virus on four successive sailings from Florida to the Caribbean... The Holland-America cleaning this time involved some 600 crew and subcontractors supervised by Harvard School of Public Health epidemiologist Megan Murray. Everything touched by hands that might have carried the virus – from Bibles to poker chips, railings to remote controls – has been cleaned and sanitized. The ship's 2,500 pillows have been replaced, and upholstery fabrics have been steam-cleaned to a temperature of 170 degrees.

Table 15.3 contains a listing of major outbreaks of the virus on cruise ships during the years 2007–2008 (About travel, 2010b).

Table 15.3. Some Norwalk virus outbreaks on cruise ships.

Date of outbreak	Cruise boat struck	Number of people infected/struck
December 2006	<i>Freedom of the Seas</i>	400
January 2007	<i>Queen Elizabeth</i>	300
May 2007	<i>Norwegian Star</i>	130
December 2007	<i>Queen Victoria</i>	133
January 2008	<i>Carnival Cruise Line Holiday</i>	143

Other health issues

While viruses such as the Norwalk virus gain headline attention, there are numerous other health issues that must be considered on cruises. Although at the time of writing of this chapter there have been no cases of ebola or other pandemics on a cruise ship, the potential is there, along with enforced quarantine at sea. Assuming the crew and passengers are healthy, cruises still form a closed environment, cabin sizes are small and ports of call may range from places where sanitation is excellent to those which have under-par sanitation standards. Even a passenger who is healthy upon boarding may become sick while visiting an ‘exotic port of call’ and then infects people once the disease’s incubation period has ended, and the person is now both sick and contagious. An additional problem may be a death at sea. The death may occur due to a wide variety of reasons including a pre-existing or pre-boarding medical condition, and then on the cruise the passenger suddenly dies. Assuming that there is no foul play, the body still must be cared for and both medical and legal arrangements are needed to bring the body ‘home’. In the case of criminal activity, the situation may be further complicated as various legal jurisdictions may have numerous regulations before the body can be delivered to its proper destination.

Crimes on Ships

Crimes on ships are distinct from crimes against cruise ships. On the whole the cruise industry’s marketing departments have done a good job of downplaying shipboard crimes. Joyce Gleeson-Adamidis (cruisecritic.com, n.d. b) addresses the crime situation on cruise ships by stating, ‘Does crime exist onboard cruise ships? Yes. Is it a common occurrence? No. Does anyone care what happens to you onboard ship? Absolutely. A mechanism of protection is in place affecting each passenger for their entire time onboard.’

Gleeson-Adamidis also notes that:

- Cruise ships carry thousands of people and as such accidents are bound to occur;
- Cruise ships have extensive and constant surveillance, consisting of video cameras, security personnel, crewmembers and a willing army of eyewitnesses to any and all events;
- Cruise ships are subject to regulatory laws for all ports. When problematic situations occur, local authorities are contacted and their laws adhered to;
- She further notes that when passengers from the USA (who make up the great majority of cruise passengers) are involved it is standard procedure to contact the FBI.

However, contrary to what Gleeson-Adamidis states, a number of media reports claim incidents go unreported. For example, Boston's (Massachusetts, USA) television station WCVB-TV reported on 26 May 2010 that 'Investigation: Crimes on Cruise Ships Often Not Reported'. The television exposé noted that:

'When something happens on land, you have the police involved', said Carolyn Latti, a maritime attorney in Boston who has represented hundreds of victims of crimes on board cruise ships. 'When you're on a cruise ship, when you leave the port, you basically leave your rights.' Currently, cruise ship companies are not required to report crimes to any USA law enforcement. The FBI told the investigation there was no way to know how many vacationers become victims. 'People have no idea', said Latti, 'They think, "I'm a United States citizen, I'm going to have the same rights apply to me once I get on the boat." And it doesn't. And that's the sad part' (RAINN, n.d.).

The Internet service 'SafetyForum' noted that: 'Carnival Lines, the world's largest cruise line, reluctantly admitted in court in 1999 that its crew members had assaulted both passengers and fellow crew members 108 times from 1993 to 1998 – almost twice a month' KuvInLaw (2015).

A CNN (2009) exposé reported the following, "Travelers have this idea they are in a special cocoon where nothing bad can happen", says Charles Lipcon, a leading maritime lawyer in Miami, Florida, who is representing the alleged victim from the *Coral Princess* and has handled more than a hundred cruise assault cases in the last decade. "That's just not true."

Addressing cruise ship violence has become an important issue for lawmakers as the US\$22 billion cruise industry proliferates. About 12 million North Americans will set sail on a cruise this year, according to the Cruise Lines International Association, a trade organization representing the industry.

Cruise crimes have made headlines in recent years, like the Connecticut newlywed who vanished from his Royal Caribbean honeymoon cruise in 2005:

Last Tuesday, the U.S. Coast Guard began searching for a passenger who went missing on a Carnival cruise ship. Though cruise companies don't display crime statistics to the public, they are required to report serious incidents involving Americans to the FBI and U.S. Coast Guard. Salvador Hernandez, deputy assistant director at the FBI in 2007, told lawmakers that the FBI opened 184 cases on crimes that occurred aboard cruise ships between 2002 and early 2007. (CNN, 2009)

The data and news reports indicate that the major forms of passenger assaults are robbery, stealing, sexual assaults, and drunken and lewd behaviour. Not mentioned in the literature, and rarely reported, is the issue of staff-on-staff violence, passenger pilferage and potential violence from passengers towards staff members.

Piracy

The reported 'rebirth' of piracy, especially off the eastern coast of Africa, means that cruise lines must now take into account in their risk management plans not only protecting passengers from safety issues caused by alcoholism and potential sexual assaults, but also from outside attacks against the ship's crew and passengers. At the time of this chapter being written, pirates have not hijacked a cruise ship, although security

officials are well aware of this possibility and the ensuing media nightmare that would follow. For example, on Saturday, 5 November 2005 the United States News service, CNN reported: 'A luxury cruise line will re-evaluate whether to offer future cruises off the coast of Somalia after pirates attempted to attack one of its ships early Saturday. The pirates were in two small boats and were carrying machine guns and a rocket-propelled grenade when they attempted the attack on Seabourn Cruise Lines' "Spirit" about 5:35 a.m. local time Saturday, Deborah Natansohn, president of the cruise line, told CNN Radio' (2005).

Africa is not the only place to cause risk managers dealing with cruise ships a great deal of worry. The website CruiseBruise reported that in 2009 the following areas were open to potential piracy issues. Among these were:

- Africa and Red Sea: Gulf of Aden/Southern Red Sea; Somali waters – eastern and north-eastern coasts are high-risk areas for hijackings. Ships not making scheduled calls to ports in these areas should stay away from the coast; West Africa; Abidjan; Conakry; Dakar; Douala; Freetown; Lagos; Tema; Warri.
- South and Central America and the Caribbean waters: Brazil – Rio Grande; Venezuela; Haiti – Port au Prince; Dominican Republic – Rio Haina; Jamaica – Kingston; Peru – Callao (CruiseBruise, 2010).

There are also some signs of piracy against tourists in the Caribbean. For example, the *Los Angeles Times*, referring to the Caribbean, stated: 'Attacks on yachters across the Caribbean have marred the luxurious cruising life with increasing frequency as the number of vessels sailing the lush islands grows year to year, and with it the lure of the sailors' valuables to thieves and drug traffickers in the region' (Williams, 2008). The article then goes on to state another problem for cruise security managers: the lack of ability to prosecute criminals and states: "Even if arrests are made in crimes against yachters, the victims are seldom able to return to identify or testify against their attackers", said Chris Doyle, author of popular cruising guides for the Caribbean... "The islands have a judicial system that dates back a bit and is very much in favor of the criminal when the victim does not stay around" he said, explaining why the yacht pillagers seldom are prosecuted' (Williams, 2008).

Terrorism on the High Seas

The world is an ever more dangerous place. From the perspective of safety and security these last years have been challenging for the cruise industry. On a worldwide basis cruise ships and/or cruise passengers have experienced multiple problems, not only on the high seas but also upon landing during shore excursions. Below are just a few examples of these high profile cases:

- Tourists were robbed on a shore excursion on the Caribbean island of St Kitts (November 2010).
- Attacks in Mazatlan (January 2011) caused cruise ships to drop that city as a port of call. Just prior to the elimination of Mazatlan as a port of call, there were three reported robberies involving passengers or crewmembers.

Names such as ISIS and Al Qaeda are now known throughout the world and at the time of writing of this chapter the world has seen multiple terrorist attacks. It should

be noted that from the perspective of security professionals, a failed attack is also a terrorist attack. The potential for continual terrorist attacks grows, and many in the world of terrorism believe the western world to be both weak and indecisive. As already noted above, the 1980s saw the first act of political terrorism against an innocent civilian with the boarding of the *Achille Lauro* and the murder and throwing overboard of the disabled 69-year-old American, Leon Klinghoffer. Klinghoffer's crime, just as in Nazi Germany, was that he was Jewish. Unfortunately, just as in the case of the Holocaust, western nations and the tourism industry, and especially the European states, turned a blind eye to murder in cold blood. Since the 1980s the world has become a more dangerous place, and ever since 11 September 2001 (9/11) the public has become aware that travel in any form carries additional risks. To add to a difficult situation, even when a terrorist attack is thwarted on some level the terrorist has won. The terrorist has managed to disrupt the air transportation system, caused new anxieties, gained additional publicity for his/her cause and often causes new reactive restrictions making air travel still more difficult.

Port Security

The connection between the protection of a cruise ship and its port of call are highly interlinked. Cruise ship companies must cooperate with port security in multiple nations around the world. After the 9/11 terrorism attacks there was an updating of the International Ship and Port Security Codes (ISPS) as an amendment to the 1974 Safety of Life at Sea Convention (SOLAS). The plan requires each ship where that ship is part of a nation that is a signatory to the SOLAS accords to develop a security plan for ships. The entire document can be found on the Internet. This multinational approach is another challenge for cruise officials. Different nations not only have different standards, but there are also different political philosophies that must be taken into consideration. In order to have cruise security there must then also be in-port security. It would be a mistake to separate port security from cruise security. Although there may be a terrorist attack against a cruise ship on the open seas, there is a much higher probability that such an attack will occur from a port. The reasons for this probability are numerous and include:

- Ships at port are in much shallower waters;
- An attack on a cruise ship in port might not only destroy the vessel but could also do considerable damage to the buildings and neighbourhoods surrounding the port; and
- A terrorism attack on a cruise ship docked at port might well convince other nations to ban cruise ships for fear of a similar situation occurring on their soil.

Just as at hotels and attractions, ports are centres where passengers often need protection. Once again many of the phenomena that apply to land tourism also apply to the world of port security. Just as at an airport travellers are often unaware of their surroundings when running to/from gates, they may have minimal control over their luggage and often have no idea where their documents may be. Ports, especially seaports, may be centres of prostitution and the underworld, and security must always be aware that damaging the site not only destroys the landed infrastructure (terminals or docks) but may also cause a cessation of the transportation of goods and passengers. In the case of the cruise industry an attack at a port might cause death, but would also be a major blow to the industry's economic viability.

The following are just a few of the things that port/cruise security managers must take into consideration:

- Port officials must assume that their ports, be they for shipping or air, will become targets of terrorism. This does not mean every port will be attacked, but it does mean that any port can be attacked or can become a conduit for an attack. Ports are doorways to transportation systems, thus a terrorist may use one port in order to gain access into the sanitized area of another port.
- The attack on cruise passengers visiting the Bardo Museum in Tunis, Tunisia (2014) is an example of how the media today is highly conscious of port security. An attack at any airport or seaport (or if an attack is launched from that port) may result in a great deal of negative publicity and economic damage for a long period of time.
- Ports are not only places through which passengers egress but also ingress into an area. Thus, if a nation's ports of call are deemed not safe, the reputation loss may be felt throughout the entire local cruise industry.

Found below are some suggestions to help ports adapt to a world in which destruction exists for its own sake:

- Recognize that there is a fundamental paradigm shift in the travel industry. Old assumptions will no longer hold. From a business perspective these old assumptions are very dangerous. Those parts of the travel and cruise industry that emphasize security will have a good chance of surviving. The venues that provide good security mixed with good customer service will flourish. Those parts of the travel and cruise industry that hold on to the old way of thinking will fade away.
- Cruise and port security officials should invite specialists to help train people and to set paradigm shifts in motion. One of the worst things that a port can do is to fail to understand the relationship between security concepts and cruise travel concepts. Port security officers must not only think security but also how that security impacts the economy of an area and the marketing potential of their actions.
- Port security and cruise security specialists must be careful never to create a false sense of security. Gas masks will do nothing in the case of a biological or chemical attack, while sealed rooms may be very useful. Do not panic people, but deal with safety and security issues in the most professional manner possible. People begin to panic not when you take precautions in a professional manner, but when you fail to take precautions.
- Develop security coalitions with all components of the community. Ports are not stand-alone communities – they are part of a living community. Therefore, it is essential that there be good communication with other security professionals. Also, port security and cruise security professionals need to work with on-site (at-port) tour operators. Make sure that port security/police departments are trained and understand how they can cooperate with port security officers. In too many there is a lack of coordination between the various security departments. This security collaboration means that detailed and regularly updated databases are needed concerning locals who work with passengers visiting a port of call. Cruise and port security professionals will want to know the names and contact information of such people as taxi drivers and tour operators. Depending on the situation,

licensed at port personnel may need to go through additional background checks so that the cruise line knows with whom it is dealing.

- An easy-to-use telephone number should be established in case a cruise passenger has a problem while at a port.

Conclusions

The cruise industry plays a major role in many areas of the world and as part of world tourism. Places such as the Caribbean islands, Mediterranean ports and the Alaskan waterways are just a few of the major cruise ports of call in which the cruise industry plays a large role in the local economy. Cruises, like many other forms of tourism, are dependent on the capricious will of their clientele and therefore are highly dependent on the quality of their safety and security personnel and equipment. If the cruise industry fails to meet this challenge then it will eventually fade into a *Titanic*-like footnote in history. If, however, the industry finds the way to provide a sense of *joie de vivre* with surety, and customer service with safety, then it faces the blue skies of economic prosperity and the tranquil seas of satisfied passengers. Hopefully this chapter has helped the industry to make the right choice.

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Part 3 Markets, Marketing and Motivations

Part 2 introduced the people in the industry and the cruise experience. This third part of the book now canvasses the realms of the cruise industry markets, marketing and passengers' motivations to cruise. It comprises seven chapters. In Chapter 16, Arja Lemmetyinen (Finland) outlines the attributes of a strong cruise brand. Chapter 17 by Gabriella Polizzi and Antonino Mario Oliveri (Italy) focuses on the image of cruise ship holidays on Italian television. In Chapter 18, Sheree-Ann Adams (Grenada) and Xavier Font (UK) describe the purchasing attributes for cruise passengers. In Chapter 19, the motivations and constraints of cruising for the US and Chinese markets is examined by James Petrick and Suiwen (Sharon) Zou (USA) and Kam Hung (Hong Kong, China). In Chapter 20, Claire Lambert and Ross Dowling (Australia) describe the rapidly growing cruise markets of children and families. In Chapter 21, Clare Weeden and Nigel Jarvis (UK) describe the lesbian, gay, bisexual and transgender (LGBT) cruise market. In the final chapter (22), Ioannis Pantelidis (UK) examines the use of social media in cruise marketing.



Passengers from the Holland America Line ship *Volendam* (61,214 tonnes) being tendered ashore in the small town of Exmouth, northern Western Australia. (From: Tourism Western Australia.)

Safe, Secure and Sustainable: Attributes of a Strong Cruise Brand

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Introduction

The state of the art in cruise-related academic research has been thoroughly reviewed, first by Lohmann and Oliveira (2009) in their analysis of 69 international journal articles published in 1984–2008, and second by Papathanassis and Beckmann (2011) in their systematic review of 145 cruise-related academic publications published between 1983 and 2009. Cruise tourism, like tourism in general, is characteristically viewed from several academic perspectives. Lohmann and Oliveira divided the articles they reviewed into five major topics: demand, supply, management issues, threat and risks. Most of the articles in their analysis were published after 2000 (71%) and in tourism-related journals (81%). Papathanassis and Beckmann (2011), in turn, categorized the articles according to the research paradigm adopted and the disciplinary domain to which they related. The majority of papers have a business-managerial focus (39%), followed by socio-psychology (18%) and economics (17%). Non-tourism keywords such as satisfaction, word-of-mouth, perceived value, price, price sensitivity, branding, quality and service quality suggest a heavy emphasis on the marketing subdiscipline.

The most popular regions used as case studies for the publications reviewed by Lohmann and Oliveira (2009) include the USA, the Caribbean, Australia, the Pacific region and the UK/England. No mention is made of traditional cruise destinations such as the Mediterranean, particularly Greece and Italy, in journal articles written in English that are included in the review. The Baltic Sea is not mentioned either, not even by the authors of the article. Since 2008, however, there has been growing interest among academic writers in the cruise business in these regions as well. Andriotis and Agiomirgianakis (2010) analysed cruise visitors' experiences in a Mediterranean port of call, and Lemmetyinen and Go (2010) examined the process of building a brand identity in the cruise sector based in the Baltic Sea region.

According to Lohmann and Oliveira (2009), academic interest in themes related to the cruise business is rather evenly divided between the supply (20 articles) and the demand (18 articles) sides. The third most popular theme (16 articles) covers management issues related to the various cruise tourism stakeholders, and includes not only cruise lines but also destinations and markets. Of the authors conducting most of the research on cruise tourism, Marti has published articles on both supply (2004) and demand (1986, 1992), and on management issues (1993, 1995, 2005), whereas Petrick

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et al. have concentrated more on the demand side (2003, 2004, 2005, 2006, 2007, 2015). In analysing earlier research on cruise marketing this research refers to Skålén's (2010) critical discourse analysis of the marketing discipline, which according to him has been dominated by managerial research that has never really been counterbalanced with a systematic critical analysis (see also Skålén *et al.*, 2008). Following the argumentation of Skålén *et al.* (2008) and Skålén (2010), in the cruise-related academic research the marketing management stream around the turn of the new millennium in the discipline of marketing gave way to more interactive and brand-related research genres such as destination branding and brand equity.

The notions of brand equity, brands and branding are of topical interest in only a few articles covering cruise-related academic research (Ahmed *et al.*, 2002; Miller and Grazer, 2002; Dev, 2006; Kworntnik, 2006; Lemmetyinen and Go, 2010). On the other hand, the concepts of place brand and branding have been widely studied not only in the context of cities and regions (e.g. Ashworth and Kavaratzis, 2010; Hankinson, 2010; Kavaratzis, 2010; Kavaratzis and Ashworth, 2010), including their local identities and cultural images (Deffner and Metaxas, 2010), but also and initially in the context of countries and nations (e.g. Anholt, 1998). Brand equity is typically measured along several dimensions, including brand loyalty, name awareness and perceived quality, and is nurtured by associations that are understood to determine the direction of the brand's added value (Aaker, 1991; Aaker and Joachimstahler, 2000; Riezebos, 2003).

The aim in this chapter is to examine place brand equity as a new resource enabling cities and destinations involved in the cruise business to unify their efforts by capitalizing on economic development driven by social capital. Social capital is a proven mechanism for overcoming mistrust in practice among stakeholders (see Inkpen and Tsang, 2005; Go *et al.*, 2013). The decision to focus research interest on brand equity in this chapter is justified given that the concept of place brand equity is rather rarely connected to cruise destinations. Destination branding has recently (2014) attracted research interest, however, in a special issue of the *Journal of Destination Marketing and Management* containing articles on topics such as city segmentation (Liu, 2014) and the image perceptions of foreign visitors to a city (Larsen, 2014). Caldwell and Freire (2004) consider the differences between branding a country, a region and a city, whereas Selin and Chavez (1995) introduced an evolutionary tourism partnership model. Mazanec *et al.* (2007) contribute to the literature on tourism destination competitiveness, whereas Pavlovich (2003) leans on network theory to study destination complexity, as does Lemmetyinen (2010) in a similar manner. Konecnik and Gartner (2007) apply the concept of customer-based brand equity in the context of destination marketing, whereas Pappu *et al.* (2007) examine the equity that consumers associate with a brand from a specific country. In the context of the cruise business, Ahmed *et al.* (2002) studied brand effects on consumers' evaluation of cruise lines.

This chapter specifically emphasizes one of the dimensions of brand equity, namely brand associations. A further aim was to show the significance of unifying product promotion in the cruise business so as to strengthen the brand associations (such as safe, secure and sustainable). The cruise company Carnival Corporation & plc (n.d.), for example, incorporates these value propositions in its Health, Environmental, Safety, Security and Sustainability Policy (HESS Policy), which describes its commitment to among other things, 'Assigning health, environmental matters, safety, security and sustainability the same priority as other critical business matters.'

Martinez *et al.* (2013, 2014) found that corporate social responsibility (CSR) had a positive effect on how customers perceived brand loyalty and the brand image in the hotel and tourism industries. The focus in the current research is on the cruise industry, with a similar emphasis to Martinez *et al.* on the dimensions of brand equity, and more precisely the chosen associations (*safe, secure and sustainable*), which work as potential value propositions of cruise products. The term ‘cruise product’ is defined here as an offering produced by a network of stakeholders who may have combined their offerings ‘under a joint brand’, such as Cruise Baltic, the network of producers being represented by one voice (see Lemmetyinen, 2010; Lemmetyinen and Go, 2010).

In this study the asymmetric stakeholder interdependences among the cities, ports and destinations are illustrated by referring to relevant earlier academic research, especially on changes in marketing research paradigms in the context of cruise tourism. The reported findings of the study are based on a critical discourse analysis of cruise-related academic research.

Methodology

The data used here were gathered in earlier research on marketing and brands in cruise tourism, and are subjected to critical discourse analysis as in Skålén (2010). Reflecting Skålén’s (2010) model, the perspective in this chapter is on developments in the marketing discipline and its use during the course of time. The current interest is in the particular development and use of marketing in the research context of cruise tourism, whereas Skålén’s (2010) research framework incorporated the marketing discipline in general. The research on marketing and branding in the cruise tourism context is reviewed from the Foucauldian perspective as defined by Skålén (2010, referring to Foucault, 1981; Laclau and Mouffe, 1985). This framework constitutes the following six focal concepts applied to cruise tourism: (i) turning points, or significant changes in marketing discourse; (ii) problematizations, or the occurrences that lead to a turning point; (iii) articulations, which redirect the meaning of the marketing discourse; (iv) nodal points, or the special signs of marketing discourse that give a coherent meaning to this specific context; (v) hegemony, or the worldview inherent in an articulation that dominates marketing discourse in cruise tourism in particular; and (vi) deconstruction, or the activity of showing the contingent nature of the hegemony of the marketing discourse, and that it can be articulated differently.

Points of specific interest include the extent to which the use of marketing and branding in the context of cruise tourism follows developments in marketing science in general. More precisely, the reason for reviewing the research related to marketing and branding was to find out if there had been a visible paradigm shift from marketing management towards a more customer-centric and holistic approach, such as managing customer-based brand equity and stakeholder relationships from a network perspective. In terms of methodological approach the study loosely follows the tendency in the research to take a more interpretive (see Guthrie and Anderson, 2010) and critical (see El-Amir and Burt, 2010) stance.

The themes that Skålén (2010) recommended as the framework for qualitative marketing research are discussed in the following section, beginning with the turning points the author observed in cruise-specific academic journal articles and continuing with the theoretical framework that was constructed to establish what triggered the

turning points. The specific elements of the discourse that caused the paradigm shift are then analysed in detail. Fourth, the nodal points are defined as the valued-added brand associations. The hegemonic position of destination brand equity in the marketing of cruise tourism is discussed, and finally, the author gives a critical evaluation of the outcomes.

A Critical Discourse Analysis of Marketing and Branding Research in the Context of the Cruise Business

The turning point – the beginning of brand-related research on cruise tourism

Skålén (2010) follows Foucault's (1981) understanding of turning points, defined as all kinds of changes in marketing discourse. Reflecting mainstream marketing research, the turning points in academic research on cruise marketing are characterized as changes that gave the research a new direction. The field of cruise tourism has been described as pre-paradigmatic and multidisciplinary, resulting in fragmentation, managerialism and a lack of unifying theoretical perspectives in the empirical research (Papathanassis and Beckmann, 2011).

The first research on brands and branding in the field of cruise tourism was conducted at the turn of the 21st century. Interest is growing, although much more slowly and sporadically than in mainstream and tourism marketing research (Ahmed *et al.*, 2002; Miller and Grazer, 2002; Dev, 2006; Kwortnik, 2006; Lemmetyinen and Go, 2010). Academic research (Papathanassis and Beckmann, 2011) conducted before 2000 was limited to a few, sporadic publications, and it is only during the last decade that there has been exponential growth in cruise-related publications, predominantly in the social sciences (i.e. business and management, sociology and psychology and economics).

Problematization: setting the theoretical framework of the research

In Foucauldian terms, problematization (1981; Skålén, 2010) means the way a discourse is associated with questioning and interrogating the past and/or present. The relevant theoretical framework in this study comprises earlier research on place branding, brand equity and brand associations in particular. Given that this theoretical viewpoint has rarely been applied in the context of cruise destinations it is relevant to draw parallels with earlier research on place branding (Hankinson, 2010) in the context of cities and regions (Ashworth and Kavaratzis, 2010; Kavaratzis, 2010; Kavaratzis and Ashworth, 2010). The question of whether corporate branding is relevant to places (Kavaratzis, 2010) is also worth considering in the context of cruise destinations. Stakeholder complexity characterizes destinations too, but affects the cruise business in particular, given that the itineraries cover a variety of cities, ports and regions in different countries along the routes of the ships. Deffner and Metaxas (2010) studied complexity in the context of place brands.

The theoretical framework (Fig. 16.1) is based on earlier academic research conducted in the context of cruise tourism (Lohmann and Oliveira, 2009; Papathanassis and Beckmann, 2011), and motivation dimensions among cruise passengers (Andriotis and Agiomirgianakis, 2010) and their decision-making processes (Petrick *et al.*, 2007).

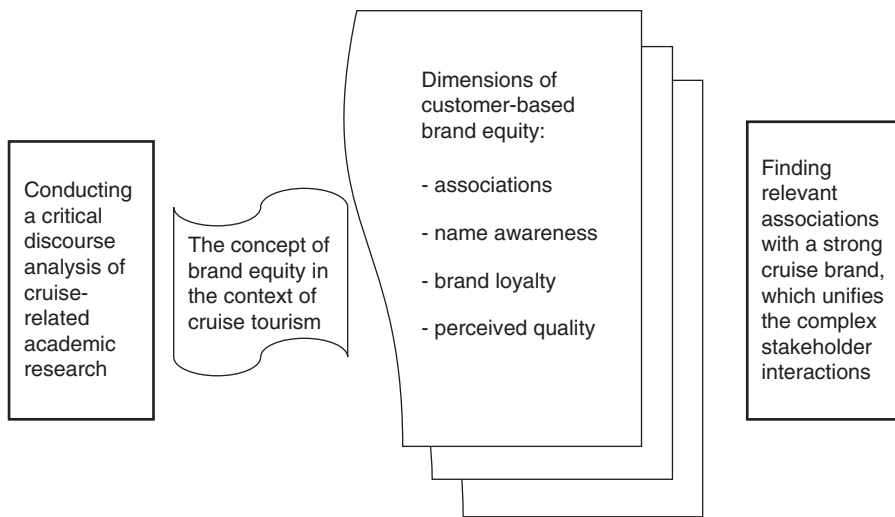


Fig. 16.1. The theoretical framework.

Given its complex nature, the cruise business brand needs a unified image that promotes the concept as a whole.

The aim of the study is to map the asymmetric stakeholder interdependences in order to find ways of unifying product promotion in the cruise business, and to strengthen brand associations such as safe, secure and sustainable. The concept of brand equity, and specifically brand associations in the context of cruise tourism, are discussed and analysed in light of the following methodological considerations. The response of consumers to a brand will, as Keller (1993) so cogently argues, depend on their favourable or unfavourable knowledge of it. Their knowledge of the brand results from their level of awareness and the images they have of it. Thus, these two core components are at the heart of any brand attributes (de Chernatony, 2003).

Articulations, discourses, moments and elements in the paradigm shift of the marketing research

Skålén (2010), referring to the discourse theory of Laclau and Mouffe (1985), argues that there is a need to describe and analyse turning points and problematizations more specifically in enhancing understanding of discourse in general, and marketing discourse in particular, as well as of its analysis. He emphasizes articulations, discourses, moments and elements – and the basic relationship between them. Hence, discourse is ‘understood as the fixation of meaning within a particular domain’. In the marketing domain, de Chernatony (2003, p. 324) was one of the pioneers to forecast the paradigm shift and to discuss the challenges marketers face in developing and sustaining brand added values. It is only worth developing added values if they are relevant to the target market and noticeably different from those of competitors. Within the cultural sector, Wilson and Stokes (2004) investigated how cultural entrepreneurs in the music industry targeted their marketing not at

customers, but at networks that controlled the resources required to support entrepreneurial ventures. Kuhn *et al.* (2008) also studied branding in the industrial context, discussing the suitability and limitations of Keller's customer-based brand equity model and testing its applicability in a B2B market.

The paradigm shift has not been restricted to the various approaches within the marketing discipline, and also extends to the methodology (see Goulding, 1998). Black (2006), for example, calls for a more interpretive research paradigm, whereas Szmigin and Foxall (2000) recommend the acceptance of a softer humanistic approach allowing both qualitative and quantitative methods to co-exist in an inclusive rather than an exclusive manner in research on consumer behaviour. Sitz (2008), in turn, uses discourse analysis (DA) as a way of interpreting consumers' discourses and experiences. Papathanassis and Beckmann (2011) found in their systematic review of cruise-related articles that in terms of the research paradigm adopted, there appeared to be a balance between quantitative-positivist (31%) and qualitative-humanist (31%) research.

Rageh *et al.* (2013) used netnography – defined by Kozinets (2002, p. 62) as a 'new qualitative research methodology that adapts ethnographic research techniques to study the cultures and communities that are emerging through computer-mediated communications' – as a research method to identify the underlying (motivational, added by the author) dimensions of the customer experience in the tourism context. The results revealed eight dimensions: comfort, education, hedonism, novelty, recognition, relational, safety and beauty, which are consistent with findings from major studies on experience. Andriotis and Agiomirgianakis (2010) found in their research on motivational dimensions among cruise passengers that the highest onshore satisfaction was related to 'feelings of personal safety and security'. Petrick *et al.* (2007) came to a similar conclusion from research conducted in the context of cruise tourism, as did Somnez and Graefe (1998), who included factors such as safety as part of tourists' decision-making processes. Sustainability has also featured among the topical issues in journal articles (e.g. Liburd, 2001; Lester and Weeden, 2004; Hritz and Cecil, 2008).

Nodal points: understanding brand equity and finding value-added brand associations

Skålén (2010), referring to Laclau and Mouffe (1985), argues that discourse is interpretive when meaning is structured around and given significance at one or several nodal points (Phillips and Jørgensen, 2002). Nodal points are moments that have a heuristic position in the structure of the discourse. Skålén (2010, pp. 105–106) defines discourse 'as a relatively closed fixation of signs referring to a particular domain where no more than a few nodal points have a heuristic meaning-giving position. If this closure does not exist for a specific domain, then there will not be a discourse for this domain, implying that the domain itself is arbitrary and blurred.' In the context of marketing research, Veludo-de-Oliveira *et al.* (2006) use summary points of laddering as a qualitative research technique, and emphasize its potentially influential role in enhancing understanding of consumer behaviour. Wansink (2003), having analysed 1200 laddering interviews, found that a combination of just seven basic values was at the core of most brand purchases, namely accomplishment,

belonging, self-fulfillment, self-esteem, family, satisfaction and security. With the exception of security, most of these values can be associated with the social and self-actualization levels of Maslow's hierarchy of needs. Tadajevski and Wagner-Tsukamoto (2006), in turn, examined the contextual aspects of problem-solving behaviour among 'green', environmentally concerned consumers to further advance understanding of complex 'green' consumer behaviour.

As mentioned above, Martinez *et al.* (2013, 2014) found positive relationships between 'green' consumer behaviour and brand associations in the hotel business in particular, and in the tourism industry in general. Moreover, the cruise business is promoting a more environmentally responsible policy as the following examples show. First, Christine Duffy, president and CEO of the Cruise Lines International Association, told attendees in her keynote address at the 2014 Cruise Shipping conference in Miami Beach that, 'being environmentally responsible is not only the right thing to do, but it's expected by guests who want to cruise on a clean ocean, thus making it good business and in the cruise lines' interest as well' (Young, 2014); and second, according to the EU-funded Cruise Gateway (2013) report, the guiding principle of more 'sustainable tourism' is gaining ground in cruise tourism as well.

Hegemony: brand associations adding real value for the customer

According to Skålén (2010, p. 107), when a particular discourse is dominated by one worldview it could be called hegemonic or objective. He relates this discussion to the marketing concept that managed to 'make marketing management the dominating school of marketing thought and thus constituted a hegemonic intervention. Thus, successful implementation of relationship marketing can be seen as a hegemonic intervention,' whereas 'green' marketing discourse, for example, could be seen as unsuccessful implementation. Peattie and Crane (2005) reviewed the history of 'green marketing' since the early 1990s, and identified five types of misconceived practices: green spinning, green selling, green harvesting, enviropreneur marketing and compliance marketing. The underlying message in their critique was, that the 'green consumer' him/herself was never really asked what he/she did consider as adding real value for him/her when purchasing 'green' products or services.

The intense competition and the need for clear product differentiation have resulted in the formulation and implementation of brand strategies encapsulating tangible and intangible features for almost anything, including places. In fact, the terms place brand and place branding have become a fundamental part of the marketing of nations, regions and cities in recent years, the assumption being that brands bring added value to them and their stakeholders (Go and Govers, 2010). A brand emerges as various 'authors', meaning citizens, consumers, the cultural sector and marketing intermediaries (Holt, 2004; Quelch and Jocz, 2007), tell stories about the place. Marketers typically examine the perceptions of individual consumers, thereby possibly ignoring their collective nature: 'the stories have become conventional and so are continually reinforced because they are treated as truths in everyday interactions' (Holt, 2004; Go and Govers, 2010). Brand equity is thus 'the set of brand assets and liabilities linked to a brand, its name, symbol, that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers' (Aaker, 1991, p. 15).

Deconstruction: the concept of brand equity in the context of cruise tourism

Skålén (2010) exemplifies deconstruction with reference to the marketing management school of thought, which not only prescribes that organizations should adapt themselves to the customer's wants and needs but also suggests ways of affecting – or manipulating – these wants and needs. In terms of relationship marketing, on the other hand, it is a question of controlling the actions and thoughts of employees in particular ways. The paradigm change in the research on the cruise business is perceived in this chapter as a shift in theoretical emphasis towards branding. The concept of brand equity is therefore discussed in the following as a target for deconstruction.

Brand equity is open to critical evaluation given the numerous interpretations of it, each leading to a different set of measures. Farquhar (1989) and Simon and Sullivan (1993), for example, adopt a financial perspective, describing it as the incremental cash flow resulting from associating a brand name with a product. Aaker and Biel (1993), in turn, define brand equity as the value added to the core product or service by associating it with a brand name. Keller (1993) takes more account of consumer behaviour, perceiving brand equity as the result of consumers' responses to the marketing of a particular brand that depends on their knowledge of it (de Chernatony, 2003, pp. 396–397).

The earlier literature on branding in tourism focused on customer-based brand equity, issues concerning the personality of the brand (Morgan *et al.*, 2003; Murphy *et al.*, 2007; Ekinci and Hosany, 2010) and destination loyalty (McKercher and Denizci Guillet, 2011). Both personality and loyalty are included in the dimensions of customer-based brand equity, which Konecnik and Gartner (2007) studied in the context of destination branding. Knowing the customer is one of the central (key) issues in successful destination branding. Hsieh (2004) deconstructs customer-based brand equity into two components, measured and unmeasured equity, and differentiates between the financial and the customer perspectives. Although financial theorists suggest that the use of customer-based brand equity is problematic because of the inherent subjectivity, others argue that although brands have value for various stakeholders, it is the consumers who first determine the equity (Farquhar, 1989). Defining a brand's equity has been described as difficult (Wansink, 2003), given that it is a consumer-specific concept (Aaker, 1991).

Discussion

Given the increase in cruise-related academic research – mainly in the areas of business and marketing – concern about fragmentation and managerialism has led to the question of whether there is a need for a cruise theory. There may well be, but first, would it not be better to find some common ground among the different disciplines studying cruises for developing or at least discussing a unified theory? The focus in this chapter is on changes in marketing research paradigms in the context of cruise tourism. The paradigm changes in the discipline can hardly be separated from the changes in the research methodology. The research questions addressed concern the challenges of illustrating asymmetric stakeholder interdependences among cities, ports and destinations, and finding ways of unifying product promotion in the cruise business so as to strengthen the brand associations (such as safe, secure and sustainable).

Brand-related research, incorporating the multidimensional concept of brand equity, is offered as a solution that would give a holistic view of the cruise business (cf. Schroeder, 2009). This could be further expanded to include interdisciplinary research that would both complement and complicate economic and managerial analyses of branding at the cultural, ideological and political levels. Researchers attempting to do this include: Konecnik and Gartner (2007) and Pike *et al.* (2010), who apply a model of consumer-based brand equity to a destination and national context; Hakala and Lemmetyinen (2013), who focus on customer-based brand equity in the context of the European Capital of Culture (ECoC); and Lemmetyinen *et al.* (2013), who assess the relevance of cultural production in boosting place brand equity. Exploring the relevant associations enhances understanding of the underlying motives of the customer. The three brand equity associations are discussed in the light of the above analysis: safe – how is it associated and how do laddering techniques affect its position? Secure – what is the association with the cruise business and its importance for customers? Sustainable – could there be a new start for green marketing, and if so, what could be learned from the previous unsuccessful attempt and the mistakes made?

Conclusions

The complex and multifaceted concept of a cruise brand or product should be viewed holistically taking into account not only the cruise companies and their customers at the core but also the wide spectrum of stakeholders representing the cities, ports and regions involved in the cruise business. This research recognizes the need for unifying stakeholders' efforts by capitalizing on social capital-driven economic development. Further research on this phenomenon requires a paradigm shift in order to capture a holistic view. Earlier marketing- or business-related research on the cruise industry has leaned on marketing management as a school of thought, which separates the demand and supply sides. The research reported here represents a more holistic and interactive approach. The critical analysis of marketing discourse (cf. Skålén, 2010) not only illustrates the hegemony of brand equity as a relevant theory, it also critically evaluates it.

The use of brand-equity theory in research on the cruise business is a step towards fulfilling the need for a cruise theory, as Papathanassis and Beckmann (2011) discuss in their review of the academic research. Destination branding and brand equity represent relevant marketing theories that easily interact with other disciplines, thus reducing the threat of fragmentation and managerialism reported in earlier research.

A paradigm shift is not enough in marketing or any other discipline, and a more multifaceted, qualitative approach to consumers' narratives is needed. One way of examining collaborative relationships in the context of cruise tourism would be to use a combination of narratives, structured questionnaires and perceptual mapping within a case-based approach (Palakshappa and Gordon, 2006). Laddering, in turn, is useful in enhancing understanding of why customers really buy in the cruise business, and developing key insights that will serve as a platform on which to build a marketing campaign. Wansink's (2003) seven general values have proved to be the end goal of purchase behaviour. The laddering interview technique supports the development of a meaningful 'mental map' through which to better understand the equity of the cruise brand and to further build or extend it.

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The Image of Cruise Ship Holidays on Italian Television: A Comparative Analysis

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Introduction

Destination image plays a fundamental role in any holiday decision-making process, being able to influence the travellers' choice of destinations (Baloglu and McCleary, 1999). Such a role lies in holidays being what Nelson (1970) defined as an 'experience good' as opposed to a 'search good': because of their intangible nature, holidays cannot be directly evaluated by travellers before they are taken, but only during and after being experienced (Candela and Figini, 2003). As a consequence, previous expectations have great importance in facilitating travel decisions. Tourists form expectations by using a variety of information sources so as to reduce the sense of uncertainty and risk that is especially perceived by first-timers.

Since a distinctive image can differentiate a destination from its competitors, destinations are used to compete also via images (Urry, 1990); therefore, the focus on destination image has led destination management organizations to increase investments in branding and positioning campaigns (Pike, 2007). This has also happened in the field of cruise tourism, due to the evolution of cruise ships from simple means of transportation for travellers to holiday destinations in themselves (Wood, 2004; Dickinson and Vladimir, 2008); this in turn has led to a significant growth in advertising activities over the past 30 years.

The Italian market is no exception, since cruise lines invest a significant amount of their promotional budget in TV campaigns. However, no specific research has been conducted so far in order to identify the images of cruise holidays broadcast by cruise lines to prospective travellers on Italian TV. To fill this gap, this chapter shows the results of a comparative study of TV advertising campaigns that have been broadcast in Italy recently.

By conceptualizing the cruise ship as the destination in itself, the next section presents a brief literature review on the role of destination image in cruise passengers' decision-making processes and focuses on the role and content of visual texts such as TV commercials in the promotion of cruise tourism. The section titled 'The image attributes of a cruise ship holiday: a review' singles out the main components of the image of a cruise holiday; 'Research aims and design' presents the methodology used

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to perform a content analysis over a sample of recent TV commercials broadcast by different cruise lines to Italian travellers; the section on 'Data analysis and discussion' presents and discusses the research results with the final aim of identifying what specific components of the image of ships as tourist destinations have been promoted through TV advertising campaigns; and the final section draws some conclusions from the study and discusses implications for further research.

The Cruise Ship as a Tourist Destination and its Image Formation Process

As already said, nowadays the cruise ship is considered as the destination in itself (Wood, 2004). As Dickinson and Vladimir (2008, p. 28) pointed out about the repositioning strategy adopted by Carnival Cruise Line in the early 1970s:

With the 'Fun Ship' position, the ship itself became the destination and the ports of call became green stamps – a total reversal of previous cruise marketing. Cruise marketing up to that time had been destination driven. But in the early 1970s, less than 1 per cent of the public had been on a cruise; the vast majority of the population was leery of this unknown concept. By focusing on the ship rather than the ports of call, Carnival was forced to communicate to the public what the experience of the ship and cruising on her was all about. Therefore the story of what a vacationer could expect on board was a salable one.

Since cruise ships can be conceptualized as tourist destinations to all intents and purposes, the literature on destination image and some of its key frameworks and concepts can be profitably applied to the field of cruise tourism, as discussed below.

There is a general agreement in the literature that destination image (DI) is one of the elements that most affect tourists' decision-making processes (Baloglu and McCleary, 1999). Echtner and Ritchie (1991) distinguished two typical ways of conceptualizing DI, respectively, as an attribute-based construct and a holistic construct. While the attribute-based approach identifies DI in terms of individual attributes and consequently leads to the evaluation of the destination on the basis of each attribute, the holistic approach identifies DI in terms of the total impression about the destination and leads to the evaluation of the destination on the basis of this overall idea.

Due to the analytical purpose of this chapter, which aims to identify the different components of a cruise ship holiday promoted on Italian TV, the conceptualization of DI adopted here is that of an attribute-based construct. Generally speaking, the image formation process results from '(...) A continuum of separate agents that act independently or in some combination to form a destination image unique to the individual' (Gartner, 1993, p. 197). On the basis of Gartner's classification of tourist information sources into overt induced, covert induced, autonomous and organic, cruise lines can be considered as overt induced 'image formation agents', since such agents use television, radio, brochures, billboards and print media advertising as 'direct attempts to form particular images in the minds of prospective visitors' (Gartner, 1993, p. 197). In other words, acting like any other overt induced image formation agents, cruise lines make an overt promotion of destinations or single services, so that the 'person receiving the message is not confused over who is sending it' (Gartner, 1993, p. 197).

Since 'image is what sells cruises' (Klein, 2002, p. 1), an increasing number of studies have recently focused on the impact of cruise companies' promotional material on the formation of cruisers' expectations and subsequent satisfaction/dissatisfaction with the cruise experience. An interesting study in this field is that by Schmenner (2011), who investigated the relationship between cruisers' expectations towards a single image attribute – crowding – formed via cruise companies' brochures, and satisfaction resulting from crowding experiences. The focus that research like this put on communication is very useful, since it highlights the fundamental link between travellers' exposure to promotional texts and the subsequent formation of the destination image (Phelps, 1986; Gartner, 1993; Baloglu and McCleary, 1999; Beerli and Martín, 2004), which, in turn, influences the formation of specific travel expectations, finally affecting tourist satisfaction.

Among different types of promotional texts, the importance of the visual ones in shaping the ways tourist represent, choose, consume and recall a place (Berger, 1972; Urry, 1990; Wang, 2000; Jenkins, 2003) has also been acknowledged in the field of cruise tourism. Visual texts consist of still or moving images, to which words may or may not be added. For example, Douglas and Douglas (2004) and Weeden and Lester (2006), among others, highlighted the prominence of visual imagery in cruise brochures. Kwortnik and Rand (2012) pointed out the importance of the popular TV series *Love Boat* in spreading the above-discussed 'idea of cruising as a holiday' (p. 119). In addition, *Love Boat* contributed to create the image of cruise passengers as travellers whose expenditures at port were high (Brida and Zapata, 2010).

For the purpose of this chapter, a special type of visual text is the TV commercial, which combines moving images with music as well as written and spoken texts, and can be more properly defined as 'audio visual' text. According to Kim *et al.* (2005), tourism TV commercials appear to be more effective in stimulating responses such as top-of-mind awareness and advertisement awareness, whereas newspapers seem to have more influence on requesting travel information and the likelihood of visiting the destination. Pan (2011) investigated the role of tourism TV commercials in forming memorable as well as impressive destination images of New Zealand and found that tourism promotional videos should include 'video frames showing something old (i.e., something familiar to viewers), something new (i.e., something that cannot be seen or done in the viewer's immediate environment), something white and something blue (i.e., clean and pristine)' (Pan, 2011, p. 171). In addition, he found that video frames showing people's interaction among themselves and with the environment were positively correlated with the viewers' desire and intention to visit the destination. Dickinson (1995) and Kwortnik (2006) showed that TV advertising played a central role in the promotion of the Carnival Cruise Lines' 'Fun Ships'. In general, however, there is lack of empirical evidence on the role of TV commercials in promoting cruise tourism and little research has been conducted with direct reference to the Italian market.

The image attributes of a cruise ship holiday: a review

Scholars' attention has often been focused on the relative importance of the single attributes of a cruise ship vacation, though not always explicitly referred to DI. *Motivations for cruising*, *cruise experience* and *vacation satisfaction* represent three

fundamental research streams in the field of cruise tourism from which it is possible to derive the main attributes of a cruise ship vacation.

Motivations for cruising

Research on motivations is closely related to DI research, since motivations are among the main psychological factors affecting the image formation process (Baloglu and McCleary, 1999; Beerli and Martín, 2004). In other words, since DI is the sum of expectations about a new destination for first-time visitors, motivations represent 'needs and wants' (Crompton and McKay, 1997, p. 427), which in turn have an impact on what first-time cruisers expect from a cruise holiday, consequently influencing DI. Travel motivations, in particular, represent a wide research stream within tourism sciences from which useful theoretical models and research methods have been derived and applied to the study of cruisers' needs and motivations.

The well-known 'push/pull model' originally proposed by Crompton (1979) classifies the following 'socio-psychological motives' internal to the individual as 'push factors': (i) *escape from a perceived mundane environment*; (ii) *exploration and evaluation of self*; (iii) *relaxation*; (iv) *prestige*; (v) *regression*; (vi) *enhancement of kinship relationships*; and (vii) *facilitation of social interaction*. 'Pull factors' are 'cultural motives' external to the individual. They are derived from destinations' specific features, and consist of two motives: (i) *novelty*; and (ii) *education*. In recent years, several scholars have applied the push/pull model to the analysis of motivations for taking a cruise vacation.

Among others, Teye and Paris (2010) found that *convenience/ship-based*, *exploration*, *escape and relaxation*, *social* and *climate* were the five principal factors of travel motivations. *Escape* and *relaxation* as well as *social* factors can be considered general tourism push factors. In contrast, *convenience/ship-based* and *exploration* are cruise-specific pull factors, which were found to be the most important by Teye and Paris. The *convenience/ship-based* factor relates to the amenities, facilities and services provided by the ship and the cruise line; the *exploration* factor refers to opportunities offered by cruising to multiple destinations, such as shore excursions, independent exploration, shopping, dining on land, experiencing different local cultures and meeting local residents. Finally, *climate* represents both a push and a pull factor that influences people's intention to take a cruise vacation.

Another interesting application of the push/pull model to the analysis of cruise passengers' motivations can be found in Hung and Petrick (2011), who showed that push factors such as escape and relaxation are primary reasons that motivate people to take a cruise. Results like this have relevant implications for cruise lines' promotional campaigns, since:

(...) when promoting cruise vacations to the public, promotional campaigns should demonstrate people enjoying their freedom, escaping from their mundane life, and/or resting on a cruise. Cruise tourism may be able to differentiate itself from other types of tourism by building an escaping or relaxing vacation image in order to convey cruising services to specific markets. (Hung and Petrick, 2011, p. 392)

Hung and Petrick found that several other motivations are important for cruisers, namely, *learning/discovery and thrill* (i.e. Crompton's *education*), *self-esteem/social*

recognition (i.e. Crompton's *prestige*) and *bonding* (i.e. Crompton's *enhancement of kinship relationships*). For this reason 'focusing on providing escaping and relaxing services only is unlikely to fully satisfy customers' (Hung and Petrick, 2011, p. 392). Therefore, different facilities and promotional plans should be implemented by cruise lines to respond to each of these additional needs. Other studies have addressed cruisers' motivations for participating in a cruise with specific destinations as ports of call. For example, in their research on cruise visitors' experience in a Mediterranean port of call (Heraklion, Crete), Andriotis and Agiomirgianakis (2010) found that *exploration* (i.e. the desire to explore the history, culture and nature of the place as well as to learn more about it) and *escape/relaxation* are among the main motivations.

The cruise experience

Regarding the second research stream – that on cruise experiences – Hosany and Witham (2009) derived a useful analysis framework from Pine and Gilmore's study (1998) on the experience economy. Pine and Gilmore distinguished four 'realms' of consumer experiences: *entertainment*, *education*, *aesthetics* and *escapism*. *Entertainment* entails passengers' passive participation and absorption towards the different experiences provided onboard or on the mainland, such as nightly shows and casino-style gaming (Hosany and Witham, 2009). As such, *entertainment* has always been a key component of any cruise vacation since the advent of the above-mentioned Carnival Cruise Lines 'Fun Ships' in the 1970s.

Education involves consumers' active participation and absorption. Referring to cruise experiences, Hosany and Witham recalled the different sources of educational experiences identified by Cartwright and Baird (1999) that passengers can benefit from when embarking on a cruise vacation. Such experiences include direct encounters and opportunities to socialize with people from different cultures, as well as onboard cruise activity programmes (i.e. dancing lessons, cooking, and expert talks about sealife).

Aesthetics entails consumers' passive participation and immersion in the physical environment around them. Referring to the physical environment typical of cruise experiences, Hosany and Witham discussed Kwornik's (2008, p. 292) concept of 'ship-scape' as 'a context-specific type of servicescape that includes both the man-made physical and social environment in which the cruise service is delivered (the ship), as well as the natural environment (the ocean)'.

Finally, *escapism* involves consumers' active participation and immersion in experiences that they usually cannot live in their daily life. Taking part in a nightly play onboard as actors or singers can be a way for cruisers to escape from their ordinary life by immersing themselves in a highly involving activity.

Cruise vacation satisfaction

Focusing now on cruise vacation satisfaction, it should be pointed out that scholars have often considered onboard and land-based vacations as two different moments of the cruise experience, although satisfaction with the cruise experience involves 'quality variables on the cruise ship as well as the island destinations themselves' (Baker,

2014, p. 40). Referring to the four ‘realms’ of consumer experiences mentioned above – namely, *entertainment*, *education*, *aesthetics* and *escapism* – Hosany and Witham (2009) found that *aesthetics*, followed by *entertainment*, was the main determinant of onboard vacation satisfaction. As the authors emphasized (p. 14), ‘Such findings are in line with Kwortnik (2008), who notes the influence of shipscape elements (e.g. ambient and design factors) on cruisers’ emotions and behaviors’.

Huang and Hsu (2010) distinguished six dimensions of the cruise experience – *learning*, *relaxation*, *self-reflection*, *family relations*, *fitness* and *people* – only two of which, *relaxation* and *learning*, showed significant direct effects on cruisers’ overall vacation satisfaction. Interactions with fellow passengers were found to have a strong indirect effect on vacation satisfaction. Another important antecedent of onboard satisfaction is *food*, representing ‘one of the significant factors that has helped cruise lines achieve the high satisfaction rates they enjoy’ (Dickinson and Vladimir, 2008, p. 46).

Looking at vacation satisfaction on the mainland, Andriotis and Agiomirgianakis (2010) found that five factors – *product and service*, *tour pace*, *dining*, *communication and information* and *benefits sought* – influence cruise passengers’ satisfaction. In particular, factor 1 – *product and service* – is referred to as aspects such as ‘transportation while in Crete’, ‘friendliness of local residents’, ‘availability of museums and historical places’, ‘attitude of local shopkeepers and staff’ and ‘performance of guides on shore’.

Factor 2 – *tour pace* – includes onshore activities such as ‘time at sea’, ‘time availability to use comfort facilities and shop’, as well as ‘feelings of personal safety and security’. The importance of personal safety and security of cruisers on the mainland has recently risen after dramatic events such as the terrorist attack on the Bardo National Museum in Tunis on 18 March 2015, which caused the death of some cruisers disembarked from Costa and Mediterranean Shipping Company (MSC) cruise ships to visit the city. The personal safety and security of cruisers onboard has also increased in importance, especially after the shipwreck of the *Costa Concordia* against the Mediterranean Giglio Island, Tuscany, on 13 January 2012, which involved more than 4000 people and caused the death of 33.

The third factor of satisfaction found by Andriotis and Agiomirgianakis is *dining*, which reflects the importance for cruisers who choose to visit a Mediterranean port of call that they are satisfied with the food experience in terms of diet ‘variety’ and ‘quality’, as well as the ‘availability of restaurants’ on shore.

Shifting from the Mediterranean area to the western Caribbean, a recent study by Baker (2014) identified the *environment* (including ‘relaxing destination’, ‘best beaches in the world’, ‘good sense of safety and security’ and ‘clean unpolluted environments’) as the main factor affecting satisfaction.

The image components of a cruise ship holiday

The previous sections presented a review on the single image attributes of a cruise ship holiday. As was shown, attributes referring to motivations, cruise experiences and satisfaction tend to overlap frequently. As a result, all the attributes have been aggregated into eight image components, reported in [Table 17.1](#).

The eight components are: (i) escape; (ii) relaxation; (iii) entertainment; (iv) learning; (v) prestige; (vi) family and social relationships; (vii) services and products provided by the cruise line; and (viii) environment.

Table 17.1. Image components of a cruise ship holiday.

Image components	Single attributes derived from literature
Escape	Escape from a perceived mundane environment (Crompton, 1979) Escapism (Pine and Gilmore, 1998; Hung and Petrick, 2011) Escape (Andriotis and Agiomirgianakis, 2010; Teye and Paris, 2010; Hung and Petrick, 2011)
Relaxation	Relaxation (Crompton, 1979; Andriotis and Agiomirgianakis, 2010; Huang and Hsu, 2010; Teye and Paris, 2010; Hung and Petrick, 2011)
Entertainment	Regression (Crompton, 1979) Entertainment (Pine and Gilmore, 1998; Hosany and Witham 2009)
Learning	Education (Crompton, 1979; Pine and Gilmore, 1998; Hosany and Witham, 2009) Exploration (Andriotis and Agiomirgianakis, 2010; Teye and Paris, 2010) Exploration and evaluation of self (Crompton, 1979) Self-reflection (Huang and Hsu, 2010) Learning (Huang and Hsu, 2010) Learning/discovery and thrill (Hung and Petrick, 2011) Novelty (Crompton, 1979)
Prestige	Prestige (Crompton, 1979) Self-esteem/social recognition (Hung and Petrick, 2011)
Family and social relationships	Enhancement of kinship relationships (Crompton, 1979) Bonding (Hung and Petrick, 2011) Facilitation of social interaction (Crompton, 1979) Family relations (Huang and Hsu, 2010) People (Huang and Hsu, 2010) Social (Teye and Paris, 2010)
Services and products provided by the cruise line	Convenience/ship-based (Teye and Paris, 2010) Food and beverage (Dickinson and Vladimir, 2008; Andriotis and Agiomirgianakis, 2010; Baker, 2014) Fitness (Huang and Hsu, 2010)
Environment	Aesthetics (Pine and Gilmore, 1998; Hosany and Witham, 2009) Shipscape (Kwortnik, 2008) Climate (Teye and Paris, 2010) Clean unpolluted environments (Baker, 2014) Feelings of personal safety and security (Andriotis and Agiomirgianakis, 2010; Baker, 2014)

Starting from this theoretical framework, the next sections present the methodology and the results of a study carried out to identify which specific components of the cruise holiday image have been imparted by different cruise lines to Italian travelers on TV.

Research Aims and Design

Data collected by the Observatory of the Italian National Bilateral Tourism Institute (EBNT and SL&A, 2012) on the cruise traffic in the Mediterranean area showed

that the number of Italians who chose cruises rose from 514,000 in 2005 to 888,900 in 2010. The number of cruise passengers in Italy grew constantly between 2004 and 2011, with an average annual percentage relative difference of 14.6% (RisposteTurismo, 2015). After 2011, some fluctuations have been observed. The foreseeable drop in 2012 (−5.4% compared to the year before) due to *Costa Concordia's* shipwreck was followed by a recovery in 2013 (increase of +4.1% compared to 2012) and by a new drop in 2014 (−8.2% compared to 2013), probably due to the long wave of the economic crisis in Europe (Osservatorio Nazionale del Turismo, 2014; RisposteTurismo, 2015).

Growth in domestic demand in Italy suggests that vacationers must have a positive image of cruise tourism. In order to control which of the eight image components of the cruise ship holiday identified in the previous section were actually addressed by the commercials broadcast on Italian TV, a sample of TV commercials was drawn from those that were broadcast on the Italian national TV channels between January 2011 and May 2015. The main cruise ship companies in the Italian cruise market produced these commercials. Cruises offered by these companies regard mainly, but are not limited to, the Mediterranean area. Whenever possible, the commercials were drawn from the companies' official websites. Moreover, the commercials were also selected based on their availability on the popular YouTube platform, provided that the companies had posted them. Therefore, the batch of commercials used in this study is probably a sample of all of those broadcast over the past few years, and it is the pool of those made publicly available online by the companies themselves. Finally, 33 commercials were selected: 11 produced by Costa Cruises, 17 produced by MSC Cruises, 11 produced by Grimaldi Lines and 4 produced by Royal Caribbean International.

At the early stages of this study, a choice was made about what data sources to exploit. As is already known, the consumers' process proceeds through several stages (Kotler *et al.*, 2003): the first stage or *need recognition* characterizes people who have not yet perceived their specific need. The second stage consists of *information search*, and the third is the *evaluation of alternatives*. People at stage one are best reached by advertisement campaigns in the generalist press, on the radio or TV. As cruise tourism is a growing market in Italy, the primary interest of cruise companies is in opening new markets by reaching prospective customers whose needs for cruise holidays can be adequately stimulated. The other market strategy, say taking concurrent companies' market shares away, is of secondary importance although present.

Therefore, today strong efforts are made by cruise companies to reach people at stage one. Based on this assumption, commercials broadcast on generalist TV channels were considered the primary data sources to be used for the aims of this study. Indeed, TV commercials are a relevant source of information. They combine various languages that are mixed together to form a complex syncretic language where words, images and music coexist and overlap in order to answer cognitive, affective and conative functions that are aimed at persuading the public. This is not the place to discuss these topics in depth. However, it is clear that the structure of commercials is so complex as to render the extraction of meaning difficult.

In order to analyse the content of the 33 commercials, quantitative content analysis was performed as a method useful for extracting information from texts. Therefore, the complex language of commercials was simplified by separating its different components, which were all translated into words. This way, each commercial was transformed into a sequence of words (a text). The entire batch of

commercials constituted the corpus under observation. Words were easily copied in plain written text, and images were translated into words as well. Images were interpreted based on their 'natural' content, i.e. based on the assumption that in the end every observer possesses the fundamental conceptual categories to describe actions which he/she shares with his/her social community. In this study, the observers (analysts) were the authors of this chapter while their social community consisted of prospective Italian cruise tourists. Although this assumption is at the basis of specific research approaches like ethnomethodology (Silverman, 1998; Sacks, 2007), while this study could hardly be defined as such, the assumption was considered rational for the aims of this study. Clearly, there might be a certain degree of subjectivity in this operation; in order to handle this issue, the authors of this chapter agreed on codifications by comparing independent translations.

Describing images through words or translating images into words is neither a novelty nor an extravagance. On the contrary, it is common practice in visual culture studies. For example, this is the core object of interest of the literary genre named 'ekphrasis'. Although ekphrasis has often been limited to the description of art masterpieces, its boundaries have recently been extended so as to include descriptions of natural and cultural images (Bartsch and Elsner, 2007; Cometa, 2012). Though our translations cannot be considered literary artworks in any sense, a common ground exists with ekphrasis, consisting of the attempt of describing images through words.

Images included within commercials flow throughout their duration without creating a perception of continuity interruption. Nevertheless, we know that videos, in general, are made up of a rapid sequence of 24 frames per second. Moving images were consequently analysed in terms of groups of frames, which constituted the elementary units from which to draw information. A group of frames ended and a new group began every time the scene changed. Music is also a fundamental element in TV commercials, proving tremendously effective in putting the audience into a specific mood, as well as reinforcing the emotional component of the ad's message. More clearly than images, music within commercials is a continuous background element, which leads the audience along the story being told. Nevertheless, music was transformed into a discrete element as well, with the thresholds being the scene changes as for moving images, and was described as a constant or varying element.

The translation of music into words was performed depending on the analysts' interpretations. Analysts decoded the audio-messages based on the same assumptions as for images: extraction of 'natural' language and content, followed by comparison between independent coding and final agreement on the words to be included within the written descriptive text. If someone describes a musical variation as 'rhythmical', it is likely that a second observer, belonging to the same general cultural group, would use similar words to describe the same music. Whenever the style of the music background remained invariant, switching from one scene to the next, the same descriptive words were repeated more than once.

Data Analysis and Discussion

In order to perform quantitative content analysis, words with similar meaning were grouped together, as well as noun inflections (singular/plural), verb conjugations (talk/talks/talked) and words with the same lexematic roots (young/youth). This way, the

number of word types was reduced and analyses based on the calculus of occurrences and co-occurrences were facilitated. Commercials by the four companies were analysed using cluster analysis, in order to highlight similar features of the cruise companies' ad campaigns, with respect to the word types weighted with corresponding occurrences. The output shown in Fig. 17.1 shows that Costa's commercials are similar to MSC's, while Grimaldi's are the most different from the others.

Looking more in depth into the differences between the companies' 33 commercials, an analysis of the topics included within commercials was performed, after excluding meaningless tokens (a, an, and...) and grouping same-meaning tokens. Latent Dirichlet Allocation (LDA) topic modelling was performed: 'Latent Dirichlet Allocation is a generative probabilistic model of a corpus. The basic idea is that documents are represented as random mixtures over latent topics, where each topic is characterized by a distribution over words' (Blei *et al.*, 2003, p. 996).

All commercials were considered as texts belonging to the same corpus, from which just four topics were extracted. Though this number does not permit in-depth analyses over the contents of the corpus, it was expected that some sort of correspondence would be detected between the four cruise companies and the four topics. Each topic was obviously present throughout different companies' commercials, however, not equally present. In summary, the analysis aimed to evaluate how much the commercials by the four companies were characterized by different topics, and what the content attributable to topics was.

After 200 iterations, the log-likelihood (LL)/token ratio was equal to -6.059, which is acceptable (the fit is better as it gets closer to zero).

Table 17.2 shows the top 30 words per topic.

As can be seen in Table 17.2, topic 1 *relaxation with family* focuses on a relaxing but also cheerful cruise (as shown by the music rhythms: *mildly_rhythmic_music*; *rhythmic_music*; *hammering_music*); the family dimension is also present (children; father). Topic 2 focuses on *entertainment and escapism from ordinary life* (dancing; *entertaining_rhythmic_music*; *famous_dancers_names*; *imagining*; *holiday*; *cruise*), emphasizing the location where actions take place (the ship). The frequent occurrence of the 'blue' colour (*blue_seas*; *blue_skies*; *blue*) should be pointed out. Indeed, the video frames including blue elements – with the blue colour indicating pristine

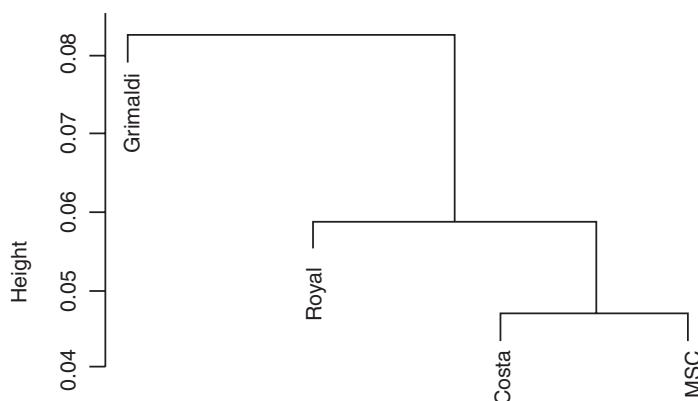


Fig. 17.1. Cluster analysis. Dendrogram of cruise companies' TV commercials.

Table 17.2. Topic modelling. Top 30 words per topic.

Topic name	Top 30 words per topic
1. Relaxation with family	mildly_rhythmic_music; ship young_woman; rhythmic_music; young_man; pool; children; game; hammering_music; young; talking; woman; Mediterranean; father; offstage_woman's_voice; scene; living_life; very; watching; sunbathing; laughing; swimsuit; cabin; cheerfulness; relaxing; happy; side; showing; listening
2. Entertainment and escapism from ordinary life	cruise; ship; calm_seas; blue_seas; young_adult_woman; cutting_through; blue_skies; entertaining_rhythmic_music; dancing; sun; sunset; together; discovering; smiling; famous_dancers'_names; dressing; holiday; building; lying_down; imagining; hall; seeing; waiter/waitress; booking; cloud; company's_officer; Barcelona; colour; blue; dish
3. Onboard facilities and ports of call	company's_name; company's_logo; company's_website; traveller; offstage_woman's_voice; young_adult_man; couple; young_woman; writing; sun; day; mate; deck; ambient_music; Tunisia; comfortable; indicating; Greece; man's_voice; Spain; Morocco; pool; gym; Sicily; Sardinia; Jacuzzi; sale; palms_of_the_hands; woman's_voice; restaurant
4. Aesthetics and physical activities	relaxing_music; offstage_man's_voice; sea; day; beauty; inner; body_parts; man; very_rhythmic_music; smiling; going; young_adult_man being_seen sitting_down; watching; sun; white; town; water; running; cruise_expenses; middle_aged_man; table; mainland; in_hand; great; diving; itinerary; near; arriving

environment – seem in line with the general guidelines for developing tourism promotional videos provided by Pan (2011).

Topic 3 *onboard facilities and ports of call* presents more clearly the descriptive-informational traits of cruises (companies' names, trademarks, websites and discounts on the cruise fares), as well as onboard activities, facilities (pool; gym; Jacuzzi; restaurant) and mainland destinations in the Mediterranean. Topic 4 *aesthetics and physical activities* shows a holiday where contemplative and naturalistic elements (relaxing_music; beauty; sea; watching; sun; sitting_down) are merged with physical activities (very_rhythmic_music; running; diving). The presence of the 'white' colour can be explained referring to the idea of a clean environment (Pan, 2011). As expected, commercials tend in general to associate within and differ between companies, as shown in Table 17.3.

Table 17.3 reports only the 'contributions to text' offered by the two top topics. Contributions to text mean how much a topic contributes to the *i*-th commercial. For example, topic 2 contributes 35.6% to the contents of Costa's commercial 1. Table 17.3 shows that Costa's commercials can be mainly explained by topics 1, 2 and 4, Grimaldi's by topic 3, MSC's by topic 1 with a minor contribution from topics 2 and 4, and Royal's by topic 4. It was assumed that proportions greater than 0.25 were meaningful. When four topics are extracted, 0.25 is, in fact, the output of random assignment (i.e. 1/4). Costa's and MSC's promotional campaigns share a focus on the same three topics, i.e. *relaxation with family*, *entertainment and escapism from ordinary life* and *aesthetics and physical activities*. This multidimensional image of the ideal cruise

Table 17.3. Topic contributions to cruise companies' TV commercials.

TV commercial ID	Company	Top topic		Second-top topic	
		Topic ID	Contribution to text	Topic ID	Contribution to text
1	Costa Cruises	2	0.356	3	0.289
2	Costa Cruises	2	0.317	1	0.250
3	Costa Cruises	2	0.399	4	0.333
4	Costa Cruises	1	0.548	4	0.159
5	Costa Cruises	1	0.485	2	0.216
6	Costa Cruises	3	0.340	1	0.340
7	Costa Cruises	1	0.390	3	0.273
8	Costa Cruises	1	0.444	2	0.222
9	Costa Cruises	4	0.714	3	0.118
10	Costa Cruises	4	0.684	3	0.136
11	Costa Cruises	4	0.558	2	0.222
12	Grimaldi Lines	3	0.742	2	0.194
13	Grimaldi Lines	3	0.640	2	0.160
14	Grimaldi Lines	3	0.645	2	0.200
15	Grimaldi Lines	2	0.882	3	0.074
16	Grimaldi Lines	3	0.593	4	0.203
17	Grimaldi Lines	3	0.404	1	0.326
18	Grimaldi Lines	3	0.537	1	0.257
19	Grimaldi Lines	3	0.550	1	0.230
20	Grimaldi Lines	3	0.451	1	0.305
21	Grimaldi Lines	3	0.620	1	0.240
22	Grimaldi Lines	3	0.637	1	0.257
23	MSC Cruises	1	0.638	2	0.195
24	MSC Cruises	1	0.598	4	0.184
25	MSC Cruises	1	0.568	2	0.223
26	MSC Cruises	4	0.451	1	0.287
27	MSC Cruises	4	0.382	2	0.314
28	MSC Cruises	2	0.356	4	0.351
29	MSC Cruises	1	0.628	2	0.166
30	Royal Caribbean	4	0.376	1	0.284
31	Royal Caribbean	4	0.407	3	0.252
32	Royal Caribbean	4	0.523	1	0.229
33	Royal Caribbean	4	0.436	2	0.277

Legend of topic ID. 1 relaxation with family; 2 entertainment and escapism from ordinary life; 3 onboard facilities and ports of call; 4 aesthetics and physical activities.

holiday emerging from Costa's and MSC's TV commercials is in line with the desire for relaxation, entertainment, escape and enhancement of kinship relationships, which, based on the literature review, were shown to be the primary reasons that motivate people to take a cruise. It seems that Costa and MSC are more interested in creating 'atmospheres' and fulfilling the 'emotional dimension' of the cruise experience than promoting the facilities offered onboard. This might be due to the fact that these two companies are already well known, since they are the two leaders in the Italian cruise market (D'Aponte, 2010).

Grimaldi Lines seems to have adopted a different promotional strategy, which consists of stressing the company's brand name and the 'service dimension', often providing a sort of 'list' of onboard facilities and ports of call on the cruise track (topic 3).

As expected, for all companies the service dimension is more focused on the facilities provided onboard than on the mainland; this indicates that also in the Italian case cruise ships are currently promoted as 'tourist destinations' in themselves.

It seems that Royal Caribbean International tends to create a distinctive image of its ideal cruise holiday that is prevalently focused on *aesthetics and physical activities* (topic 4), in order to meet the common cruisers' need for immersion in the physical environment in which the cruise service is delivered (the ship), as well as in the natural environment (the sea).

The four topics discussed so far were extracted through content analysis, which represents a data-driven exploratory procedure in our application. However, the meaning of the four topics can be easily related to that of the eight components of the cruise holiday image, described in [Table 17.1](#). In particular, Costa's and MSC's commercials seem to comprise all of these image components, *prestige* excluded. Indeed, this factor does not seem to play a relevant role in any of the four companies' promotional strategies. *Family and social relationships*, along with *services and products provided by the cruise line* are addressed by three companies out of four (the former by Costa, MSC and Grimaldi, the latter by Grimaldi, Costa and Royal). The high visibility of family within the TV cruise ship commercials broadcast in Italy is in line with the increasing popularity of family cruising, observed at the international level (Dowling, 2006). In addition, the high occurrence of images of family and social relationships is consistent with the general guidelines for developing tourism promotional videos provided by Pan (2011), who suggests that video frames showing people's interaction among themselves and with the environment are positively correlated with the viewers' desire and intention to visit the destination.

Compared with the previous components, *learning* does not seem to play a key role in any of the four companies' promotional strategies. This result does not seem consistent with Pan's suggestion that tourism promotional videos should include 'something new', i.e. 'activities or sights that are different and/or that visitors cannot see or do in their own country' (Pan, 2011, p. 181). *Environment* is a key component of Royal's image of the ideal cruise ship holiday, along with its attributes of safety and tranquility over the sea track. Generally speaking, the four companies' commercials never represent either climate or the cruiser's personal safety onboard or on the mainland as uncertain elements. On the contrary, all possible danger signals were evicted, like in the case of Costa's trademark, initially consisting of a 'C' shaped life belt, which disappeared after *Costa Concordia's* tragic shipwreck in 2012. Moreover, reassuring images are included in profusion, ranging from calm and blue sea to clear sky without any clouds or with faraway clouds.

Conclusions and Implications for Future Research

Destination image is one of the elements that most affect tourists' decision-making processes. This has been shown to be valid also in the field of cruise tourism, for which the importance of visual texts has been well acknowledged in shaping how tourists represent, choose, consume and recall the cruise vacation. Starting from the theoretical

standpoint adopted in this study, which considers the cruise ship as the destination in itself, this chapter aimed to identify the specific image components of the cruise ship holiday promoted on TV by the four main cruise lines operating in the Italian market. The content analysis performed on over 33 TV commercials made it possible to compare the different topics and image components characterizing the promotional strategies adopted by each cruise company, as well as to derive the 'ideal' cruise ship holiday offered to prospective Italian cruisers.

This study has a variety of implications. First, cruise companies' executives might increase their awareness of the components of the cruise ship holiday that are addressed by their own as well as by competitors' commercials. As a consequence, more effective communication strategies might be implemented. Second, this study provides analysts with a feasible itinerary to investigate how cruise tourism is promoted, exploiting data included within complex texts like TV commercials. More research is required to gain deeper knowledge of the promotion of cruise holidays. Cruise companies might monitor the images that they impart through sources other than TV (official websites, social networks, brochures and so on), so as to control for consistency and provide corrections if required.

The cruise holiday image should be investigated also from the tourists' viewpoint. This way, differences between consumers' opinions and companies' campaigns might be analysed in order to plan campaigns addressing needs that have not been met yet. In doing so, cruise markets other than the Italian should be considered; in addition, larger time intervals should be taken into account for data gathering, and different research strategies, as well as data analysis techniques, could be employed. For example, visual and musical elements could be identified and classified based on more formal protocols; the elements of commercials' complex language could be weighted based on their relative importance, which has not been made in this study. As an example, greater weights could be given to written and spoken texts, which are commonly used in commercials to emphasize specific themes of interest.

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Purchasing Attributes for Cruise Passengers

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Introduction

Cruise consumers are faced with an abundance of choices when making holiday decisions. What remains constant is that choices are based on a multiplicity of attributes that ultimately meet their needs and the desire to maximize their utility given their income limitations; availability of the product options based on individual consumer tastes; and the price the holiday product is available at. In this chapter we analyse the attributes that are fundamental product or service characteristics that inform cruise customer choices. The data presented were retrieved using conjoint analysis to better estimate relative importance of attributes and reduce social desirability bias, from 441 questionnaires collected from cruise passengers from the 50 calls of the Royal Caribbean International and Celebrity Cruise Lines Ships at the Port of Southampton, UK.

Literature Review

When consumers attempt to balance the cost of products against the benefits they associate with the product, they endeavour to arrive at an action that will maximize their personal advantage (Friedman, 1985). It has been argued that consumers are often found to apply in some form the principles of rational choice theory, taking action according to unchanging and stable preference functions and constraints facing them (Ben-Akiva and Bierlaire, 1999). Rational choice theory suggests that all action is fundamentally 'rational' in character and that people calculate the likely costs and benefits of any action before deciding what to do (Scott, 2000).

Cruise line website booking engines suggest the key purchasing attributes are which ship (standard/quality based on service level and ship facilities) and at what price, the dates of travel and time involved (duration of the cruise) and where the prospective cruisers wanted to cruise based on destinations within a geographic region (destinations within the cruise). These attributes are the variables that cruise consumers must provide to be able to book a cruise. However, in today's cruise packages there are also other attributes that attract cruise consumers to one product package over another. These are lesser decision criteria or lower order attributes because they are not crucial for decision making compared to the key decision criteria or higher order attributes (Louviere, 1988). In the context of cruise packages these criteria are

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not necessarily a prerequisite to actually book a cruise and can be booked prior to or during the cruise. This can occur once the initial cruise booking is made and the consumer has a booking reservation number. These attributes include 'peace of mind' through travel insurance to compensate for risk/uncertainty while on holiday. However, much of this additional information appeared to relate to the company's brand image/reputation and was provided in order to entice new and repeat business, with loyalty programmes to expand the loyal fan base through social media networking. These variables and their representative attributes and levels were the foundations of the behavioural choice tasks the survey's respondents were faced with. How cruise passengers responded to the tasks of making hypothetical purchasing choices was expected to reflect patterns in their actual choice of cruises. We shall now consider the literature and choices customers face in booking a cruise.

The first attribute we consider is the cruise standard. Cruise industry product standards have been the topic of several guidebooks, generally employing a one- to six-star rating system (Swain, 2006). Existing guidebooks examine the ships' features (facilities, amenities and service) in relation to the quality and perceived value (Showker and Sehlinger, 2007; Stern, 2007; Ward, 2008, 2010). Cruise line websites and brochures provide specific information pertaining to the ships' tangible hardware features, making the websites and brochures valuable sources of product information that may not be covered in the guidebooks. Though there are numerous guidebooks available, industry magazines such as *Cruise International* and *Cruise Planners* recognize and make reference to the Berlitz ratings. The Berlitz ratings have been in existence for well over three decades. Although it is not the cruise industry's official rating system, in the absence of one, the long-standing Berlitz ratings appear to be the most recognized throughout the UK cruise industry. These star ratings are readily available and used for both industry product comparisons and cruise passengers' guidance. However, given that three of the four guides reviewed by Swain (2006) used a one- to six-star rating system, this study applied the same star rating levels as indicators of the product standard (Swain, 2006, pp. 115–123).

In addition to standard, consumers choose products based on price. Overall the price cruise consumers pay for a cruise is representative of the overall value based on what is included in the package. The website findings were consistent with what was found in the consumer and trade magazines and cruise industry statistical reports. There is considerable variation in what is included in the basic price of cruise products, and for the purpose of this study the tests were done considering the overall cruise price including cabin type based on a per person rate in a shared cabin of two persons with additional price options for single supplements and a third or fourth cabin occupant. Meals (excluding speciality restaurants) and port charges were included as standard in the overall cruise packages and, therefore, add to the overall value of a cruise. The Cruise International magazine *Cruise Planner* is a recognized industry guide to cruise pricing and planning designed to help cruise passengers in their selection process. As per the 2011 Cruise International issue of *Cruise Planner*, prices included meals (excluding speciality restaurants and room service), onboard entertainment and port charges as standard. Beverages were generally not included. Flight was included in the price of the fly/cruise option and the larger and more luxurious the cabin, the higher the price of the cruise.

The Passenger Shipping Association (PSA, 2011) identified price followed by service as the UK cruise consumers' top reasons for choosing their last cruise. In this

study the price attribute and its corresponding levels were based on values and cabin categories using benchmarks/guidance reflective of cruise packages as found in the 2011 issue of *Cruise Planner*, the Royal Caribbean Cruise Line (RCCL) (as the survey population) website and the Passenger Shipping Association (PSA) 2011 UK cruise industry report. Cruise passengers are price sensitive. Those who are least price sensitive have higher levels of household incomes, spend more during cruises and choose more expensive cabin categories than passengers who are more price sensitive (Petrick, 2005). Price is recognized as a complex but important indicator of the perceived value associated with the product (Petrick, 2011). It was therefore important that these same attributes were engaged as in existing cruise consumers' behaviour research. Petrick (2004, 2011) refers to the importance of price in the consumers' overall product value perception as it relates to the consumers' perceived monetary and behaviour price.

Duration is the third attribute we shall consider. Disposable time that cruise consumers have directly impacts on the cruise selected. Cruise durations vary from short 3–4-day cruises to long cruises that may exceed well over 21 days in the case of repositioning and world cruises (PSA, 2011; PSA and ACE, 2011). In the early era of cruising the target market segment was primarily the affluent and retired with disposable income and time (Kerstetter *et al.*, 2005). While the need for a high level of disposable income to cruise may have been subsidized by the increase in product availability and competition (Chiam *et al.*, 2009), disposable time still remains relatively unchanged, with retired consumers having the highest levels of disposable time to take the longer cruises that generally exceed 21 days (IRN *et al.*, 2011). As a result, there has been a notable increase in the availability of shorter itineraries to engage an increase in the market share for cruising by a younger clientele inclusive of children (Sun *et al.*, 2011). Five to seven days and 8–14-day cruises are the most favourable for UK and European consumers, accounting for 81% of the cruises taken in 2010 (IRN *et al.*, 2011).

Fourth, choice behaviours are influenced by 'where' consumers are going on the cruise (Davies, 2010). On the cruise lines' booking websites this was one of the four primary attributes passengers were required to choose in relation to the cruise holiday package. The destinations within a cruise package are specified based generally on the seven geographical continents of the globe and are depicted as the ports of call within a cruise itinerary (Dickinson and Vladimir, 2008; Davies, 2010). For example, a 7-day Caribbean cruise may originate in Miami, Florida, and stop at five ports of call (islands, say St Maarten, St Kitts, Antigua, Dominica and St Lucia) with 2 days at sea. While itineraries provide the details of the specific ports of call, the cruises are initially selected based on geographical regions of interest, followed by specific cruise itineraries based on ship, duration of the cruise, port of origin and ports of call (Dickinson and Vladimir, 2008). Using specific 'popular' or 'top' destinations would have limited the scope of the consumers' choice within the survey and not been fully representative of the extensive number of destinations (ports of call) available. It is also customary that a 'fly' element or aircraft transfer to the port of cruise embarkation be included for destinations/cruise regions commanding a longer travel distance from the consumers' home base (Dickinson and Vladimir, 2008; Jones and Skalsky, 2011). For example, UK cruise passengers may fly to Miami, Florida, to take a 7-day Caribbean cruise, while on another occasion board a ship at UK ports, on a 21-day cruise that is repositioning across the Atlantic to the Caribbean. It is evident that the cruise destination ultimately chosen by the cruise consumer is also directly influenced by the duration of the cruise.

Fifth, the literature refers to the importance and relevance of a company's brand name because consumers are brand name conscious (Erdem and Keane, 1996; Fan, 2005) and there are direct correlations between repeat customers and brand name (Huber *et al.*, 1992; Interbrand, 2011). Brand name also provides substantial information about likely performance, expected benefits and problems in use including the relative price of an item (Huber *et al.*, 1992; Smith and Brynjolfsson, 2001). Cruise companies' brand names are important because the individual brand name affects consumers' perception of the cruise product quality (Ahmed *et al.*, 2002). A good brand name is therefore an important part of a company's marketing strategy as it allows corporations in particular to distinguish themselves from other similar products (Balmer and Gray, 2003). However, such inferences have been shown to be unreliable in the conjoint studies (Huber *et al.*, 1992).

In addition, an increasing number of consumers are aware of the social and environmental impacts of tourism and cruising in particular, and may be influenced by a company's reputation in this respect. While the booking sites provided a plethora of company-related information, it was relevant to determine if the cruise lines currently used corporate social and environmental responsibility (CSER) as an attribute of importance in wooing consumers. To make an informed decision, the websites were examined in relation to the availability of CSER information and ease of access to this information for the cruise consumer. The positioning of this information relative to the ease of accessibility to the information was used as an indicator as to whether the cruise line places CSER as a primary attribute reflective of the brand's image or not. It was noted that the cruise lines provide information pertaining to their CSER policies and practices as attributes of a company's brand image/reputation attributes, however, in most cases the link to the CSER information was less obvious – generally located at the bottom of the page through the 'About/Our Company' link.

The potential cruise passengers interested in learning more about the brand's CSER policy and practices via the booking website would have to literally search the site to identify the specifics relating to practices such as the company's corporate giving to worthy causes, environmental stewardship and the legislation/voluntary standards governing their company policies. This would lead one to deduce that for the majority of cruise lines that operated out of the Port of Southampton, CSER was not considered by the respective cruise lines to be an attribute of primary interest or importance to cruise passengers when choosing a cruise.

Yet ethical obligation and self-identity are important criteria when distinguishing between and choosing products and services for the more socially and environmentally conscious consumers. By extension, the ethics associated with a brand's image and reputation should be of importance to cruise consumers who seek some degree of social and environmental consciousness in their lifestyles, notwithstanding the fact that traditional cruise market consumers' knowledge of a product may be based on an image placed in their mind through marketing and promotion (Cholwill, 2011). This brand image may vary from one company to the next and the cruise consumers' perceptions and attitudes will also vary based on the amount and type of information available to them. This suggests that cruise consumers who are socially and environmentally inclined will be drawn towards the cruise company's CSER if available on their respective websites and in brochures.

Finally, travel insurance to cover the uncertainty associated with booking holidays (such as risk of unforeseen holiday disruption) is a compulsory booking requirement

within booking engines. On all the cruise sites passengers are required to indicate whether they have travel insurance or not before finalizing the cruise booking. Companies did offer travel insurance or information pertaining to third party insurance providers. Travel insurance has become an essential holiday purchase requirement (Mitchell *et al.*, 1999; Leggat and Leggat, 2006; Rashid, 2007), no different when purchasing a cruise, as unanticipated disruptions to holiday plans (e.g. due to ill health, family death or climatic disruptions) may occur without warning (Leggat and Leggat, 2006; Rotondo, 2012). What exactly is covered within travel insurance has become a subject of debate (Mitchell *et al.*, 1999; Fearis, 2012) and can vary extensively dependent on the level of coverage the consumer desires (Rotondo, 2012). The fine print of the insurance policy is often overlooked by the consumer as finding the right insurance coverage can be a somewhat daunting task (Rotondo, 2012) and consumers are drawn towards the simple explanations, assuming that holiday travel insurance will cover all aspects of the package holiday (Fearis, 2012; Rotondo, 2012). To ensure that this variable was included and the overall survey mimicked the realities of holiday disturbance, this element of risk/uncertainty due to holiday disturbance or disruption was represented in this study's cruise package as the attribute – Travel Insurance. Consumers were given the option to purchase as part of the cruise package or provide their own.

Methodology

This chapter analyses the relative importance of different cruise consumer decision-making attributes, conducted using the powerful conjoint analysis. Conjoint analysis is a marketing research technique developed on the foundations of the mathematical psychology (psychometric) research of Luce and Turkey in 1964 (Green *et al.*, 2001). The basic function of this technique is one of COMBINED + JOINTLY (Conjoint) information (Green and Srinivasan, 1990) in which conjoint measurement and other non-metric models are used to compute attribute values using stimulus and trade-off elements (Carroll and Green, 1995).

Conjoint analysis specifically focuses on measuring how consumers value components of a product/service bundle. By providing several combinations of attributes, the researcher is able to in turn derive how much utility (preference) is associated with each of the various attributes (Green and Krieger, 1996; Hauser and Katz, 1998). In essence, the concept of conjoint analysis is about determining consumer preferences and importance for products and their attributes. Green and Srinivasan (1990, p. 4) define conjoint analysis as 'any decompositional method that estimates the structure of a consumer's preference'. The preference for a combination of attributes reveals the 'part-worth' of individual attributes (Carroll and Green, 1995; Green and Krieger, 1996), therefore in conjoint analysis the part-worth utilities of individual attributes are calculated based on the ranking of a defined set of combinations of attributes. The conjoint analysis method used in this study was the Choice Based Conjoint Analysis System for Hierarchical Bayes Estimation (CBC/HB). By using CBC, the relative trade-offs at the group level of the cruise ship passengers sampled were measured using a randomized CBC technique in which each cruise passenger respondent made choices identifying the attributes of interest to themselves, from a small number of sets randomly drawn from a list of given attribute levels, which were then analysed at the group level using the Salient Multi-Attribute Research Technique.

Cruise consumers were presented with a number of cruise product choices or tasks representative of the attributes associated with purchase of a cruise holiday package. All the product attributes included were 'real-world'/realistic product choice scenarios, except for the use of hypothetical brand names that bore no relation to existing names of cruise brands to eliminate any preconceptions consumers may have had about known brands, therefore reducing any 'noise' or cross-effects associated with unconventional choice options or the presence or absence of an alternative level (Orme, 2010). From this a decision was made as to which cruise company package was most preferred by the individual and was reflective of what they considered to be of importance in relation to their feelings, beliefs and attitudes, ultimately reflected in the choice behaviour pattern. Conjoint analysis is used within academic and applied marketing literature primarily to solve marketing research problems (Cattin and Punj, 1984; Wittink *et al.*, 1994; Swanson, 1998).

Five hundred and two respondents were interviewed at the City Cruise Terminal, Port of Southampton, UK providing 61 incomplete questionnaires and a total of 441 useable survey questionnaires. Respondents were cruise passengers from the 50 calls of the Royal Caribbean International and Celebrity Cruise Lines ships that called at this port over 49 calendar days during the data collection period. Using Systematic Sampling (a probability sampling method), every seventh passenger was approached in the terminal lounges to participate in the Computer Assisted Self Interviewing (CASI) data collection process. All respondents aged 18 years and over were given the use of a touch screen tablet to enable a faster response rate. This indirect question, task simulation approach of the CBC model was anticipated to be more stimulating than the direct question traditional pen and paper approach of data collection. The process resulted in a favourable useable response rate that met academic and practitioner integrity as a good sample size representative of the 2012 RCCL cruise passengers at the Port of Southampton.

Results and Discussion

The Hierarchical Bayes Individual Level model weighs the importance of scores to give a more accurate representation of the behaviour of the respondents on an individual basis, as shown in [Table 18.1](#). The high importance positions of the standard (1st) and price (2nd) attributes are in keeping with the conclusions of Petrick *et al.* (2007) and Dickinson and Vladimir (2008), who found that when cruise consumers are in pursuit of 'value', their individual 'perceived value' is decided in relation to price and quality of the cruise product. It is important to remember that this 'perceived value' is subjective (Solomon, 2001; Dickinson and Vladimir, 2008) and influenced by the attitudes, beliefs and values (Solomon, 2001) of each consumer as an individual. The importance rankings of specific attributes, namely CSER, destination and duration, suggest that these attributes were the ones being traded off the most and affected greatest by the respondents' 'perceived value' of the cruise product attribute bundle as respondents sought to maximize their individual utilities (preferences). CSER, Destination or Duration were therefore the attributes that were the deciding factors as to the cruise package options chosen by respondents when standard and price (perceived value) were equal in the options and/or respondents were indecisive about cruise options.

Table 18.1. Importance rankings of cruise package attributes.

Attribute	Total importance % Rank
Standard	28.40 (1st)
Price	24.64 (2nd)
Duration	13.06 (3rd)
Destination	12.68 (4th)
CSEER (brand image)	11.82 (5th)
Brand (name)	6.76 (6th)
Disruption	2.63 (7th)

We shall now examine each attribute in more detail. [Table 18.2](#) represents the percentage of the times the attribute level was chosen when it was available within the choice tasks, consequently ‘the proportions shown do not necessarily total 100% but are treated as relative choice probabilities with ratio scaling properties’ (Orme, 2010, p. 156). Each task presented in the survey engaged a total of seven product attributes of varying product levels that made up the various cruise product packages. Counts analysis shows the amount of variance in the choice data (Swanson, 1998).

First, our data show that standard accounts for 28.4% of the importance of decision making, the highest attribute. The greatest preference was evidently for the cruise companies with high standards, correlating with the star rating assigned to each cruise company, with the 6+ star standard rating (attribute level) being chosen 39% of the time that it was available within the choice tasks. The dynamics of the cruise industry has changed, with ultra-luxury cruise lines now offering more of the shorter cruises (PSA, 2011) and increasing market share by 10% in 2012 (PSA, 2013). Since there is no official rating system for the cruise industry, standard specific ratings are not included in the annual cruise industry reports. However, cruise ship holidays have traditionally been perceived to be of higher standards ~3–6+ star ratings (Ward, 2010) found within contemporary/premium and luxury brands of cruise lines (CLIA and TNS, 2011; Cruise Complete, 2012). These are in keeping with the results of this study in which the 3, 4, 5 and 6+ attribute levels were selected the most times overall that they were available within the choice tasks.

Second, by using conjoint analysis modelling software the price attribute is placed on a more even playing field in an industry where heavy discounting, specials and ‘add-ons’ exist in an extremely competitive free market (Chiam *et al.*, 2009). In conjoint analysis the association of high price with high quality is diminished within the exercise. Where price traditionally suggests high price, it also reflects a sacrifice of paying more for high quality as the sacrifice aspect is commonly aversive yet inferential (Huber *et al.*, 1992). Conjoint analysis tends to drive out this inferential mechanism since prices are by design in the survey un-associated with the quality levels found (Huber *et al.*, 1992). It was important in the CBC study to use varying levels of price that were reflective of the different degrees of prices available within the cruise product. In the survey, all components of the cruise package were assumed to be the same except for the differences shown in the choice tasks, therefore the attribute ‘price’ was considered only in the context shown, eliminating the ‘noise’ and ‘information – overload’ perspective cruise consumers are often faced with. This allowed the price variable to be associated in the context of the existing attributes and levels only.

Table 18.2. Relative importance of consumer decision-making attributes in purchasing cruise products – counts analysis using Choice Based Conjoint Analysis.

Attributes	Choice probabilities/ preferences	Significance (<i>P</i> value)
Standard		<i>P</i> < 0.01
6+ Star	<u>0.385</u>	
5 Star	0.336	
4 Star	0.288	
3 Star	0.242	
2 Star	0.176	
1 Star	0.073	
Price		<i>P</i> < 0.01
£500.00 pp inside cabin	0.291	
£800.00 pp outside-view cabin	<u>0.340</u>	
£1000.00 pp balcony cabin	0.274	
£1400.00 pp balcony cabin	0.222	
£1800.00 pp deluxe cabin	0.217	
£2300.00 pp suite	0.156	
Duration		<i>P</i> < 0.01
21 days cruise only	0.973/4 = 0.243 {	
14 days cruise only		
7 days cruise only		
3 days cruise only		
21 days fly/cruise	0.777/3 = 0.259 {	
14 days fly/cruise		
7 days fly/cruise		
Destination		<i>P</i> < 0.01
Europe incl. UK, Baltic and Med.	0.281	
Africa	0.209	
Asia	0.250	
North America incl. Caribbean	<u>0.284</u>	
South America	0.237	
Antarctica	0.230	
Australia/ =Oceania	0.259	
CSER (brand image)		<i>P</i> < 0.01
No CSER policies and practices	0.172	
Has CSER policies and practices	<u>0.328</u>	
Brand (name)		not significant
Company A	0.255	
Company B	<u>0.259</u>	
Company C	0.248	
Company D	0.244	
Company E	0.245	
Disruption		<i>P</i> < 0.05
Full cruise coverage insurance	<u>0.259</u>	
Travel insurance not included	0.241	

Underlined figures indicates the attribute level that was chosen the most of the number of times available within the choice tasks.

Our data show price as a close second most important attribute in decision making (24.64%). There was less preference for the more expensive cabin categories – suites, deluxe and higher priced balconies, selected 16%, 22% and 22%, respectively, of the time that they were available within the choice tasks. Consumers favoured the lower £800.00 and £500.00 cruise package prices that did not include a balcony. The attribute levels were chosen 34% (the highest) and 29%, respectively, of the time that they were available within the choice tasks for selection. Overall, having an ocean view rated highest in the consumer preferences. In 2012, ‘the average price paid for a cruise fell by £46 to £1,388 with nearly half (47%) of all cruises sold costing less than £1,000.00’ (PSA, 2013, p. 6). According to the cruise industry experts, ‘Everything else on the retail price index may be costing more every year but United Kingdom holidaymakers who bought cruises in 2012 were paying less than they did seven years earlier in 2005’ (PSA, 2013, p. 6). Larger ships are being introduced into the market, therefore, economies of scale have facilitated lower prices in an economically strapped marketplace (PSA, 2013). Overall industry sales have increased by 42% over 2011 figures (PSA, 2013, p. 6) to 1.72 million passengers (ABTA, 2013, p. 8) in spite of the current economic climate and the increase in the price of fuel. The results of this study are therefore in keeping with consumer price choices and the industry results.

Our study shows duration is the third most important attribute, at 13.06% of the total variance. The most preferred cruise length choice level was the 7-day fly/cruise option, chosen 28% of the time that it was available within the choice tasks. The 14-day cruise-only option was the next preferred choice (27%). With the exception of the 3-day cruise-only option, the difference in preference levels for cruise durations was marginal. Overall, the fly/cruise attribute levels were selected on average 25.9% of the time that it was available within the choice tasks, with a very marginal 0.016 (less than 1%) more of the time when compared to the number of times the cruise only options were selected (24.3%) when it was available in the tasks. Industry data provide evidence of a decrease in the number of cruise consumers selecting fly/cruise holiday options since the introduction of air passenger duty in the UK at a time of global economic recession (PSA, 2012). Short cruises (3 and 4 days) from UK ports were first popular primarily with first-time cruisers as ‘taster cruises’ (PSA, 2012). However, now short cruises are considered to be a product in themselves ideal for party cruise occasions such as hen and stag weekends and Christmas shopping excursions. Since there is no flying involved and cruises start from the UK home ports, short cruises make ideal getaway options for long weekends and public holidays. Three-day cruises continue to appeal to UK cruise consumers particularly in the winter season to the Northern Europe Christmas markets (PSA, 2013). This meant that the demand for 3-day cruises peaked in the winter season and was also affected by the decline in demand from first-time cruisers following the January 2012 *Costa Concordia* tragedy. This seasonality demand and impact from the *Costa Concordia* incident could account for the low choice selection of the 3-day cruise-only attribute level in this research study.

Fourth, our study found that destination was marginally less important than duration for the market departing out of Southampton (12.68%). There is little difference between consumers’ choices of destinations, however, North America including the Caribbean topped the preference list. This attribute level was chosen 28% of the time that it was available within the choice tasks. This was followed closely by Europe including the UK, Baltic and Mediterranean attribute level, also chosen 28% of the time

that it was available within the choice tasks. These two levels were the most favoured destination choices. Africa was the least desirable (preferred) of the destination choices, having been chosen 21% of the time that it was available within the choice tasks. Results of the PSA (2013) UK Cruise Review confirm this equal preference for North America/Caribbean and Europe (including UK, Baltic and Mediterranean). Europe including the Baltic experienced a 29% increase in cruise passengers in 2012 and demand for the Caribbean dropped by 21%, appropriately described as 'a sea-change in British cruise passenger taste' (PSA, 2013, p. 4). This change has been partly attributed to the high cost of a Caribbean fly/cruise package due to the air passenger duty element, which has deterred UK holidaymakers. The addition, in 2010, of short 3- and 4-day cruises from UK ports to destinations within the UK and Europe was well received and contributed to this change in cruise destination preference and demand (PSA, 2011). These included cruises to the European Christmas markets during the winter season. Developments in the Middle East/North Africa resulted in many ships being repositioned to other ports away from the troubled spots (PSA, 2012). The study results were in keeping with those of the industry reports in which the economic and political climate greatly influenced cruise consumers' destination choices.

Fifth, we found that CSER had an importance of 11.82% in the overall decision. Having CSER policies and practices was chosen 33% of the time that it was available within the choice tasks compared to the alternative (company without CSER policies and practices, at 17%). This suggests that CSER is of significance, however, one in three cruise passengers would knowingly book a cruise with a company that did not have CSER policies or practices. While it is not considered to be a 'traditional' cruise booking attribute, its significance in cruise research is becoming evident. For example, the Cruise Lines International Association (CLIA) and Taylor Nelson Sofres (TNS) (2011, p. 112) US-based cruise market profile study made the statement and asked the respondents the direct question: 'Many people and businesses are adopting "green" and earth friendly policies to help protect the environment. How important is it to you that a business or service that you utilize is proactively adopting "green" initiatives?' While it focused only on the environment, its inclusion indicates that the industry has acknowledged that it is a factor of significance to the consumer.

The importance of brand name came up sixth in our study, basically because we had worked from hypothetical brands. While brand name is deemed to be a reasonable product choice criterion in the marketplace, it has less impact in the orthogonalized world of conjoint analysis exercises because the value of brand as an indicator of quality is lessened, placing less value on the name importance (Huber *et al.*, 1992). Given the depleted importance of brand name within the conjoint environment, how it would be potentially used and the potential impact on the study's response validity and reliability in the research scenario was given further consideration. With a percentage certainty of 76.8% and root likelihood of 0.726 our study commands a very good fit between the model and the data; and is nearly three times better than chance. Therefore, studies such as that by Ahmed *et al.* (2002) that imply that cruise consumers need to know the brand name of a cruise company to be able to identify the quality of a cruise product, suggesting that brand name is an attribute of higher importance in cruise consumers' choice process can be challenged. The results of our study suggest that consumers do not need to initially identify a cruise company's brand name if an alternative indicator of product quality is provided to distinguish one product from the next.

Finally, in our study we found that, while significant, there was a marginal difference between the cruise consumers who felt the need to purchase travel insurance as part of a cruise package as opposed to those whose preference was to purchase the insurance separately. The ‘inclusion of full cruise coverage insurance’ attribute level was chosen 26% of the time that it was available within the choice tasks. Cruise Complete (2012) indicated that 21% of their customers requested travel insurance. Although a compulsory element to complete a cruise booking, travel insurance purchases are not included in the various industry reports produced by Passenger Shipping Association (PSA), CLIA or the European Cruise Council (ECC). This suggests that the relevance of travel insurance (disruption) when booking a cruise may be of scientific significance in this research study but is not of major significance to the industry compared to other cruise attributes such as price and duration of the cruise.

Conclusions

The results and analysis confirmed that there is a clear relationship between the assumptions that govern utility maximization theory and outcomes of choosing cruise holidays. Figure 18.1 represents a visualization of the conjoint analysis results, showing that cruise consumer behaviour was rational most of the time (highest points) and irrational some of the time (lowest point). Also the area of trade-off was between the duration, destination and CSER attributes (flat line). As consumers, the respondents choose the best product from the options that would meet their needs and wants in a holiday. The consumers’ behaviour and decision-making process premise of this theory is that first, consumers will choose the attribute of greatest importance first and make trade-offs (compensate) to get the product that most meets the needs and wants of the individual consumer given his/her financial constraints (Abley, 2000; Moutinho, 2000; Orme, 2010; Moutinho *et al.*, 2011). We hope these data allow cruising and marketing academics to better understand the relative importance of different attributes as part of the decision-making process.

Our research has provided previously unknown data specific to a sampling of cruise passengers in the western hemisphere. The growth over the past 3 years of some

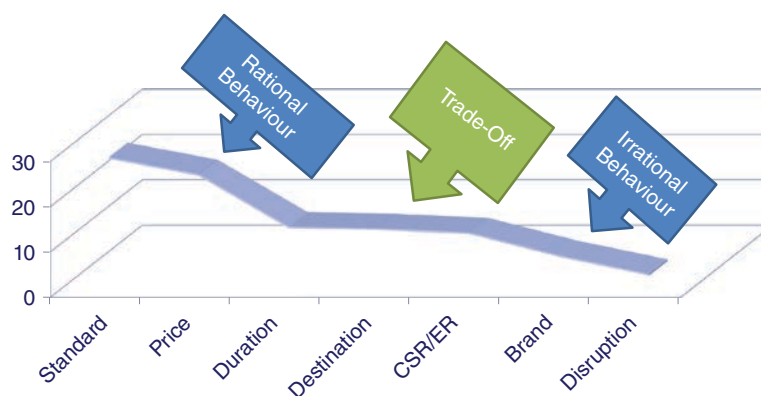


Fig. 18.1. Cruise consumer choice behaviour.

major cruise brands, notably RCCL and Costa Cruises, coupled with the recent announcements of future market expansion plans for MSC (MSC, 2015), AIDA, Carnival Cruises (Stone, 2015) and Norwegian Cruise Line (NCL, 2015) within the Asia cruise market (namely, China, which accounts for one-fifth of the world's population), has heralded an era of new and emerging cruise market segments within the eastern hemisphere. This new market penetration provides an opportunity for academia to expand consumer behaviour research of cruise consumers using similar methodologies that apply an indirect question approach of data collection coupled with individual level data analysis to acquire succulent quality results that will help to fill the many existing gaps in cruise consumer research.

We have also provided information specifically on 'what' cruise consumer preferences and importance attributes are but did not explicitly explain 'why' our respondents made the choices they did. This was at the time a limitation of the software used to conduct our study. However, the Perceptual Choice Experiments (Conjoint Analysis) CBC Sawtooth Software choice simulators are now able to facilitate questions that provide answers as to 'why' respondents make the choices they do in the market simulations (Orme, 2015). This improvement in the software technology will only serve to further enhance the quality of data and provide future users with a better insight into cruise consumer choice behaviour.

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Motivations and Constraints of Cruising for the US and Chinese Markets

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Introduction¹

Cruising is becoming more popular every year. With an estimated annual passenger growth rate of 7.5% in North America since 1980, cruising has been argued to be the fastest growing sector of tourism (Cruise Lines International Association (CLIA), 2013). The industry has faith that this trend will continue as an estimated US\$7.2 billion was invested in 29 new ships in 2013/2014 (CLIA, 2014), and an estimated US\$4 billion was invested in 22 new ships in 2015 (CLIA, 2015). The current CLIA global fleet includes 421 ships (270 ocean liners and 151 river boats), has more than 482,000 berths and serves an estimated 23 million passengers (CLIA, 2015). In order to retain market share of this quickly growing industry, it would seem to be very important for cruise line management to understand both the various motivations that people have to take a cruise, and the constraints that they have to cruising, or cruising as often as they would like to.

Travel Motivations

Travel motivations have been studied in a variety of settings and with a variety of samples including: wellness travellers (Chen *et al.*, 2008; Chen and Petrick, 2013), ecotourists (Dolnicar *et al.*, 2008), festival goers (Chang, 2006; Yolal *et al.*, 2012), family and couple vacationers (Durko and Petrick, 2013), backpackers (Chen *et al.*, 2014), volunteer travellers (Sin, 2009), pleasure travellers (Crompton, 1979; Goossens, 2000), senior citizens (Hsu *et al.*, 2007; Ward, 2014) and adventure travellers (Buckley, 2012). However, some scholars have acknowledged that existing motivation literature still suffers in some respects (Holden, 1999; Kozak, 2002; Teye and Leclerc, 2003); it is particularly lacking in terms of motivation for cruise tourism (Hung and Petrick, 2011).

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While many theories and concepts have been offered to explain motivation, Maslow's (1943) hierarchy of needs is likely the first motivation theory, and has served as a springboard for subsequent research in the fields of psychology, sociology and tourism (Kozak, 2002; Pearce and Lee, 2005). Maslow suggested that humans are motivated based on a hierarchy of needs ranging from physiological needs through self-actualization. From this theory, Pearce and Caltabiano (1983) proposed the travel career ladder, which suggests a traveller's motivations/needs are based on a hierarchy that is dependent upon the traveller's experiences. As the traveller becomes more experienced with a location or travels more, his or her motivation to travel advances to fulfil higher levels of satisfaction (Pearce and Lee, 2005). Additionally, several researchers have suggested novelty seeking and authenticity as primary motives to travel (MacCannell, 1973), while others have argued personal and interpersonal escape as explanations for travellers' motivations (Iso-Ahola, 1982).

The motivations of tourists have been the topic of debate among many researchers (most notably Dann, 1981 and Iso-Ahola, 1982). Things such as the theoretical underpinnings, methodological concerns and the interdisciplinary nature of the concept of motivation have been hotly debated among researchers seeking to understand more about what drives people to travel. However, much of the motivation literature hinges on Dann's (1977) seminal work where motivations are discussed in terms of push and pull factors. Dann (1981) explained push factors as socio-psychological motives that answered the 'why' to travel question, while pull factors focused on the destination choice decision and answered the 'where' to travel question. Additionally, Gnoth (1997) attributed push factors to internal motivators, while pull factors were destination-specific attributes, thus external motivators for travel.

Building on Dann's (1977) initial work, Crompton (1979) identified nine motives for travel, clustered into two groups, specifically socio-psychological motives and cultural motives. Based on findings from 39 unstructured interviews, Crompton classified travel motives as the need for: (i) a break from the routine; (ii) self-discovery; (iii) status; (iv) relaxation; (v) social interactions; (vi) relationship enhancement; (vii) regression; (viii) novelty; and (ix) culture. Subsequently, numerous case studies have followed to further examine additional push and pull motivations for travel and have added dimensions such as: safety, climate and uniqueness (Jamrozy and Uysal, 1994); health, fitness and recreational opportunities (Uysal and Hagan, 1993); and nature, convenience and religion (Bogari *et al.*, 2003). With an abundance of research building on Dann's (1977) work, researchers have tended to agree on the existence of multiple motivations ranging from five to eight items (Parrinello, 1993).

Motivations of Cruising

There is a plethora of reasons why people cruise. For cruise line management, understanding what these motives are, and specifically which segments have different motives, is extremely important in engineering appropriate onboard experiences and marketing efforts. Several researchers have found cruise motivations to differ from motivations for land vacations as the ship itself and ship life are pull factors and the cruise agenda includes multiple opportunities to visit different destinations in one trip (Teye and Leclerc, 2003; Teye and Paris, 2010). In a study of 173 cruisers, Teye and Paris (2010) found the primary motive for cruise travel was

to have fun, followed by escape, nature, family time, novelty/interesting ports, climate/outdoors and social interactions. While many of these motives directly correlate with those noted by Crompton (1979), their addition of 'fun' and 'nature' is of particular interest to cruise tourism.

Thus, based on Crompton (1979) and Teye and Paris (2010), Petrick and Durko (2015) utilized the following motivation items to cluster analyse luxury cruise tourists: to be with spouse/family, to enjoy nature, to escape, to do something relaxing, to socialize, to experience other cultures, to have a high status vacation, to have fun and to do something new. These motivation items resulted in five distinct clusters of cruise tourists. The clusters included: relaxers (motivated to relax/escape), unmotivateds (all motivation items low), motivateds (all items high), social statusers (to be with others or for status) and cultureds (to experience culture). While the resultant clusters differed in their demographics and tripographics, they were found to have very similar evaluations of their cruising experiences. This suggests that even though passengers are motivated by different reasons to cruise, the industry is able to equally please them while onboard. Also specific to cruising motivations, a qualitative research study of 53 participants by Hung and Petrick (2011) produced 25 items to help understand motives for a cruise vacation. Quantitative analysis of these motives revealed that the primary motives for cruising include: to escape/relax, for discovery/thrill and for esteem/social reasons.

Hung and Petrick (2011) offered several marketing implications from their results. First, 'escape/relaxation' was found to be the strongest motivation in both their qualitative and quantitative studies. This suggests that people associate cruise tourism with freedom, escaping and relaxation and that these are primary reasons that motivate them to cruise. Therefore, when promoting cruise vacations to the public, promotional campaigns should demonstrate people enjoying their freedom, escaping from their mundane life and/or resting on a cruise. Cruise tourism may be able to differentiate itself from other types of tourism by building an escaping or relaxing vacation image in order to convey cruising services to specific markets. They also identified other new motivations in their study. This suggests that although travellers are motivated by the escaping and relaxing aspects of cruise tourism, they may also expect to receive other benefits from their cruise vacation (even though these perceived benefits may not be the primary reasons for them to go on a cruise). Therefore, focusing on providing escaping and relaxing services only is unlikely to fully satisfy customers. Rather, cruise ships should also strive to fulfil cruisers' desires for 'learning/discovery and thrill', 'self-esteem/social recognition' and 'bonding' when they are onboard. Although cruisers are often likely to stay in a tourist bubble (Jaakson, 2004) in which they can be worry-free, they also do not like to be bored. Hung and Petrick (2011) thus proposed that varied learning and discovery opportunities should be provided to the interested passengers. Different programmes such as 'Be a chef/captain/cast member today' may appeal to those who are interested in learning. Discovery opportunities may be offered not only at the ports visited, but also onboard when the ship is moving. Tours to different back-stage areas (i.e. the galley, bridge, shows) may be arranged for families or interested passengers.

To respond to cruisers' need for 'self-esteem/social recognition', they also recommended that different strategies should be implemented. Public recognition to those who have cruised frequently may boost their self-esteem and make them feel appreciated. Some passengers may go on a cruise for special occasions such as wedding anniversaries,

birthdays or honeymoons. Gathering this information at the time when they sign up for a cruise vacation and acknowledging these occasions during their cruise might make them feel special. In addition, a certificate, which indicates each passenger's name and dates of their cruise, may also be distributed to cruise passengers so that they can share this with others when they return home.

To address cruisers' need for 'bonding', Hung and Petrick (2011) suggested that cruise lines may offer discounts to those who bring a new family member or friend onboard. This might not only encourage bonding time with family and friends on the cruise, but also attract new customers and expand the cruise market. They further suggested that some activities offered during the trip might also be designed with enhancing kinships in mind. Games or competitions among different families may provide a good time and serve a purpose of bonding for the passengers and those who come along with them.

Motivations of Asian cruisers

The global cruise industry has witnessed a dramatic boom in China. Approximately 530,000 Chinese tourists took cruises beyond the mainland in 2013, more than double the previous year (Shao, 2014). In addition, with cruise vacations becoming more favoured by the Chinese, it is estimated that China will be the second largest cruise market after the USA by 2017 (Euromonitor International, 2013). Yet, little is known about Chinese potential cruisers, especially their perceived images towards cruising as a source of cruise motivations.

Zou (2014) conducted a mixed method study on Chinese tourists to examine Chinese tourists' affective images and cognitive images towards cruising. For affective images, it was found that Chinese tourists generally considered a cruise vacation enjoyable, relaxing, pleasant and exciting. The results of cognitive images showed that Chinese respondents generally agreed that taking a cruise vacation meant opportunities to experience new things and activities, to appreciate excellent services, to enjoy a romantic and relaxed vacation, and to escape from their usual environment. In other words, Chinese tourists perceived cruising as a new, relaxing and romantic vacation with great services, and they are potentially driven by these positive images to actually purchase a cruise vacation. Her findings also revealed that Chinese perceptions of cruising mostly came from the movie *Titanic*, which implied that *Titanic* is likely to be a powerful medium to elicit intention to participate in a cruise, as long as positive images are used in relation to the movie. For instance, romantic elements should be taken into consideration when designing activities or itineraries in order to meet Chinese tourists' expectations, and advertisements such as TV ads should try to connect a cruise vacation with *Titanic* so as to effectively arouse Chinese tourists' yearning to experience a *Titanic*-style vacation.

In addition, Zou (2014) utilized critical incident technique (CIT) to investigate Chinese tourists' underlying motivations to take a cruise vacation by asking them 'What is the most important reason to take a cruise vacation?' Petrick *et al.* (2006) were the first to use CIT in a cruise context and found it to be an effective tool for cruise line management with direct marketing implications. The results of the study (Zou, 2014) found that the top three motivations of Chinese tourists to take a cruise vacation were to have a new/novel travel experience, to enjoy a comfortable/relaxing

vacation and to appreciate the view/proximity to the sea. Compared to their western counterparts, Chinese tourists were both motivated by relaxation and novelty of a cruise vacation, but Chinese tourists were also drawn by the proximity to the sea that a cruise vacation can offer, whereas westerners emphasized the social/esteem elements (Hung and Petrick, 2011). Marketers should be aware of these motivation differences between easterners and westerners and tailor their marketing efforts or campaign. Specifically, marketing efforts focusing on easterners should relate to the unique life-style at sea, while marketing towards westerners should focus on the social or public recognition that cruisers can obtain from a cruise vacation.

Zou (2014) further revealed that both Chinese tourists' cruising desires ($P < 0.001$) and cruising intentions ($P < 0.05$) were influenced by affective images. These findings suggest that advertisements and promotional materials should try to arouse potential customers' subjective feelings or emotional responses towards cruising. Specifically, Chinese tourists thought a cruise vacation is enjoyable, relaxing and pleasant, and thus, advertisements should reflect that people who are on a cruise enjoy themselves, feel pleasant and feel relaxed. Zou (2014) also found that compared to affective images, positive cognitive images were a better predictor of both cruising desires ($P < 0.001$) and cruising intentions ($P < 0.01$). These findings revealed that if marketing efforts are only able to focus on one variable due to limited budget, positive cognitive images might be the preferred variable to kindle cruising motivations. However, as both affective images and positive cognitive images were found to be good predictors, it is suggested that marketers include both in advertisements/promotions if possible.

Leisure Constraints

Since the early 1960s, researchers have investigated barriers to recreation participation (Buchanan and Allen, 1985). In earlier research, 'constraints' were simply defined as 'those barriers or blockages that inhibit continued use of a recreation service' (Backman and Crompton, 1989, p. 59). Research on constraints in the past was framed within the assumption that there is a positive relationship between leisure constraints and leisure non-participation. Refinements in the definition of leisure constraints have been made continuously as leisure constraints research has progressed. For instance, Jackson (1988) proposed that a constraint to leisure is anything that inhibits peoples' ability to participate in leisure activities, to spend more time doing so, to take advantage of leisure services or to achieve a desired level of satisfaction.

As more outcomes of leisure constraints have been identified, the range of definitions of leisure constraints has been broadened. Jackson and Scott (1999) classified the outcomes of constraints from previous research into four categories: (i) inability to maintain participation at, or increase it to, desired levels; (ii) ceasing participation in former activities; (iii) non-use of public leisure services; and (iv) insufficient enjoyment of current activities. Their classification reflects accumulated knowledge of scholars on leisure constraints over the years. Based on these four outcomes of leisure constraints, the concept of constraints was redefined as factors that inhibit continued use of leisure services, cause inability to participate in a new activity, result in the inability to maintain or increase frequency of participation and/or lead to negative impacts on the quality of a leisure experience (Nadirova and Jackson, 2000).

Early constraints research provided basic knowledge, which has allowed later researchers to discover better ways of understanding leisure behaviour. Through this process, several changes have occurred related to various aspects such as definition of leisure constraints, measurement scales and conceptual models related to constraints (Henderson, 1997; Samdahl and Jekubovich, 1997; Jackson and Scott, 1999; Nadirova and Jackson, 2000). Three seminal papers emerged in the late 1980s and early 1990s, which changed the face of leisure constraints research. The first paper was written by Crawford and Godbey (1987), who proposed three dimensions of leisure constraints: intrapersonal, interpersonal and structural constraints. They suggested that intrapersonal constraints are psychological conditions of an individual including their personality, interest and attitude towards leisure. They further stated that interpersonal constraints relate to the interaction between a potential leisure participant and others, such as their family and friends. They described structural constraints as external factors in the environment, such as lack of facilities and inconvenient transportation, which can frustrate potential leisure participants. The development of leisure constraints as a multidimensional construct has allowed for the analysis of constraints in a more systematic manner.

A second important contribution to constraint research was by Crawford *et al.* (1991), who proposed a hierarchical model that linked intrapersonal (antecedent), interpersonal and structural (intervening) constraints together. They proposed that people experience these three types of constraints in a sequential order: first at the intrapersonal level, second at the interpersonal level and last at a structural level. They suggested that intrapersonal constraints influence leisure preferences while structural constraints influence leisure participation after the preferences have been made. Negotiation of constraints, which was first raised by Crawford *et al.* (1991), is one of the major concepts in this model. The authors argued that 'leisure participation is heavily dependent on negotiating through an alignment of multiple factors, arranged sequentially, that must be overcome to maintain an individual's impetus through these systemic levels' (Crawford *et al.*, 1991, p. 314). Different from past research, this notion suggests that constraints are negotiable rather than insurmountable, and non-participation is no longer interpreted as the sole outcome of constraints, but rather, it is only one of many possible outcomes (Scott, 1991).

Constraints of cruisers

Unlike leisure constraints, travel constraints have been argued to not be homogeneous across different types of tourists and travel activities (Pennington-Gray and Kerstetter, 2002). For instance, in a cruise tourism context, both Hung and Petrick (2010) and Kerstetter *et al.* (2005) found a fourth dimension, 'not an option', which represents an overall lack of interest in cruising as a travel option. In a qualitative study of constraints to taking a cruise, Yarnal *et al.* (2005, p. 291) found that constraints to cruising are not stable over one's lifespan and found that they 'ebb and flow, disappear and reappear, and reorder in importance over the lifespan as individual's prioritize, make concessions, create opportunities and adapt in ways that allow them to travel for pleasure'. This reveals that cruising constraints are much more complex than proposed by Crawford and Godbey (1987) and Crawford *et al.* (1991). Yarnal *et al.* (2005) revealed that while time and money are consistent reasons people state for not

taking a cruise, people's life situations and obligations shape their perceived abilities to take a cruise. They learned that these hurdles to taking a cruise were typically negotiable and that if the individuals prioritized cruising in their lives that they would find the means for cruising.

While Yarnal *et al.* (2005) found support for intrapersonal, interpersonal and structural constraints, they found that many of the reasons their respondents gave for not cruising overlapped. They suggested the typical forcing of respondents' responses into typical constraints classifications could result in the loss of some information. They further suggested that since constraints that people have change over time based on their day-to-day life, the constraints people state at one time might merely just be a reflection of their current priorities. The challenge to cruise lines might thus be to understand the complex effects that changes in potential cruisers' lives have on their reasons for not cruising, and to find ways in assisting them in negotiating their constraints.

Hung and Petrick (2010) used both qualitative and quantitative measures to develop a scale for measuring constraints to cruising. They used a comprehensive review of the literature, comprehensive interviews and an expert panel to develop and refine their items. The interviews were collected from 43 persons and revealed that both cruisers and non-cruisers had various constraints to cruising. Different than Yarnal *et al.* (2005), their results were able to be classified into Crawford and colleagues' (1991) categories of constraints, with the addition of a category of 'no constraints at all'. Their initially identified constraints items included 22 intrapersonal constraints, 8 interpersonal constraints and 10 structural constraints. Their review identified an additional five constraint items for a total of 55 constraint items. Review of these 55 items by an expert panel reduced the items to 23 after considering redundancy, applicability and representativeness of the items to each construct. In order to further refine the scale, these items were pretested with an undergraduate student sample ($n = 293$), which assisted in rewording items and further reducing the items. The resultant items were subjected to a US panel sample, which included 333 non-cruisers and 564 cruisers to further refine the measures. Their final scale revealed that cruisers have the following constraints.

Intrapersonal constraints

- I worry about security on cruise ship.
- I can't cruise because I have poor health.
- I don't cruise because I have claustrophobia.
- I have seasickness/motion-sickness.
- I have a fear of the water/ocean.
- I need a special diet that is not available on a cruise.

Interpersonal constraints

- I might not like my dinner companions on a cruise.
- I have no companion to go on a cruise with.
- I might be lonely on a cruise.
- I don't cruise because my spouse/partner has poor health.

Structural constraints

- It's difficult for me to find time to cruise.
- I don't cruise due to my work responsibilities.
- I don't cruise because I have too many family obligations.

Not an option

- There are many other travel alternatives that I'd like to do before cruising.
- I am not interested in cruising.
- My family/friends do not cruise.
- Cruising is not my family's lifestyle.

Hung and Petrick's (2010) scale was used by Hung and Petrick (2012) to reveal differences in constraint mitigation between cruisers and non-cruisers. They found that, in general, cruisers had significantly fewer constraints and were more likely to negotiate their constraints. Thus, cruise management should likely utilize different marketing strategies for getting those who have never cruised before to take their first cruise, than for those who have cruised previously. They further revealed that the more constraints that respondents had, the less likely they were to adopt constraint negotiation strategies. This is inconsistent with prior leisure constraints research (Hubbard and Mannell, 2001), and could possibly be due to the larger amount of resources needed to cruise than for typical leisure activities. This finding also suggests the importance for cruise management to reduce the number of constraints that non-cruisers perceive they have, in order to get them to cruise.

Park and Petrick (2009) also compared non-cruisers to cruisers and found that non-cruisers' images of cruising were substantially more negative and misperceived than past cruisers. They further found that constraints were not nearly as good at predicting intentions to cruise as images were. Since non-cruisers often misperceived these images, they recommended that the cruise industry should attempt to mitigate these perceptions. In particular, the images that constrained non-cruisers included: health related issues, confinement and small spaces, and safety.

Constraints of Asian cruisers

Zou (2014) found that among 26 items that she developed in a constraint measurement scale, Chinese tourists were most constrained by other travel alternatives. Other top constraints that have kept Chinese tourists from taking a cruise vacation include difficulties in obtaining cruise information, concerns about safety, immaturity of the cruise industry in China and expensiveness of a cruise vacation. These findings implied that cruising is not yet a popular travel option among Chinese tourists. This is likely due to the infancy of the cruise industry in China. In addition, Zou (2014) found that because of the movie *Titanic* as well as the sinking of the MV *Sewol* in South Korea on 16 April 2014, Chinese tourists were found to be highly concerned with cruise safety. She suggested that marketers should address these constraints through some combination of advertisements and/or public relations. For example, to

compete with other travel options, marketers should emphasize advantages of taking a cruise vacation compared to other options (i.e. a cruise vacation is hassle-free in that cruisers don't need to spend time and effort planning accommodation and transportation). She further suggested that to address the perception that cruise information is difficult to get, additional resources should be used by cruise management to get cruise brochures and information into the hands of potential cruise tourists and travel agents. Further, more channels to obtain cruise vacation information, such as Chinese social media (i.e. Weibo and Wechat), should be established.

In order to obtain a better understanding of how the dimensions of constraints were related to images as well as desires/intentions, Zou (2014) analysed the interrelationships of these constructs using structural equation modelling (SEM). Her results revealed a model with good fit to the data. Negative cognitive images were found to be an antecedent of all four dimensions of constraints (all *P* values less than 0.001), indicating that cruising constraints were mainly shaped by negative cognitive images. Therefore, cruise marketers should understand the negative images that Chinese hold towards cruising and enhance their images of cruising in order to decrease their constraints to cruise. Using safety as an example, she suggested that since many of the Chinese respondents' perceptions were likely derived from the movie *Titanic*, promotional materials could relate the image of a cruise vacation to a *Titanic*-style, luxury and romantic experience while highlighting the safety of cruising.

Zou additionally found that Chinese tourists generally think that a cruise vacation is costly and not good value for money. To address this perception, she proposed that marketers should make prices transparent by listing every item and its cost so that consumers can expect what they would get for what they pay. She further revealed that no significant relationships between the four dimensions of cruising constraints and desires were found, and only one component of cruising constraints, 'not an option' constraints, had a significant influence on intentions. She argued that this is partly because currently few Chinese tourists have cruise experience (in her study 80.26% respondents were non-cruisers), and it has been found that non-participants are less likely to be aware of potentially encountered constraints than participants (Aas, 1995). For instance, in a cruise context, Hung and Petrick (2012) found a significant path between constraints and intentions, but compared to cruisers, non-cruisers' constraints had relatively less predicting power on intentions.

Regardless of the weak predicting power of constraints on intentions, Zou (2014) found that 'not an option' constraints – which represent an overall lack of interest in cruising as a travel option – were the most influential barriers impeding actual purchasing. Based on the measurement items (i.e. 'Cruising is not my family lifestyle', 'My family/friends do not cruise', 'Cruising is not good value for money', 'Cruising belongs to the upper class' and 'Cruising never occurs to me as a travel option'), not an option constraints were mainly associated with prices and family. This implies the importance of offering a family-friendly experience at a good price (or at least a transparent price) in order to provoke interests in cruising that lead to purchase intentions. Furthermore, it is found that there is a substantial difference in the perceived cruising constraints reported by Americans and Chinese. For Americans, top constraints to cruising have been found to include lack of time and too many family obligations (Yarnal *et al.*, 2005), and Americans in general have been found to have a lower level of perceived constraints than Chinese tourists (Hung and Petrick, 2012). In contrast, for Chinese tourists, while time constraints have also been found to be one of the main

reasons that kept them from cruising, another equally important constraint was found to be safety concerns. Therefore, for cruise lines who are going after both the American market and the Chinese market, marketers should be aware of these differences in constraints between the two markets when designing marketing campaigns to address their cruising constraints.

Conclusions

While the cruise industry is currently thriving, the marketplace is becoming more competitive. With the worldwide cruise market being dominated by two companies (Carnival Corporation and plc and Royal Caribbean Cruises Ltd), and an estimated total of 22 new ships with 20,000 new berths joining the worldwide fleet in 2015, it is becoming crucial for cruise lines to understand why customers cruise (motivations) and why they don't (their constraints). Thus, it is believed that the contents of this chapter provide not only an explanation of the underlying motives and constraints of both US and Chinese cruisers, but also relevant information for the cruise industry to make decisions on how to create products/services and marketing materials to better retain current cruisers and to entice non-cruisers to take their first cruise. Future research in the area should invest more efforts in investigating the Chinese market, since the majority of cruise market research has been focused on the American market. In addition, while a relative comprehensive list of cruising constraints has been documented, little is known about what leads to and affects cruising constraints. Future research should examine potential antecedents of cruising constraints as well as potential factors that affect the formation of constraints.

Notes

¹ Large portions of this chapter have been directly taken from the following: Hung (2008), Hung and Petrick (2010, 2011, 2012), Petrick and Durko (2014, 2015) and Zou (2014).

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Children and the Family Market

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Introduction

With the rapid rise in cruising over the past decade, there has been a major change in passenger profiles, with a shift away from older retirees to a range of small but growing markets. The average age of passengers is decreasing, with first time passengers now well under 40. Family cruising is now the industry's fastest growing segment, with more than 2 million children under 18 years of age going on a cruise in 2015 (Ward, 2016). For Norwegian Cruise Line (NCL), the 'intergenerational travel groups' now comprise up to one-fifth of their passengers.

The growth in the number of children cruising has developed as they emerge as a dominant influencer in family purchase decisions. The global children's market is estimated to be worth US\$1.2 trillion in buying power and influence. The times have changed for the cruise industry; previously they were a floating adult playground, today they are emerging as the child's playground. Like the famous children's playgrounds of the fast food industry, cruise lines are now forming relationships with licensed children's brands such as Lego and Disney to attract this lucrative consumer market (Table 20.1). Disney Cruise Line has doubled its fleet from two to four ships with the introduction of *Disney Dream* (2011) and *Disney Fantasy* (2012), specifically designed with families in mind. Royal Caribbean International now offers free Barbie-related activities for 4–11-year-olds in its 'Adventure Ocean Youth Club' with a Barbie Premium Experience on offer. Most new resort ships have dedicated spaces for children of all ages.

Given the growing importance of the family market to cruising, this chapter will explore how cruise lines are successfully tailoring their offerings to attract this emerging and lucrative market. The future of cruising will involve turning the deck into a child's playground.

Marketing

The importance of marketing has never been more prevalent than today as the marketplace becomes increasingly competitive and global in its reach. To survive and prosper companies have to look for opportunities for growth whilst maintaining their position in the current environment in which they operate. Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large (American Marketing

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Table 20.1. The alignment of major cruise lines with children's licensed brands.

Cruise company	Licensed brand
Carnival	Dr Seuss
Disney	Disney
Norwegian	Nickelodeon
Royal Caribbean	Coca Cola, Dreamworks, Fisher-Price, Mattel

Association, 2013). For an exchange to occur the product or service offered must not only be appealing to the consumer but they must be willing and able to purchase it. It is critical for marketers to have a customer-centric approach to engage with customers and secure ongoing relationships for the long term. For the company's viability they must focus their activities and products on consumer demands and aim to satisfy these demands better than competitors.

The global tourism industry has experienced enormous growth from 25 million in 1950 to 278 million in 1980 to an unprecedented 1138 million in 2014 (Ratnapala, 2015). For international commerce, tourism is now one of the major players, with the United Nations World Tourism Organization (UNWTO) indicating the business volume of tourism to be equal to if not surpassing that of food products, oil exports or automobiles (Ratnapala, 2015). This growth is also matched by increasing competition and diversification amongst destinations.

As the tourism and leisure industry matures and increasingly becomes more competitive, successful marketing practices will result from a strong knowledge of the consumer decision-making processes. Social influence is a component of the decision-making process, with the family unit having a significant influential role (Chavda *et al.*, 2005; Chikweche *et al.*, 2012). Marketers are increasingly concerned with the operations of the family unit, the role of the parent(s) or caregiver(s) and children and their comparative influence on purchases of products and services (Quester *et al.*, 2010). It is now recognized that family decisions are no longer made by one member or in isolation, but in most cases are a collaborative approach amongst family members, with children having a greater influence. Thus, a greater understanding of the family dynamics will provide marketers with vital insights into how best to market to this significant market segment.

Marketing to Families and Children

Children did not become a focus of marketers until the late 1950s. Prior to this, children were looked upon as savers and future consumers, not spenders or active consumers as they are now commonly viewed (McNeal, 1990). This was not to say that children were not spending, but the percentage they spent in comparison to saving was minimal. However, the substantial increase in the population of under-fives after World War II resulted in an increased recognition of children as consumers by marketers. It was then that children emerged as a key segment of focus for marketers.

Today, children constitute one of the most significant and lucrative consumer markets for marketers to target, primarily because they represent three markets in one. Children are consumers in their own right, spending billions of dollars a year on

their own needs. In this case they are a current market with a willingness to spend their own money on products they can directly purchase like toys, confectionery and soft drinks. Consequently they attract exclusive child-oriented industries reliant on maximizing a very brief window of sales opportunity during these childhood years.

Children also represent a future market for marketers as adults-in-waiting (McNeal, 1990). Marketers focus on children now with the goal of helping them form lifelong preferences and loyalty towards their brand in the future. In this case, children are consumers-in-training. When these children reach a certain age where they finally face the specific purchase occasion that the brand would be considered, the efforts marketers have spent training children at a young age are expected to pay off with the brand being top of mind and a resulting purchase occurs. Thus, marketers are cultivating relationships with children now to encourage them to purchase at a later age. Focusing efforts and money on children now for later purchases may raise the question: is it worth it? 'Absolutely' is the answer because for many categories, 25% of brand preferences established in childhood will persist into adulthood (Packaging Digest Staff, 2013).

Children also represent a market of influentials, affecting billions of dollars of family purchases (Shah, 2008; Marwick, 2010). The influenced market contains products for which children can wield a direct influence over their parents' and friends' purchase decisions. Here the marketer will aim to encourage the child to pester or persuade their parent or friends to buy the product. This has resulted in the commonly referred to term of 'pester power', where children who are bombarded with marketer's messages have the tendency to conduct unrelenting purchase request activity.

The power of children's influence on family purchase decisions will vary depending on the product characteristics, the financial risk and the level of the need for the product exerted by the child (Mangleburg and Tech, 1990; Soni and Singh, 2003; Tinson *et al.*, 2008). Children will have more influence over the purchase decision if the products/services in question are designed for their personal consumption (Belch *et al.*, 1985); thus, products they use over products they do not use. However, children also have a considerable influence on products and services that are purchased for the family. In fact, children are increasingly gaining more influential power on family product purchases such as family holidays or automobiles and are often consulted in the family product decision-making process (Flurry, 2007). As children grow older they increasingly gain more influence over family vacation decisions (Madrigal, 1994; Therkelsen, 2010). The increase in children's influence on family decisions may also be a result of families now recognizing involving children in the decision process to be more normal than was previously the case (Ekström, 2007). It is estimated that children influence up to 80% of all household purchases so marketers cannot afford to ignore this market segment. Such ignorance could result in the end of your brand. In 2012, children's buying power and influence reached the trillion mark (US\$1.2 trillion) rising from US\$40 billion just 10 years earlier (Packaging Digest Staff, 2013). Therefore it comes as no surprise that children are now a prime target for marketers. To influence children is to influence the entire family purchases, presenting a key opportunity for cruise lines.

Although children have long been recognized as an important market segment, the cruising industry has only recently started marketing offerings to attract families. What is further lacking is research regarding children in tourism and more specifically cruising literature. The limited body of tourism research that exists has focused on the

role and influence of children on parental decision making (Filiatrault and Ritchie, 1980; Howard and Madrigal, 1990; Fodness 1992; Seaton and Tagg, 1994; Thornton *et al.*, 1997; Nickerson and Jurowski, 2001; Wang *et al.*, 2004; Gram, 2007) and their influence on the experiences of adult tourists (Thompson *et al.*, 1996; Thornton *et al.*, 1997; Salma, 2001; Turley, 2001; Johns and Gyimóthy, 2002). However, given the significant commercial value of child consumers and the potential to attract them young to form lifetime relationships, a greater understanding of the child consumer in the tourism and cruising market is needed.

Fast Food and the Family Market

When considering the viability and importance of children as a market segment it is pertinent to look at an industry that has success in capturing the hearts of children in their childhood years as well as nurturing and developing this relationship throughout adulthood. For many years the fast food industry has recognized the importance of the children's market and has received numerous accolades but also noticeable criticism for their successful efforts in attracting children to their restaurants.

The fast food industry emerged in the 1920s but it was not until the 1950s that the industry started to boom. The 1960s became the decade when fast food companies recognized children as a valuable market segment and targeted them with a dedicated children's menu. Fast food visits became a family oriented affair which was fun, affordable and offered culinary delights for every member of the family.

As fast food brands became more familiar and experienced with marketing to children, they developed additional strategies to target children and encourage them to visit their restaurants. The addition of playgrounds provided a fun place for children whilst their parents relaxed in the restaurant dining room. Party facilities were added to allow children to celebrate an important milestone with their friends. Trade characters such as Ronald McDonald, which today is now second only to Santa Claus as the most recognized character amongst children, were developed to engage with children and enhance brand recognition and preference. Kid's loyalty clubs were also introduced for children to form a membership with the brand and act as a contact point for direct marketing activities leading to repeat purchases. Probably one of the most successful strategies employed was the use of toy premiums to attract children to their restaurants. Fast food companies partnered up with licensed brands like Disney and Pixar to offer toy premiums linked with the latest movie release or popular trends to influence children's purchase decisions. This marketing practice is particularly effective if the premium promotion involves collectable toy premiums, 'toys that belong to a larger, predefined set' (McAlister and Cornwell, 2012, p. 196). In this case, children are motivated to visit more often to collect all the toys in the set. The success of the toy premium to the fast food industry is clearly evident in McDonald's now being recognized as the largest distributor of toys in the world, outselling the dedicated toy store of Toys R Us (Guenette, 2013). Fast food companies are renowned for mastering the pester power aspect of marketing.

Recognizing the importance of children is only one aspect of the family unit. Fast food companies soon realized to get children to visit more often they also had to expand their offerings to appeal to and remain relevant for parents. It was no use attracting children if their parents did not want to visit, as children in most cases are

reliant on the parent to take them there. Acknowledging this, fast food companies continually evolve their food options to cater to the palettes of adults, invest in their facilities and develop new initiatives to attract parents to the restaurant. Accordingly premium coffee such as McCafé for McDonald's, healthier food options and modern dining facilities with WiFi access were introduced to meet the needs of parents and make the restaurants more appealing for the whole family to visit.

Fast food companies also heavily invest in advertising towards children, spending billions of dollars per year. The marketing techniques used have developed to become quite sophisticated and engaging with children. What started as simple television commercials in the 1960s promoting kid's meals and characters to children, soon developed into more advanced and integrated forms of advertising (e.g. advergames, social media campaigns, digital campaigns and integrated advertising) to attract the attention of children.

Over the years, the fast food industry has used a proliferation of marketing techniques (e.g. television advertising, sponsorship, point-of-sale, free gifts/toy premiums with food items, free samples of food, loyalty clubs, tie-ins with movies, novel packaging) to reach and engage with children, who today are one of the fastest growing and most lucrative market segments to capture. In recognition of their efforts, the leading fast food brand McDonald's has received numerous awards for its efforts in marketing to children. The fast food industry, with its extensive experience marketing to children, presents a great example for the cruising industry to learn from.

Cruising

Since 1990 the cruise industry has increased at an average rate of 7.4% per year. Cruise passenger rates are rising rapidly, with 3,774,000 people cruising in the 1990s, compared to more than 24 million people in 2015 (Ward, 2016). The family cruise market is also growing, with new ships being designed to accommodate family needs. This market is popular in the Caribbean, Alaska, Europe and Australia. The rise in family cruising has also given rise to younger children now cruising. Cruise lines now have the capacity to cater for children aged 6 months to 17 years old. In 2009, 1.6 million children under 18 cruised and in 2015, more than 2 million children under 18 cruised (Ward, 2016). In 2012, NCL hosted 200,000 children onboard one of their 11 ships, of whom 42% were teenagers. These figures have grown 30% from previous years (Golden, 2013). The two cruise trends impacting the cruise industry today are the rise in first-time passengers from a younger generation (Millennials) and the growth in multigenerational travellers.

To attract families onboard, cruise lines are offering valued priced accommodation and activities. They now offer families family suites and adjoining cabins that can cater for up to six people. Cruise lines are also offering discounted cruises and 'children cruise free' deals. They are not only competing against other cruise lines but also against established and new land-based resorts. To entice families onboard, cruise lines are now offering a host of family-based and children-oriented attractions and activities. To attract different age groups they offer a range of activities for children of all ages. On offer for younger children are character interactions and 3D movies, whilst teenagers are offered social networking and disco spaces with a DJ.

Disney Cruise Line primarily focuses on targeting families and, unlike other cruise lines, their ships are targeted largely to this market alone. Their success is due to offering a wide range of products to all ages of younger passengers including some activities that can only be experienced at sea. Disney and other family-oriented cruise lines are now also offering character experiences, water parks and larger-than-life family games.

Growth in the family cruise segment

In the 1970s the average cruiser was 65 years old, however, by 2008, their average age had dropped to 46 years old (Elliot and Choi, 2011). This decrease in average age is a result of the popularity of cruising being widespread among different age groups. Families, retirees and young couples are all cruising, however, there is an evident shift towards a younger demographic on board (see Dowling and Weeden, Chapter 1, this volume). There is also a notable increase in the number of cruise ships offering an ever-widening range of products designed to appeal to the family market (ICCA, 2011). Cruise lines have responded to the growth of the family market by adding programmes, amenities and activities designed specifically for families (Lehto *et al.*, 2009). Cruise Market Watch (2014) also notes that family cruisers are currently the largest growth area in the cruise industry and that cruise fleets are increasing the variety of activities for all ages. The Florida Caribbean Cruise Association (FCCA) (2009) states that today's new ships are designed to accommodate all generations of family members travelling together. The family cruise market is not only growing in the Caribbean but also in Alaska, Europe and Australia, with the advantage for cruise companies targeting families being that young cruisers are the potential cruisers of the future (Golden, 2013).

Australia has reported an increase in multigenerational family groups as more families are selecting to travel by sea. For example, family groups represented one-third of P&O Cruises Australia's customer base and this is expected to grow (P&O Cruises, 2008). In 2013, 15–20% of guests onboard a cruise were part of a multigenerational travel group (Golden, 2013).

Cruising and Children

More than 2 million children under the age of 18 went cruising in 2015 (Ward, 2016). Motter (2014) notes that cruise lines have the capacity to cater to the needs of infants, children, pre-teens and teens. Children's clubs are available onboard most cruise lines and are led by professional youth coordinators, who entertain the children from 8 am until midnight (Table 20.2). The most recent ships are designed to cater to the needs of any child, with private babysitters now available. These babysitters are available to look after children before or after midnight, when the children's clubs are not open (Motter, 2014).

In 2012, 710,000 children cruised onboard one of 24 Carnival Cruise ships and in 2013, 727,000 children were expected to have cruised on Carnival (Golden, 2013). In 2012, 450,000 children cruised on one of Royal Caribbean's 22 ships and in the same year NCL hosted 200,000 children onboard one of their 11 ships, 42% being teenagers. Golden (2013) states that these figure have grown 30% from previous years.

Table 20.2. Cruise lines children's clubs and activity centres.

Company	Club or Activity Centre	Infants	Children			Teenagers	Family
			Juniors	Intermediate	Pre-teens		
Carnival	Camp Carnival	Toddlers (2–5)	Juniors (6–8)	Intermediate (9–11)	Tweens (12–14)	Teens (15–17)	
Disney	Oceaneer Club	It's a Small World Nursery (under 3)	Oceaneer Club (3–7)	Oceaneer Lab (8–10)	Edge (11–14)	Vibe (14–17)	D Lounge Studio at Sea Quarter Masters
NCL	Kid's Crew	Junior Sailors (3–5)	First Mates (6–8)	Navigators (9–12)		Teens (13–17)	
P&O Cruises Australia	Activity Centres	Turtle Cove (2–6)	Shark Shack (7–10)	HQ (11–14)		HQ+ (15–17)	
Royal Caribbean International	Adventure Ocean	Royal Babies and Tots (0–36 months) Aquanauts (3–5)	Explorers (6–8)	Voyagers (9–11)		Teen only (12–17)	

Not all ships are family-friendly (Ward, 2015). However, the newer large resort ships have numerous dedicated spaces for children of all ages. Some cruise lines employ whole teams of counsellors who run special programmes off-limits to adults. Other ships have token family programmes with limited activities and only a few general staff allocated to look after children. Some ships provide children's programmes and youth counsellors only during summer holiday periods and other peak holiday travel times. Cruise lines such as Carnival Cruise Lines, Disney Cruise Line, NCL, Princess Cruises and Royal Caribbean International provide pagers for parents. Some other cruise lines provide them only for children with special needs. A newer feature on some ships allows parents to set their cabin phone to 'in-cabin listening', which allows them to call their cabin from any of the ship's telephones and listen to what is happening in their cabin. Most cruise lines give children coloured bracelets which must be worn at all times. These identify which muster station they belong to in the case of an emergency as well as identifying their onboard activity programmes. Children in activity centres or 'clubs' must be signed in and out by an adult.

According to Ward (2016), cruise lines generally segment children into distinct age groups. They are infants (3 months – 3 years), children (3–10), pre-teens (11–12) and teens (13–17). For example, Carnival's Camp Carnival is the line's extensive child/youth programme, which caters for over 700,000 children a year. They have five age groups: toddlers (2–5), juniors (6–8), intermediate (9–11), tweens (12–14) and late teens (15–17) (Table 20.2). The company also offers Family Fun Nights, which are all about reconnecting parents to their children. P&O Cruises Australia has four dedicated children's activity centres onboard its ships called Turtle Cove (2–6 years), Shark Shack (7–10), HQ (11–14) and HQ+ (15–17).

Babies and infants (3 months – 3 years)

Children of this age are usually catered for in a crèche or nursery. Some, but not all ships, have babysitting services, which may be either in cabin or as part of a group in a centralized facility. In some ships stewards, stewardesses and other staff may be available as private babysitters for an hourly charge. Examples include Cunard's *Queen Mary 2*, which has children's nurses and English nannies. P&O Cruises ships *Aurora*, *Azure*, *Oceana* and *Ventura* have a 'night nursery' for 2–5-year-olds. Disney offers passengers an online service, which allows them to order baby supplies in advance of their cruise and have them delivered to their cabin (Ward, 2015). The company Babies Travel Lite, an online retailer offering more than 1000 brand-name baby products including nappies, baby food, infant formula and speciality travel items, provides this.

Children (3–10 years)

Children's clubs are now an integral part of family-focused cruise ships. Adults need to sign up their children to the club and they are given a pager in case of the need for instant contact. The activities provided by the clubs are usually group or team activities so children are socialized and interact with others from different countries sometimes speaking other languages. Usually there are plenty of other facilities on deck for

children to enjoy including aqua parks, rope courses, bowling alleys, climbing walls, surf riders, basketball courts, mini-golf, tennis courts, etc.

In its 'Adventure Ocean Youth Club' (4–11 years), Royal Caribbean International has teamed up with Mattel to offer free Barbie-related activities. It also offers a 'Barbie Premium Experience' (US\$349 per child) complete with special pink cabin décor, Barbie doll blanket, tote bag and toothbrush, a special tea with pink cupcakes and a mermaid dance class featuring dances from the movie *Barbie in a Mermaid Tale 2*. Carnival Cruise Lines has a 'Seuss at Sea' programme focusing on the world of Dr. Seuss. On the first day of each cruise the main dining room of each ship features food from the Dr. Seuss books such as a 'Green Eggs and Ham Breakfast'. The dining room staff wear Dr. Seuss-inspired uniforms featuring the 'Cat in the Hat' and other characters. In addition onboard there are Dr. Seuss-themed toys, games and arts and craft activities with many of the Dr. Seuss movies shown outdoors on Lido Deck Seaside Theatre screens. Carnival has also introduced a 'Seuss-a-palooza Story Time', an interactive reading event that brings the colourful world and characters of Dr. Seuss to life. This takes place in a tent in the main show lounge during one of the sea days and during other times there are Dr. Seuss Character parades on the promenade decks.

In the late 1990s Disney introduced the world's first large resort ships (*Disney Magic* and *Disney Wonder*, both 85,000 t) to cater for families with children. The ships were so successful that a decade later they added another two larger ships (*Disney Dream* and *Disney Fantasy*, both 130,000 t). Children's activities centre on the Disney characters and each ship has over 40 children's and youth counsellors as well as life guards for the family pools and an AquaDuck Water Coaster on *Disney Fantasy*. *Disney Dream* has recently added a 'Star Wars' themed area in its onboard 'Oceaneer Club' for passengers aged 3–12 years. The 'Force-filled play area' allows children to join the Rebel Alliance and play in the Millennium Falcon, with Star Wars-themed crafts, games and activities (*Cruise Weekly*, 2015). It also has an onboard version of the 'Jedi Training Academy', a popular Disneyland interactive attraction. Another innovation is the 'Bibbidi Bobbidi Boutique', where younger passengers can be transformed with the help of a fairy godmother.

Pre-teens (11–12 years)

Some cruise lines have dedicated clubs for this age group. Activities include make-up and cookery classes, arts and crafts projects, group games, interactive computer programs, character parades and scavenger hunts, and watching movies. In addition these ships offer dedicated sports events on the outdoor decks for this age group.

Teenagers (13–17 years)

A growing market, this segment is now well catered for on many cruise ships. There are even dedicated 'no adults allowed' zones and 'chill-out' rooms on some of the larger resort ships. Activities for this age group includes teens-only deck parties, pool parties, sports tournaments, poolside games, karaoke, discos, dances, computer games, video arcades, activity clubs and talent shows, as well as beach barbecues ashore.

Royal Caribbean International offers teenagers musical equipment for jam sessions. Typical sports activities include rock-climbing, rollerblading, basketball and surf wave riding.

Family Cruising

Multigenerational travel is also growing and continuing to surge (Jainchill, 2014), accounting for 16–20% of cruise guests in 2013 (Golden, 2013). That year alone, half of Carnival Cruise Lines' bookings were from multigenerational travellers. Disney has had a rise in multigenerational travel as they have onboard activities for all ages, parents and children (Holz, 2009). Families are currently the second largest segment travelling annually onboard cruise ships. To attract families, cruise lines need to ensure they offer appropriate accommodation and price. They also need to ensure their ships meet family needs and that the ships' attractions and activities are suitable for all ages.

AIDA Cruises has been voted Germany's most family-friendly cruise company. Its family focus includes onboard facilities designed with children in mind, family-focused offerings and childcare services, and family cabins with interconnecting doors.

Accommodation

To accommodate families onboard, cruise lines offer suites and adjoining cabins. Family suites are available onboard recent cruise liners and can sleep up to six people, possibly more depending on the cruise line. Family suites are often reasonably expensive accommodation so the purchase of adjoining cabins for family groups is becoming increasingly popular (Motter, 2014). The family suite onboard Royal Caribbean International includes two bedrooms, a private balcony, two bathrooms and a living area. Carnival Cruise Line has already noted the advantage of offering multiple rooms in attracting families and more than half of their bookings in 2013 were for multiple cabins for multigenerational travel (Jainchill, 2014). Jim Berra, Chairman of the CLIA's Marketing Committee and Carnival's Chief Marketing Officer, noted that 1.9 million reservations last year were booked for multiple cabins (Jainchill, 2014).

Affordability

To attract families cruise companies are ensuring they offer the right price to compete against other cruise lines and resorts (Soltani, 2014). Cruises are a cost effective vacation compared to resorts, offering guests more facilities and options (Kavin, 2005) and they provide a great way for families to discover destinations in a short time (Soltani, 2014). Carnival offers a best price guarantee and offers deals that can save guests 50% off a 7-day cruise from Miami. Princess Cruises offer deals for families such as their '3 for FREE' sale event. As part of this promotion guests receive US\$100 onboard spending money and a free stateroom location upgrade, when they book a third or fourth guest (Soltani, 2014).

Cruise lines are not just competing against other cruise lines but also resorts. To attract families cruise companies need to ensure that they are offering the right price and right itinerary. Kavin (2005) suggests that cruise companies need to meet guests' needs and ensure they feel as though they are receiving better value on sea than land. Hence cruise lines are creating different offers to entice families onboard (Soltani, 2014).

Family-focused cruise lines

The largest ships for family cruises are Royal Caribbean's *Allure of the Seas* and *Oasis of the Seas*, NCL's *Epic*, *Getaway* or *Escape*, and all four of Disney's cruise ships (Motter, 2014). Each cruise line has its own advantages to attract families and entertain toddlers or teenagers. Royal Caribbean's *Allure of the Seas* and *Oasis of the Seas* ships attract younger children with 3D movies and an AquaTheater with shows incorporating DreamWorks characters such as Puss in Boots (Motter, 2014). Royal Caribbean International (n.d.) states that their character parade is for all ages and a 'must see' event onboard. As well as the parade, Royal Caribbean International offers guests the ability to meet the characters at meal interactions. To attract teenagers Royal Caribbean offers activities such as mini-golf, zip lining, surfing and tennis, and NCL ships have rock and comedy nights (Motter, 2014). Carnival Dream offers tweens and teenagers free onboard 'social networking' and disco spaces with a DJ for dancing (Motter, 2014). NCL ships have Nickelodeon characters for the younger children but they are not as ubiquitous as Royal Caribbean or Disney (Motter, 2014).

New cruise lines are attracting more children as they have more to offer. The Holland America line is better suited to seniors, older couples and retirees but it still has programmes available for children (Ward, 2015). Newer ships have the facilities to cater for children whereas older ships do not have the diversity of activities for children (Motter, 2014). Princess Cruises' *Royal Princess* has expanded its youth areas and also offers dedicated areas for different age groups to attract families with teenagers and toddlers having their own wading pools (Golden, 2013).

To attract families, cruise lines are building new ships with more children-friendly activities. Disney Cruise Line's primary target market is families and they cater especially well for the under 12s. The line caters specifically for families and children and their ships are not just a floating resort but also a theme park, which attracts multi-generational and multifamily groups from all over the world (Motter, 2014). Disney is successful due to their onboard activities including water slides, 'magical portholes' allowing staterooms a real-time ocean view, fireworks at sea, interaction with characters, Broadway-style stage spectacles and play floors representing gigantic video games. Disney CEO Bob Iger suggests that Disney Cruise Line is about making vacation dreams come true for millions of families. The Disney ships offer a mix of innovation and imagination, which elevate the family cruise experience to new heights. Disney ships are known as the destination, with shore excursions offered as a vacation from the 'home away from home' ship.

Attractions and activities

Cruise lines are attracting families by offering young passengers an opportunity to meet their favourite characters. For example, Royal Caribbean offers 'Kung Fu Panda'

and NCL offer 'Dora the Explorer'. Disney Cruise Line offers poolside visits by Mickey Mouse for the children. The ability to meet characters onboard attracts families to cruise as it offers a new experience available at sea (Cruise Mates, n.d.). Royal Caribbean, NCL and Disney Cruise Line all incorporate character experiences for children (Motter, 2014).

Many parents state that a key factor in choosing a cruise is to know your children are occupied and having fun while they relax. Along with new attractions, cruise lines are upgrading children's programmes to create larger areas with more activities (Golden, 2013). Major attractions for families are elaborate water parks, which include splash zones, and water slides (Tarnacki, 2013). These are often found on newer ships such as NCL's *Norwegian Epic*. Current cruise lines are extremely well positioned to attract families, however, options are available to greater cater to family needs. As well as having water slides for children, consideration is needed for the parents and grandparents who may be sitting and waiting for their children. Thus, cruise companies need to be aware of this when deciding on which activities to incorporate on their ships (Jainchill, 2014).

With the rise of family cruising, cruise lines have expanded youth areas to meet the demands of children onboard. Cruise lines offering children the ability to meet characters provides marketers with an advantage to attract families to cruise. Many parents state that a key factor in choosing a cruise is to know their children are occupied and having fun whilst they relax (Golden, 2013). While some parents wish to relax while their children are entertained other parents want to participate too. New ships are incorporating water parks, zip lines, merry-go-rounds, bowling alleys and rope courses to meet the demand. However, some families are finding it difficult to do activities together (Cruise Critic, n.d.). To minimize restraint, Carnival is currently offering larger-than-life versions of games like Sorry! and Yahtzee for the whole family. Connect 4 is one of Carnival's larger-than-life family games and includes a 3 m version of Connect 4. Instead of placing your chip in the frame, families must throw a basketball to win (Carnival Cruise Lines, n.d.).

Challenges

To attract families cruise lines are adding extra activities that appeal to children. However, cruise lines are also challenged with creating a greater range of activities which not only appeal to children but also the entire family (Golden, 2013). Current cruise lines are well positioned to attract families; however, there are options available to do more to cater for families. Golden (2013) suggests that cruise lines are currently creating more family-friendly attractions for all ages so no one is left out. To minimize the restraint onboard Carnival Cruise Lines are currently offering family game shows and larger-than-life versions of games like Sorry! and Yahtzee for the whole family (Golden, 2013). The restraint of 'adults only' or 'children only' activities is currently being replaced by 'family activities' with newer ships incorporating zip lines, merry-go-rounds, bowling alleys, bumper cars, ice-skating rinks and rope courses for families of all ages (Golden, 2013).

Disney's Cruise Line with their addition of onboard activities targeting adults, children and families and Royal Caribbean's redeveloping of their older ships to include more family-oriented facilities are examples of successful cruise lines that directly target families (Holz, 2009).

Conclusion

Families are currently the second largest cruise segment travelling the world due to the rapid rise in family and multigenerational cruising (CLIA, 2014). Family cruising has grown in recent years from 1.6 million people in 2009, to over 2 million in 2015 (Ward, 2016). To attract families onboard cruise lines are starting to offer programmes, attractions and activities designed specifically for families. Cruise lines are also offering families the ability to participate in activities for all ages such as bumper cars, mini golf, 3D theatre, zip lines and bowling alleys. To minimize the challenges of attracting families onboard, cruise lines need to add more family-friendly attractions and activities for all ages. With the addition of activities for all ages to match the demand, family cruising will continue to grow in the future.

As the cruising industry increases its focus on the family market, greater research is needed to understand the impact and potential of children and the family market to the industry. It is an under-researched area that warrants further exploration.

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Cruising with Pride: The LGBT¹ Cruise Market

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Introduction

Lesbian and gay travel is an increasingly important market segment to the tourism and hospitality industries (Hughes and Southall, 2012; Blichfeldt *et al.*, 2013; Lucena *et al.*, 2015). While this may be partly explained by diminishing cultural homophobia in many parts of the world (McCormack, 2012), an increase in openly gay travellers (Community Marketing, Inc. (CMI), 2015) and the promotion of gay-friendly destinations, the significance, and hence attractiveness of this market centres on its economic value. Globally, lesbian, gay, bisexual and transgender (LGBT) tourists spend at least US\$200 billion per annum (Johnson, 2015). In the USA, LGBT tourists spent US\$75 billion in 2015 (CMI, 2015), while the Gay European Tourism Association (GETA) (2013) estimates gay Europeans spend up to US\$65 billion each year on tourism. Indeed, while Euromonitor International (2010) and Oakenfull *et al.* (2008) report a commonly held, yet contested perception of the higher incomes of gay and lesbian consumers (Badgett, 2003), it is clear that changing social attitudes towards gay culture around the world have created opportunities for companies to target this potentially lucrative niche. As argued by GETA (2013), ‘as societies become more open to gay men and women, so businesses cannot afford to ignore this important market segment’.

Niche markets are critical to an organization’s segmentation strategy. Of particular importance is identifying a set of consumers who are financially lucrative (Blichfeldt *et al.*, 2013). One such group is the LGBT community, and the increasing commodification of gay and lesbian identities is useful when new markets are being sought (Chawansky and Francombe, 2011). Neoliberals may thus regard a courting of the LGBT market as a positive development, representing a symbiotic embrace of capital with lesbian and gay culture (Jarvis, 2002). This recalls the work of Suchman (1995), who posits recognition of a subcultural group by a major corporation, albeit for monetary gain, helps to legitimize products and services, and thus widen appeal to a specific niche group. Companies targeting the LGBT market may therefore be perceived as conforming to the norms of the gay constituency and may thus be rewarded by patronage and/or positive word of mouth, through extended social legitimacy. While not every LGBT consumer trusts a company engaged in LGBT-oriented marketing (Oakenfull, 2013), they demonstrate loyalty to corporations who they believe

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genuinely share similar values (Sender, 2004; Witeck and Combs, 2006; Um, 2012). Indeed, the LGBT market pays close attention to all marketing directed at them, and is especially aware of consistency – or lack of it – in companies' marketing initiatives (Johnson, 2015).

While gay tourism has been a focus for researchers since the late 1990s (see, for example, Pritchard *et al.*, 1998; Clift and Forrest, 1999; Hughes, 2000, 2006; Poria, 2006; Gorman-Murray *et al.*, 2012; Hughes and Southall, 2012; Blichfeldt *et al.*, 2013), little attention has been paid to the LGBT cruise sector. Notable exceptions include Chawansky and Francombe's (2011) exploration of Olivia Cruises and Resorts' corporatization of the 'coming out' of two lesbian sport celebrities through sponsorship, and Weeden *et al.*'s (2016) study of lesbian and gay men's perceptions of cruise vacations. Likewise, there is a dearth of commercial data on the LGBT cruise market, with Community Marketing Inc.'s (CMI) Annual LGBT Tourism and Hospitality Surveys the only English-language reports publicly available. There is no additional information on the LGBT cruise niche published by the cruise industry, gay tour operators or related LGBT travel associations. Similarly, few studies have focused on particular niches within the cruise sector, even though there have been specific calls for such research, particularly with regard to niche cruise travellers (e.g. Szarycz, 2008; Weaver, 2011; Weeden *et al.*, 2011). There is no evidence of inquiry into the gay cruise niche (Weeden *et al.*, 2016).

This chapter aims to fill these gaps by providing critical insights into the LGBT cruise sector, gained through in-depth interviews with two Miami-based cruise corporations, four North American lesbian and gay tour operators, and the International Gay and Lesbian Travel Association. The key research questions explored in this chapter are: Why is the LGBT charter cruise passenger an attractive niche market for cruise operators? Does the LGBT charter cruise passenger differ from the mainstream cruise passenger? Before these issues are explored, information about the LGBT charter cruise market is provided to add context for those readers not familiar with this niche.

The LGBT Cruise Market

It is important at this point to acknowledge the difference between mainstream, charter and group cruises. Charter cruises are essentially 'private' and made available to a closed group of people. Often marketed as special interest or themed cruises, passengers have exclusive use of the ship (these can be any size, from 200–6000+ passengers), and participate in theme-related activities onboard and on excursions, on subjects as diverse as astronomy, antiques, art, music, film, golf, wine, gourmet eating, ballroom dancing and cooking. An LGBT charter is slightly different, as it offers a cruise vacation according to sexual orientation. In addition to charter travel, some LGBT tour operators offer group travel (typically from 20–200 passengers) on a mainstream cruise, with exclusive, LGBT-oriented entertainment and enrichment packages. LGBT passengers also travel independently on mainstream cruises, which although seen as predominantly heterosexual spaces, are also perceived as gay-friendly, with many hosting 'Friends of Dorothy' meetings (Weeden *et al.*, 2016). Indeed, researchers have acknowledged that cruise ships are perceived as safe, bounded spaces of escape (Lester and Weeden, 2004; Weaver, 2005; Yarnal and Kerstetter, 2005), with

the potential to be vacation settings where LGBT tourists are able to freely express their sexual identities (Weeden *et al.*, 2016). As noted by Johnson (2015):

The number one motivating factor for consumers is needing to know before they go that they can relax and be comfortable being themselves on holidays. Nobody wants to worry that the staff that serve them in a location might be uncomfortable with their sexual orientation or gender identity. People would prefer to stay elsewhere.

In line with many charters, gay and lesbian cruises offer bespoke itineraries to destinations considered safe and welcoming to their communities. They also provide LGBT-oriented entertainment, shore excursions and hotel services, as well as tailored amenities, such as later dining and cabin cleaning times, a more relaxed dress code, and a greater diversity of music in public areas and cabins. LGBT charters may also adopt different port arrival and departure times. For example, the ship may dock at 3 pm (instead of the usual 8 am), and depart at 8 am, to allow guests to experience destinations known for vibrant nightlife. For groups travelling on a mainstream cruise, activity programmes will be aligned, with additional LGBT-oriented entertainment. Due to these added-value extras LGBT cruises are approximately 25% more expensive than a mainstream cruise.

Often considered a homogeneous set of consumers (Pritchard *et al.*, 1998; Melián-González *et al.*, 2011), Weeden *et al.* (2016) reveal gay men have more favourable perceptions than lesbians of both mainstream and LGBT cruises. Lesbians are also thought to travel and spend less on vacation products (Hughes, 2007), and seek experiences away from a commercial gay scene (Weeden *et al.*, 2016). In 2015, 33% of LGBT Baby Boomers (born between 1945 and 1960) and Generation X (1965–1976) cruised on a group or charter cruise. In contrast, only 13% of Millennials (1980–2000) did so (CMI, 2015). Such figures appear to suggest a mainstream cruise is the preferred option for younger LGBT populations.

Considered a niche within the wider cruise market, the LGBT cruise sector has roots from the mid-1980s, when entrepreneurial gay tour operators first approached cruise companies to organize sea-based vacations (Weeden *et al.*, 2016). Currently, North American LGBT tour operators, notably Atlantis Events, Olivia, RSVP Vacations, Pied Piper Travel and R Family Vacations, dominate the market. From the limited commercial information available, recent data reveal that 18% of gay and bisexual men, and 13% of lesbians and bisexual women from the USA took a cruise in 2015 (CMI, 2015). Of these, 17% were 45–64 years old, and 11% aged 25–44 years. Eleven per cent of men had cruised with Atlantis Events, while 20% of women had travelled with Olivia. The six most popular cruise brands for the US LGBT market are Carnival Cruise Lines, Royal Caribbean, Celebrity Cruises, Holland America Line, Norwegian Cruise Line and Princess Cruises (CMI, 2013).

The world's largest gay tour operator, Atlantis Events (established 1991), regularly charters ships that can accommodate up to 6000 passengers. In 2016 it chartered six cruise ships from Celebrity, Holland America Lines, Oceania and Royal Caribbean International, with a combined capacity of 15,500 passengers. In contrast, lesbian tour operator Olivia, which sold its first cruise in 1990, charters smaller ships of 600–2000 passengers, although its core business is escorting groups of 40–100 people on mainstream cruises. In 2016 it operated eight ocean and four river cruises, on ships

belonging to Windstar, Holland America Line and Paul Gauguin. R Family Vacations (established 2004) offers inter-generational vacations to those with children, and/or travelling with extended family, both LGBT and non-LGBT, although the company did not offer any cruise vacations in 2016.

There are very few cruise-only LGBT tour operators. The oldest of these is RSVP Vacations, which operated its first charter cruise out of New Orleans in 1986 on the *SS Bermuda Star* (Grace, 2014). In 2016, RSVP chartered one ship to the eastern Caribbean with Holland America Line, and three European river cruises with Emerald. The company focuses on selling full ship charters, but also offers group travel on mainstream cruises. In contrast, Pied Piper Travel, founded in 1990, only works with groups of 500–800 clients on mainstream cruises. In 2016 it took groups on 25 cruises, of which 16 were with Celebrity Cruises, seven with Cunard and one with Avalon Waterways on a European river cruise.

Cruise lines and LGBT tour operators work closely together to jointly plan and design itineraries, during a typical lead-in time of 18–24 months. Increasingly, these operators emphasize novel destinations, especially in the Caribbean, the world's most popular cruise destination region, to deliver high repeat guest ratios. The price of chartering a mid-size cruise ship that accommodates 2800 passengers is typically US\$1.5–2 million, with a contractual requirement to deliver in excess of US\$750,000 in bar sales. Larger ships, such as those chartered by Atlantis Events, require even greater investment, which means chartering is only possible for a small number of LGBT tour operators who have extensive financial means.

Data Collection

The aim of this study was to understand the specific characteristics of the LGBT cruise niche and to discover why this market is so appealing to the cruise industry. Because knowledge of gay charter and group cruises is concentrated in a small number of LGBT tour operators and mainstream cruise operators, and due to the research being exploratory in nature, a qualitative approach to data collection was considered appropriate. Semi-structured interviews were held with representatives of mainstream cruise companies and key personnel from the US LGBT travel market. In total, eight interviews with nine respondents were undertaken; the details are shown in [Table 21.1](#). Participants granted permission to audio-record the interviews, and all but one agreed their company and personal names could be used in the publication of the material.

At the time of data collection, a second lesbian cruise operator (to Olivia) was in operation – Sweet Travel. This company, founded in 2008, offered cruise packages to the lesbian traveller keen to volunteer in pro-environmental and social activities whilst on an affordable cruise. Fifty per cent of their clients travelled on mainstream cruises and the majority were aged 35–45 years old. Unfortunately, since the interviews, Sweet Travel has ceased trading.

Findings

This section details the findings of the interviews, with qualitative quotes used to support the points raised. Data are presented using the key research questions,

Table 21.1. Interviewees' name, job title and company.

Company name	Interviewee name and job title
Celebrity Cruises (owned by Royal Caribbean International)	Ron Gulaskey, Global Director of Sales, Corporates and Charter Andrea DeMarco, North America Charter Sales Manager
Brand X, US-owned cruise company Sweet Travel	AB, Director of Sales and Marketing Shannon Wentworth, CEO and Founding Partner
RSVP Vacations	Jeff Gundvaldson, President (now Managing Director, Brand g Vacations)
Atlantis Events	Rich Campbell, CEO Oscar Yuan, Former VP, Sales and Marketing
Forward Motion Travel International Gay and Lesbian Travel Association (IGLTA)	Charlie Rounds, General Manager John Tanzella, President and CEO

however, further lines of inquiry emerged from the interviews, and these are presented after the initial findings. The latter include the negotiating power of some gay tour operators, the importance of long and trusted relationships between cruise companies and LGBT travel operators for mutual success, the extent to which ship personnel actively look forward to working on LGBT charters and future trends of the LGBT cruise market.

The appeal of the LGBT cruise market

When asked why the LGBT market appealed to the cruise industry, it became clear that while some interviewees believed cruise companies were keen to demonstrate a progressive attitude towards marginalized communities, the opportunity to grow market share was significantly more appealing. In terms of the former, Oscar (formerly Atlantis Events) commented, 'For [the cruise lines] it is good corporate citizenship, shows they are inclusive, and [embrace] diversity'. He continued, 'However, they also want to make a lot of money'. Each of the LGBT tour operators agreed on this latter point. John (IGLTA) said it was 'all about the revenue', while Charlie (Brand g) said, 'One word – cash!' Rich (Atlantis Events) added:

They [mainstream cruise operators] are in business to sell. They are indifferent as to who is on the ship as long as they get revenues, and of course they will tell you they support us [the LGBT market] ... they are open to any niche. We make sense to them because we offer a specific market and product where they don't have to do anything, they don't have to spend any money to attract us.

Interviews revealed a characteristic of the LGBT market which made them particularly valuable to the cruise industry. Jeff (RVSP) noted 'to some extent the gay market tends to be more of a trendsetter, and so I think that is appealing to the cruise lines ... [gay men] tend to talk about a product they really like, and recommend it to their friends'. Such persuasive recommendations among the LGBT community therefore potentially reduce marketing costs for cruise companies. This issue is especially

pertinent as non-cruisers express more negative than positive perceptions of cruises, which, coupled with the relative high price of a cruise in comparison to land-based vacations, means they can be reluctant to take a cruise for the first time.

Respondents also highlighted the strategic potential of this niche market, as it enabled the cruise industry to extend its core market:

If you look at the North American travel market, fewer than 15% of Canadian or US citizens have taken a cruise. That is not very many, and so they [cruise lines] are constantly looking at how to increase market share on cruises, which means they are looking at niches, whether it is LGBT, nudist, or jazz and blues music. (Charlie, Brand g)

Other respondents asserted that clients introduced to cruise vacations on an LGBT charter are more likely to book a future mainstream cruise:

It is another niche, another channel to source passengers. And they are good passengers ... if they have a good experience they come back and back and back ... it costs more to find a new passenger than to keep an old one. (AB, Brand X)

Whilst CSR considerations and market growth were important reasons for targeting the LGBT cruise niche, of paramount significance was that these travellers are able to afford the higher price of charter cruises, and also contribute higher-than-average spend onboard, both critical revenue streams for the industry. In this context, cruise operators such as Royal Caribbean International, Celebrity, Holland America Lines and so on, raise approximately 75% of total revenue from ticket sales. The remainder is generated from secondary expenditure on insurance, shore excursions, drinks, spa treatments, casinos, art auctions and onboard shopping. Total revenues are considered to be in decline, and so secondary spend is increasingly critical – the average return on such sales can total 82% (see Vogel, Chapter 7, this volume). Unsurprisingly, cruise companies readily acknowledge the financial appeal of the LGBT market:

This community is really important to us, because we know that they fit our demographics of having the resources to be able to cruise, they like our product because it is modern luxury, and it is different from the other lines. Guests spend a tremendous amount on-board, on all areas of shopping, the shore excursions, the beverage, the food, the specialty dining. (Andrea, Celebrity)

It is important to note the emphasis Royal Caribbean International place on onboard retail, with all Oasis and Freedom class ships since *Freedom of the Seas* (launched in 2006) having extensive interior shopping malls. Likewise, Celebrity Cruises offer designer brands such as Armani, Calvin Klein and Versace in their onboard boutiques. However, there was some disagreement amongst respondents on this point. Jeff (RSVP) believed the LGBT consumer spent more on shopping compared to mainstream cruises, while Charlie (Brand g) argued that shopping was not very important for LGBT cruisers, ‘as they are not attracted to some of the clothes and products on board’.

Not all cruise companies utilize this retail strategy, even though the LGBT operators believed their clients are highly sought after because of their high disposable income, and therefore potential for onboard spend. Ron (Celebrity) explained ‘most of our guests don’t have children so, you know, they have a lot more disposable income ... a lot of doctors, lawyers, judges’. Similarly, Jeff (RSVP) noted:

The most obvious reason is that gay men in general tend to have a lot more disposable income. Most are dual income households. Less so than it used to be, but the majority still do not have children, so they have a lot more disposable income to spend on their vacations. So I think they are very attractive from that sense, and I would say they are a very good revenue source for the cruise industry.

This had not always been the case. For instance, when LGBT tour operators initially chartered cruise ships in the 1980s, only small cruise lines operating older ships offered contracts. Not until RSVP chartered a Carnival Cruise ship in 1994 did the industry publicly embrace LGBT cruises:

Once Carnival had chartered to RSVP, the floodgates were opened. Now it was no longer us begging the cruise lines, it was reversed, and all the cruise lines started coming to us. Even tiny operators these days ... the cruise lines know who we are, and they come to us and want our business. (Charlie, Brand g)

Rich (Atlantis Events) also reflected back on the appeal of the LGBT travel segment and spoke of the industry's initial concerns over it being a financial as well as socially risky market:

Back in 1991 there was some hesitancy for companies to take on the gay market. When we went to Club Med, initially they didn't want to be seen as a gay resort, and there was no empirical support as to how the gay market would do, the business model was speculative. Well, all those barriers fell by the wayside ... the operators said as the market progressed, 'Well heck yes, of course we want the gay market!' It is good business and great people, higher income bracket than we normally are used to having. It is not altruistic at all, it is purely operative ... it's not 'why would we?' it's 'why wouldn't we?' There is not a single travel company that would turn away a market like this on this scale. The industry is supportive of the gay market because it is good business for them.

Similarity and difference between LGBT and non-LGBT passengers on charter and mainstream cruises

In order to further understand the nature of LGBT cruise demand, interviewees were asked to clarify perceived similarities and differences, if any, between LGBT and non-LGBT passengers. Responses revealed a number of differences, in age, disposable income, onboard spend, choice of itinerary and sub-niche segmentation. Charlie (Brand g) said a significant difference between mainstream and gay cruises was the age of the passengers, 'If you look at the average Holland America ship in any other week versus RSVP [a gay cruise product], I can almost guarantee you it is 20 years older'. Shannon (Sweet Travel) reiterated this, and stated the average age of Olivia and Sweet lesbian cruises was '39–42 years old', and therefore much younger than mainstream passengers.

All respondents mentioned average onboard spend was higher for the LGBT passenger, especially the sale of alcohol. Oscar (formerly Atlantis Events) asserted, 'Cruise lines are hesitant to share data, but anecdotally LGBT people drink three times as much as "normal" guests'. Charlie (Brand g) simply said, 'gays drink [while] on mainstream cruises 30% of the guests on board don't drink because they have families'. Charlie also believed fewer mainstream cruise passengers utilized the

casino compared to LGBT people, and attributed this to increased alcohol consumption. He also suggested the gay male client gave more gratuities, 'which is natural, since a great proportion of them are drinking, many of the LGBT market come from the service industries, and also they have higher discretionary income'.

The lesbian cruiser was reported to be significantly different from the gay male cruiser. For instance, while gay men often book 2 or 3 days' vacation in home ports before and/or after the cruise, lesbian cruisers are less likely to do so. In part, this was attributed to them being more cost conscious, 'gay men know they are going to spend US\$1500 or US\$2000 each, or something like that. And that is totally different from the women. Women are like "Can I get by on US\$20 a day?"' (Shannon, Sweet Travel). Although LGBT tour operators regularly offer payment plans, these generally operate for a maximum of 60 days before a cruise. In contrast, Sweet Travel offered clients an 18-month payment plan, which could be paid off before or after a cruise. The need for such an extended payment plan supports Shannon's assertion that lesbians have less disposable income. Further, John (IGLTA) said, 'Gay men probably spend their money a lot easier maybe than lesbians... I kind of get that perception'.

Besides their greater alcohol consumption, Charlie stated that gay male cruisers enjoyed facilities and workshops on the ship, as well as excursions. Consequently they spent less time in their cabin, which thus impacted positively on their secondary spend. Oscar (formerly Atlantis Events) agreed, noting the spa on a LGBT cruise was always fully booked, while both Ron (Celebrity) and AB (Brand X) declared the gay market spent more on speciality restaurants than mainstream cruisers. Jeff (RSVP) also thought the LGBT client spent more than mainstream cruisers on excursions, although Charlie (Brand g) argued this was dependent on the itinerary, as mainstream tours were often targeted at older passengers, and thus extremely popular.

Despite these significant differences, John (IGLTA) thought cruise companies saw the LGBT cruise market as a whole to be homogeneous, as opposed to airlines who were more proactive, going after 'niches within the niche'. Similarly, Rich (Atlantis Events) agreed on this point, especially when it came to the different needs of the lesbian and gay cruiser:

Sometimes the cruise companies ask 'Why don't you do a combined cruise with Olivia?' which would be great, but we don't have the same product. They [Olivia] sell a product about safety; we sell a product about entertainment.

However, while previous research revealed an inaccurate perception of homogeneity in the market (see Weeden *et al.*, 2016), the cruise companies interviewed were well informed about the characteristic demands of the LGBT niche. For example, Charlie (Brand g) discussed the varied niches within the LGBT travel market such as the leather, and also bears² subculture. He stated 'Bears have become a large travel market here in North America', with cruise products increasingly catering to these groups. He also stated 'gay and lesbians tend to travel more frequently than the mainstream'. However, AB (Brand X) thought the LGBT passenger a 'much more dynamic experienced traveller', and recognized some differences. For instance he believed the gay market liked the appeal of Norwegian Cruise Lines because of their innovative free-style cruising (open dining). He felt some LGBT people preferred not to sit with people they did not know, perhaps more than the mainstream market, due to uncertainty about attitudes towards LGBT lifestyles.

Negotiating power and trusted relationships between cruise companies and LGBT tour operators

Interviews revealed gay operators worked collaboratively with each other, and shared industry intelligence and experiences in the planning, operation and management of cruises. Rich (Atlantis Events) stated, 'We don't consider this as a competitive business but friendly ... we talk at least once a week [with Olivia] ... about port issues, and so on. That is kind of normal for this industry... I am friendly with other [non-gay] charter operators too.' Respondents revealed long and successful relationships between key decision makers of both cruise and LGBT tour operators. For instance, Brand X first chartered cruise ships to Atlantis Events in 1995, while Pied Piper Travel had worked with the industry since 1990. Beyond operational planning, Ron (Celebrity Cruises) explained his company relied upon and fully trusted Atlantis Event's research into the LGBT market's favourite cruise brands, which was shared with all mainstream cruise companies.

Trust was an essential part of successful relations, as demonstrated by the following quote: 'I guess we are long-term business partners, but we are really good friends' (Ron, Celebrity Cruises). Likewise, Atlantis Events reported that an effective working relationship was also dependent upon how well each partner knew the other's operational constraints. For instance, Rich Campbell (Atlantis Events) stated, 'We have absolute power [over the cruise companies]. We have the power over where we want to take the ship, but with some obvious functional restrictions. I know the industry, its executives.' Charlie Rounds (Brand g) emphasized, 'It is a partnership between the tour operators and the cruise line. What you do is, you sit down and work with them. And everybody needs to be happy because unless you have the cruise company with you 100%, or more likely 200%, it will never succeed.' Likewise, AB (Brand X) believed his company's long-established collaboration with R Family helped to manage operational tensions that sometimes arose, for example, when mainstream cruisers protested at their exclusion from the entertainment and activities arranged for LGBT groups.

Jeff (RSVP Vacations) reported a similar relationship with Holland America Line, which he believed to be critical to providing clients with high quality products:

...we have an understanding, and a long history of working together, and there is a consistency that comes with working with them. It is almost like second nature, and they know what to expect of RSVP and we know what to expect of them. We have a history of them providing long service to us. (Jeff, RSVP Vacations)

Positive working relations were also crucial for effective itinerary planning, especially with regard to avoiding ports that were potentially hostile to LGBT charters. The interviews revealed cruise lines rely heavily on gay and lesbian operators to guide them on destinations to avoid and which to visit, with itineraries liable to change up to and possibly during a cruise vacation. As Ron (Celebrity Cruises) commented:

There is certainly a good partnership with Rich [Atlantis Events] and I, on saying 'what itinerary are you comfortable with?' and then we communicate and say if there is any unrest, or things going on in the world that may change that, then we keep in contact and say, 'listen, are you still comfortable, or do we need to come up with an alternative solution?'

While some respondents alluded to homophobic incidents in port, in general these were seen as historic events rather than a current problem. AB related how a Brand X

charter to Atlantis Events had been prevented from docking in Grand Cayman in 1997, while an Olivia charter cruise had been met with anti-gay protests in Nassau, Bahamas in 1998. Since then, however, interviewees reported a largely changed situation, although Jamaica remained a destination LGBT cruises continued to avoid. For Charlie (Brand g), the turning point in the Caribbean was Grand Cayman welcoming an Atlantis Events charter in 2006. Not all operators agreed on the need to avoid homophobic tension in the Caribbean. For example, Rich (Atlantis Events) argued that destinations were not unified in their attitudes against the LGBT cruise community:

There is no such thing as a homophobic destination. There are homophobic people and experiences, there are structurally unfriendly things that happen in places, there are legal, religious, militaristic, and other institutional issues toward gay people that makes some countries gay-unfriendly. To label a place as homophobic is prejudicial ... we went to Barbados because it has great beaches and shopping and one of the prettiest places in the Caribbean. How you brand a destination as homophobic is a strange one – Jamaica has a terrible record towards its own gay population and a terrible track record to tourists ... it will be a long, long time before I take a cruise ship there ... just like Dubai for the same reason, but there aren't many places I would not take a cruise to, and we monitor these situations on an on-going basis.

While trusted relationships were apparent between each of the cruise companies and LGBT operators that took part in this study, Rich from Atlantis Events appeared to be particularly influential with regard to itinerary planning. He asserted, 'we can pick and choose the country we want, and we can change it at will' (Rich, Atlantis Events). Ron (Celebrity) confirmed this observation, and revealed Rich's advice was critical when the company planned new ships and considered different itineraries. Rich's expertise as CEO of Atlantis Events, and his heightened understanding of consumer trends in vacation demands made him invaluable to Celebrity, which hired him as a consultant for many of the company's new developments. As such, Rich's expertise was not confined to the LGBT cruise niche, and had credence beyond this to wider cruise market trends, which makes him a powerful stakeholder in the future development of the industry.

Communities at sea

A significant and possibly unexpected finding that emerged from the interviews related to cruise employees' active desire to work a gay charter. Charlie (Brand g) said, 'Staff on the ships absolutely look forward to these weeks ... it almost seems like a holiday for them!' Shannon (Sweet Travel) agreed:

The staff really like us [lesbian charters]. Whenever the staff find out that Sweet is having a [charter], they come out of the woodwork and say 'We had so much fun on your charter, that was the best week of my working life ever ... and we would transfer [ships] to do that again'.

Ron (Celebrity) also commented on the enthusiasm of staff to work on gay charters:

When [gay guests] are on the ship, it is a safe environment for them ... a feeling of happiness that they have just comes out even more on the ship, because they can completely be themselves and not worry, so it is tremendous. And I think that is why our crew picks up on that as well. We have so many people that try to get on

an Atlantis cruise. So when they determine their schedule for the next year, they ask us 'When is Atlantis going to be chartering, and what ship?' And they will arrange – I mean, they will go on a ship for eight months, knowing that for one week they are going to be with the Atlantis guests ... some of them do get a little more tips, but it is really more of the whole anticipation of the guests coming on board, how fun that week is, how much energy it is, how different that week is. And it keeps them aglow for a few weeks afterwards.

Jeff (RSVP) agreed and said the crew:

Really look forward to our cruise all year long. They simply can't wait for us to get on board, and many of them avidly try to be part of our cruises and like to be assigned on the ship when we are going to be there. It is lucrative for them in terms of tips because I think gay men have a very high level of expectations of service, but they are also, I think, very generous when they receive good service.

When probed as to whether diversity training was conducted with staff before working on gay charters, Charlie (Brand g) reported this was generally unnecessary. In the past, such training had been delivered onboard, but as the cruise industry now offered so many niche charters, and hosted such diverse travellers, this activity had been discontinued.

In fact, the general view among interviewees was that LGBT passengers helped increase awareness of gay lifestyles and broke down negative stereotypes, whether on main-stream or charter cruises. Even though cruise companies employ a large number of staff from countries where gay lifestyles may not be as accepted in comparison to industrialized nations, AB (Brand X) believed staff working on LGBT charter cruises helped break down prejudice. To his knowledge no staff had been upset whilst working on an LGBT cruise. Likewise, Charlie (Brand g) considered ship personnel as powerful gay ambassadors:

It is not just a guy cleaning your toilet. [The cruise] is a chance for you to talk to somebody who has never met a gay person and for him or her to go back to Guatemala... From a staff standpoint, they can never risk not being wonderful to everybody – whether it is LGBT guests or to anybody – these jobs are an important source of income to support their families back home. But I think, as a minority, it is important for us [gays] to make sure we are treating them with more respect than straight people, because, you know, as a minority, sometimes you just have to be better. That is the way we win our human rights, it is in those heart-to-heart one-on-one conversations.

Other interviewees mentioned how local bus drivers on shore excursions had 'come out' to LGBT visitors, and believed that gay customers had the power to change attitudes of shopkeepers in some ports. Rich (Atlantis Events) exclaimed:

We are not a political organization, we are a travel company. One of the great things we can do is going into a destination that on paper seems hostile and in reality that same place is a great tourist destination for the 8–10 hours we are there. I have seen that we can create cultural exchange ... we are for many of these countries and ports their first real world experience with gay people and by seeing us as a nice friendly well-meaning individual [who] spends a little money ... the merchant who has never met a gay person before might be hesitant but when that person buys a couple of watches, I can guarantee you the next time that merchant won't be hesitant. Those little interactions make change in our world; we didn't even make the papers in Barbados when we went there.

Future market trends of the LGBT cruise market

Although not a key objective for this study, a theme to emerge from the interview data concerned the future of the LGBT cruise market. Interviews revealed a range of views, although the greatest difference was between lesbian and gay tour operators. For instance, Shannon (Sweet Travel) did not want lesbians to be perceived as isolating themselves from society. Although she had chartered one ship, she focused mainly on selling group travel (40–200 people) on mainstream ships, because, ‘People want to travel with their families, but also with their community’. Through her company, she was very keen to change public perceptions of LGBT, and so did not offer lesbian-only charters so as to avoid any accusations that lesbians were ‘constantly hiding ... on exclusive [trips]’. She continued:

We have always said our vacations are designed for lesbians, but they are not ... anyone can join us you know. Anybody who thinks it just looks like fun, anybody who wants to laugh at new lesbian comedy, anybody who wants to hear me sing Karaoke badly. If it seems like a fun thing to do, then that is cool with us.

Interviews also revealed a debate on whether younger LGBT tourists wanted more ‘mixed’ rather than gay or lesbian-only products and services. Charlie (Brand g) predicted an increase in LGBT charters through the emergence of greater niche segmentation. He gave examples, including bear, leather, all-gay Japanese, and all-gay Chinese cruises. Shannon (Sweet Travel) voiced the opposite opinion, and argued lesbian-only cruises were in decline due to LGBT people gaining equality, and thus becoming more mainstream in their choice of vacation. She also noted, ‘I think more and more gay people are travelling openly with their partners on mainstream vacations because they are more affordable, more flexible as to the time of year they want to travel, and they avoid the tax for “being gay”’.

However, Rich (Atlantis Events) expressed scepticism about an increase in demand for mixed cruises:

I have heard some speculative data that the younger 25–35 age group don’t want gay-only and want a mixed experience... I don’t know if 25-year-old gay people would be happy getting on a cruise with 80% straight [people] ... it is hard to comment on that, but I do know people in that age group, who travel with us, are blown away by the experience, and come back. We create highly customized unique experiences that don’t exist anywhere else ... doing a mixed experience means you are basically just doing another cruise.

When asked if he thought the LGBT charter market had plateaued, he stated:

I don’t have control over several factors, such as the economy ... when the general cruise market is growing and doing well, we tend to do well ... conversely when the industry goes into a decline we tend to get caught in the same downward spiral ... the problem is we sign contracts well in advance. It has been a rough few years so I am being very, very conservative about planning ahead... I don’t think the market is saturated... I think creativity and ingenuity will always be rewarded ... but it is a small market with finite resources and that is probably the bigger ceiling. Overall demand is not limitless but there are still opportunities that haven’t been tapped. Do I think another major charter company will emerge in the next 2–5 years? From a business side I hope not, but from a practical side maybe, but they’d be crazy to ... the barrier to entry is high and the failure rate exceedingly high ... the charter business is not an easy business to get into.

When asked about future trends for the LGBT market, Charlie (Brand g) forecast that gay charters would have access to a greater number of destinations, not only because of changing social attitudes, but also due to commercial understanding that gay passengers were a financially lucrative market, and therefore less of a financial risk to accommodate. Ron and Andrea (Celebrity) held similar views, and cited Atlantis recently sailing into Egypt during Ramadan on a Royal Caribbean International ship, as well as Quebec, a traditionally conservative destination, beginning to actively promote to the gay charter market, as two examples of greater public and corporate acceptance.

Conclusion

In an era when LGBT tourists are of increasing financial importance to the tourism and travel industries, this chapter offers insight into the appeal of the LGBT cruise market, and specific detail on why the LGBT passenger is attractive to the industry. Similarly, at a time when cruise operators are seeking to segment their offer to satisfy a perceived increase in demand for niche and/or themed cruises, this study offers greater understanding of the LGBT cruise niche, a highly lucrative, yet increasingly sophisticated market. While not able to obtain information about the financial worth of this market for the individual cruise companies interviewed here, the chapter reveals the importance of mutual respect and cooperation for the future success of the LGBT cruise market, especially between gay tour operators, and the cruise companies that cater to their needs.

The data also reveal that, in common with non-LGBT travellers, LGBT tourists cruise in a variety of ways – on chartered cruises, as well as in groups, or independently, on mainstream cruises. Interviewees were unsure whether younger LGBT tourists travelled less on LGBT-oriented charters, but it is clear that lesbians are least likely to do so. Whether this is due to negative perceptions about the price of a cruise, a lack of interest in this type of vacation, or because they do not want to experience a lesbian-only vacation, was not revealed in this study. Therefore, research into the cruise motivations (and constraints) of this group of tourists may be of benefit to the cruise industry, because it appears from this study, and from previous research (see Weeden *et al.*, 2016), that lesbians are not interested in an LGBT-only cruise product. Arguably, research into the type of cruises lesbians want, and why, or why not, may be beneficial to cruise companies that offer small ship vacations, or experiences unconnected to the gay commercial scene.

The study also revealed that ship employees enjoyed working on gay charters. While cruise representatives played down the possibility of gay men's perceived generosity with regard to gratuities, and instead emphasized the enjoyment and energy staff gained, it appears that ship employees largely accepted the sexual orientations of passengers. An area of future research therefore might be to explore whether staff become advocates for the gay community when they share their experiences with family and friends.

Perhaps of greatest significance, however, is that the LGBT charter (and group) market is exceedingly attractive to the cruise industry because of the propensity of the gay male cruiser to spend extensive amounts of money while on a cruise. The lesbian charter market is much smaller, and spends less, and so is less attractive commercially.

Indeed, while it is true public attitudes towards LGBT tourists are changing positively, and destinations are becoming more welcoming, it is clear the importance of the market for cruise companies lies in its financial appeal, rather than satisfying a corporate social responsibility-related agenda of inclusiveness and social legitimacy. However, it would be wrong to claim the benefits were accrued solely by the cruise industry. From the comments of the LGBT tour operators, and the cruise representatives, it is financial opportunity that drives this market forward for the *mutual* advantage of both stakeholder groups. Such interdependence has already proved invaluable when planning cruises for this market, and is likely to continue in the foreseeable future.

Notes

¹ While this chapter focuses on lesbian, gay, bisexual and transgender (LGBT) people, other terminology is also utilized. As supported by other researchers (Hughes, 2006; Southall and Fallon, 2011) 'gay' is used interchangeably with 'LGBT' depending on the context. For example, some gay tour operators market cruises as lesbian, whilst others as all-gay, the latter of which may appeal to both gay men and lesbians, and even to some heterosexuals. LGBT is used to represent a range of inclusive identities beyond just gay and lesbian.

² In gay male culture, a bear is a larger, hairier man who seeks to project an image of rugged masculinity.

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The Changing Consumer: 'Digital Cruising'

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Introduction

This chapter focuses on the effects of an ever-increasing digital transformation on the cruise industry. Consumer habits shift from traditional purchasing to online and mobile purchasing. Technology has added new elements to the cruising experience enabling a new form of consumer-generated experiential marketing. Mobile technology and social media have extended the cruise experience cycle and forced the cruise sector to adapt their marketing strategies to consider the effect of social media marketing, as well as the implications of mobile purchasing, and online gathering of information. From Carnival's launch of 'Best blogs at Sea', to the many Twitter accounts relating to the cruise sector, and to the Second Life virtual space of Oceania Cruises, it is evident that early adopters in the sector have realized they need to reconsider their branding strategies and align them to the new consumer of the digital era.

Digital transformation in every type of service industry has enabled consumers to gain the 'upper' hand when it comes to content generation. This shifts the balance of public relations power, and online reputation management towards the consumer. Digital word of mouth (Pantelidis, 2010) has changed the attitudes of consumers. Trust shifts from consumer to business (c2b) to consumer to consumer (c2c), forcing businesses to reconsider strategic marketing decisions. Beyond the consumer behaviour changes there are changes in the employee–employer relationship. Social media have not only transformed how companies recruit but also how they manage their brand to prospective employees.

The cruise line industry is not sheltered from such changes. Considering the rapid growth of the industry in recent years (Weeden *et al.*, 2011) one would expect the growth to be reflected in relevant research. However, there is limited research that seeks to understand how cruise companies have responded to digital transformation. This chapter reviews existing literature that relates social media and mobile devices to the cruise line industry. The chapter also attempts to analyse cruise operators' responses to the digital transformation. In order to achieve this, the chapter focuses on the social media activities of the five most prominent cruise line businesses. In this chapter we have selected five cruise companies based on pre-set criteria (see methodology). These companies are assumed to be representative of the cruise line industry and as such, analysing their activities on the 'Big 3' social media platforms (Facebook,

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Twitter and LinkedIn) gives us insights as to how the industry responds to both external and internal customers (Mavondo *et al.*, 2014). We also examine the use of YouTube as a social media platform to seek further evidence.

If Rogers' (2003) diffusion of innovation theory was applied to industries rather than people, then most of the evidence suggests the cruise industry is a 'Laggard' when it comes to adopting and utilizing effectively social media. Evidence of this view can be seen in the findings section of this chapter. The findings in this chapter are supported by the views of industry leaders such as Twynam (2014) or Peter Shanks, president of Cunard (Carnival UK, 2010). However, there are always early adopters and innovators that show that even with digital media one can have a strategic outlook as to how they do business. For example, Carnival has a webpage that aggregates blogs across all its brands (Come Back to the Sea, 2015). Josh Leibowitz, their Chief Strategy Officer, maintains one of the most popular blogs in this collection. Having a senior member of staff maintaining a blog can generate a feeling of trust amongst consumers by creating the illusion they are in direct communication with the senior management of the company. This can be a distinct advantage as it adds to memorable experience generation before the consumer even steps aboard. It also creates a tempting 'hook' to remain loyal to Carnival as a company, whilst at the same time having a choice of various brands within a brand.

Consumer Behaviour and the Cruise Line Industry

The cruise industry does not have to look too far to discover evidence that embracing digital media is good for business. For example Couture *et al.* (2015) found that frequency of site visits, chatting and e-mailing are positively related to tourism innovativeness. This suggests that the more engaged a cruise line is with their online activity the more likely it is that they will attract innovative tourists. Innovative tourists are often those that become opinion leaders, influencers in digital media forums and similar platforms.

Although the use of traditional online planning (use of websites, e-mailing, etc.) has reached saturation across all generations of the tourism consumer, there is still room for innovation, particularly with social media and other web 2.0 platforms. For example Xiang *et al.* (2015, p. 244) report 'higher-order Internet uses (i.e., social media) are now prevalent among some segments, particularly among travellers of Generation Y'. Generation Y, also referred to as 'Millennials', are consumers born from the early 1980s to the late 2000s. Not only are Generation Y a large segment of the cruise market, but also perhaps more importantly, they represent a majority of the workforce (Bolton *et al.*, 2013). Understanding how better to use social media for recruitment (Gibson and Swift, 2011) is an integral part of the consumer behaviour continuum.

We have long left the era of 'word of mouth' and have entered the era of 'word of Facebook'. Consumers today not only consume experiences but they produce memoirs to a much bigger audience than ever before through the use of social media platforms. We have entered the era of co-creation in all sectors of the tourism continuum and the cruise line industry is no exception (Brejla and Gilbert, 2014). The adoption of social media by consumers and the workforce is evident in all segments of tourism. Sparks *et al.* (2013) report that tourists tend to view information posted

by other customers as useful and trustworthy. While in years gone by tourists would simply trust travel agents and brochures published by the cruise companies, today the power of information sharing has shifted back to the consumer.

When it comes to predicting consumer behaviour, past behaviour is a far better predictor than attitudes (San Martin *et al.*, 2013; Brida *et al.*, 2014) and this is where the power of and opportunity for clever social media strategies exist. Focusing on the loyal customers and gaining repeat business whilst maintaining a dialogue with customers via platforms such as Twitter or Facebook (Sotiriadis and van Zyl, 2013) enables a company to leverage past behaviour of existing customers, and generate content that will affect the attitudes of new customers. Most tourism products are so intangible prior to the experience that tourists are seeking tangibility into the experiences of others before them. Of course, in order to ensure that trust is gained (Forgas-Coll *et al.*, 2014), and positive digital word of mouth is shared, one must ensure that the product itself is of great quality and does not deviate from that promised to the customer in the first place (Hwang and Han, 2014). No amount of marketing or online brand management can save a company that delivers an inferior product to what was promised. This applies not only to the product within the cruise ship but the product at cruise port destinations as well (Parola *et al.*, 2015).

The consumer cycle (Pantelidis, 2014) often follows the following four stages: pre-purchase, purchase, consumption and memory recall. Effective digital media management of a cruise line company's digital assets can directly influence the first and last stages and indirectly influence the middle two. The more effectively those digital assets are used, the higher the contribution to the bottom line is likely. This is not only better for the company itself but also for the consumer, who often falls victim to Festinger's (1954) social comparison theory.

Digital Media and Cruise Line Literature

There is no argument that managing social media requires a substantive resource investment on behalf of the organization (Alfaro and Watson-Manheim, 2015). But if the cost of managing social media is great, the cost of ineffectively managing them is even greater. Social media have dramatically changed the way travellers make travel-related decisions (McCarthy *et al.*, 2010).

Considering the size and scope of the cruise industry one would expect the size of investment in social media would be so great that it would not escape the scrutiny of researchers. However, when attempting to find research articles that examine the use of social media in cruise, evidence of research is extremely scarce. There are far more industry articles written than academic research conducted on the subject, and this is symptomatic of the fact that perhaps the cruise line industry is not 'pulling its weight' in digital media investment. Indeed, one of the early articles on interactive marketing that mentions cruise ships is by Blattberg and Deighton (1991) in an industry/academic hybrid article. On the other hand, the absence of research on social media and cruise lines could mean there are few consumer researchers that choose cruise for the context of their studies.

Still, there is some research that promises hope. Bryce (2014) describes how Carnival dealt with cruise ship *Triumph's* engine room fire crisis using social media, and specifically Facebook, to 'go public', even though the company was in the early

adoption stage of the platform. Social media platforms like Facebook are tools that can be used positively or negatively, although this example illustrates that the ‘paradox of transparency’ can work well when a company utilizes social media to demonstrate an open approach to the public.

The cruise line and social media-focused bibliography ends here – extensive investigation yielded little more than conference papers on the subject. In an attempt to widen the search the researcher turned to mobile devices. A real revolution in consumer behaviour patterns, travel research is conducted in air travel (Lubbe and Louw, 2010) and hospitality (Gayeski and Petrillose, 2005), but sadly not much of significance is written in academic articles when it comes to cruise travel. Yet one looks at the social media evidence with cruise line crises, such as the *Sea Diamond* and the *Costa Concordia*, and the PR and online brand lessons companies could gain from these, and one would expect a plethora of articles. At least, it appears that Carnival has taken those lessons onboard and it is perhaps a wake up call for academics to realize that lessons do not need academic articles in order to be learned.

Methodology

Choosing a representative sample of the industry is a difficult task. Due to limited resources, the researcher chose to investigate the social media activity of five companies. In order to be fair to the industry the researcher decided to add Costa Cruises to the sample. The reason for this is that companies that have experienced disasters may be more likely to have learned from these, and so potentially developed an effective social media presence. The other four companies were chosen based on geographical spread and likelihood to represent small and large companies. Two of the five companies are owned by a large parent company. The following table (Table 22.1) lists the five companies investigated.

The researcher assumes that these five companies are representative of the cruise line industry and as such, analysing their activities on the Big 3 social media platforms (Facebook, Twitter and LinkedIn) gives insight into how the industry responds to both external and internal customers. We also examined the use of YouTube as a social media platform to seek further evidence.

The researcher looked for speed of publicly traceable response if complaints were made. He also traced evidence of dialogue, social media and website integration, and evidence of co-creation. Each criterion was scored as high, medium or low. A high score gave a company two points, a medium one point, whilst a low score was given zero points. Each company had a potential score of eight points. Table 22.2 lists

Table 22.1. Cruise lines researched.

Company Name	Headquarters	Recent past crisis	Notes
Costa Cruises	Italy	Yes	Owned by Carnival
Cruise and Maritime	UK		
Hurtigruten	Norway		
Celestyal Cruises	Cyprus/Greece		
Royal Caribbean International	USA		Owned by Royal Caribbean Ltd

Table 22.2. List of companies and their social media URLs.

Company name	Website	Facebook	Twitter	LinkedIn	Notes
Costa Cruises	http://www.costacruises.com/	https://www.facebook.com/costacruises.na?fref=ts	https://twitter.com/costacruises	https://www.linkedin.com/company/4296135	
Cruise and Maritime Hurtigruten	http://www.cruiseandmaritime.com/ http://www.hurtigruten.com/	https://www.facebook.com/cruiseandmaritime https://www.facebook.com/Hurtigruten?fref=ts	https://twitter.com/CMVoyages/ https://twitter.com/hurtigruten	https://www.linkedin.com/company/1861183 https://www.linkedin.com/company/68598	
Celestyal Cruises	http://www.celestyalcruises.com/	https://www.facebook.com/CelestyalCruisesGreece	https://twitter.com/celestyalcruise	https://www.linkedin.com/company/9176465	Formerly Louis
Royal Caribbean International	https://www.royalcaribbean.co.uk	https://www.facebook.com/royalcaribbeanuk?fref=ts	https://twitter.com/myroyaluk		

the company links (to a website or social platform) utilized for this research. For YouTube, the researcher looked at videos on any YouTube channel, and utilized qualitative content analysis (Hsieh and Shannon, 2005) for comments on the videos. More specifically, for YouTube a very particular approach was taken. The name of the company was typed into the YouTube search engine and then videos were filtered in an ascending order based on number of views. The top three videos were examined and analysed and then the top three videos from that company's channel were also examined for number of views and thematic analysis of viewers' comments. Comparing the top three videos (in every case these were not created by the company) to the three most viewed videos that the company created provides insightful understanding of the word of video (Pantelidis, 2009).

The five companies were chosen out of a list of all operational cruise companies. No attempt to visit websites was made prior to the decision of which companies to investigate, in an attempt to limit bias.

All website URLs were checked against the website URL listed on each of the company's Facebook pages. This helped confirm the validity of the webpage URL. All social media numbers (likes, tweets, etc.) were double checked and updated on 15 September 2015, 11.00 pm British Summer Time.

Findings and Discussion

In this section the findings are presented, starting with an analysis of website integration to social media platforms. In [Tables 22.3, 22.4 and 22.5](#) company activity analysis is summarized (for Facebook, Twitter and LinkedIn, respectively). Then activity for each company is given a score as explained in the methodology section. [Table 22.6](#) gives an overview of scores of the 'Big 3' for the selected companies. Finally, in [Table 22.7](#) YouTube findings are shown.

Website integration

Marketers argue that website and social media integration offers enhanced return on engagement. However, Aluri *et al.* (2015) suggest that social media integration on the website only offers gratification to the perceptions of social interaction. On the other hand Wirtz *et al.* (2013) argue that social media integration provides added value to users.

- Costa Cruises: The website features near the bottom a 'Follow us' section, with links to Facebook, YouTube, Twitter and Pinterest, but no direct Twitter feeds into the website, or any other interactive feature that seamlessly binds web 2.0 to the website.
- Cruise and Maritime: The website features a menu to the right of the screen with links to Facebook, YouTube, Twitter, Pinterest and Instagram, but no direct Twitter feeds into the website, or any other interactive feature that seamlessly binds web 2.0 to the website.
- Hurtigruten: No obvious evidence of any web 2.0 integration, if anything existed on the 15 September 2015, it was too well hidden to be of use to customers.

- Celestyal Cruises: The website features at the very bottom right a 'We are social' section, with links to Facebook, YouTube, Twitter and Pinterest, but no direct Twitter feeds into the website or any other interactive feature that seamlessly binds web 2.0 to the website. It is a missed opportunity considering this website was recently revamped.
- Royal Caribbean International: The website features near the bottom a small section, with links to a blog, Facebook, YouTube, Twitter, Instagram and Pinterest, but no direct Twitter feeds into the website or any other interactive feature that seamlessly binds web 2.0 to the website.

Website integration summary

When looking at other related industries to website and web 2.0 integration we have clear examples of a job well done (for an example, visit: <http://www.awwards.com/web-design-awards/the-mcwhopper-proposal>). This cruise line sample mostly (four out of five companies) delivers the bare minimum expected but none goes beyond that.

Facebook pages

Table 22.3. Facebook pages.

	Likes	Engagement notes
Costa Cruises	55,929	Good engagement with use of likes on users' comments, regular updates, good content. The 'more' feature is not very well utilized to link to other social media
Cruise and Maritime	13,683	Good engagement with both use of likes and responding to users' comments, regular updates, good content. Very few likes. Small company is no excuse for not spreading the message on social media
Hurtigruten	59,578	Good engagement with both use of likes and responding to users' comments, regular updates, good content. Seems like the main Facebook page is Norwegian! There is an English version with more recent content but less engagement https://www.facebook.com/UKHurtigruten (only 19,401 likes)
Celestyal Cruises	249,213	Good engagement with use of likes on users' comments, regular updates, good content. The 'more' feature is not very well utilized to link to other social media
Royal Caribbean International	3,075,839	Good engagement with scarce use of likes on users' comments, very regular updates and really excellent content. The 'more' feature is not very well utilized to link to other social media, although the family cruises link is a great idea

Facebook page summary

Overall, all companies seem to be engaging and doing what is expected of a Facebook page but they are still missing out on using their Facebook page effectively to integrate all other social media in order to create opportunities for a solid community. A very good example of a well-designed tour company Facebook page can be seen here: <https://www.facebook.com/intrepidtravel>. Some of the cruise line companies in this sample get close to this but miss out on the finer details.

Twitter dialogue

Table 22.4. Twitter dialogue.

Company name	Tweets	Following	Followers	Dialogue or monologue?
Costa Cruises	1,012	79	949	Monologue
Cruise and Maritime	3,925	3,485	3,605	Limited dialogue
Hurtigruten	147	526	556	Monologue
Celestyal Cruises	827	617	984	Monologue
Royal Caribbean International	6,890	947	23,700	Dialogue

Twitter dialogue summary

With the exception of Royal Caribbean International, the companies tend to think of Twitter as an announcement tool. This suggests they have misinterpreted how to use this tool and get the most out of their audience. A great example of a hotel Twitter account is this: <https://twitter.com/rshotel>. The Roger Smith Hotel often gives discounts to customers that book via Twitter and they also feature trivia and coupons, a solid attempt to maintain dialogue and an engaged audience.

LinkedIn pages

Table 22.5. LinkedIn evidence.

	Followers	Employees on LinkedIn	Engagement notes
Costa Cruises	308	308	Last update a month ago
Cruise and Maritime	13,683	404	Last update 1 day ago
Hurtigruten	59,578	526	Last update 12 days ago. A very high number of followers on LinkedIn and very high number of employees linked. A very strong presence
Celestyal Cruises	249,213	63	No updates!
Royal Caribbean International	3,075,839	950	8 hours ago. A very strong presence

LinkedIn summary

Two out of five companies are engaging positively with audiences. One company does not engage with its employees via this platform. The example of Royal Caribbean International shows that the reach in this professional networking site goes far beyond employees, and affects suppliers, customers and potential investors. A company with a solid digital media strategy would also have embraced this platform in order to remain connected with internal customers as well (not only the external ones).

Summary of findings and discussion, and score

Each company had a potential score of eight points. [Table 22.6](#) gives the results based on this research.

Table 22.6. Scores on Big 3 and website integration to web 2.0.

Company name	Website	Facebook	Twitter	LinkedIn	Score (out of 8)
Costa Cruises	Medium	Medium	Medium	Low	3
Cruise and Maritime	Medium	Medium	Medium/low	Medium	4
Hurtigruten	Low	Medium	Medium	High	4
Celestyal Cruises	Medium	Medium	Medium	Low	3
Royal Caribbean International	Medium	Medium	Medium/high	High	5

Each company has strengths and weaknesses when it comes to social media platforms but the average company score is $19/40 = 47.5\%$. Considering the importance to their business, and the amount of investment, an average of less than half of the potential does not reflect well on the sample. Furthermore, this can be seen as an indicator the cruise line industry still has a lot of work to do to fully engage with social media at all levels.

YouTube video views (co-creations versus company created) and content analysis of comments

The researcher has long been an advocate that in tourism and hospitality, videos are the third generation of word of mouth (Pantelidis, 2009). Once a story is shared in a video format the storytelling continues for many years afterwards. This can be a great thing if the video is a positive one but not so great when dealing with a crisis. This is evident for Costa Cruises, where a crisis that occurred 3 years ago still appears to have more views than positive videos (see [Table 22.7](#)).

With regard to video word of mouth, Hurtigruten stand out in terms of number of views. Utilizing traditional techniques in new media can sometimes work. The key finding here, however, is that in most cases content created by others (not the company) tends to consistently attract the most views. Another finding is that negative videos often overshadow positive ones, not only in view counts, but also in the type of commentary viewers are likely to contribute. Finally, an interesting finding is that some companies choose to disable comments about their videos, thus limiting the true potential of the

Table 22.7. YouTube video and comments analysis.

Company name	Commentary
Costa Cruises	The top three videos non-company created are all related to the <i>Costa Concordia</i> disaster. These three videos have a combined number of over 2.6 million views. The first and third videos were posted 3 years ago whilst the second most viewed was posted 1 year ago and is a video of new footage of the sunken ship. Analysing the comments of the three videos the following occurring themes appear: Theme 1: <i>Titanic</i> Theme 2: Captain did his best/needs to go to jail Theme 3: Salvaging Theme 4: Death/macabre/creepy The top three videos in the company channel have only 70,000 views. Comments were disabled for all three of the videos!
Cruise and Maritime	The top three videos amount to half a million views. They are not necessarily videos about the Cruise and Maritime company, the channel of the company appears as the tenth link on the list of videos. Themes from the negative videos: Theme 1: Tips, 'slavery' low wages Theme 2: Long hours/bad conditions The top three Cruise and Maritime videos on their channel only have 19,000 views. Very few comments, there is not a single theme that is emerging, but a negative comment stands out suggesting to viewers to avoid a specific boat of the company.
Hurtigruten	The top three videos are all positive, and have a combined 900,000 views (approximately). Key themes are: Theme 1: Best advert ever The top three videos from the company channel have an approximate 670,000 views and all three appear to be adverts the company has uploaded on their website, generating positive comments. Theme 1: Best advert ever (as above, one of the top videos is actually created by the company)
Celestyal Cruises	The top three videos have a combined 150,000 views (one of the top three is also a video from the company channel). However, there were not enough comments to analyse for themes. On the company channel, the top three videos have just over a million combined views but too few comments to generate key themes.
Royal Caribbean International	The top three videos have a combined 23 million views. Key themes: Theme 1: Size of the ship Theme 2: Ship design comments Theme 3: Negative comments about tourists The top 3 videos in the company channel have a combined video view of just over 3 million. Key themes: Theme 1: Size of ship Theme 2: positive experiences

YouTube platform. This suggests a limited understanding of how the various platforms work, and a lack of imagination when it comes to community creation.

Conclusions

When it comes to the cruise line industry and digital media (including social media and mobile devices) there is little academic literature. This could be because of issues of access (although that does not seem to deter research with airlines) or because there simply are not enough academics who focus on cruise lines. Or it could be symptomatic of how far behind the cruise line industry is as a whole. The assumption that a crisis would enable a company to learn from past mistakes and be better than other companies does not seem to stand true in this case. If anything, Costa Cruises seem to fall a little behind in the social media and digital transformation race.

Companies must understand that more often than not their own online content will come second to the content created by customers. Focusing on the product itself and ensuring there is always a plan that deals with the worst of scenarios is the best guarantee a company can get that they will be seeing only positive videos from their customer base. Although companies collectively are relatively doing better with their Facebook pages they seem not to do well with their own websites or with their YouTube channels and LinkedIn presence.

Overall, the sample does not perform as well as they could potentially when it comes to social media utilization. There is often limited understanding of an integrated approach to social media platforms and websites, and a limited understanding of the benefits of social media platforms that focus on the internal customer (such as LinkedIn).

Implications for industry

The findings suggest certain implications for the industry.

1. The need to consider a more holistic and strategic approach to digital media usage and integration.
2. The need to understand that social media can be effectively used to recruit and retain talent.
3. The need to create online reputation risk management systems and processes.
4. The need to better understand how each social media platform works and not use the same approach for each platform.
5. The need to catch up with other industries when it comes to social media tactics and implementation.
6. Overall, the findings confirm that the industry is considered a laggard (Festinger, 1954) when it comes to social media and online platform adoption.

Limitations and further research

Every research method has limitations and inherent bias. Even though the researcher attempted to minimize these there are two main limitations to this research. One is the

size of the sample. Even though the sample is representative in terms of company size and geographical location of headquarters, its small size does not allow certainty in the findings. However, the evidence in this chapter can be considered as a likely indicator. Second, a single researcher completed the scoring. Ideally a focus group approach that replicates the research process and considers a larger sample of companies would yield more accurate results.

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Part 4 Impacts of Cruise Ship Tourism: Stakeholders, Politics and Power

Part 3 introduced cruise industry markets, marketing and passenger's motivations to cruise. Part 4 outlines the impacts of cruise ship tourism – its stakeholders, politics and power. It comprises five chapters. In Chapter 23, Abel Duarte Alonso (UK) and Nevil Alexander (Australia) focus on a case study of La Palma Island, Spain, to examine stakeholders' perceived benefits and obstacles in relation to cruise ship tourism development. In Chapter 24, Eloise Botelho, Carla Fraga and Rodrigo Vilani (Brazil) examine cruise ships and protected areas in Brazil. In Chapter 25, Michael Shone, Jude Wilson, David Simmons and Emma Stewart (New Zealand) investigate the community impacts of cruise tourism growth in the small South Island, New Zealand town of Akaroa. A related study in the small Pacific Island nation of Vanuatu is presented by Joseph Cheer (Australia) in Chapter 26. In the final chapter in this section (27), Gaetano Sabato (Italy) describes what cruise tourists do in the port city of Palermo on the island of Sicily in Italy.



In 2009, together with the former Prime Minister of Australia, Rt Hon. Bob Hawke, and his wife Blanche d'Aluget, my wife Wendy and I lectured on board the expedition ship *Orion* (4050 t) around the remote Kimberley Region of Western Australia. This is one of the last true wilderness regions on the planet and it was a remarkable experience. Here passengers leave their zodiacs on a journey to the King Mitchell Falls. (From: Ross Dowling.)

Stakeholders' Perceived Gains and Obstacles of Cruise Ship Tourism Development: The Case of La Palma Island

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Introduction

As elsewhere in the world, cruise ship tourism has experienced growth in Spain. An estimated 1.32 million visitors arrived in Spain by cruise ship within the first 3 months of 2014, an overall 29% increase from the same time period in 2013, and at least 8 million 'cruceistas' were expected to arrive in 2014 (Europa Press, 2014). In the Canary Islands, an archipelago situated off the coast of West Africa, some 2 h by plane from mainland Spain, the growth of cruise ship tourism is also evident. In particular, the provinces of Gran Canaria (446,220 travellers, a 71.4% increase) and Tenerife (342,091, a 32.6% increase) have experienced substantial increases in cruise ships and travellers during 2013 (Europa Press, 2014). Reflecting these changes, in La Palma, one of the seven Canary Islands, the number of cruise ships and visitors has also been rising steadily. In 2000, 166 cruise ships and 34,108 visitors arrived in La Palma. In comparison, in the last year recorded (2012), this figure rose to 282 cruise ships and almost 183,000 arrivals (Ports of Tenerife, 2013). In addition, 42,000 cruise ship visitors were estimated for the month of March 2014, with 29,730 being paying guests and 12,270 crewmembers (Ports of Tenerife, 2014). These figures not only illustrate the economic potential of tourists, but also that of crew/personnel.

While other forms of leisure, including hiking (Dillon, 2003) and rural tourism offer alternatives to the more traditional sun and beach vacation, the further development and maximization of cruise ship tourism's potential could have important impacts and spillovers for local stakeholders, particularly businesses and residents. Against this background of recent growth and popularity, this chapter will examine the potential of cruise ship development on La Palma Island. The perspectives of stakeholder groups involved in the supply side of various sectors (wine, commerce, tourism), as well as the perspectives of local government representatives are gathered and analysed. Two central research questions are addressed:

- What are the perceived opportunities that may result from cruise tourism?
- What are some of the perceived challenges in maximizing those opportunities?

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New insights resulting from addressing the questions above could be beneficial in various ways. For example, local stakeholders, including the participating business owners, employees and local government agencies could use this new information to: (i) gain a deeper understanding of key concerns in successfully developing cruise ship tourism; (ii) design action plans to benefit from this emerging industry; and (iii) identify current performance gaps, for instance, in service/product to offer an improved and more memorable experience. In turn, the island's tourism could benefit from new understanding, as well as from potential improvements, with implications for repeat visitation, traveller loyalty and enhanced destination image. To provide a deeper understanding of stakeholders, their concerns and cruise ship tourism, the analysis is informed by stakeholder theory (Freeman, 1994; Donaldson and Preston, 1995). Thus, stakeholder theory represents the theoretical foundation of the present study, and is discussed in the literature review.

Literature Review

Cruise ship tourism

In recent decades, a remarkable growth of cruise ship tourism has been identified (e.g. Chase and McKee, 2003; Dowling, 2006; Marquez and Eagles, 2007; Véronneau and Roy, 2009; Andriotis and Agiomirgianakis, 2010; Sun *et al.*, 2011). In fact, cruise ship tourism has become a popular type of tourism, growing 'faster than any other type of tourism' (Hyun and Kim, 2015, p. 1540). Aligned with its growth, a number of developments have been noticed in this industry, including the fact that many of today's cruise ships are larger in size, new traveller segments have emerged and a standardization of itineraries has occurred (Papathanassis, 2012). Together, these significant factors represent potential differentiators for cruise travel experiences, and at the same time illustrate 'a new social reality' (Papathanassis, 2012, p. 1148), which is associated with stronger interest, and preparedness to afford the investment in this leisure activity by those emerging consumer segments.

Matching the increased popularity of cruise tourism over the past decades, a growing literature has identified a variety of themes related to this industry. One illustration is provided by the research of Silvestre *et al.* (2008) focusing on satisfaction among cruise passengers travelling in the Azores archipelago. The authors found three key factors influencing visitors' behavioural intention, namely, value for money, the local city and its attractions, and perceptions of safety, services, hospitality and cleanliness (Silvestre *et al.*, 2008).

While researchers have cautioned that identifying the economic impacts of cruise travel can be challenging (Braun *et al.*, 2002; Dwyer *et al.*, 2004), there appear to be direct as well as indirect benefits. Worley and Akehurst (2013) discuss cruise ship tourism's economic contribution in New Zealand, where, during 2012 and 2013 NZ\$550.7 million were generated. Part of this amount, NZ\$283.1 million, resulted from cruise ship passengers' expenditures and NZ\$24.1 million came from crewmembers (Worley and Akehurst, 2013). In the same period, the cruise ship industry supported 5330 jobs at various New Zealand destinations (Worley and Akehurst, 2013).

In contrast, concerns have been raised about the unfulfilled potential of cruise travel, and about alleged negative impacts. Seidl *et al.* (2006), for instance, document

the developments of this industry in Central America and the Caribbean. Their analysis examining the case of Costa Rica concludes that revenues injected into this country's economy are significantly lower as compared to other forms of tourism (Seidl *et al.*, 2006). Another study conducted in Cartagena, Colombia (Brida *et al.*, 2012) recognized that the positive economic impacts of cruise passengers could be higher for a home port than for a port of call. However, the authors found a marginal economic contribution mainly due to passengers' brief stay.

Elsewhere, Braun *et al.* (2002) calculated the direct added value generated by the cruise industry operating in Central Florida, and noticed that the cruise lines contribute to the large majority of the value added (94%), while passenger spending (4%) and crew spending (2%) are rather marginal. Further analysis led Braun *et al.* (2002) to conclude that every dollar generated through value added in the port area 'results in 1.55 times that impact in Central Florida, and that each job created by cruise lines creates 1.67 jobs in the area' (p. 288). Thus, while raw figures may not fully identify the direct economic potential of cruise ship travel, there are nevertheless important indirect implications or impacts to local economies.

Regarding passengers, De Cantis *et al.* (2016) underlined the importance of implementing segmentation strategies through observed behaviour, first, to increase understanding of various existing profiles of visitors, and second, to potentially obtain the highest return. Moreover, because cruise ship passengers tend to behave very differently, they may require high customization of services by destination providers (De Cantis *et al.*, 2016), with potential financial benefits from proper segmentation. Illustrations of the usefulness of segmentation are identified by Brida *et al.* (2015) when they studied cruise ship tourism in Uruguayan waters. For example, Brida *et al.* (2015) found that larger visitor groups on average tended to spend more on food/cuisine than did couples or lone passengers. In addition, visitors under 30 years old disembarking in the capital appeared to spend more on transportation than did other groups (Brida *et al.*, 2015).

Another opportunity for port areas and destinations to benefit from expenditures by cruise ships, passengers and crewmembers is illustrated by travellers' intention to return. The research of Gabe *et al.* (2006) conducted among cruise travellers to Bar Harbor, Maine, identified that approximately one-third of visitors planned to return to the town within the next 2 years after visiting by cruise ship. Further, the authors noticed that the length of time spent by visitors in the port appears to be a key factor in their intention to return. In addition, Gabe *et al.* (2006) identified no links between travellers' income and intention to return; however, respondents' residence was found to have a negative impact, suggesting that long distances may discourage repeat visitation. Along the lines of Gabe and colleagues' (2006) research, Chase and McKee (2003) explain that cruise travel can be beneficial for land-based tourism, as those travellers who became impressed by the location during their cruise ship experience 'will return as stop-over tourists' (p. 16).

Despite the large number of studies conducted on cruise travel, there is an argument that limited research exists 'on popular ports of call' (Andriotis and Agiomirgianakis, 2010, p. 391). Other authors (Sun *et al.*, 2011) go as far as asserting that the industry 'has hardly received any research attention' (p. 746). In addition, while the existing cruise travel literature implicitly or explicitly highlights the impacts or implications of cruise travel for stakeholders, there has been a tendency to focus primarily on guests' experiences. Consequently, attention paid to other stakeholder groups directly or indirectly involved in this industry has been very limited.

Stakeholder theory (ST)

A number of associations were identified between ST and the context of the present study; ST is therefore the adopted theoretical framework. Freeman (2010) defines stakeholders as groups of individuals who can either affect or be affected by the achievement of a firm's objectives. While this notion of ST strictly links stakeholders to a firm, a variety of interpretations has been used in academic research. In fact, a firm has also been referred to as the organization (Jawahar and McLaughlin, 2001), or the corporation (Freeman, 1994; Donaldson and Preston, 1995). ST is strongly related to ways in which businesses should be governed and managers should act (Freeman, 1994). These behavioural aspects are associated with 'practical concerns of managers' (Freeman, 2004, p. 230), particularly in effectively analysing, identifying or negotiating with important stakeholder groups.

In their contribution to the further development of ST, Donaldson and Preston (1995) proposed four main theses that find alignment in the context of the study:

- *Descriptive*, implying that the corporation can be described as a collection of competitive and cooperative interests with intrinsic value. The 'corporation' is identified as La Palma's cruise ship tourism, and industry, which can affect – or could be affected by – some of the island's groups of stakeholders, including the local tourism industry, retailers, food and wine producers, and the local community.
- *Instrumental*, in that ST provides a framework to examine any potential links between practising stakeholder management, and achieving different corporate performance objectives. Being the island of La Palma one destination within the cruise ship industry's itinerary may have direct financial, marketing, branding and other practical implications. For cruise ship companies, recognizing La Palma's local stakeholders could be an important component of their application of stakeholder management. Indeed, it could be an essential contributor to companies' achievement of their performance objectives, or even success.
- *Normative*, which recommends accepting fundamental ideas, namely, that: (i) stakeholders represent groups with legitimate interests in substantive areas of corporations' activity; and (ii) the different interests of stakeholder groups are identified to be 'of intrinsic value' (Donaldson and Preston, 1995, p. 67), whereby 'each group of stakeholders merits consideration for its own sake' (p. 67). Consideration by cruise ship companies of legitimate interests by local entities and businesses, including the intention by some (e.g. leisure, transportation, food and wine businesses) to make gains from a growing industry, could also fit into their short-term and long-term goals. For instance, the provision of local foods, excursions, educational activities or entertainment could complement the cruise ship experience, and contribute to sustainable cruise ship tourism.
- *Managerial*: ST not only predicts cause and effect relationships, or describes particular situations, but it also recommends structures, attitudes and practices. Together, these elements 'constitute stakeholder management' (p. 67). In the case of the present study, cruise ship companies may demand consistent or continuous infrastructure development on La Palma Island in order to guarantee the future of the industry. Companies' expectation of service/product quality standards may also be high, particularly to match high expectations among paying visitors. In turn, local entities and businesses may expect a healthy return from both cruise ship crewmembers and passengers.

The academic literature has extensively discussed ST in a variety of tourism contexts. One among many examples is provided by Byrd (2007), who underlines the usefulness of the descriptive thesis in helping ‘describe the multiple elements of tourism in a community’ (p. 7). The usefulness of ST is also highlighted in earlier research by Sautter and Leisen (1999), with the authors concluding that their study ‘conceptualizes how stakeholder theory as a normative tourism planning tool can be used to promote collaboration among key players in the planning process’ (p. 325).

As previously suggested, this chapter adopts ST to investigate the opportunities and challenges of cruise ship tourism on La Palma Island, Spain, from the perspective of various local stakeholder groups.

Methods

The study examines stakeholders’ perceptions of opportunities and challenges in the emerging cruise ship tourism on La Palma Island, Spain. One important reason to conduct the study was the developmental stage of this form of tourism in the Canary Islands, including in La Palma Island, which suggested the potential usefulness of gathering new information that may shed light on and help explain future socioeconomic implications of cruise ship tourism in this region. Moreover, and as previously suggested, new and added information could be beneficial for a number of stakeholders, including local business owners and managers, and local government agencies. The chosen method to carry out the research is strongly based on research conducted by the researcher in previous years. In addition to fluency in Spanish, this research background resulted in accumulated knowledge of La Palma Island, and in the establishment of networks with various local stakeholder groups (e.g. local wine, tourism and commerce associations).

Personal knowledge of these key informants representing different stakeholder groups was a key factor in selecting the qualitative approach of the data collection process. In fact, over the course of various visits to the island in 2013 and 2014, informal meetings were arranged with members of the above stakeholder groups, and semi-structured, face-to-face interviews were conducted with 15 individuals. Three of the interviewees represented the local designation of origin (DO) of wine, a type of wine association with its own regulatory committee, administration and management, including its chairperson and general manager. Three other respondents represented the tourism sector. Finally, five interviewees were representatives of the local government, including three town mayors, while four others were local business owners/managers. [Table 23.1](#) provides a summary of the different participating groups.

During previous visits and through face-to-face meetings, respondents were briefly introduced to the scope of the study. Once their verbal agreement to participate in the research was obtained they were asked to provide their perspectives on the following overarching questions:

- What are the main benefits that the currently growing cruise travel market may have for La Palma Island?
- What are the main challenges encountered to maximizing the potential benefits of this burgeoning industry?

Table 23.1. Participating groups of respondents.

Sector/agency ^a	Number
DO of wine	3
Tourism sector	3
Town hall	5
Business owners/managers	4
Sector/agency ^b	Number of attendees
DO of wine	9
Small business association	12

^aIndividual, face-to-face interviews; ^bmeetings.

The approximate time of each face-to-face interview was 30 min; all the interviews were conducted between November 2013 and April 2014. In addition, in November and December of 2013, and April 2014 the author attended three formal meetings as an observer; two with the local DO of wine, and one with the newly established association of micro-entrepreneurs of the island's capital, Santa Cruz. This group of individuals is involved in ownership and management of micro and small businesses, most of which are retail and hospitality businesses. La Palma Island's capital city is also where the island's main port is. In these three meetings, which lasted over an hour, discussions were conducted regarding the design and implementation of strategies to maximize the benefits from the cruise travel industry.

Both the interviews and discussion content of the meetings were audio recorded with the participants' consent. The collected data were then transcribed, and translated from Spanish to English by the researcher. In line with Weber (1990), content analysis was used in the process of separating and reducing the content of the different comments that emerged into manageably and relevant themes.

Findings

Perceived opportunities from cruise ship tourism

Information gathered through the interviews confirms that cruise travel to La Palma is a seasonal leisure activity, with the season extending for two-thirds of the year, from September through April. This time of the year also coincides with much of the 'high' tourism season, which usually starts towards the end of the year through the end of the winter. All participating groups highlighted the favourable position in which La Palma and other islands are to host this emerging form of tourism. With few exceptions, respondents perceived the spending power of the majority of cruise travellers as being among the strongest of all tourists visiting the islands. In addition, particularly during the meetings, there was agreement that the increasingly higher incidence of arrivals represented a potentially important long-term visitor market for local businesses. At the same time, however, it was recognized that such perceived spending power had not materialized.

Despite the seemingly marginal benefits to date, some stakeholder groups were implementing long-term strategies to build relationships with cruise ship visitors. For

instance, at the time of the study, the local DO of wines was conducting preliminary educational activities on selected dates in the port area, close to the location where the ships dock. The fundamental idea was to introduce travellers to local wines and gastronomy and, given the limited time of cruise ships at the local port, encourage winery and wine trail tours. Both DO and town hall representatives, whose towns are at least 30 km from the capital city, were convinced that this form of 'initiation' to the local wines and gastronomy might resonate strongly among travellers, and help create pleasant memories of La Palma's products. Thus, investigating ways for visitors to leave the port area for a few hours, and venture inland to experience the local scenery, visit and taste the local products could build positive images and encourage future visitation. This long-term strategy is aligned with earlier research (Chase and McKee, 2003; Gabe *et al.*, 2006) highlighting the benefits that can be obtained when cruise travellers become stopover visitors.

As suggested by the authors cited above, to achieve this objective and for guests to return, they must be impressed or have positive experiences. La Palma Island, like other destinations, has a number of key attributes to draw the attention of various visitor groups. These attributes include its temperate climate throughout the year, allowing for the more 'conventional' sun and beach activities, as well as other forms of leisure, such as hiking on the numerous trails, or rural tourism. Being local residents, respondents were familiar with these valuable attributes; however, they argued that much more was needed to encourage cruise passengers' return. The educational experience, as planned by the DO of wines, might be one of several ways to create positive images among cruise ship visitors in the short time they stayed on La Palma Island.

Local crafts are another sector that appears to be ignored by respondents. Indeed, La Palma Island still maintains a century-old tradition of embroidery and handicrafts. However, today, it is barely visible at local events, or in the local shops, where imported products are the preferred goods to sell.

Perceived challenges in benefiting from cruise ship tourism

While many of the comments gathered confirmed the potential benefits that could be generated through cruise ship tourism, respondents also identified numerous barriers preventing the maximization of such potential in the short term. For instance, during the meeting held by the local small business association, whose members predominantly run businesses in the capital city, there was harsh criticism that almost none of the existing retail businesses opened their doors on Sundays. Given the short distance between the centre of the city (Santa Cruz) and the port, where cruise ships dock, members were in agreement that businesses were forgoing multiple business opportunities. Moreover, some members mentioned witnessing hundreds of tourists wander in the streets on Sundays, only a few cafés and restaurants open for them to patronize. With limited knowledge of Spanish, lack of knowledge of transportation to undertake day trips to other parts of the island, added to limitations in transportation options and size of coaches, cruise passengers' leisure options in the capital city were very limited.

Apart from forgoing sales, concern was raised about the negative image resulting from the lack of open businesses. Since 2011, over 40% of the local businesses in the centre of town had closed their doors; most affected were the micro,

retail shops. Despite a very serious economic downturn, with a nearly 30% unemployment rate on the island (La Palma Now, 2014; Macho, 2014), and despite the fact that the cruise ship sector has been steadily growing each year, respondents argued that, instead of opening their businesses on Sundays or on public holidays, local business owners and managers seemed to prioritize their lifestyle. Consequently, there was concern that, over time, cruise ship companies would eventually cease scheduling stops on La Palma on Sundays, and instead favour other destinations. Some of the more senior respondents who had key contacts with local port and government officials mentioned that La Palma had already lost appeal in the eyes of some cruise ship companies. Indeed, from being the initial departure of cruise ship routes, on various occasions some companies had relegated it to last stopover destination. Respondents stated that, from a business perspective, La Palma needed to be in first or second spot. They argued that many cruise ship travellers tend to make souvenir and other purchases during the first days of their cruise rather than at the end of their journey.

Criticism was also directed at the apparent poor customer service many local shops provided, with poorly trained employees, most of whom did not speak or understand any foreign languages. Members of the DO of wines, business owners, tourism sector and town hall representatives voiced similar comments. In the case of shop keepers and hospitality businesses operating in the island's capital, where the main harbour is located, respondents from the business association expressed their concern that the local city council was not proactive in supporting businesses to benefit from cruise ship tourism. For example, small business association members voiced their frustration at the local government's timing of choosing to conduct maintenance works on the only road leading to the centre of the city during the month of December, when several cruise ships had scheduled their visit to La Palma's port. Respondents agreed that the unwelcome noise and smell of tar being laid to seal the road, together with road detours further contributed to creating a less than welcoming environment for cruise ships, as well as for other tourists.

Overall, there was a perception that commercial opportunities existed for the island from the large influx of visitors at any given point when a cruise ship arrived in Santa Cruz. However, in the absence of clear-cut strategies from the local government, respondents believed that the local government was taking cruise ship tourism for granted. Indeed, when respondents were queried about specific strategies they had heard or read from the local government designed to maximize the potential of cruise ship tourism, none was identified. Respondents did refer to a year-long project to build an artificial beach by the capital's seashore, which, once completed could equip the city with an additional attraction, including for cruise passengers. However, in particular those respondents residing in the capital city also resented the fact that, apart from its massive financial cost, the project had been deemed to have impacts on the environment.

Members of the DO of wines, tourism representatives and town mayors were asked about the potential to organize inland tours, and help visitors learn more about the island and its products. In the process of providing their answers, respondents identified another barrier. For instance, currently, limited transportation alternatives exist for large numbers of tourists to tour the island on their own. As a result, private tour operators appear to be the main benefactors of cruise ship passenger tours on the island at the moment, directly negotiating with the cruise ship companies to take small

groups of visitors for tours. This finding is aligned with recent research (Del Chiappa and Melis, 2015) illustrating local stakeholders' negative perceptions of cruise ship tourism, namely, in that it creates benefits for business investors based externally.

The members of the DO of wines also explained that, upon returning to the cruise ship, tourists are not allowed to take local wines, or any other foods onboard. Hence, one alternative to achieve some benefits was to organize food and wine events in the capital city for visitors to consume locally, learn about the local wines and foods, and build a relationship that might be conducive to future, independent stopover visits. This alternative is partly supported by the research of Brida *et al.* (2015), when they noticed that crewmembers were most likely to spend money on food and beverages when stopping at a cruise ship destination. The authors therefore suggested two strategies to enhance consumption: (i) making 'deals' with cruise ship companies; or (ii) offering free tasting events of local traditional cuisine.

With some cruise ships carrying over 2000 passengers and crewmembers, providing ways to expand and enhance the 'destination image' and the overall cruise ship experience, including through the provision of local food and wine, could have very important implications for different stakeholders. For the cruise ship company, a more memorable guest experience while guests are in port may lead to positive word-of-mouth about their experience, and even to future cruise ship visits. For the local government, it would enhance the image of the itinerary, and keep the island as a chosen destination, which would lead to future revenues that could be channelled into infrastructure.

Discussion: ST in the context of the findings

In the main, there is alignment between the comments gathered and some of the theses of ST, as proposed by Donaldson and Preston (1995); the following section discusses such alignment.

Descriptive thesis

The fact that the island has become a destination for cruise ships can have intrinsic – as well as extrinsic – value, for instance, further enhancing its image as a more select destination for leisure and outdoor pursuits. Clearly, the cruise ship companies operating in and around La Palma Island have different competitive and cooperative interests that could affect the island's economy – and some of the island's stakeholders – in various ways. Given that many respondents perceived such impact, as well as their own impact on visitors and therefore on the cruise ships industry, suggests the usefulness of this first thesis. Respondents, however, also identified areas that might negatively affect the perceptions of the cruise ship companies' management, in particular, the limited offerings in terms of businesses operating on Sundays or on public holidays.

Instrumental thesis

Some links are identified between cruise ship companies' management, their choice of La Palma Island as a destination and part of their performance objectives. Some of the

study's participants, especially those representing the local small business community, acknowledged the need to improve current service standards, the variety and quality of offerings, and extend opening days to provide additional opportunities to address travellers' needs and wants. This perceived need illustrates a commitment from this stakeholder group towards cruise travellers, and indirectly to the cruise ship companies visiting the island, thereby contributing to their return to the island. From the cruise ship companies' perspective, these objectives can lead to intrinsic and extrinsic value or rewards (e.g. selling cruise packages). In an era when corporate social responsibility (CSR) has become part of many companies' mission and vision, identifying their impact on the local economy could be important for cruise ship companies' management. Clearly, cruise ship companies operate in a very competitive environment, and their primary objective is to achieve financial rewards. However, supporting the further development of new forms of tourism in ultra-peripheral regions such as the Canary Islands is not only aligned with stakeholder management, but it may also fulfil both CSR and the companies' bottom-line objectives.

Normative thesis

From the perspective of cruise ship companies, the businesses and residents of La Palma Island constitute groups with legitimate interests, particularly to their passengers. From the respondents' viewpoint, the urge to make improvements and better address the needs of cruise ship travellers underlines their legitimate interests in cruise ship guests and their business. However, it could be argued that for both groups there is intrinsic value (image of the island, experience of cruise ship guests) as well as extrinsic value (travellers' expenditures, ancillary revenues).

Managerial

Given the potential benefits in terms of intrinsic and extrinsic value for both groups, there is a need to actively engage in stakeholder management. Moreover, in order to achieve a long-term sustainable cruise ship industry from both sides, attitudes, practices and structures need to be further developed and strengthened by cruise ship companies' management and also by La Palma's business and institutional stakeholders (i.e. local government), including through mutual cooperation.

Interestingly, only the DO of wines mentioned the need to approach the cruise ship companies in order to learn about their needs and wants regarding leisure activities and, together with other stakeholder groups, address those needs and wants. A suggestion is therefore made for the need for local stakeholder groups, together with the local government, to work more closely with the cruise ship companies.

Conclusions, Implications, Limitations and Future Research

Academic studies and industry reports acknowledge the potential benefits – as well as the perceived challenges – of cruise ship tourism development. For instance, there are gains for local enterprises and for the local economy (Chase and McKee, 2003; Gabe

et al., 2006), including accommodation providers catering to travelling cruise tourists on their way to the vessel. At stopover harbours, benefits may be achieved by local shops, firms offering excursions or goods producers (Dwyer and Forsyth, 1998). Moreover, additional income and job creation have been identified as direct benefits for local 'stakeholders' involved in exchanges with cruise ship companies and their guests (Braun and Tramell, 2006). Finally, other stakeholders, such as local government agencies managing and overseeing tourism activities can also become beneficiaries of tax revenues (Braun and Tramell, 2006).

This present chapter sought to add to the current knowledge of cruise ship tourism, by investigating the opportunities and challenges of this emerging industry from the perspective of some groups of destination stakeholders in La Palma Island, Spain. A conceptualization of the findings is provided in Fig. 23.1. Overall, these stakeholders do not perceive that cruise ship tourism's potential is currently being maximized. They agree that, while not benefiting directly from cruise travellers' first

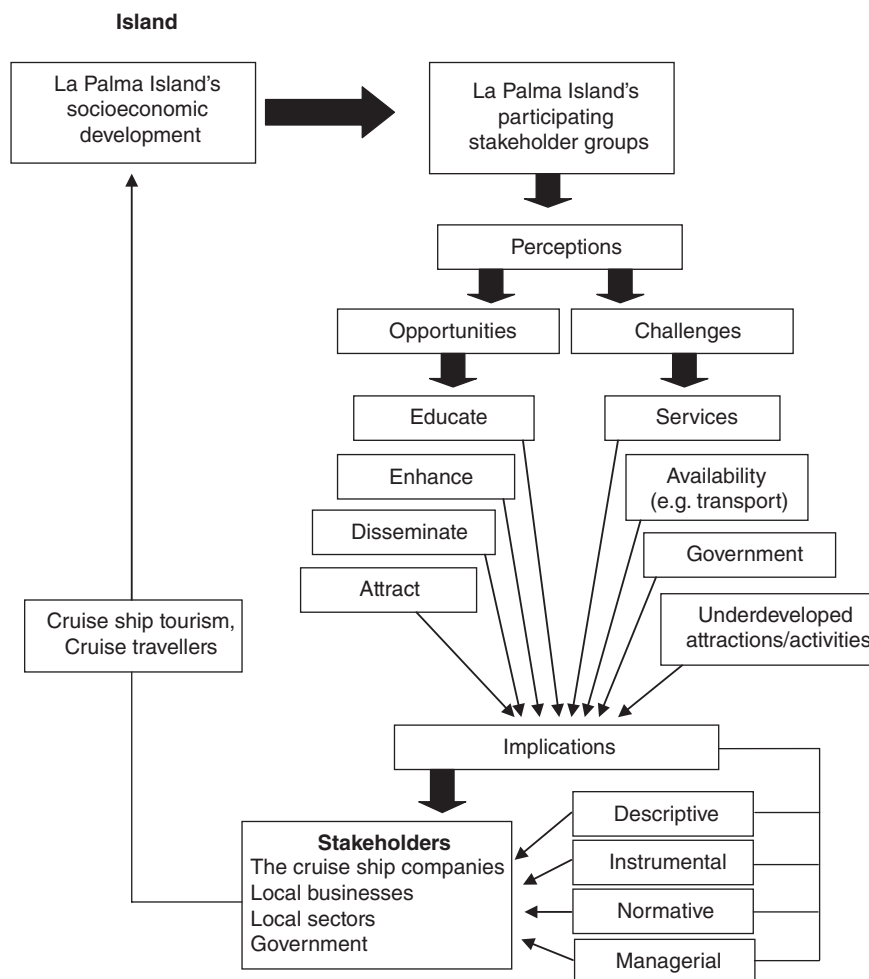


Fig. 23.1. Conceptualization of the findings.

visit, the island could benefit from their future return travel. Therefore, there is a need to provide memorable experiences and create positive images among cruise ship visitors; these experiences and images are also linked with experiencing the island's wine and food products, enjoying the varied landscape and receiving satisfying quality service. However, this service element, particularly illustrated through lack of open businesses on Sundays and public holidays, as well as the perceived poor service provided to visitors were highlighted as current barriers to 'attracting' tourists, encouraging them to patronize local businesses and, potentially, becoming future return visitors. The role of the local government was also perceived as unsupportive, and as taking for granted the current growth of the cruise ship tourism industry.

Implications

The study has several implications, both practical and theoretical. First, creating a positive image, including positive first-time impressions, has been emphasized by a number of authors (e.g. Haahti and Yavas, 2004; Petrick and Sirakaya, 2004; Bruwer and Alant, 2009). The gaps identified by respondents in this study in terms of poor service quality, availability of businesses open on certain days or limited transportation alternatives for cruise ship visitors to travel around the island in large numbers may have negative implications for both local businesses and cruise ship visitors, especially for visitors who value local products, experiencing local landscapes, arts and the local culture. Addressing these and other current gaps, including government support in maintaining an environment conducive to leisure pursuits, could further enhance the time visitors spend on the island, and their overall experience and satisfaction.

The provision of local events, including entertainment, food and wine fairs, or local handicrafts in the capital city coinciding with the cruise ship season could also contribute to an improved visitor experience and image of the island. Promoting the island's landscape and organizing transportation on demand for cruise travellers to tour some of the island's towns could also help create a bond between the island and this stakeholder group and, ultimately, the cruise ship companies.

From a theoretical perspective, various associations were identified between the overall findings and ST, including the theses Donaldson and Preston (1995) proposed. These associations underline the usefulness of this theory as a tool to gain understanding, especially about the potential impacts of one stakeholder group on the other. In this study, it is suggested that the cruise ship companies, which represent the 'organization' or 'firm', can have a key impact on the destination and on the local stakeholders (businesses, government agencies, citizens). At the same time, an argument is made that the local stakeholders can to some extent also influence these organizations, in this case by providing an improved tourism product and an overall more memorable experience.

Limitations and future research

Several limitations are identified in the study. First, while the respondents who participated in the study, in particular, the local business association, have the knowledge and experience in the sectors and areas they represent, and therefore can be categorized as

key informants, the participation of other respondents could have strengthened the quality of the data collected. For instance, the study could have included more local government officials or tourism representatives. In addition, a higher level of participation of owners and managers of local businesses could have provided more in-depth perspectives regarding the themes under investigation.

Clearly, future research could address some of these limitations, especially achieving higher numbers of respondents and from different areas. As a key stakeholder group, the local businesses' perspective, both in the capital city and elsewhere on the island should also be gathered to have a more comprehensive perspective. Such perspective could also identify existing challenges, which limit and prevent businesses from making improvements in their service and product offerings. While in this study the perspective of the cruise ship companies' management could not be gathered, learning from this key stakeholder group would be very useful, including in recognizing areas of opportunities and improvements. Importantly, future research should consider collecting data at different intervals, as well as in different years to monitor the developments as the cruise ship industry continues to evolve. All this new and added information would be valuable for all stakeholder groups involved, to monitor their performance, to identify concerns, and overall, to further seek excellence and enhance guests' experience for the benefit of all stakeholder groups. Finally, further consideration should be given to the ST, including its further development in the context of cruise ship tourism or other leisure pursuits.

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Cruise Ships and Protected Areas in the Marine Biome: An Analysis of Tourism in the Brazilian Context¹

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Introduction

When navigating in coastal and international waters, cruise ships have considerable impacts on the marine environment, so environmental questions and concerns regarding this activity have been growing along with the increased popularity and size of these ships (Dobson and Gill, 2006). As well as the impact on the aquatic environment involving various water bodies (oceans, seas, rivers, etc.), there is a need to consider the relation between the land and water side, since cruise ship passengers, or ‘cruisers’, also usually visit tourist attractions on islands and the mainland, and many of these destinations are located in environmentally protected areas.

In Brazil, the relationship of tourism, cruise ships and protected areas has three basic aspects: (i) the existence of a coastline stretching more than 7,000 km, with many beaches, bays, lagoons and estuaries (Brasil, 2015a); (ii) the existence of a geographic concentration of protected areas near the coastline (Brazilian Institute of Geography and Statistics – IBGE, 2015); and (iii) the presence of many scenic islands with importance for preservation of biodiversity, such as those in Fernando de Noronha Archipelago, offshore from the state of Pernambuco in the north-east region. In light of this parameter, it is relevant to study the relationship between the activities of cruise ships and the tourist destinations located in environmentally protected areas in Brazil.

This chapter is divided into five parts including this introduction. The second section briefly discusses cruise ships and protected areas in the context of tourism in Brazil; the third explains the criteria and parameters adopted in this study; the fourth analyses the current scenario and its challenges; and the fifth concludes the chapter.

Cruise Ships and Protected Areas in Brazil

Although Brazil has a history of rules on exploitation of natural resources dating back to the Afonsine *Ordinances* issued by the Portuguese Crown in early colonial days

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(Wainer, 1991), it was only in 1981, with the enactment of Law 6938 establishing the National Environmental Policy, that the country officially adopted a holistic policy on environmental matters. The impetus for establishment of this policy came from the Stockholm Conference of 1972, after which the regulation of environmental protection gained space on the international political agenda. As a result, after the creation of the first federal environmental entity in 1973, Law 6938/1981 defined the objectives, principles and instruments for preservation, improvement and recuperation of the environment. To achieve the objectives of preservation and rational use of natural resources, the law and its follow-on regulations provide rules on environmental zoning and licensing and definition of types of protected areas, among other aspects. The importance of protected areas in the national legal system was confirmed in the Constitution of 1988 (Art. 225, § 1, III, Brasil, 1988).

In the more than four decades since the Stockholm Conference, Brazil has become an active participant in international efforts to preserve the environment. According to the Ministry of Foreign Relations, the country is currently a signatory to ten international conventions on environmental matters,² as well as the United Nations Convention on the Law of the Sea, which contains some environmental rules. Domestically there is a complex framework of laws and regulations at the federal, state and local level on protection of the environment and sustainable development.

However, the land–sea interface, the subject of this chapter, comes under the purview of federal laws and regulations as well as constitutional principles, dealing mainly with the following matters: the National Environmental Policy³; zoning for uses and activities in the Coastal Zone; development of activities for exploration and use of natural resources; the National Policy for Ocean Resources⁴; and the creation and management of protected areas.⁵ Areas that are environmentally sensitive or important can have a range of denominations. According to Machado *et al.* (2012, p. 53), ‘the category protected areas is used internationally with the same meaning as the expression conservation units is employed in Brasil’. They define protected area as ‘a territorial space and its natural resources (biodiversity) in which conservation objectives apply’.

Most countries have protected areas, covered by specific legislation or regulations that govern the use of the areas and appropriation of their natural and cultural resources, with different rules on the dynamics of occupation and visitation. Throughout the world, the creation of protected areas is considered one of the best strategies for protecting biodiversity (Leuzinger, 2010).

In Brazil, protected areas are regulated by the National System for Conservation Units (SNUC in the Portuguese initials), a federal governmental mechanism for protecting biodiversity and social diversity. This system was created in 2000 for the purpose of meeting the guidelines of the Convention on Biological Diversity (ratified by the Brazilian Congress in 1998⁶), by systematizing criteria and standards for the creation, implementation and management of protected areas. It defines 12 types of protected areas, divided into two groups according to the objectives and permitted uses: integral protection and sustainable use.

Areas classified in the integral protection group are only subject to indirect use of resources, such as environmental research/education and ecological tourism in some cases. The objective in these cases is strict preservation of nature, in five categories⁷ that differ in the degree of restriction on the indirect use of natural resources (including visitation), purposes of protection and type of ownership (public or private).

The protected areas in the sustainable use group, as the name suggests, can be exploited for their natural resources within the limits considered sustainable over the long run. They are further classified into seven categories.⁸ The direct use of natural resources is controlled, to respect the carrying capacity of the ecosystems. The protected areas in this group can also be publicly or privately owned, and in general tourism is allowed, within certain limits.

With respect to the geographic ranges, the protected areas can be federal, state or municipal. The most recent data (2015) from the National Roll of Conservation Units of the Environmental Ministry indicate that protected areas cover 17.2% of Brazil's continental landmass (1,460,918 km²) while only 1.5% of the country's marine biome is protected (52,448 km²) (Brasil, 2015b), distributed as shown below (Table 24.1).

Of this total, the Chico Mendes Institute for the Conservation of Biodiversity (ICMBio) is responsible for managing the 320 federal protected areas currently existing in the country. Of these, 59 are in the marine biome, of which 24 are in the integral protection group and 35 in the sustainable use group (ICMBio, 2015a).

Brazil's marine biome is characterized by the transition between continental and marine ecosystems, with great geological and biological diversity. This biome contains various geological formations (such as coral reefs, sand dunes, rocky coasts, beaches, inlets, islands, lagoons, sandbars, marshes and estuaries), inhabited by a huge range of plant and animal species, some classified as endangered or in decline (ICMBio, 2015a). This situation justifies the need for special protective legislation and indicates a challenge to the expansion of the cruise market, due to the need to satisfy various laws and other rules. In this sense, besides analysing the legal-political framework on the environment, with focus on protected areas, it is also important to understand its relationship with cruise ships and tourism, based on specific criteria for analysis.

Constructing Criteria for Analysis

This study is exploratory and here we present only partial results regarding federal protected areas of the Brazilian marine biome. These are based on a bibliographical study and analysis of documents on the interplay of cruise ship tourism, the cities where the ships stop and the protected areas visited by the passengers.

With respect to the bibliographical survey considering the Brazilian context, although the themes of cruise ship tourism and protected areas are widely covered individually in the national and international literature, there are very few academic works on the

Table 24.1. Biome/protected area. (From: Brasil, 2015b.)

Area/ biome	Amazônia	Caatinga	Cerrado	Mata Atlântica	Pampas	Pantanal	Marine
Total area (km ²)	4,196,943	844,453	2,036,448	1,110,182	176,496	150,355	3,555,796
Protected area (km ²)	1,117,512	62,676	168,119	100,827	4,837	6,947	52,448
Protected area (%)	26.6	7.4	8.3	9.1	2.7	4.6	1.5

interface between these two topics. We searched the database available at the site Publicações de Turismo (2015), which contains the content of 30 indexed periodicals plus books, first applying the keyword filter in ‘all fields’ with the expression ‘área protegida’.⁹ This produced 12 exact results (and six additional Boolean results). Then we used the word ‘cruzeiro’, in which case we found 20 exact results, of which four were books, but not all the results are related to the subject studied. This research also surveyed the work on the interface investigated considering the international context, which are highlighted in [Table 24.2](#).

After this first phase of the bibliographical and documental study, we constructed the criteria for analysis ([Table 24.3](#)) of the Brazilian scenario and the challenges, in light of two main aspects: (i) characteristics of the protected areas in the marine biome; and (ii) structure of their tourism services, including transportation, considering the reference cities.¹⁰

In the next section we present and discuss the results obtained in this part of the study.

Analysis of the Brazilian Scenario and the Challenges

With respect to the market aspects, although the number of cruise ships and passengers (‘cruisers’) in Brazil has grown since the end of the prohibition on foreign-flagged vessels engaging in cabotage in 1995 (see Brasil, 1995), in the two most recent tourist seasons¹¹ (2012–2013 and 2013–2014) the numbers fell in relation to 2010–2011 ([Table 24.4](#)).

The official definition of cruise ship tourism¹² is ‘provision of combined services of transportation, lodging, food, entertainment, visitation of tourist locations and similar services, carried out by tourist vessels’ (Brasil, 2010a, p. 17). The cruise ships are classified as: (i) cabotage; (ii) international; (iii) long-course; and (iv) mixed. The definition of stopover is ‘the entry of the vessel in a national port for mooring or anchoring’ (Brasil, 2010a, p. 18).

According to ICMBio (2015a), which administers the protected areas of the marine biome in Brazil, there are 59 such areas, of which 13 are open to visits by tourists.¹³ Among the key questions for this analysis, we considered four items: (i) the existence of a formal management plan for the area; (ii) the creation in relation to Law 9985/2000, which established the SNUC; (iii) the territorial extension of the protected areas in the marine biome open to visitation; and (iv) the admission price of those open to visitation.

Regarding the existence of management plans, only one of the protected areas open to visitation in the marine biome does not have a formal plan for protection and use of the area. According to law, the officials responsible for protected areas must formulate a management plan for all protected areas within 5 years of the issuance of the decree creating them in order to support the management of visitation and tourism. Despite the absence of such a plan in only one of the protected areas, visitation is controlled by means of specific public use and tourism plans.¹⁴ With respect to the creation date, the majority of these areas, except one, were created before enactment of the law that established the SNUC in July 2000.

Although it is important to consider the territorial extension of all protected areas in the marine biome, on the matter of integrated planning and management on the

Table 24.2. Bibliographical survey in the international context. (Prepared by the authors from consulting ^aHall, 2015; ^bMinistério da Educação, 2015, available in <http://bit.ly/1JbOiXj>; and ^cDowling, 2006.)

Author(s)	Date	Title	Theme related to the research proposal
Hall ^a	2015	Sustainable futures for marine tourism: challenges and opportunities	Discusses the relationship between economic and social well-being of marine and the environmental wellbeing of the marine environment
Dawson, Johnston and Stewart ^b	2014	Governance of Arctic expedition cruise ships in a time of rapid environmental and economic change	Presents an assessment of the existing marine regulations and governance structures that manage the cruise sector in Arctic Canada and provides a critical evaluation of its effectiveness considering recent and rapid growth
Lemelin and Dawson ^b	2014	Great expectations: examining the designation effect of marine protected areas in coastal Arctic and sub-Arctic communities in Canada	Discuss the establishment of marine protected areas in Canada and how they fit or contrast with national and international management strategies
Rodrigue and Notteboom ^b	2013	The geography of cruises: itineraries, not destinations	Argue that the cruise industry sells itineraries, not destinations, implying a level of flexibility in the selection of ports of call, and proposes a classification of cruise ports based on the role they serve within their regions
Klein ^b	2011	Responsible cruise tourism: issues of cruise tourism and sustainability	Illustrate how a responsible tourism lens measures the impact of cruise tourism and, with its focus on the perceptions of host communities, more effectively addresses grassroots concerns
Goodhead and Aygen ^b	2007	Heritage management plans and integrated coastal management	Examines the origins of coastal zone management and planning in England and from that, how integrated coastal zone management techniques were developed
Dobson and Gill ^c	2006	Environmental policy challenges for the cruise industry: case studies from Australia and the USA	Discuss the type of environmental policy that is adopted to regulate the cruise industry

Continued

Table 24.2. Continued.

Author(s)	Date	Title	Theme related to the research proposal
Sweeting and Wayne ^c	2006	A shifting tide: environmental challenges and cruise industry responses	Analyses the environmental impact of cruise ships operations
Johnson ^b	2002	Environmentally sustainable cruise tourism: a reality check	Review the environmental sustainability of cruise tourism, which represents a major activity within the marine tourism sector

Table 24.3. Criteria for analysis.

Aspects of the investigation	Criteria	Definition of parameters	
Characteristics of protected areas in the Brazilian Marine Biome	Management plan	Existence	Yes/no
	Creation decree in relation to the SNUC	Law 9985 of 18 July 2000	Before/after
	Extension	Law 9985 of 18 July 2000	Before/after
Structure and services for tourists and transportation in the reference cities	Visitation	Charge for entry	Price (R\$ and US\$)
	Tour guides	Supply in the reference city	Number of employees of tourism service providers
	Car rental	Supply in the reference city	Number of car rental providers
	Tourist transportation providers	Supply in the reference city	Number of tourist transportation providers
	Access	Average travel time (one way) and/or distance (reference city to protected area)	Hours (h)/distance (km)
		Access route	Modes of transport

Table 24.4. Tourist seasons and cruise ship activity in Brazil (From: CLIA ABREMAR BRASIL, 2015.)

Season	Number of ships	Number of cruisers
2010–2011	20	792,752
2011–2012	17	805,189
2012–2013	15	732,163
2013–2014	11	596,000

land and water side and operation of the cruise ship market, the focus should be only on those open to visitation, because only they are suitable to receive cruisers. Table 24.5 shows the extension of the 13 protected areas open to visitation established before and after creation of the SNUC.

Figure 24.1 shows the protected areas of the marine biome considered in this study, and highlights the 15 Brazilian destinations considered for the season 2015/2016, according to the news available in Portal Terra (2015) and the destinations that are considered inductors of tourism according to Brasil (2013).

The following figures show in detail the Brazilian north-east region, south-east region and south region and their respective protected areas and cruise ship destinations.

Figures 24.2, 24.3 and 24.4 show that there is a clear relationship between cruise destinations and protected areas of the marine biome open to visitation. There is a

Table 24.5. Territorial extension^a of protected areas in the marine biome open to visitation in relation to creation of the SNUC. (Prepared by the authors from information obtained from ICMBio, 2015a.)

Protected areas in the marine biome	Extension Before SNUC (Law 9985 of 18 July 2000)	Extension After SNUC (Law 9985 of 18 July 2000)
$n = 13$	803,545 ha 99%	8,862 ha 1%

^aApproximately.

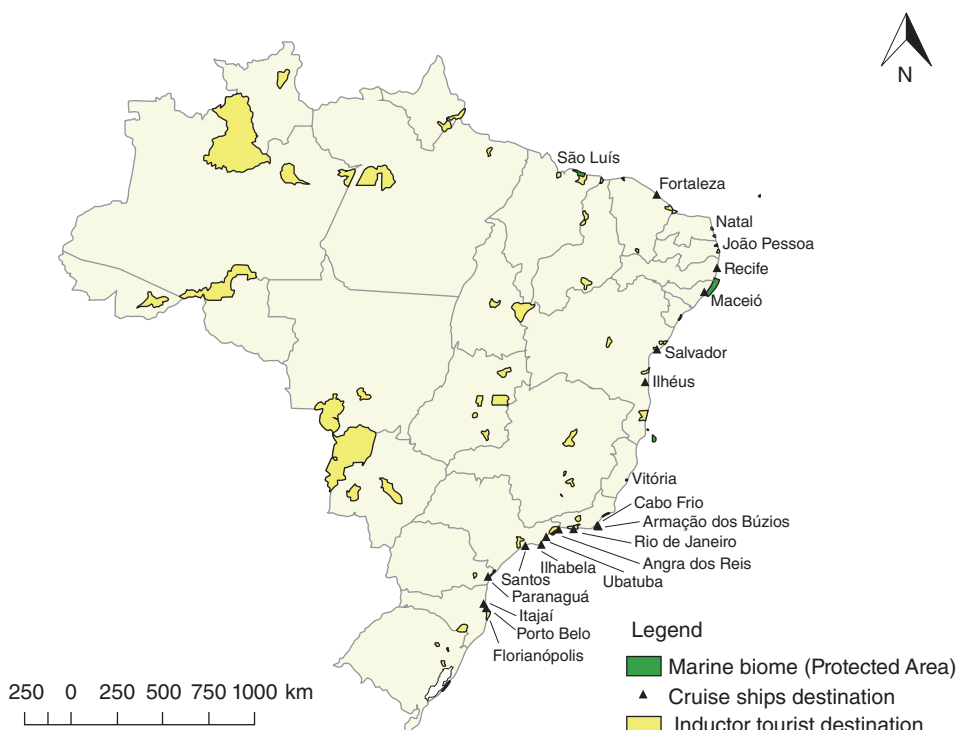


Fig. 24.1. Marine biome protected areas and cruise ship destinations. (Produced by Luiz Saldanha.)

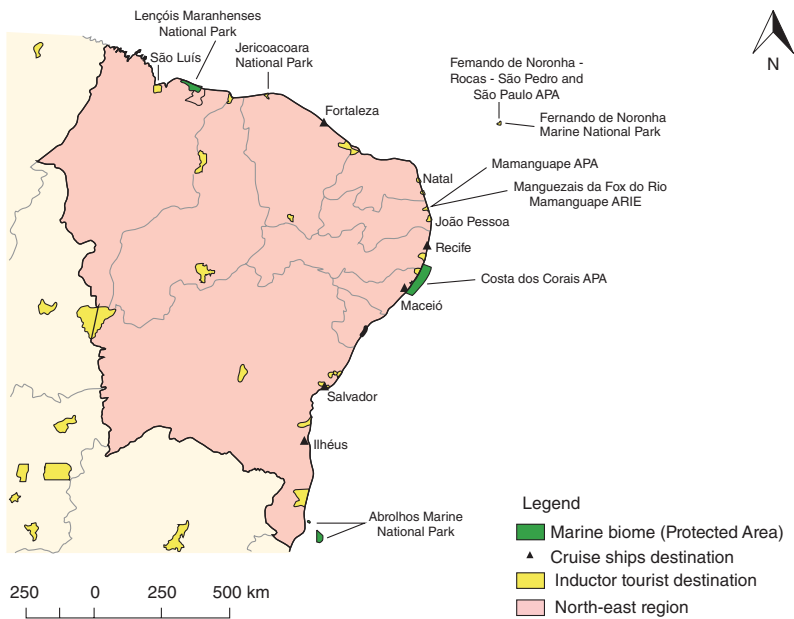


Fig. 24.2. Marine biome protected areas and cruise ships destinations in the north-east region. (Produced by Luiz Saldanha.)

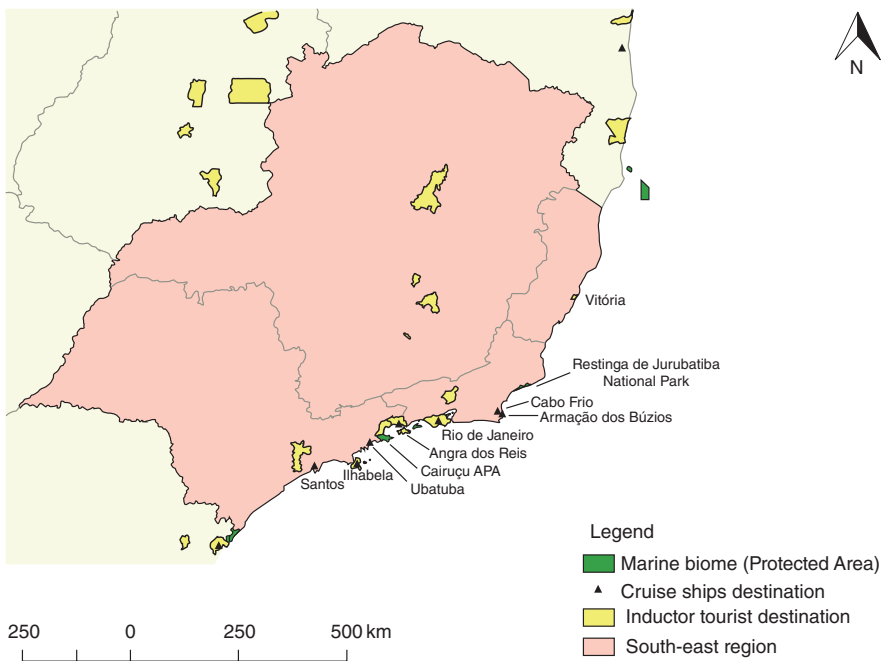


Fig. 24.3. Marine biome protected areas and cruise ships destinations in the south-east region. (Produced by Luiz Saldanha.)

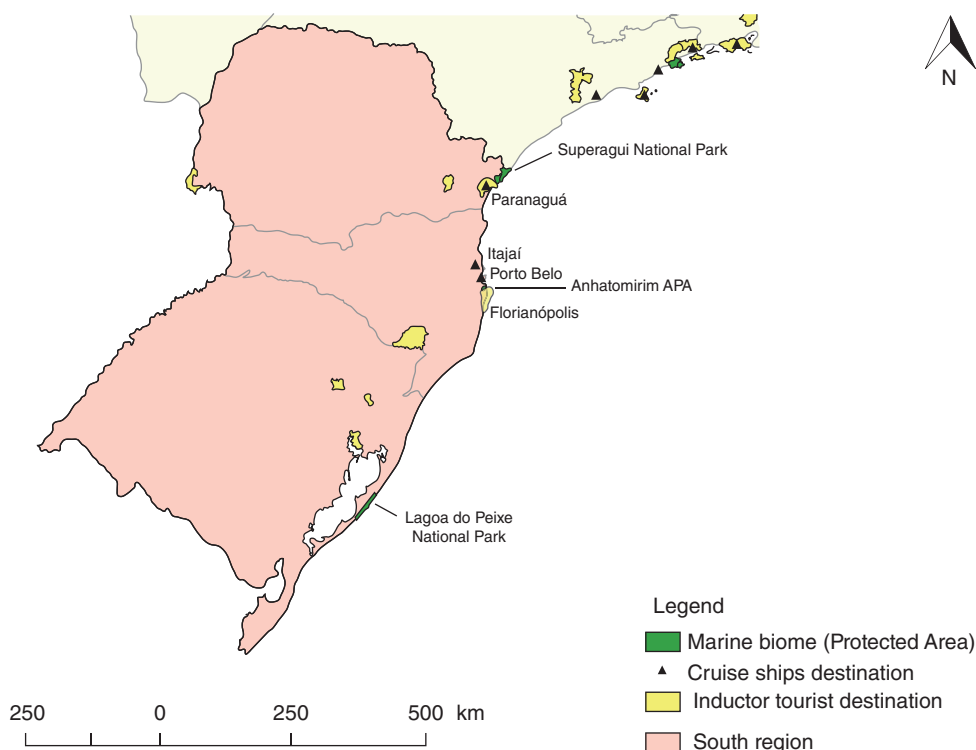


Fig. 24.4. Marine biome protected areas and cruise ships destinations in the south region. (Produced by Luiz Saldanha.)

higher concentration of these protected areas in the north-east region, while there is a greater concentration of cruise destinations in the south-east region of the country. But considering that the main feature of this kind of transport is the displacement of several destinations, protected areas located on the route of the cruise can be exploited indirectly through the appreciation of the landscape. The relationship between cruise ship destinations and protected areas also shows that compliance with environmental legislation concerning the cruise ships and also the management plan rules is critical to the control of impacts on the environment.

The admission price charged is relevant, since a very high price can discourage inclusion of protected areas on the itineraries of cruise ship operators. As can be seen in [Table 24.6](#), some of these areas do not charge anything for admission, while for those that do, the price is generally moderate, unlikely to dissuade tourists from visiting. Another interesting point is that in two cases the price charged to foreigners is double that paid by Brazilians. Although the absence of admission cost can at first glance appear to be an advantage, this can also pose a longer range problem, since the public budget is often insufficient to enable provision of infrastructure and services to improve the visitor experience.

With respect to the challenges to development and inclusion of protected areas on the itineraries of cruise ship operators, access is the key aspect (measured in distance and/or time), since cruise ships typically do not stay in any one port for more than a few days. Therefore, even a destination that does not have an admission

Table 24.6. Protected marine biome areas open for visits – entry charges.¹⁵ (Source: Prepared by the authors from information obtained from ICMBio, 2015a.)

Marine biome protected areas (<i>n</i> = 13)	Brazilian	Foreigner
Fernando de Noronha Marine National Park	R\$75.00/US\$23.50	R\$150.00/US\$47.00
Abrolhos Marine National Park	R\$32.50/US\$10.18	R\$65.00/US\$20.37
Lençóis Maranhenses National Park	No charge	No charge
Superagui National Park	No charge	No charge
Jericoacoara National Park	No charge	No charge
Restinga de Jurubatiba National Park	R\$5.50 (passenger car, no charge for hikers)	R\$5.50 (passenger car, no charge for hikers)
Cairuçu APA	Information not available	Information not available
Costa dos Corais APA	No charge	No charge
Lagoa do Peixe National Park	Information not available	Information not available
Mamanguape APA ^a	Information not available	Information not available
Anhatomirim APA	Information not available	Information not available
ARIE Manguezais da Foz do Rio Mamanguape	Information not available	Information not available
Fernando de Noronha – Rocas – São Pedro and São Paulo APA	No charge	No charge

^aThe full name is Barra do Rio Mamanguape APA. APA = Environmental Protection Area; ARIE = Area of Relevant Ecological Interest.

charge will not be attractive if it is too remote to reach within a reasonable time frame in relation to cruise ship stopover times. In this respect, intermodal integration is important, particularly with shuttle flights to and from the reference city lasting approximately 1 h, as is already the case for five of these protected areas. Nevertheless, airway–waterway intermodality is still a great challenge in Brazil (Table 24.7).

In past years, the Fernando de Noronha Archipelago, location of Fernando de Noronha Marine National Park and Fernando de Noronha APA, has been visited directly by some cruise ships (by anchoring near islands or dive spots), so in that case access can be by waterway alone. Based on the cruise ship schedule for the 2015–2016 season, according to the Portal Terra, the Cairuçu APA (environmental protection area), located in the southern part of the municipality of Paraty (south-east region of Brazil) is near some cruise ship destinations, such as Ubatuba (75 km approximately) and Angra dos Reis (95 km approximately). For example, to travel from Paraty to Abraão on Ilha Grande (which is part of Angra dos Reis) it takes about 1.5 h by motorboat (Ilha Grande, n.d.).

Visitation to protected areas, notably those that have a management plan and a limit on the number of visitors, can be incompatible with the mass tourism promoted by operators of large cruise ships. Nevertheless, there is relevant potential for itineraries tailored for cruisers interested particularly in marine biodiversity in Brazil, be it through optional activities offered by large cruise ships or dedicated voyages by smaller ones. Development of this potential requires overcoming challenges through active and synergetic engagement of people and organizations.

Table 24.7. Access and transportation modes of protected areas in the marine biome.
(Prepared by the authors from information obtained from ICMBio, 2015a.)

Protected areas in the marine biome (open to visitation)	Reference city	Access (km or time) ^a	Access route/ transportation mode
Fernando de Noronha	Natal	1 h	Air
Marine National Park	Recife	1 h	Air
Abrolhos Marine National Park	Vitória	400 km to Caravelas and 3 h by boat	Highway and waterway
Lençóis Maranhenses National Park	São Luís	272 km to Barreirinhas or 50 min by air and 4 h by regular boat service or 1.5 h by chartered launch	Air or highway and waterway
Superagui National Park	Paranaguá	3 h	Waterway
Jericoacoara National Park	Fortaleza	314 km	Highway
Restinga de Jurubatiba National Park	Rio de Janeiro	220 km	Highway
Cairuçu APA	Rio de Janeiro	248 km	Highway
Costa dos Corais APA	Recife	108 km	Highway
Lagoa do Peixe National Park	Florianópolis	533 km	Highway
Mamanguape APA	João Pessoa	68 km	Highway
Anhatomirim APA	Florianópolis	23 km	Highway
Manguezais da Foz do Rio Mamanguape ARIE	João Pessoa	68 km	Highway
Fernando de Noronha – Rocas – São Pedro and São Paulo APA	Recife	1 h	Air
	Natal	1 h	Air

^aThe information was found in two units, kilometres or time (approximately). APA = Environmental Protection Area; ARIE = Area of Relevant Ecological Interest.

Final Considerations

The relative dearth of information available and the considerable number of protected areas not open to visitation (46 to 59) demonstrate the distance between the objectives of environmental legislation and development of tourism considering synergy between the land and water side in Brazil. To close this gap, integrated planning and management of cruise ships and protected areas in the Brazilian marine biome is necessary.

Brazil is currently in a window of opportunity, particularly in light of recent and coming sports mega events, namely the FIFA World Cup (2014) and the Olympic Games and Paralympic Games (2016). In this scenario, the delay in measures to enhance the tourist experience shows the mismatch between the official line and the real public effort to promote tourism as an important economic activity that generates jobs and income. It is essential not to miss out on this moment of great visibility of the country as an important international tourist destination.

We hope this discussion can contribute to better public policies on tourism, at the federal, state and local levels, and to strengthen initiatives to attract tourists, arriving

Table 24.8. Tourist structure and services by reference city. (Prepared from consulting the System to List Individuals and Companies Active in the Tourism Sector – Cadastur; Brasil, 2015d.)

Protected areas in the marine biome (open to visitation)	Reference city	Tour guides ^a	Tourist transportation providers ^a	Car rental providers ^b
Fernando de Noronha Marine National Park	Natal	330	36	32
	Recife	180	15	18
Abrolhos Marine National Park	Vitória	74	11	20
Lençóis Maranhenses National Park	São Luís	47	25	4
Superagui National Park	Paranaguá	2	2	0
Jericoacoara National Park	Fortaleza	408	34	19
Restinga de Jurubatiba National Park	Rio de Janeiro	3298	172	74
Cairuçu APA	Rio de Janeiro	3298	172	74
Costa dos Corais APA	Recife	180	15	18
Lagoa do Peixe National Park	Florianópolis	63	47	3
Mamanguape APA	João Pessoa	223	18	23
Anhatomirim APA	Florianópolis	63	47	3
Manguezais da Foz do Rio Mamanguape ARIE	João Pessoa	223	18	23
Fernando de Noronha – Rocas – São Pedro and São Paulo APA	Recife	180	15	18
	Natal	330	36	32

^aThe register in Cadastur System is compulsory. ^bThe register in Cadastur System is not compulsory. APA = Environmental Protection Area; ARIE = Area of Relevant Ecological Interest.

by air, sea or land, and in particular integration of cruise ship itineraries and eco-tourism. This will require transparent planning with the participation of varied actors, paying heed to environmental balance and social justice.

Notes

¹ This work is part of a research project called ‘Cruise Ships, Environment and Development of Tourist Destinations’ of the Transport and Tourism Research Group (GPTT), authenticated by the Federal University of the State of Rio de Janeiro (UNIRIO).

² In chronological order: Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere (1965); International Convention for the Conservation of Atlantic Tunas (1969); Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES, 1975); Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (1992); Convention on Humid Zones of International Importance (1993); United Nations Framework Convention on Climate Change (1994); Convention on Biological Diversity (1994); Inter-American Convention for the Protection and Conservation of Sea Turtles (2001); Stockholm Convention on Persistent Organic Pollutants (POPs) (2004); and Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (2004) (SCI, 2015).

³ Law 6938/1981 (Brasil, 1981).

⁴ Decree 5377/2005 (Brasil, 2005).

⁵ Law 9985/2000 (Brasil, 2000).

⁶ Decree 2519/1998 (Brasil, 1998).

- ⁷ Ecological Station, Biological Reserve, National Park, Natural Monument, Wildlife Refuge.
- ⁸ Environmental Protection Area, Area of Relevant Ecological Interest, National Forest, Extractive Reserve, Fauna Reserve, Sustainable Development Reserve, Private Natural Heritage Reserve.
- ⁹ We conducted the search with the Portuguese term since many of the periodicals in the database are only published in Portuguese.
- ¹⁰ The reference cities were considered based on varied situations: (i) port cities currently visited by cruise ships; (ii) cities visited by cruise ships in the past but no longer serving as ports of call; (iii) cities never visited by cruise ships but that could be in the future; and/or (iv) strategic points for cruise ship routes because they are destinations that attract tourists, according to the National Tourism Policy. The National Tourism Policy defines the destinations that are considered inductors of tourism. (See: Brasil, 2013).
- ¹¹ The high season in Brazil runs from the last 2 months of 1 year to the first 3 or 4 months of the following year (basically depending on the timing of carnival and Easter).
- ¹² Decree 7381/2010 (Brasil, 2010b).
- ¹³ There are three protected areas open only to visits for educational and/or scientific purposes: Guanabara Ecological Station, Tupiniquins Ecological Station and Gurupi-Piriá Extractive Reserve.
- ¹⁴ The Superagui National Park, located at Parana State, is the only protected area in the marine biome open to visitation that still does not have a management plan. One is being formulated. ICMBio (2012, 2015b).
- ¹⁵ The costs are given in US dollars, although the charge for entering protected areas is in Brazilian currency (Real, R\$). The amounts given here are at the exchange rate of 26 March 2015, of R\$3.19/US\$1.00, according to the website of the Brazilian Central Bank (Brasil, 2015c).

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Sailing into Stormy Waters? Understanding the Community Impacts of Cruise Tourism Growth in Akaroa, New Zealand

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Introduction

Cruise tourism is increasingly recognized as a successful and dynamic subsector of the global tourism industry (Weeden *et al.*, 2011). While destinations seek to embrace the industry's expansion, they also have to manage the often-diverse needs of communities at the same time as protecting the local environment and minimizing any costs associated with being a cruise destination (Lester and Weeden, 2004). Examination of community perspectives of tourism in destination areas is a long-standing area of research which can be traced back to the work undertaken initially by Doxey (1975) and followed by others (e.g. Ap, 1990, 1992; Deery *et al.*, 2012; Kim *et al.*, 2013). One striking conclusion that can be drawn is that there are few consistent relationships or patterns (Ap, 1990; King *et al.*, 1993; Pearce *et al.*, 1996; Harrill, 2004). However, within this scholarship social exchange theory is often utilized to interpret community perspectives on tourism, with evaluations of tourism outcomes influencing community and individual support for tourism development (Andereck *et al.*, 2005). While the application of this theoretical perspective has its basis in economic outcomes, it now also accommodates the broader sociocultural and environmental domains of tourism community impacts (Andriotis and Vaughan, 2003; Gursoy and Rutherford, 2004; Ward and Berno, 2011).

Community impact research specifically associated with cruise tourism is a relatively new addition to the academic literature. Studies have found, for example, that not all communities are welcoming of cruise passengers (Hritz and Cecil, 2008; Brida *et al.*, 2011) and, even in those destination communities where cruise tourism is welcomed and supported, residents have articulated a variety of both positive and negative views in the context of a rapid increase in cruise ship arrivals (Stewart *et al.*, 2011; Wilson *et al.*, 2015). Other social impact issues such as crowding in destination areas, and the disruption created by routing and activities associated with cruise tourism (e.g. embarking and disembarking passengers)

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have been identified as challenges in cruise tourism destinations (Gibson and Bentley, 2006; Brida and Zapata, 2010; Wilson *et al.*, 2015).

This chapter reports on a study of community attitudes towards cruise tourism in the small harbour town of Akaroa, New Zealand. Cruise tourism in Akaroa is in a period of unprecedented change and disruption as a result of the 2010–2012 Canterbury earthquakes, when the Christchurch port of Lyttelton was more or less closed to cruise ships due to earthquake damage. As a consequence, this has created an episode of rapid and significant growth in cruise arrivals in the neighbouring port of Akaroa in the two full October–May cruise seasons following the earthquakes (2011/2012–2012/2013), whereby cruise arrivals increased 531% and cruise visitor arrivals by 688%. Although this growth rate has subsequently plateaued, the level of cruise tourism in Akaroa remains significantly above pre-earthquake levels.

This chapter presents the findings of the community survey, and reveals areas of concern, consensus and disagreement regarding the impacts of cruise tourism growth in the destination area. Of particular salience is the rate and scale of growth in cruise tourism (i.e. intensity), the destination context of Akaroa (i.e. longstanding historical connection with tourism), and the atypical circumstances that precipitated this episode of growth in cruise tourism to Akaroa (i.e. the 2010–2012 Canterbury earthquakes). The findings of this chapter suggest that although cruise tourism can create a range of new challenges for destination communities, there is also a range of tangible and clearly recognizable benefits associated with this emergent market segment.

Research Setting – Akaroa, New Zealand

Akaroa is a small township situated within Akaroa Harbour, on the southern side of Banks Peninsula. It is approximately 75 km, or 90 min by car, from Christchurch city (see Fig. 25.1). At the time of the 2013 Census of Population and Dwellings, the ‘usually resident’ population of the township was 624 people. In addition to the usually resident population, Akaroa has a large number of non-resident property owners/ratepayers, many of whom own holiday homes. Many of these holiday homes are available as casual rentals (i.e. they may be occupied by people other than the property owners). The township acts as a service centre for the scattered population of the outer bays area of Akaroa Harbour, many of whom work in Akaroa.

The geographic proximity of Akaroa to Christchurch city makes it an easily accessible destination for day and overnight visits. The town has a long history of tourism development and visitation, and is actively promoted as one of the apex visitor destinations in the Canterbury region for both international and domestic travellers. Visitors are attracted by Akaroa’s village charm and French (and other European) heritage of its pioneer settlers, the surrounding rural landscapes and coastal scenery, and easily accessible marine wildlife. Akaroa Harbour is popular with recreational boat-users and provides safe anchorage – although berthing is not possible – to visiting cruise ships. The range of different types of overnight visitors (e.g. holiday home owners, international and domestic tourists) and the influx of day visitors at busy times, makes it difficult to measure accurately the level of tourism visitation and activity in Akaroa. For example, Sleeman (2009) reported an estimated 3300 day and overnight visitors per day in mid-January 2003. More recent media reports, however, suggest a daily influx during the busy summer period of over 5000 visitors (both overnight



Fig. 25.1. Location map of Akaroa, New Zealand. (Location map created by Dr Crile Doscher, Lincoln University, New Zealand.)

and day visitors) (Hampton, 2013). It should be acknowledged that these data on tourist visitation to Akaroa are anecdotal and as such have no basis for verification. In fact, conversations after the completion of this research with key personnel within the local tourism promotions agency – Akaroa District Promotions – reveal an absence of data relating to visitor arrivals (excluding cruise arrivals) and commercial accommodation (H. Hollander, pers. comm., 29 October 2015). This notwithstanding, for a settlement of its size Akaroa has a surfeit of tourism-related public amenities and services (e.g. shopping facilities, cafés and restaurants), but is less well catered for in respect of resident services (e.g. health care, banking services and so on).

Cruise Tourism in Akaroa

Prior to the Christchurch earthquakes of 2010–2011 the level of cruise ship arrivals in Akaroa was relatively low, with the harbour town considered a ‘boutique’ cruise tourism destination in New Zealand. For example, in the 2010/2011 season there were 16 ship arrivals, which delivered a total of 21,067 cruise passengers to the town. Lyttelton Port of Christchurch was one of the major ports of call for cruise ships visiting New Zealand’s South Island, and the main Canterbury port, but the port was badly damaged in the Christchurch earthquake in February 2011. As a consequence

of this, 29 of the 64 vessels scheduled to berth at the port during the 2011/2012 cruise ship season were transferred to Akaroa Harbour. This relocation coincided with the growth in cruise ship tourism to New Zealand more generally. Together these events have contributed to a significant increase in the number of cruise ships visiting Akaroa.

Table 25.1 illustrates the growth in cruise ships arrivals in Akaroa. In the 2009/2010 cruise season, prior to the September 2010 earthquake, Akaroa hosted 8754 cruise ship passenger arrivals. In the 2010/2011 season, this figure had increased to 21,067 passenger arrivals (+140.7% on the previous season). By 2011/2012, and following the closure of Port Lyttelton after the devastating February 2011 earthquake, this figure had grown to 125,667 passenger arrivals (+496.5% on the previous season) arriving on 86 vessels (Tan and Summers, 2012). At the time this research project was undertaken (i.e. at the end of the 2012/2013 cruise season), a total of 87 cruise ships and 147,817 passengers visited Akaroa (+17.6% passenger arrivals on the previous season). This diminished rate of growth, and even decline, in ship and passenger arrivals to Akaroa indicates that this form of tourism appears to be transitioning, albeit at an embryonic level, into a plateau phase of visitation.

During the 2011/2012 season, the Canterbury region received a significant boost from the cruise industry with NZ\$30.2 million worth of value added to the economy and a total of 558 (direct and indirect) jobs were supported by the industry (Market Economics Limited, 2012). The three dominant nationalities to arrive in Akaroa during the 2011/2012 season were: Australian (64.3%), USA (16.6%) and UK (5.5%) (Tan and Summers, 2012). This mix of cruise passengers to Akaroa marks a shift from that experienced immediately prior to the Canterbury earthquakes (2008/2009), when a much higher proportion of American passengers (48.4%) were included in cruise arrivals (Tan and Summers, 2012). Prior to the earthquakes, Akaroa hosted a small number of cruise ships – primarily smaller vessels – and this change in nationalities most probably relates to this change in visitor mix. Specifically, there was an average of 802 passengers per cruise ship arrival in the two seasons preceding the Canterbury earthquakes (2008/2009–2009/2010). In the four seasons since the earthquakes (2011/2012–2014/2015) this had increased to 1537 passengers per arrival (derived from **Table 25.1**).

The 2010/2011 Canterbury earthquakes, the closure of Lyttelton Port and the subsequent re-routing of cruise ship arrivals to Akaroa have introduced a new set of visitors to the township (see **Fig. 25.2**). This came at a time when the township was experiencing

Table 25.1. Cruise ship activity in Akaroa 2008–2015.

Year (cruise 'season')	Cruise ship activity in Akaroa 2008–2015			
	Number of ships visiting	Total crew arrivals	Total passenger arrivals	% Change passenger arrivals
2008/2009	9	1,793	4,882	–
2009/2010	8	3,657	8,754	+79.3
2010/2011	16	9,126	21,067	+140.7
2011/2012	86	48,876	125,667	+496.5
2012/2013 ^a	87	56,782	147,817	+17.6
2013/2014	85	40,600	122,900	–16.9
2014/2015	89	48,300	137,200	+11.6

^aThis research was undertaken during the 2012/2013 cruise season.



Fig. 25.2. Cruise passengers coming ashore at Akaroa. (From: Jude Wilson.)

the effects of the global economic recession and the downturn in international visitors to New Zealand. Christchurch, Canterbury and the South Island had also experienced a significant visitor downturn as a direct result of the Canterbury earthquakes. The earthquakes also affected Akaroa's domestic visitor market – many of whom come from Christchurch – and directly impacted on Akaroa with the closure of public buildings in the township as a result of earthquake damage (Wilson and Shone, 2014).

This increased level of cruise ship arrivals was claimed by some sections of the Akaroa community to have had a significant impact, both beneficial and detrimental, upon the Akaroa township. Resident concerns about the impact of cruise tourism growth in Akaroa has been expressed via a range of public fora, including newspaper articles and letters to the editor in the *Christchurch Press* and the *Akaroa Mail*, and via several national television and radio news reports (e.g. RadioLive, 2011; TVNZ, 2011; Lee, 2012; Wood, 2012; Hampton, 2013). Given the size and village character of Akaroa and the dramatic increase in cruise ship arrivals and passenger numbers, it was timely to undertake research on the impact of rapid and unprecedented growth upon the town's community.

Research Methods

This research was undertaken in May 2013 after two 'post-earthquake' seasons in which the Port of Lyttelton was unable to host cruise ships because of earthquake damage. The research instrument employed was a self-complete mail-back questionnaire. While initially conceptualized as a resident survey (i.e. including only permanent residents who lived within the town boundaries), the sampling parameter was extended to better encapsulate the Akaroa 'community'; this included permanent residents, holiday home owners

(many of whom are most often in residence during the cruise season) and a selection of district residents from 'outer bays' and rural hinterland (most of whom either worked, or had strong social and community attachment to Akaroa). In total, completed questionnaires were returned by 181 residents (286 distributed; 63.3% response rate), 85 holiday home owners (200 distributed; 42.5% response rate) and 50 district residents (72 distributed; 69.4% response rate). The overall response rate was 56.6%.

The questionnaire, which sought to measure community attitudes to cruise tourism in Akaroa and to identify impacts (both positive and negative) of cruise tourism, included: questions developed from earlier Akaroa impact research (Shone *et al.*, 2003); specific measures of the impact items identified in media reports and residents' letters; and incorporated attitude scales used in more generic social impact of tourism research (Haley *et al.*, 2005). Data were also collected on respondents' age, ethnicity, gender and employment status, their length of residence or association with Akaroa, employment in tourism-related jobs and contact with cruise ship visitors.

The survey data were entered into a Microsoft Excel spreadsheet and all numerical data transported to SPSS 20 (Statistical Package for Social Sciences) for statistical analysis. Open-ended questions were coded to facilitate some basic statistical analysis and further analysed and coded for key themes and types of responses. Together, these provide considerable insight into impacts of cruise tourism on the Akaroa community. We also present analysis of responses to the 'any further comments' request, which concluded the survey; more than half of all respondents ($n = 169$, 53.5%) provided additional comments. These data were coded thematically and provided important contextual insight into the community attitudes. Data are reported for the total sample unless otherwise indicated; the full report includes detailed data analysis by sample group (see Wilson and Shone, 2014).

Research Findings

Altogether, 75.6% ($n = 194$) of the total sample were aged 55 years or over, reflecting the high number of retired people in Akaroa and the older ages at which people have the required capital to own a holiday home. Over a third of the sample was not in the workforce. Just over 60% of the sample was female and 98% were of European/Pakeha New Zealand ethnicity. All three sample groups reported a long association with Akaroa: 62.4% of the residents had lived there 10 years or longer; 76.2% of the holiday home owners had owned their Akaroa properties for 10 years or longer; and 73.9% of the district sample had lived in the area for 10 years or longer. Altogether, 39.2% of the sample had worked in at least one tourism-related job in the previous year. More than three-quarters of the sample reported some contact (42% sometimes, 39% frequent) with cruise ship visitors; a further 11% reported that they rarely had contact and 8% had no contact.

General attitudes towards cruise tourism

Twenty-four statements (13 positive and 11 negative) were used to measure the general attitude of respondents to cruise tourism in Akaroa: respondents were asked to rate their agreement with each item on a five-point Likert-type scale (1 = strongly disagree;

5 = strongly agree). Overall, the positive statements attracted higher levels of agreement than did the negative ones: mean scores higher than three were recorded for only two of the negative statements, compared to eight of the positive statements. The positive item attracting the highest level of agreement was that 'cruise ship tourism improves the Akaroa economy' ($\bar{x} = 4.38$; 58.5% strongly agreed); the negative item attracting the highest level of agreement was 'cruise ship tourism increases traffic congestion in Akaroa' ($\bar{x} = 3.65$; 26.9% strongly agreed). Responses were also collated to derive a mean overall attitude 'score' for each respondent (with the negative items 'flipped' to standardize ranking scores): slightly over half of the sample ($n = 161$, 52%) were neutral (i.e. $\bar{x} = 3$); 25% ($n = 79$) were negative ($\bar{x} = <3$); 23% ($n = 73$) were positive ($\bar{x} = \geq 4$).

Akaroa-specific issues

A five-point scale (1 = no problem; 2 = slight problem; 3 = moderate problem; 4 = significant problem; 5 = very significant problem) was used to measure the degree of impact of 12 cruise tourism-related issues in Akaroa. These issues were identified from the media reports that triggered this research. Around a third of respondents identified four issues as being either significant, or very significant: strain on facilities and infrastructure (36.8%); crowding in public buildings (36.1%); crowding on footpaths (33.2%); and traffic congestion (31%). Crowding in cafés and restaurants and crowding in retail stores were perceived by more than half of all respondents (i.e. 64.2% and 60.6%, respectively) to cause slight or moderate problems. The issues with the highest number of 'no problem' responses were increased noise (52.4%), increased litter (39.6%), displacement of other visitors (33.2%) and lack of parking for locals (30%).

Respondents also were asked to identify cruise tourism-related problems and issues in an open-ended question. Altogether, 209 respondents (66.1% of the sample) identified 486 issues, many of which were reported multiple times. These issues were coded into five broad categories – facilities and amenities; overcrowding and congestion; bus/tour coach-related; visitor management; and environmental issues – and then into sub-categories (see [Table 25.2](#)). It was notable that many of the specific issues identified related to visitors and the visitor experience, rather than the local community. The greatest concerns with respect to visitors related to the provision and quality of facilities and amenities (particularly toilets), visitor safety and the quality of visitor experience available to cruise ship visitors. By contrast, community issues related to those identified as having significant impacts on community life: congestion in public spaces and commercial premises; congestion on the roads, including on the main highway to Christchurch; and environmental concerns, relating to both the physical resources in the harbour and the social and cultural environments of the community itself.

A balanced view of cruise tourism

To ensure a balanced survey, the questionnaire also included several questions asking about benefits from cruise tourism. When asked if they thought Akaroa benefited from cruise tourism, 89% of all respondents agreed, with 47% reporting that Akaroa benefited 'greatly'. A significant relationship ($\chi^2 (8,300) = 190.96, P < 0.000$) was found between perceptions of benefits to Akaroa from cruise tourism and overall attitude

Table 25.2. Reported cruise tourism issues in Akaroa.

Cruise tourism issues	Community impacts	Visitor impacts
Facilities and amenities (<i>n</i> = 137)		
Toilet-specific (number/quality)		xxx
Other visitor facilities and amenities		xxx
Township issues (appearance/investment)	xx	x
Wharf-related (facility/boat impacts)	x	xx
Overcrowding and congestion (<i>n</i> = 121)		
Akaroa overall (number of ships at one time)	xxx	
Within Akaroa (specific town locations)	xxx	
Bus/tour couch-related (<i>n</i> = 119)		
Increased traffic	xxx	
Impact on township (parking/fumes)	xx	x
Visitor management (<i>n</i> = 66)		
Walking on road	x	xx
Other visitor behaviours	xx	x
Visitor safety and exposure		xxx
Quality and management of experience	x	xx
Environmental problems (<i>n</i> = 43)		
Physical (underwater habitat/fuel pollution)	xxx	
Social and cultural (community division/atmosphere)	xxx	

x, Some impact; xx, moderate impact; xxx, significant impact.

scores. Just over half (50.3%) of those who thought Akaroa benefited greatly had a positive attitude score (with another 48.8% neutral) and conversely, just over half (51.2%) of those who reported slight benefits were neutral, with the remainder (48.8%) negative. Respondents were also asked to identify specific benefits from cruise tourism in Akaroa via an open-ended question. Altogether, 265 respondents (84.4% of the total sample) identified 730 ‘benefits’, many of which were noted multiple times. These benefits were coded into four broad categories for ease of interpretation – economic; tourism-related; community and social; and employment – and then into subcategories.

In contrast to the problems identified in the corresponding issues question, the vast majority of the benefits identified related to the Akaroa community; the exception to this was some recognition that the economic benefits of Akaroa hosting cruise ships extended beyond the immediate community into the wider Canterbury region. While economic and employment benefits stood out strongly (together accounting for 51% of the benefits reported), the other two categories suggested that the Akaroa community has a positive view of tourism: a further 27.5% of the benefits were tourism-related (and were primarily in favour of increased tourism), whilst the remaining 21.5% described enjoyment and appreciation of what tourism brought to the community.

Recognizing that Akaroa is a tourist town

For many respondents, cruise ship tourism in Akaroa simply represents another set of visitors to what has always been a tourist town. It was recognized, for example, that tourism – in all its forms – brings economic benefits, employment and supports a wide

range of community services that a town the size of Akaroa might otherwise not have. Amongst the ‘positives’ noted with respect to cruise ship visitors was the raised profile (e.g. ‘let’s keep them coming in – they are great for Akaroa’s profile’) and exposure for Akaroa as a tourism destination through ‘a very cheap and easy form of marketing’. It was also noted that a lot of cruise ship visitors to Akaroa are Australian and are thus ‘more likely [than other nationalities] to return as independent tourists’. These responses suggested that a majority of respondents were in favour of attracting increasing numbers of tourists to Akaroa. Some ‘quality issues’ with respect to cruise ship tourism were raised, however, including a desire to attract ‘higher-end’ (and higher-spend) cruise ships and potential issues with the current delivery of tourism services (e.g. ‘the touts on the wharf-end make Akaroa look like a poor quality tourist town’; ‘worried about an increase in junk shops catering to low spending cruise ship visitors’; ‘concerned about shops selling nasty cheap souvenirs’).

While many respondents expressed a view that cruise tourism has provided a much-needed economic boost for Akaroa, there were some concerns around whether or not cruise tourism is the ‘best’ type of tourism for Akaroa. However the displacement of other visitor types by cruise ship visitors was a concern for many, with some also noting a negative impact on accommodation providers. Some of the cruise ship tourism concerns related to a perceived lack of control over visitor numbers, and the feeling that the current numbers of cruise ship visitors were overwhelming the town. Some, however, thought that cruise ship visitors were no different to other visitors and that, pre-recession, Akaroa was just as busy with other visitors. At the other extreme, another respondent noted that ‘now Akaroa has opened its doors, the cruise ships will be unstoppable and this type of tourism is the worse sort and not what Akaroa needs’. Overall, however, it was recognized that ‘everywhere in the world has problems in holiday resorts’.

Another common theme – noted by both residents and holiday home respondents, but not by the wider district sample – was the added vibrancy brought to Akaroa by cruise ship tourism (e.g. ‘makes Akaroa exciting and busy at times – Akaroa is boring in the winter’; ‘nice to see the town busy’). A number of the holiday home respondents reported enjoying the vibrancy of cruise ship days when ‘the town feels alive and if it has a future’. Several of the residents surveyed had worked as volunteers during the cruise ship season and commented on how much they had enjoyed this role – enabling them to show off and share their town, as well as to meet interesting people. For many respondents, filling up the town with visitors contributed to the maintenance of its human footprint, whilst ‘showing off’ their town was an important means of fostering community spirit.

Cruise tourism as a divisive community issue

While a large number of respondents reported personally enjoying the cruise ship visits, many also recognized that hosting cruise ships had impacted on the Akaroa community. The residents surveyed, in particular, expressed concerns over the division in the community that had emerged during the cruise ship season,

This issue has divided the community. Those with business interests in cruise shipping have adopted the moral high ground – they are helping Canterbury tourism/local business/bringing employment – and any public discussion has been quashed as selfish and inconsiderate. (anonymous respondent)

Within the resident sample there was considerable criticism of ‘complainers’ (e.g. ‘the complaining locals do not seem to comprehend what tourism brings them’; ‘the complainers are a slap in the face to all the volunteers’; ‘the people who complain want it all for themselves’). In contrast, both the wider district and holiday home respondents were more concerned about the tangible impacts of cruise ship tourism on Akaroa; some holiday home respondents, however, commented on the impact of cruise ship visits on townspeople and the need to protect what makes Akaroa ‘special’. However, they also noted that, as non-resident ratepayers, they were not in Akaroa all the time and were thus impacted less; some also noted that their holiday homes were located away from the town centre where cruise ship visitors tended to congregate.

Finally, a common solution to the issues created by cruise ship tourism – suggested by residents – was for community members to either adapt to accommodate cruise ship tourism and its impact on their lives, or to simply ‘get over it’. Other comments in this vein included: ‘[cruise ship tourism brings] overall benefits and no lasting impacts – locals just need to adapt’; ‘locals can adapt their own behaviors – it is not every day’; and, ‘they [cruise ship visitors] are not in town for long – locals just need to adapt’. While tourism was widely perceived to be vital for Akaroa’s ongoing prosperity, the ‘future’ of cruise ship tourism in Akaroa was less clear. As one respondent from the wider district noted ‘[we] need more investment in Akaroa to help it cope [with cruise ship tourism] but that needs clarity around future visits’.

Discussion

The results of this research indicate that despite the recent increase in cruise ship arrivals post-earthquake, the Akaroa community (in its broadest sense incorporating the township and Akaroa district residents and non-resident holiday home ratepayers) holds a largely favourable opinion of cruise ship tourism. The survey results, for example, showed that 89% of all those surveyed thought that cruise ship tourism benefited the Akaroa community and more than half of these thought it benefited greatly. The identification of a wide array of tourism benefits, in particular, suggests that the majority recognize the value of, and enjoy the diversity that tourism brings to Akaroa. Alongside this, however, respondents also identified a range of issues and problems arising from cruise ship tourism. Interestingly, the majority of respondents did not rate any of the previously identified issues as being particularly significant. Taken together, cruise tourism in Akaroa is seen simply by respondents as a new form of tourism in an already established tourism destination (Wilson and Shone, 2014; Wilson *et al.*, 2015). While the unusually rapid growth of cruise tourism in Akaroa has presented a range of ‘new’ destination management challenges, the basic pattern of ebb and flow of visitation is broadly similar to that experienced historically via terrestrial-based tourist visitation.

The attitude statements also portray a community with relatively balanced views, albeit with some more strongly held both in favour of, and against, cruise ship tourism and its impacts. While primarily neutral, attitudes across the statements presented tended towards a positive view of cruise ship tourism. Significantly, the finding of a positive relationship between perceptions of the benefits of cruise tourism for Akaroa and attitudes towards cruise tourism also helps to corroborate the utility of social exchange theory in community tourism impact research. Although economic factors appear to dominate the evaluation of cruise tourism benefits, the identification of the broader

sociocultural domain of cruise tourism benefits aligns with the findings of Andriotis and Vaughan (2003), Gursoy and Rutherford (2004) and Ward and Berno (2011). In this instance the evaluation of tourism outcomes was framed in terms of benefits to the *community* (rather than to the individual) and is consistent with the findings of Andereck *et al.* (2005). More broadly, this finding is also consistent with work by Besculides *et al.* (2002), Nunkoo and Ramkissoon (2010) and Ward and Berno (2011), which highlighted the role of economic and sociocultural impacts in the prediction of support for tourism. However, as was the case for Ward and Berno (2011), the absence of additional significant results also indicated that social exchange theory is not adequate on its own to explain and interpret attitudes towards tourists and tourism.

Further, 183 respondents were able to identify both benefits and problems in the open-ended questions, whilst 84 reported benefits and no problems, and 26 identified problems, but not benefits. Only 23 respondents were not able to identify either benefits or problems. While many also acknowledged benefits that extended well beyond Akaroa (i.e. to the wider Christchurch and Canterbury region) there was widespread recognition of the range of problems and challenges associated with hosting large numbers of visitors in a small community. In the case of Akaroa, which is geographically constrained by the surrounding topography, the issue of cruise seasonality and the accentuated peaks and troughs of cruise visitor flows has further focused the attention of respondents on these 'problems and challenges'. Multiple cruise ship arrivals on the same day, and issues of congestion associated with hosting these visitors in, or transporting them through, the town during their port visit places significant pressure on the hosting capacity of Akaroa.

While some tangible cruise ship-related issues were identified, for many respondents there was also a great deal of concern around the impact of the growing cruise ship debate, and its public manifestation, on the community itself. This research shows that the Akaroa community is highly engaged with the cruise ship 'issue'. This high level of engagement is likely to have been reinforced, at least in part, by respondents' length of attachment with Akaroa township and surrounding area. The majority of respondents across all three sample groups reported at least a decade of association – expressed as either residence or property ownership – with Akaroa. Importantly, this shows that 'community' extends beyond geography to incorporate social connectedness. All three sample groups were *highly* connected to Akaroa. The high level of connection may relate to the unique character of the town and the diverse ways in which each of the three sample groups engage with the township.

The emergence of cruise ship tourism debate, expressed initially via letters in the local Akaroa newspaper, appears to have impacted on the social cohesion of Akaroa and thus highlights lines of potential fracture within the community. Associated with this is the finding that one of the issues (or problems) resulting from cruise ship tourism in Akaroa is its impact on community cohesion. The negative attitudes of some people were specifically identified by many respondents as one of the problems. Respondents, however, were much less able to provide solutions to these more abstract, complex and emotive community issues than they were for many of the more tangible issues raised. Greater community involvement in decision making and a desire for more transparency of process were most commonly posited as ways in which this issue might be addressed. While this might empower the community, the reality is that the tourism-related issues experienced by Akaroa residents would likely remain substantively unchanged.

Contrary to other social impact research in tourism, increasing numbers of tourists in absolute terms does not appear to be the issue in Akaroa, but rather the particular pattern of visitation as manifested by cruise ship visits is more significant. Patterns of tourist visitation across a range of destination types are typically 'seasonal', insofar as there are usually discrete and identifiable periods of high and low demand. This seasonality is also evident in Akaroa and is largely historical. While cruise ship tourism has brought some new challenges for Akaroa and its residents, a significant proportion of the issues identified in this survey are merely the latest manifestation of issues which have featured previously in Akaroa as a result of significant peaks in visitor numbers over the summer period. Cruise ship visitors, however, can often exacerbate capacity issues during these times of peak demand. Interestingly, a number of respondents noted that cruise ship visitors were preferable to other visitor types as they did not create or compound parking issues, they are in the town for a shorter period of time and their travel itineraries are relatively predictable.

A number of the cruise ship problems identified focused on the quality of the cruise ship visitor experience (i.e. wanting to improve it), rather than on any negative impacts of cruise ship arrivals on Akaroa residents. The open-ended responses suggest that respondents are proud of their town, and enjoy showing it off and sharing it with visitors of all types. This parallels research findings in remote Arctic villages where rapid growth in the cruise sector has been witnessed as a result of climate change (Stewart *et al.*, 2011). In Akaroa, many of the facility and amenity improvements suggested were visitor-focused, although potentially they would also benefit local residents in their daily lives. The majority of respondents recognize the symbiotic relationship Akaroa has with tourism more generally (i.e. 'that they need tourism and tourism needs them'). In a broader context, Akaroa residents also accept that they are closely connected to the destination tourism product of the wider Christchurch and Canterbury region.

Many respondents also recognized the vital role played by cruise ship visitors in the Akaroa economy, which has been facing significant challenges as a result of the economic downturn and the impact of the Christchurch earthquakes. The earthquakes had also contributed to a significant economic downturn in Akaroa; ironically it was the earthquakes that also brought cruise ships to Akaroa. There were concerns that the majority of cruise ships will eventually return to Lyttelton Port and, while there was some hope that non-cruise ship visitor numbers would have returned to 'normal' by that time, this was by no means a certainty. Similar findings with regard to the identification of tourism-related benefits, problems and concerns around the future of tourism in Akaroa were reported by Shone *et al.* (2003). For Akaroa, in respect of cruise ship arrivals there are still considerable destination management and community challenges associated with this uncertainty around future visitation.

Conclusion

Three distinct, but intersecting, sample groups were found to make up this community: permanent Akaroa township residents; Akaroa district residents, many of whom worked in the Akaroa township; and non-resident ratepayers who owned holiday homes in Akaroa. While there were considerable variations in the opinions held by respondents from each of the three sample groups, all three cohorts demonstrated a

high level of community engagement with Akaroa generally, and with the cruise ship 'debate' that has surfaced in the community as a consequence of sudden change in cruise ship arrival patterns.

Arguably the most significant impact of cruise tourism on the Akaroa community is that which relates to the human footprint of cruise tourists in the township, especially at times when Akaroa is already busy with terrestrial-based visitors. The intensity of these peak flows has served, arguably, to accentuate existing destination capacity issues in the township. However, while this issue of crowding is exacerbated by the 'stacking' of cruise visitors – often with multiple ship arrivals on the same day – it occurs only for short intense bursts compared to other visitor types (Wilson and Shone, 2014; Wilson *et al.*, 2015). Moreover, the cruise season in Akaroa is longer (October–May) and more predictable with regard to arrivals and visitor flows than traditional terrestrial-based tourism in the township.

The requirement for a variety of destination-based resources, such as water, is also reduced due to the largely self-contained nature of cruise tourism. Despite this lighter 'footprint', there was a strong sense of community discomfort in Akaroa associated with these new cruise visitors. Although this was expressed as concern for the provision of a high quality visitor experience, it also highlighted the extent to which Akaroa's community identity is aligned with their historical persona as a particular type of destination (Wilson *et al.*, 2015). That is to say, there are concerns that the presently high levels of cruise tourist arrivals in Akaroa could, over time, erode the town's destination identity as a quaint and idyllic provincial harbour township.

Finally, the increase in cruise tourism activity and the rate at which this increase has occurred has undoubtedly impacted upon the Akaroa community. These impacts, both negative and positive, have served to sharpen the focus of community debate on whether or not cruise tourism is the best type of tourism for Akaroa, particularly as the large influx of cruise visitors coincides with traditional busy visitor periods. Taken further, at the heart of this debate are concerns within the community about the changing role of Akaroa as a tourism destination, and the impact of this change on the nature and character of the Akaroa community itself.

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Cruise Tourism in a Remote Small Island – High Yield and Low Impact?

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Introduction

This chapter is an examination of cruise tourism in Vanuatu. Findings reported are drawn from medium-term ethnographic fieldwork from 2009 to the present across the small Pacific island nation. This fieldwork is related to a larger project that examines the intersection between tourism and local-level livelihoods and the interface where traditional cultural frameworks intercede with the cash economy (Cheer, 2011, 2014).

For the people of remote islands in the Vanuatu archipelago, cruise tourism promises opportunities for economic diversification, development and closer links to the mainstream economy. Yet despite several decades of cruise ship visits, the development of long-term legacies and evidence of advances in living standards remain unconvincing. Rhetoric from policy makers and the tourism sector promotes the notion that cruise tourism is generally ‘high yield and low impact’ at ports of call in Pacific island countries (Mihajlov, 2012). However, this contradicts the general experience of negligible outcomes from cruise tourism as evidenced in Vanuatu (SBS, 2013).

Fieldwork was undertaken at a number of ports of call in Vanuatu including Mystery Island, Wala Island, Pentecost and Espiritu Santo. Despite the prominence of cruise tourism at these sites, advancements in health, education and housing have been subdued. This raises questions concerning what the proceeds of cruise tourism have been dedicated towards and exactly who has benefited (Aaron and Aaron, 2011). Additionally, this chapter raises the question of corporate social responsibility of cruise tourism operators, especially given that transparency of their activities is extremely limited and the veracity of what is known about their broader impacts is difficult to substantiate given the paucity of independent external assessments (de Grosbois, 2015).

In encouraging cruise tourism to the small island ports of call in the region, the sector has come to acknowledge that developing positive financial and non-financial local-level outcomes is integral to their operations (CAU, 2011, 2015). The longest standing and most prominent provider of cruise tourists to Vanuatu is Carnival Australia (CAU) operating under the P&O brand with vessels such as the *Pacific Pearl* (see Fig. 26.1), *Pacific Jewel* and *Pacific Sun*. In conjunction with key international development partners, Australia’s Department of Foreign Affairs and Trade (DFAT) and

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Fig. 26.1. P&O *Pacific Pearl* moored off Mystery Island.

New Zealand's Ministry of Foreign Affairs and Trade (NZMFAT), CAU has launched a number of initiatives that signal its intention to enhance opportunities for islanders to participate more profitably in cruise tourism (Galloway *et al.*, 2009).

The main aim of this chapter is to explicate the extent to which assertions about yield and impact from cruise tourism is demonstrable at the uninhabited Mystery Island and its home base, Aneityum Island. Mystery Island is the archetype of small, very remote communities heavily linked to international cruise tourism. It also stands as a benchmark in the assessment of how cruise tourism might be structured to enable more fecund outcomes for remote island locations where the traditional non-monetized economy is making way for the push towards cash incomes (Cheer, 2011). A key assertion is that unless cruise tourism policy prioritizes the examination of the medium- and long-term impacts (financial and non-financial) of cruise tourism, the interests of islanders will be surpassed by the commercial priorities of dual actors; multinational cruise operators like CAU and local elites who have managed to become the key contact points.

Aneityum's interaction with cruise tourism is not a recent occurrence, with cruise ships using Mystery Island as a port of call since the 1970s. The reason for this is that Aneityum and Mystery Island are favourably located and fit conveniently into seven-night itineraries from Australia's eastern seaboard (see Fig. 26.2). In recent times, tourism has contributed to growing community angst, especially concerning inequitable distribution of tourism revenues, and the extent to which tourism has contributed to growing disharmony and cultural change within the community of the main village Anelgauhāt, and throughout the greater Aneityum Island. A culture of 'winners and losers' has developed with the overriding perception that tourism has so far privileged an elite few, and there has been little in the way of beneficial community legacies.

tourism on its stakeholders, ‘why and how do the interrelated processes of cruise lines’ pursuit of profits, passengers’ consumption of pleasure, and seafarers’ performance of work that occur in an arena said to “belong to all and to no one”?’ In extrapolating Chin’s criticism and paraphrasing the concerns of Aneityumese hosts, this chapter interrogates the nature of their exchange with international cruise tourism and pays close attention to testing the notion that cruise tourism is ‘high yield-low impact’ (Mihajlov, 2012).

The development of cruise tourism in the islands of the South Pacific is steeped in the historical reliance on inter-island and international shipping for many countries in the region (Douglas and Douglas, 2006). As Douglas and Douglas outline, the carriage of leisure tourists was incidental to the real business of cargo and freight handling between Australia and the many Pacific island countries. The proximity of countries like Fiji was the catalyst that saw P&O’s most renowned ship in the region the *MV Oriana* become a household name. Originating largely in Australia’s eastern seaboard ports, the *Oriana* would visit Suva, Noumea and Port Vila. All of these ports were within the ‘established cruise circle’ that enabled the construction of profitable and convenient cruising itineraries.

While there is increasing global criticism levelled towards the cruise industry and the conduct of cruise operators, this has not impacted its continuing growth (Pinnock, 2014). In particular the operating practices of cruise companies are criticized for the way they obfuscate reliable assessment of their environmental impacts (Dehoorne *et al.*, 2014; Friends of the Earth, 2014). Furthermore, the sector purports to practise good corporate social responsibility while flying flags of convenience to avoid tax obligations and employing crew from developing countries at significantly reduced pay rates (Chin, 2008; Becker, 2015). Much of the condemnation centres on the questionable overall impact the sector has on port of call communities who on one hand are seen to gain access to important revenues, but on the other lose vital amenity and wellbeing (Lück, 2007; Brida and Zapata 2010; Diedrich, 2010; Pichler, 2012; Del Chiappa and Abbate, 2013). In particular, the economic impact of cruise tourism in island contexts is questioned given the structural deficiencies that prevent port of call communities from competing with onboard mechanisms to capture passenger spending and directing these revenues to allied firms.

The controversies over the cruise sector’s deficiencies are magnified in small island developing contexts given the greater reliance on tourism because of significantly less diversified economies (Pratt and Blake, 2009). Whether cruise tourism optimizes the participation of port of call hosts above its own rent-seeking is debated and very often criticized because of the focus on containing passenger expenditure on board (Weaver, 2005a; Hritz and Cecil, 2008). Moreover, the issues of yield and impact are paramount in the discourse that advocates for the cruise industry to adopt more socially responsible practices and if not destinations should question the viability of being increasingly cruise tourism focused (Weaver, 2005b; Seidl *et al.*, 2007; Chin, 2008).

Research Approach

Participant- and action-oriented fieldwork was utilized with data collection focused on the community at Anelgauhat Village, Aneityum. Three periods of fieldwork occurred from 2011 to 2013. In-depth semi-structured interviews were deployed and with

the exception of key informants, participants were located via snowball and convenience sampling. This was necessary depending on the participant's ability to converse in Bislama (the local Creole), English or French. Participant observation and random conversations with villagers were conducted and were suited to the relaxed and informal nature of islander–visitor encounters. On most occasions when individual or household interviews were conducted, this was done outside the home in a generally informal manner in keeping with the setting. A conversational rather than an inquisitorial style was adopted. Manual notes were taken during and after the interview with no electronic recordings undertaken.

Key questions were based around the extent to which islanders were earning cash incomes and whether they considered that their livelihoods and wellbeing had improved over the past decade (in both financial and non-financial terms). Participants were asked to comment on the impacts that cruise tourism has had on the sociocultural context, especially around issues of community cohesion. Some of the questions posed during interviews included:

1. Do you earn cash income from cruise tourism and if so, can you estimate what your weekly income is?
2. To what extent has the entire community benefited as a result of cruise tourism?
3. What has been the impact of cruise tourism on community harmony?

Two symposia related to the larger tourism research project were held in 2010 and 2012 in Port Vila (Vanuatu Tourism Island Nius (VTIN), 2012). This was conducted in conjunction with key tourism stakeholders including the Vanuatu Department of Tourism (VDOT), CAU and members of the Vanuatu Tour Operators Association (VTOA) and the Vanuatu Hotels and Resorts Association (VHRA). The aim was to debate and examine the role of tourism in the Vanuatu economy. At the two symposia, the issue of cruise tourism was prominent in discussions. Lastly, a quantitative survey and in-depth interviews with a random sample of cruise tourists to Mystery Island was conducted in 2010 and 2011 with the assistance of CAU and the Mystery Island Tourism Association (MSTA). The main objective of this survey was to understand spending patterns and attitudes towards Mystery Island as a destination.

Country Context

Vanuatu is an archipelago comprising around 82 islands in a north to south formation (see [Fig. 26.2](#)). The country is located in Melanesia and its people, the ni-Vanuatu, share cultural and linguistic traits with other Melanesian countries. Vanuatu's main island Efate lies in the central SHEFA province and is where its main international airport, Bauerfield International Airport, is located. Port Vila, the country's capital is located in a north-easterly direction from the Australian seaboard and around 1900 km from Brisbane. Flying time from Brisbane to Port Vila is 2.5 h, making it attractive for Australian tourists and retirees enticed by relatively cheap coastal real estate and the country's offshore tax haven operations. Vanuatu's close proximity to eastern Australia also predisposes it to cruise tourism making many of its small islands model ports of call, ideally suited to 7-day cruise itineraries (see [Fig. 26.2](#)).

Like most small-island developing states (SIDS) Vanuatu is constrained with a narrow economic base and a small and widely dispersed population (Cox *et al.*, 2007).

Vanuatu's live population at the time of writing was 278,511 (VNSO, 2015). During the colonial era Vanuatu's economy was dominated by the harvest of sandalwood and the commercialization of coconut plantations for copra (Crocombe, 2001). In the immediate period after independence, the country's key terms of trade was underpinned by copra and fisheries. Today, foreign aid buttresses much of the economy especially infrastructure development and the business of national government. Recent growth in services, especially tourism and related real estate development, as well as offshore tax haven (OTH) activities dominate much of its economic output. However, recent impetus to curtail international money laundering and illegal financial transactions linked to OTH activities has constrained the expansion of this sector, meaning tourism now accounts for around 60% of GDP (WTTC, 2014; Cheer, 2015).

Aneityum

Mystery Island is located around 1 km from the southern coast of Aneityum Island (also known as Anejoṃ or Anatom) (Fig. 26.3). Mystery Island was a marketing tag coined by the tourism industry given the island's remoteness and classic deserted island character. The island is uninhabited and local folklore reinforces its mystical links to ancestral spirits. Mystery Island is also referred to as Inyeug in the local *Intas Uja* language of Aneityum, roughly equidistant between Vanuatu's capital Port Vila and neighbouring French protectorate, New Caledonia in a south-westerly direction.

Aneityum has three main settlements, the largest is Anelgauhat at the southern end of the island (see Fig. 26.4) and across the bay from Mystery Island (see Fig. 26.2).

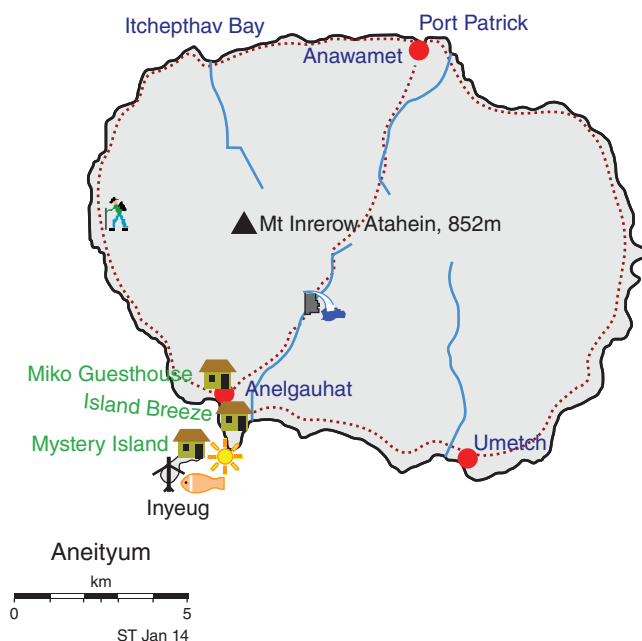


Fig. 26.3. Aneityum and Mystery Island. (From: <http://www.positiveearth.org/bungalows/tafea/aneityum.htm>)



Fig. 26.4. Anelgauhat Village from Mystery Island.

To the south-east is the small community at Umej (or Umetch), while the third settlement is to the north at Port Patrick, the site of a significant sandalwood industry that declined in the late 1800s and early 1900s.

Aneityum is serviced by two weekly commercial flights from Tanna on Tuesdays and Saturdays, and access to the island is worsened by the frequent cancellation of flights. This is coupled with expensive domestic airfares, on average around 20,000–25,000 Vatu (equivalent to US\$218–272) return from Port Vila. The enduring difficulties of access inhibits trade opportunities for agricultural and fisheries produce with neighbouring islands and Port Vila, and discourages short-stay tourism to the island. According to the *2009 Vanuatu Population and Housing Census* (VNSO, 2009), the population of Aneityum was 821 (420 males, 401 females) in 1999 (Table 26.1). By 2009 this had grown by around 11.2% to 925 (481 males, 434 females). Of all of the islands in the archipelago, Aneityum is an exception in that it has been one of the only islands to have had a recent occurrence of malaria (Kaneko *et al.*, 2000).

Tourism in Vanuatu

During the mid-2000s, tourism flourished to unprecedented levels (Cheer, 2011). This was largely due to the prolonged political tensions in the region's tourist hotspot, Fiji. Vanuatu became a natural substitute destination for Australian and New Zealand holiday makers, given it holds many of the same attributes. This era coincided with the arrival of low-cost airline Pacific Blue, a subsidiary of Virgin Australia. At the end of 2013, the tourism sector's direct contribution to the Vanuatu economy was 15,793.9 million Vatu (AU\$189 million) or 23% of total GDP, while the total contribution from

Table 26.1. Population growth on Aneityum 1999–2009. (From: VNSO, 2009.)

Year	Male	Female	Total
1999	420	401	821
2009	481	434	925
Population growth 1999–2009 (%)	12.68	7.60	11.24

Table 26.2. International tourist arrivals to Vanuatu 2010–2014. (From: VNSO, 2014.)

Year	Air arrivals	Cruise arrivals
2010	97,180	140,468
2011	93,960	154,938
2012	108,161	213,243
2013	110,109	247,296
2014	108,656	220,205
Total	518,066	976,150

tourism amounted to 44,204.8 million Vatu (AU\$530 million) or 64.8% of GDP (WTTC, 2014). This signals a large and very much disproportionate reliance on tourism that has created extreme vulnerabilities and raised calls for the country to diversify its economy (Cheer, 2015).

During 2010 to 2014, international tourist arrivals increased by approximately 10%, peaking at 110,109 international visitors in 2013 (Table 26.2). This was an increase from 97,180 in 2010, while cruise tourist arrivals increased by over 50% from 140,468 in 2010 to 220,205 by the end of 2014 (Table 26.2). International visitation to Vanuatu is dominated by arrivals from Australia making up 59% of arrivals during the period 2010–2014, while New Zealand and New Caledonia make up 13% and 12%, respectively. Cruise tourism presently accounts for more than double the number of fly-in tourists to the country. Australia is the key source market for cruise tourism, making up 93% of all passengers with over 80% in age groups older than 35 years old (South Pacific Tourism Organization (SPTO), 2014). In addition (SPTO, 2014):

- One-third of all passengers took a shore excursion when visiting Vanuatu;
- Average spend per passenger was 10,739 Vatu (approximately AU\$130);
- Average spend in the capital Port Vila was 13,624 Vatu (approximately AU\$160) and Mystery Island 2023 Vatu (approximately AU\$24); and
- Over half of all passengers reported a positive intention to return to Vanuatu for a land-based holiday.

In a recent assessment of the economic impact of cruise tourism to Vanuatu by a joint cruise industry and government task force (DFAT *et al.*, 2014), it was found that:

- The accrued expenditure in Vanuatu from cruises was AU\$34.6 million in 2013 equivalent to approximately 10% of Vanuatu's exports. Of this, private businesses received 90% of all expenditure;
- There was an additional indirect stimulus of AU\$18.6 million in second round spending;

- Each cruise ship brought an average of AU\$260,000 in expenditure to Vanuatu with each passenger spending AU\$125;
- Additional economic benefits estimated at AU\$30 million over 10 years; and
- The capital Port Vila receives 85% of all passenger expenditure.

Findings: Cruise Tourism at Mystery Island

Mystery Island has seen considerable growth in visitation from 23 calls in 2009 to over 75 in 2014 (Table 26.3). Despite the massive leap in visitation, open expressions of disharmony and annoyance in Aneityum's small community had become increasingly evident. Much angst is centred on the way proceeds from cruise tourism are subject to the monopolistic behaviour of an exclusive syndicate of islanders. Despite disparities in the way benefits from cruise tourism are shared, there exists a pervasive view that cruise tourism is '*isi mani*' (easy money) as compared to traditional, subsistence agricultural endeavours. Consequently, the business of cruise tourism is awkwardly juxtaposed beside the relaxed and traditionally communal nature of island life. Mystery Island is ringed by Intao Reef, which protects it from the buffeting effect of high seas and the associated swell and wave activity generated by the south-easterly trade winds. Where weather conditions are favourable, cruise ships are moored several kilometres offshore. Ships arrive at dawn and depart for the next port of call at dusk. Whether tourists disembark and spend some or all of the day on Mystery Island enjoying its amenity, or remain on the ship is their choice (see Fig. 26.4). Tenders transport disembarking passengers from the ship to Mystery Island beginning at 8:30am, and up until the ship departs at 5:00pm.

A small cohort of villagers at Anelgauhat are involved as service providers on 'cruise ship days' selling produce and souvenirs at the Mystery Island Market Place or operating one of the many tour services (see Figs 26.5 and 26.6). Ships that call at Mystery Island tend to have capacity for between 1500 and 1800 passengers. Passengers

Table 26.3. International cruise ship visits to Mystery Island, 2004 to 2013.

Year	Cruise ship visits to Mystery Island
2004	24
2005	34
2006	37
2007	29
2008	25
2009	23
2010	28
2011	56
2012	54
2013	68
2014	75 ^a

^aEstimate.



Fig. 26.5. Mystery Island Market Place.



Fig. 26.6. Cruise tourists at Mystery Island.

disembarking at Mystery Island are warned onboard because of the risks associated with purchasing local tours that is linked to generally deficient insurance provisions. Also, the sale of locally handcrafted souvenirs is hampered by quarantine restrictions in Australia that prevent importation. And the lack of locally made goods means that the same imported products tend to be sold at other ports of call.

Two decades ago, the arrival of cruise ships was a fortnightly occurrence. Today it has become a weekly occurrence. While cruise tourism has increased cash incomes dramatically for some, the majority remain at the periphery of this enterprise. Despite historically large inflows of Australian and New Zealand dollars, there is vehement protest against the inequity and transformational change that cruise tourism has made to attitudes, traditionalism and community cohesion. Critics point to tensions between the 'haves' and the 'have-nots' and decry this as the decline of traditionalism and respect for the 'old ways' that were markedly better.

The actions of the tourism industry, administrators and policy makers will be critical to resolving community pressures and conflict in the long run. Douglas and Douglas (2004) predicted that islander communities will become increasingly reliant on cash income, while Macpherson (2008) cautioned that environmental and societal costs ought to be given equal emphasis. Such calls to reframe cruise tourism in small island settings are emblematic of the Aneityum case. Although yield is potentially high in relative terms, wider development impact and 'economic trickle down' has been negligible. By Vanuatu standards, the community of Anelghauhat is 'cash rich'. Although prosperous financially, the community has developed a reliance on the purchase of imported food (rice, canned fish and meat) and the extent of subsisting has diminished progressively.

Discussion and Conclusion

That cruise tourism is high yield and low impact is difficult to ascertain given that transparency and access to cruise tourist expenditure information is limited because of the sector's renowned reluctance to make such data available (Font *et al.*, 2016). This is exacerbated by the unwillingness to allow onboard passenger research in the effort to maintain commercial interests. Such sentiments are central to the most vehement of critics (Chin, 2008; SBS, 2013; Becker, 2015). This is also corroborated by activists Friends of the Earth (2014) who claim that 'At sea, what you flush down the toilet can actually be dumped untreated into the ocean to contaminate fish and other marine life, so long as the ship is at least three nautical miles from shore'. Moreover, Weeden's (2015) critique that the cruise sector's efforts to cultivate a perception of corporate social responsibility is really an effort to 'confer social legitimacy' to fend off persistent criticisms levelled against it accords with the situation in Vanuatu.

A tripartite attempt led by CAU, The World Bank and Australia's aid agency to assess the economic impact of cruise tourism to Vanuatu unsurprisingly trumpets that 'on average, one cruise ship voyage brings in AU\$260,000 and one ship passenger brings AU\$125 to the economy in indirect expenditure' (DFAT *et al.*, 2014, p. 6). That this undertaking lacks independent scrutiny makes the veracity of such claims open to debate. More importantly, the emphasis on broad macro expenditure data fails to equivocate the extent to which this trickles down to the grassroots. In other words, to what extent has cruise tourism made long-term legacy gains in port of call communities? Fieldwork observations on Aneityum and elsewhere in Vanuatu demonstrate that few long-term legacies from cruise tourism are evident. This reinforces the need for independent, objective research that can overcome accusations of bias, exaggeration and obfuscation. The argument of Stewart *et al.* (2015, p. 22) that

‘the importance of understanding the localized effects of change occurring within communities and reinforce that understanding of local perspectives on change is best achieved through engaging residents directly’ is ignored in this case.

Accusations about the lack of transparency in the scrutiny of cruise tourism are consistent with the criticisms of tourism generally, especially where reliable and longitudinal data are non-existent. In the Vanuatu case, data concerning both international arrivals and international tourist expenditure are collected through the use of departure cards. While this is stringently applied in Port Vila, this is less so at outer island ports of call. Despite the inconsistency of such data, they are used by policy makers and the cruise sector to promote the case for increased development sector funding for the establishment of infrastructure including wharves, jetties and tourist amenities. This raises the question as to why development aid is spent on promoting the interests of private sector cruise operators. Critics consider this to be ‘boomerang aid’; that is, development aid that is spent on bolstering the operations of foreign multinationals and expatriate business under the guise of the ‘aid for trade’ agenda.

Further analysis of cruise tourism in Vanuatu has been generated by the SPTO (2014), whose research is sketchy and self-serving given that there is little transparency in how the data are collected and the methodologies used. Moreover, broad macro-economic measures don’t necessarily speak of the micro-level impacts as well as the non-financial impacts of cruise tourism. This context plays nicely into the ‘boosterist’ mentality that sees arrivals and expenditures as the Holy Grail. It also ignores the caution of van Beukering *et al.* (2015, p. 85) who advocate that ‘a precautionary approach to promoting further expansion of cruise tourism, and the use of a tangible environmental value in decision-making analyses are recommended’.

The opportunity to develop Mystery Island as a prototype for best practice cruise tourism development in the region is pressing. Tourism is the centrepiece of the micro-economy and will likely remain so. However, limiting the dependency on tourism is seen as a desirable aim over the long term. This includes the development of fisheries and agriculture potential via a multi-nodal approach to link in outlier communities. This requires the intervention of government, institution and the private sector to join with port of call hosts to establish planning and development initiatives that optimize wider grassroots participation. The community on Aneityum Island is pushing for CAU to be more active in assisting community development and the construction of a revised financial model where landing fees are directed to a community-endorsed cooperative. The broader call is for a greater percentage of tourism revenues to be directed to projects focused on health and education and this can only be achieved if a genuine multi-stakeholder approach is taken that puts meaningful local participation at the centre. Building legacies from cruise tourism requires a community vision that directs tourism revenues towards investing on community-wide inheritances.

The impasse over ownership rights to conduct tourism at Mystery Island must be resolved. This is a barrier to greater community cohesion and transparency. The development of an Aneityum Island tourism development plan is considered critical to developing other types of tourism including yacht tourism, fishing tours, ecotourism, cultural and village tours. This should be integrated into a broader integrated community development plan with closer cooperation and communication between CAU and

the broader community on Aneityum. The three key areas critical in the development of an integrated community development plan include the following.

1. Identify and implement strategies that facilitate the investment of tourism revenues into community projects. This may include assisting micro-enterprise development, especially in fisheries and agriculture. Investments in improving education and health services on the island should also be a key aim.
2. Enhance the capacity for greater participation in tourism and the broader local economy by the outlying communities of Omej and Port Patrick. This may include the development of broader tourism offering to expand overnight visitation to Aneityum.
3. Mechanisms to mitigate the negative social and cultural impacts of tourism must be integrated into this plan. This may include directing revenues to cultural maintenance programmes within the community in conjunction with education and health stakeholders. While tourism has brought increased prosperity, it has also led to declining health in islanders, with diabetes on the rise.

CAU should reassess its community engagement strategy and develop a prototype for community engagement strategies at all of its ports of call in the region. The opportunity to position Aneityum and Mystery Island as a model for tourism-driven community development is compelling given that cruise tourism in the South Pacific region is forecast to experience rapid growth over the next decade. The assertion that cruise tourism is ‘high yield-low impact’ cannot be upheld because much of the data that have been used to analyse cruise tourism revenues are based on analysis that has not been independently verifiable (SPTO, 2014; DFAT *et al.*, 2014). Little attempt has been made to conduct longitudinal research on the impact of cruise tourism expenditures and the sociocultural imposts that are incurred:

We have ships coming here since throughout the 1980s, 1990s and now in the 2000s. Yet our housing, services and community facilities have not improved at all. In fact, I believe our community has become much weaker because of tourism. Now, it is every man for himself. Many of our people no longer work in the gardens growing traditional *kaikai* (food) and rely on buying rice and tinned fish from the store in the village. Mystery Island belongs to all of us, but only a few are benefitting. This is not how our *kastom* (custom) should be! (R32)

The clearest indictment on the legacies of cruise tourism is the poor state of primary education and healthcare facilities. This remains rudimentary at best with schools and health services reliant on external intervention from aid donors and volunteer organizations, while the use of diesel generators is the most common means of energy provision with little attention given to investing tourism revenues in renewable energy. There must be a better way to run tourism that is fair for all. Right now, only a small number of people are getting very rich, while most of us have nothing. Our schools and health dispensary rely on donations and aid assistance while the money from tourism is being used to build houses in Port Vila. That is a shame. (R22)

The cruise industry has made recent overtures to promote its commitment to sustainable cruise tourism development, demonstrating a renewed focus to ensuring more meaningful community participation (CAU, 2015). In theory, this bodes well for islanders in remote locations like Aneityum. However, providing answers to the question as to how cruise revenues are deployed for optimum community benefit remains elusive and the failure to link cruise tourism to beneficial long-term community legacies is stark. Quasi attempts by the cruise sector and development aid donors to enact

corporate social responsibility initiatives hold little credibility and are really an attempt at quelling community concerns in the short term, and retaining privileged access to ports of call in the medium to long term.

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Note

On Friday 13 March 2015, Vanuatu's lop-sided reliance on tourism has been exposed following a cyclone of unprecedented proportions (Cheer, 2015). Cyclone Pam has had an enormous impact on the country's tourism industry shutting down hotels and destroying critical infrastructure resulting in large-scale cancellations of holidays. While the loss of life was minimal, the destruction of critical subsistence agriculture capacity and water supplies has had a lingering impact.

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Cruise Tourists on the Mainland. Itineraries and Interactions

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Introduction

Even though cruise tourism is a small part of the global tourism industry, it has been increasing more and more all over the world in the past 15 years. In the decade from 2000 to 2010 the number of passengers almost doubled. According to the European Cruise Council, in 2010 alone, nearly 19 million people in the world took a cruise, compared to 2000 when this number was nearly 9.7 million (ECC, 2011). This is an increase of over 9 million people. This trend appears to be confirmed in more recent years: between 2007 and 2013 the total number of passengers increased from approximately 15.8 million to over 21.3 million, with a forecast of 21.7 million in 2014 (actually, in 2014 the total number of passengers surpassed 22 million people) (ECC 2013; CLIA 2014a, b, 2015a).

By considering the data relating to the number of passengers involved, we can really begin to realize the importance of cruise tourism. From an anthropological perspective, there are several reasons why cruise tourism should be studied¹: it determines (and, in turn, is determined by) lively cultural dynamics; it gives rise to particular forms of symbolic production (and re-production); it makes complex connections and interrelations; it redefines fundamental categories such as 'space' and 'time'. Taking an anthropological approach to cruise tourism helps us to study these aspects.

Cruise tourism is connected to hosting harbours and communities and to their social, economic and cultural dimensions. After docking, tourists can generally explore the mainland in different ways but they are more inclined to do it above all according to two modalities: through guided tours or through self-organized tours. This study focuses on the second possibility. Routes of passengers-tourists on the mainland are the result of a complex system of representations producing destination image(s) by way of suggestions by travel agencies, advice from cruise companies, guides, relatives and friends as well as word of mouth and independently sourced information. In other words, choices of tourists ashore are related to both cultural patterns and systems of interaction.

Actually, a cruise vacation is composed of two complementary experiences: off-shore (onboard the ship) and ashore (in the scheduled port stops). As already mentioned, during stops passengers can visit the destination as they please. They are free to decide whether to wander freely around or to buy an organized tour. Generally, cruise companies sell specific tours onboard and passengers can purchase them before

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arriving in a scheduled port. However, many tours are also available in advance, when future passengers book a cruise. Depending on the passengers' choices, the experience concerning the destination can be different. For instance, a guide accompanies passengers taking part in a tour; they use reserved buses or vehicles and their time is more rationally organized. Alternatively, passengers visiting a destination on their own decide freely what means of transport to use, how much time to spend at monuments and so on. One would assume that, in the first case, contact between passengers and the destination would be more mediated, while in the second case it would be more direct; however, there are some elements that work as cultural intermediations in both cases.

This study is based on fieldwork conducted using participant observation – including both direct observation of/participation in the activities of informers by the researcher, several interviews, and the analysis of pictures and various material² – accomplished aboard some cruises (in the Mediterranean Sea) and on the mainland (in some of the destinations). It takes into account the case of cruise passengers who decide to self-manage a destination visit. During fieldwork, I could study some particular forms of interaction taking place on two different levels: the forms of interaction established between passengers and destinations – focusing particularly on Palermo, Italy – and the system of interactions realized between passengers themselves during their visits.

A Cruise Ship's Symbolic Universe: Logbooks and Maps

In order to understand interactions, it is also important to consider the symbolic universe that cruise tourism produces and reproduces. On one hand, it contributes to orienting the process of decision making achieved by passengers and their possibilities of interaction. On the other hand, experiences and actions of cruise passengers on the mainland become a complex narrative that they share, thus influencing cruise experiences of other passengers and their choices. The destination community is also involved in this process and contributes, even unintentionally, to produce and reproduce an image of itself.

Before docking, passengers are somewhat familiar with the destination. This knowledge is based on a set of narratives concerning the destination. In his short essay, dedicated to the *Blue Guide*, Barthes provocatively noticed that a guide can become an 'agent of blindness' (Barthes, 1991, p. 76). Independently from the concrete form taken (persons, printed books or even websites), then, tourist guides are cultural mediators in a strict anthropological sense. Moreover, printed tourist guides imply a form of translation (Montes, 2007)³ that, in Jakobson's terms, could be defined as 'intersemiotic' or 'interlingual' (Jakobson, 1987): printed tourist guides can translate elements from one culture to another using both verbal and non-verbal options. It is a translation based on features selected as relevant and it does not imply a greater emphasis either on the production level or on the reception level (Jakobson, 1960). Guide texts and other informative texts can play an important role in the tourists' choices that becomes evident in the case when the passengers visit the mainland. Actually, on a cruise (and before) passengers have some 'images' of a destination received through texts, pictures and told stories. In turn, once back home, former passengers reproduce their own images of the destination that can be a mix of new and previous elements



Fig. 27.1. Sunset onboard: the ship is also a point of observation.

they have known and experienced.⁴ The images of a destination are the result of a complex dynamic involving various ‘tourist gazes’ (Fig. 27.1). To quote Urry, ‘Gazing at particular sights is conditioned by personal experiences and memories and framed by rules and styles, as well as by circulating images and texts of this and other places’ (Urry and Larsen, 2011, p. 2).⁵

It is interesting, then, to consider two types of ‘text’: information material distributed onboard by cruise companies and topographic maps distributed ashore by third parties who operate at the arrival destination (local government, stores, tourist services and so on). Both texts are able to give an orientation to passengers both onboard and at the destination, whether in the physical or symbolic sense. We can speak of two forms of ‘guides’ since they provide a specific ‘reading’ of a place and contribute to determine the itineraries to be chosen. Moreover, they also create specific narratives of cruise passengers’ experience. In order to understand better how the system of interactions between landed passengers and destination-local community works it is also useful to consider these guides and the modalities according to which the passengers use them.

Actually, on a cruise, passengers are informed of their travel in progress in many possible ways (newspapers, logbooks, pictures, public announcements, shows). One of these ways is provided by texts onboard. In fact, during cruises, some companies distribute every day small newspapers with a few pages, both in the passengers’ cabins and in the lobby of the ship. Aside from a section dedicated to news from the international press, these kinds of ‘logbooks’ contain descriptive texts about essential elements such as navigation, weather conditions, arrival destinations and details about onboard activities. This material, available for cruise passengers, allows them ‘to read’ it as a punctual tale of stops during travel. In this way, passengers can reconstruct *a posteriori* their experience and ‘logbooks’ become real and true travel diaries.

Indeed, from an anthropological perspective these newspapers/logbooks have at least three functions: (i) symbolic; (ii) semiotic; and (iii) synthesis of a ritual. They have a symbolic function because – distributed by the company (represented by captain, officers, crew maritime and cruise staff) – they assure passengers, they cushion their

impact with destinations and make the travel experience (more generally the experience with Otherness) as comfortable as possible. Actually, one of cruise tourism's core ideas is that passengers must be 'pampered': they do not have to worry about the 'ordinary problems' of daily life. On vacation, the cruise organization provides for their needs, so once ashore passengers can also consider trustworthy the destination 'offered' by the company.⁶ Newspapers/logbooks also have a semiotic function: they translate reality through certain cultural options. Indeed, they select pertinent elements to build a specific image identity useful to make the destinations more accessible for tourists. Finally, as third point, the newspapers synthesize a ritual, being the descent on mainland – a temporary landing at a (still) unknown destination. The descent on the mainland is organized through a sequence that becomes more familiar over time for passengers thanks to accurate instructions and previous experiences. Using Turner's terms (Turner, 1991), cruise passengers, conceived altogether as a *communitas*,⁷ rely on 'ritual' and on 'reiterated' organization to live their experience of Otherness: that is, after the condition of *limen* (being in a ship between two destinations and far away from mainland), they can become aggregated, even if temporarily, to a place-community. Newspapers/logbooks convey a tourist knowledge that companies provide to their passengers because they chose to go on a cruise. Moreover, the function of mediation of this material providing information could be confirmed considering the modalities of its distribution. Every day the crew leaves the material in a private place (i.e. the cabin) and, more precisely, on beds or on bedroom desks. Symbolically, the most intimate and safest passengers' places onboard have to be taken into account: in this way what lies beyond the ship is less far, is less foreign. Indeed, the familiarity with intimate objects, in a private space can nuance the boundary between a known 'inside' and an unknown 'outside'.

The cruise ship stops at a port according to strictly scheduled times. The duration of the docking is thought to give the ship enough time to be restocked and to let tourists visit destinations. The duration of the stop can be different but, generally, in the Mediterranean Sea it ranges between 9 and 12 h, even though the available 'free' time to visit a destination is much less: on average 4–5 h (in some cases, when the ship stops for 15 h, cruise passengers even have 9 'free' h for their visit). During the cruise, through official communications, companies often state that the ship cannot wait for late passengers. In reality, should this happen, specialized crewmembers try to contact customers who have not yet returned in order to provide assistance. During the time the cruise ship is at the port, passengers can go ashore or stay onboard. Those who go ashore for some hours without buying any excursion (or a guided tour) have to foresee a personal itinerary, which can be oriented by several elements.

On the Mainland: Two Ethnographic Cases

The fieldwork experience, realized through participant observation,⁸ made it possible to take into account some forms of interaction that can be divided into 'internal' – between groups of cruise tourists – and 'external' – between groups and destination. The comparison made between two ethnographic cases registered in Palermo,⁹ Italy, is of particular interest to understand some dynamics taking place through interactions. In both case studies, cruise passengers formed small groups of people who decided to visit Palermo city centre. The two groups of informers did their cruises in

the same period (only a few weeks apart) using two different cruise ship companies. Moreover, they were different in terms of age, nationality and aggregation modes. The first group, which will here be named 'G1', was formed of eight Italian passengers of the same age: the group was the result of a smaller group of people (relatives and friends) who were from the same town and other new friends (all singles except for a couple) who met onboard during the cruise. The second group, here named 'G2', was formed of eight passengers of different nationality (mostly North Americans from Canada). Its members were a family with children and two other couples: all of them were already friends before the cruise.

For both groups Palermo was not the first destination: their previous cruises included other stops in other Mediterranean ports, so they already had the experience of docking time. In the Sicilian city both cruise ship companies utilized by informers organized the stop allowing their passengers 4–5 h to visit the destination. Actually, in previous destinations, both groups had the opportunity to try different modes of transport to move around. In particular, members of G1 often chose to move using uncovered tourist buses¹⁰ when available, mostly in the foreign (not Italian) destinations. In many interviews, passengers of G1 who used buses affirmed: 'they are a good way to visit quickly a destination'. In general, members of the two groups did not show an inclination for guided tours once landed, although three couples (one of G1 and two of G2) preferred to visit some destinations (Barcelona and Malta) taking part in organized trips. Therefore, the majority of them did not buy excursions onboard or before the cruise. In particular, G1 moved following an itinerary based on a rough idea – the group discussed possible destinations the day before arriving in Palermo – but, above all, on the basis of momentary choices (Fig. 27.2).



Fig. 27.2. Cruise ships in the port of Palermo, Italy.

Once they landed, the first moments on the mainland for both groups were similar. In the port area, cruise tourists first met some local guides or taxi drivers who offered them short city tours (Fig. 27.3).¹¹ Then, both groups met coachmen of vintage horse-driven carriages who, in the days foreseen for cruise arrivals, wait in the port area and in the main boulevard that leads to the port,¹² offering tourists short tours of the old city centre (Fig. 27.4). The coachmen's offer triggered a brief discussion among the members of G1 on whether to take a carriage ride. The price offered seemed too expensive to the majority of the members and, in the end, led them to refuse the offer and to continue the visit, also motivated by the fact that a member of the group had already been to Palermo. He suggested to the others, given the limited time available, to concentrate their attention on some monuments.

In addition to the logbooks distributed onboard, other elements contribute to build knowledge: a reading of the destination – maps are a first example.¹³ These are freely distributed by private operators on landing. In Palermo, both groups received a couple of these maps outside the area of the port, before starting their walk into town. On the front side, a map with an overview of the downtown area where some monuments are clearly indicated is shown; on the back, some private and public services of interest for tourists as well as some stores and their location are advertised.

Actually, modalities through which groups of informers organized their visit ashore – also using their maps – can be useful to better understand interactions. G1 briefly debated about possible destinations to visit and followed an improvised route with the sole general idea being to reach the 'Massimo' Theatre and the Cathedral¹⁴ (that is a total route of about 4–5 km) (Fig. 27.5). The group reached both destinations, spending more time (nearly an hour) visiting the church and its museum, taking several pictures and recording videos. Then, the cruise passengers came back to the



Fig. 27.3. Vintage horse-driven carriages waiting for cruisers in the area of Palermo's port (2010).



Fig. 27.4. Coachman of vintage horse-driven carriages waiting for cruisers in Via Emerico Amari, Palermo.



Fig. 27.5. The Cathedral of Palermo, Italy.

port along the same route, pausing in a café (an hour) in piazza Verdi, close to the Theatre. Once back onboard, all members of G1 decided to eat together in one of the ship's restaurants. From a symbolic point of view, the most significant moments in Palermo for G1 were: (i) the visit to the Cathedral, point of arrival for the exploration

of the city; and (ii) the pause at the café, where tourists dedicated time to debating their experience in the Sicilian city. The visit to the Cathedral is a kind of climax: the group unanimously decided to reach the church, ascribing a high cultural and experiential value to it. The reasons which led G1 on this route could be explained considering a combination of factors: (i) a member of the group previously had been to Palermo and, although he did not remember the city well, he assured the rest that the Cathedral was well worth a visit; (ii) another member had been to the city, although he had never visited the Cathedral before, he had heard wonders about the church; (iii) the other members, consulting the map, considered the church not too far away, also including the time and distance to get back to the ship – they all agreed in considering the Cathedral as the furthest destination to visit in Palermo before leaving.

The behaviour of G2, once landed, is based on a different modality of interactions – and the use of the map. This group arrived in Palermo with an ‘action programme’, which included a visit to the Cathedral, a lunch based on typical Sicilian street food and a number of hours to go shopping in the centre, especially in via Roma.¹⁵ This group had also received a map a few moments after disembarking, and used it to get an orientation. However, its modalities of interaction with the destination were different from G1. For the members of the second group, the map was not enough: they directly queried some local passers-by by asking them for information about the route. In particular, G2 asked for suggestions about the time they had to reach destinations and to get back on to the ship. The group covered more or less the same route as G1 (also in this case a total distance of about 4–5 km) but with some differences.

The main destinations were the following ones: the ‘Politeama’ Theatre (piazza Castelnuovo), the ‘Massimo’ Theatre (with a visit inside), the Cathedral and its museum. In this case as well, the church was the furthest place reached by the group. G2 spent over an hour visiting the Cathedral and, near this destination, the group had a lunch based on typical Sicilian street food. Return onboard for G2 was slower than G1, not only owing to the presence of children but also because the group went across via Roma and via Emerico Amari in order to go shopping (especially for Italian products such as clothes, shoes, designer items and for food). As a consequence, the cruise passengers stopped many times in several stores before coming back to the port. This group relied on a tool for the exploration of the city, the topographic map, in a much a stricter way than G1. Moreover, the involvement of local people through the requesting of information shows that they needed a more ‘influential’ interpreter who could confirm the itinerary they decided to follow. Guides, maps and stories play an important role in determining specific ‘images’ of the destination, enabling them to create expectations, tourist action programmes and even concrete itineraries. Of course, this process has also an opposite movement: experiences of tourists and their stories contribute to create a collective imagination that affects the marketing (especially advertising),¹⁶ the guides and even tourist maps. A part of this complex process is evident and also implied in the ethnographic cases so far presented here.

Both groups of tourists chose to visit the Cathedral and its museum as the furthest destination.¹⁷ The fact that ‘logbooks’ and maps assigned value to the historical, artistic and cultural heritage of the city was a weighty factor in influencing their decision to visit Palermo. But the principle that an itinerary is also conceived by sharing information and stories should not be overlooked: once on the mainland, the destinations to visit can be decided according to previous travel experiences and even contingent

events. In the reported cases, for instance, G1 partly decided its itinerary offhand by sharing previously acquired knowledge of the destination (in particular, due to previous experience of some of the members) and G2 by using its map and requesting some more information from local people during the itinerary.

Experience sharing between cruise passengers both onboard and ashore was a key factor. This was revealed during fieldwork, and also in interviews with former passengers. During the pause at the café in front of Massimo Theatre, tourists of G1 debated for nearly 20 mins about their excursion to Palermo and their overall experience on the cruise as well. The socialization of a shared knowledge took place in moments of 'meta-reflection' during which all cruise passengers of the group were spontaneously involved. Cruisers of G2, conversely, very rarely spared time to discuss their experience.

In general, the management of the available time on the mainland in Palermo by the two groups showed different internal interactions and even different programmes of action. The cruisers of G2 had known each other for a long time before the cruise and they probably did not feel the need to dedicate much time to socialization, hence allocating more time to shopping than G1. Actually, the latter dedicated to shopping only a small part of its time on mainland, preferring to assign more time to socialization. G1 (mostly formed by people who had met onboard) was much keener on exploring the destination, more inclined to socialization and mediation at the expense of a heavily programmed visit. In the case of G2 (formed by people who were already friends before the cruise) programming took place previous to landing because they were less open to random exploration (except for shopping) and to the socialization of the experience.

When cruisers are ashore, the concept of 'destination' becomes more complex and probably wider than onboard. There is a kind of hall of mirrors. Passengers who are freely visiting a destination have limited time to spend and part of their visit has to take into account the time required to get back onboard. Accordingly, the ship becomes a new 'destination' to reach. Actually, the majority of interviewed cruise passengers perceived the time available for the visit as short, regardless of whether they chose a guided visit or an auto-organized excursion.

Cruise tourism offers an opportunity to visit destinations 'anthologically': passengers are shown to know the 'structure' of this kind of tourism (even before going on the cruise), and especially during the visit ashore they often say they wished they had more available time. However, during fieldwork another modality appeared to 'interact' with destination: a modality of the opposite sign, actually based on a different conception of destination and cruise too. In a stop, at a port of call in the Mediterranean Sea, some informers remained onboard, despite the fact that all circumstances – times, modalities, physical conditions – were favourable for a visit. Here is reported a significant excerpt of an interview with an informer:

Interviewer: Have you not moored? Why did you decide to remain here onboard the ship?

Informer: I haven't... Why should I alight?

Interviewer: Well, it is an attractive destination... Perhaps you already know this city?

Informer: No, I don't know it. Yes, the city is interesting but I do not feel the need to land: here, onboard there is everything.

Interviewer: But it is not the same thing! Wouldn't you like to walk around this city, to talk with people, to visit a museum?

Informer: I can see the city from here just as well. In addition, here there is also food... I can rest and see the city from here. Truly, there is everything onboard!

From these interviews it is evident that the informer gives a purely accessory value to visiting a destination. The view of the city from the cruise ship is enough to have an idea of the destination and to experience it (Fig. 27.6). It is a mediated cognitive model that does not presuppose a direct interaction with the place: the space of the ship¹⁸ is perceived as able to meet the needs of the passengers. Actually, the cruise offer is often presented as 'all inclusive' and this can amplify the feeling of protection that the ship tends to convey. Similarly, cruise passengers who, once landed have to return onboard, seem to conceive the ship as the destination of her/his travel. Indeed, these passengers emphasize the variety and abundance of services rather than the limited quantity of space of the ship. Probably, this process also triggers a form of recognition: the informer identifies herself/himself with the idea of the passenger proposed by cruise companies; that is, the user 'pampered' on vacation.¹⁹ This dynamic could also explain the loyalty of the many cruise passengers who choose to repeat this type of tourism over time.

Conclusions

It is now useful to summarize some of the reflections so far proposed. According to the majority of the interviewed passengers during fieldwork, an important part of their vacation is represented by the exploration of destinations. As shown above, this exploration can be different, depending on the modality cruisers choose. We focused particularly on auto-organized passengers; that is, tourists who did not buy a guided tour and preferred to freely explore the mainland. The choices of passengers are influenced by several factors: their behaviour ashore is the result of a number of elements. Ethnographical cases taken into account during fieldwork in Palermo showed how a



Fig. 27.6. Reading onboard in front of Palermo, Italy.

combination of personal motivations, information, suggestions, interactions, public and private narratives influence the experience of cruise passengers ashore in peculiar ways. Indeed, 'images' (of the destination, of the cruisers), cultural models and stereotypes conveyed by tourism marketing merge with personal (and often shared) narratives of previous experiences in a complex mix. In this sense, the officially marketed proposals and individually conceived stories are mutually influential. Studying cruise tourism allows us to understand the (culturally determined) process through which symbolic production and reproduction of messages and pieces of information refer to each other.

Moreover, it emerged from the fieldwork that the dynamics of interaction internal to the groups of cruisers are key in determining choices ashore: complex dynamics of socialization among passengers operate through a 'negotiation of meanings' eventually shared (Geertz, 1973). In order to mediate between different 'official' (e.g. log-books, maps) and 'private' (e.g. previous travels, tales of former cruisers) knowledge of destinations, passengers are involved in a cultural process that produces, in turn, a new knowledge of that destination and a new competence. The results are personal itineraries and various forms of interactions with local people. Both are socialized by cruise passengers through their narratives. It should be noted that cruisers do not share their experiences only once they are back home: the sharing of their impressions, desires, expectations about destinations – and, in general, about the cruise – occurs already onboard,²⁰ also determining new 'programmes of action' for future travels (or cruises). Indeed, as underlined by Augé, when former tourists show their friends pictures and/or movies of their travel, a story accompanies the sharing of pictures and movies, giving sense to the travel²¹ (Augé, 2000). Finally, studying the behaviour of cruisers on the mainland enables us to reconstruct not only the cultural process determining cruisers' choices, but also the symbolic values underlying this process. Thus, it is possible to understand better how tourists interact with destinations. On the one hand this could be useful to cruise companies in order to design a more effective offer; on the other hand this could also be useful to territorial planning policies to project improved strategies.

Notes

¹ Sources for quantitative data concerning cruise tourism present some critical issues well highlighted by some scholars. In the past decades, the most representative data were provided by important cruise associations (especially the Cruise Lines International Association (CLIA) and the European Cruise Council (ECC)). As Dowling (2006) stated – considering the studies by Douglas and Douglas (2006) and Charlier and McCalla (2006) – in reference to the demand's dimension, 'According to the CLIA there were 13 million cruise passengers worldwide in 2004. However, these figures are not entirely accurate in that they only represent cruise passengers from their own members combined with those of the members of the European Cruise Association. These are then added to an estimate of cruisers for the rest of the world' (Dowling, 2006, p. 5). Recently, the structure of these organizations changed: ECC and other important cruise associations all over the world merged and started to operate under the CLIA name, while maintaining their own geographic designation and offices. Potentially, this might affect the availability of data.

² Participant observation is the main anthropological method of investigation, also used by other social sciences. In cultural anthropology this method is fundamental, even though it

implies epistemological (and ethical) problems. That is why it is variously defined according to different anthropological schools and approaches. Here it is not possible to take into account the historical debate, see at least Geertz, 1973; Malinowski, 1978, 1989; Clifford and Marcus, 1986; and Watson, 1999.

³ As stated by Montes, 'A translator is [...] an individual who receives and produces at the same time pieces of information. As a consequence, he does not cancel either of the message's two poles: the addresser and the receiver. He receives a foreign text and he produces another text often less foreign. He adopts a different language to adapt the expression and content of the foreign text in his own language. Then, reception and production, adoption and adaptation are closely linked in this anthropological short circuit where the "Oneself" and the "Other" recombine with each other and (re)organize themselves accordingly.' (Montes, 2007, p. 218 – author's translation).

⁴ This process is similar to the 'circle of representation' described by Jenkins in the case of backpackers in Australia (Jenkins, 2003).

⁵ On the role that images (especially photographs) play in this process of production/reproduction, Urry and Larsen write, 'While we argued that professional images are crucial in scripting the gazes and cameras of tourists and much tourism forms a hermeneutic circle, it is too simplistic to portray this as a one-way, pre-programmed flow of images from tourism and media organizations to tourists, who in turn reproduce this received imagery. Instead tourist photographs can violate existing place-myths and contribute to new ones while commercial photographs mirror photographs by tourists rather than the other way round (Garrod, 2009; Scarles, 2009; Haldrup and Larsen, 2010)' (Urry and Larsen, 2011, p. 187).

⁶ For a study dedicated to the leisure cruise service environment and its effects on cruisers' emotions, meaning-making and onboard behaviour, see Kworntnik, 2008.

⁷ Turner defined the concept of *communitas* in these terms, 'It is as though there are [...] two major "models" for human interrelatedness, juxtaposed and alternating. The first is of society as a structured, differentiated, and often-hierarchical system of politico-legal economic positions with many types of evaluation, separating men in terms of "more" or "less." The second, which emerges recognizably in the liminal period, is of society as an unstructured or rudimentarily structured and relatively undifferentiated *comitatus*, community, or even communion of equal individuals who submit together to the general authority of the ritual elders. I prefer the Latin term "*communitas*" to "*community*," to distinguish this modality of social relationship from an "area of common living" (Turner, 1991, p. 96). At first the anthropologist elaborated the idea of '*communitas*' studying traditional rituals in exotic societies, from the concept of 'liminality' developed by Van Gennep (2004). Eventually, the scholar applied this perspective to some ritual manifestations of complex societies, in particular the pilgrimage (Turner and Turner, 1978). He observed that individuals who take part in a pilgrimage seem to be a kind of *communitas*, although a pilgrimage is the result of a voluntary act, unlike the initiands to a rite in a traditional context. In the case of cruise tourism it does not appear to be possible to consider *tout court* passengers as a *communitas*, although this reading could be useful to interpret some of their dynamics. For instance, differences in status such as economic power, age and positions in relation to marital ties do not disappear during a cruise. However, in small groups of cruise passengers it is possible to observe dynamics similar to a *communitas*: in particular considering internal socialization and shared auto-representations.

⁸ See Introduction and note 1.

⁹ The Sicilian city for some cruise companies is a home port (where passengers can embark/disembark, starting or ending their cruise and where passengers already onboard can go for a visit); for others is a port of call (a port where the ship docks, allowing passengers a visit to the mainland).

¹⁰ Those buses are generally used in the major European city downtowns and they often have two levels (one of which is uncovered) or just one (even uncovered). In this way, passengers can directly see the city by themselves and take pictures.

¹¹ Many interviewed tourists said they preferred taxis as a means to quickly visit destinations (whether Italian or foreign). Indeed, for several informers taxis are the fastest and cheapest means of transport: it allows them to visit at least the symbolic places and taxi drivers propose to cruisers low-cost tours of downtown areas. Moreover, according to informers, taxis have two important advantages: freedom of movement and a guarantee they will get back onboard on time.

¹² In Palermo, via Emerico Amari is the main boulevard connecting the port with piazza Castelnovo where the historical 'Politeama' Theatre can be found, one of the major cultural destinations indicated by the guides. On the days when cruises dock, several historical carriages wait in the port area, especially in via Amari, for cruisers and other tourists and propose to them short old-fashioned tours of the historical downtown. Many interviewed cruisers and tourists thought the price of a ride (€50–80) was expensive. Currently, the carriages are forbidden to enter the port, but in the recent past (before the fieldwork) they could stay near the cruise ships.

¹³ The distribution of maps is a form of territorial tourism marketing used in many destinations.

¹⁴ The walking distance from port to the historical Theatre, in piazza Giuseppe Verdi, is approximately 1.3 km. From the Theatre to the Cathedral it is nearly 1 km.

¹⁵ In Palermo, the avenue via Roma, through the intersection with the street via Emerico Amari, connects the port to the main railway station.

¹⁶ For some studies on cruise tourism advertising (paper and audiovisual) from an anthropological, semiotic and linguistic perspective, concerning the modalities and implications of the body's and emotions' representation, see Albano and Sabato (2012, 2013a, b).

¹⁷ Considering the schema proposed by Jaakson – which adapts the concept of the 'tourist bubble' to the case of disembarked cruise ship passengers in the port of Zihuatanejo, Mexico – Palermo's Cathedral could be a 'periphery' (Jaakson, 2004). However, in the case of Palermo, this definition should be investigated more analytically because the Cathedral seems to have a symbolic value as a 'destination' rather than as a 'periphery' in a geo-economic pattern.

¹⁸ For a study of the symbolic values and uses of a cruise ship's space from anthropological and semiotic perspectives, see Sabato (2015).

¹⁹ This 'image' is conveyed by many media. Even the CLIA's official website dedicated to 'First Time Cruiser' affirms, 'You can lie back and be completely pampered. Or, go non-stop. Dine like never before. Enjoy one great show after another. Let your cares float away!' (CLIA, 2015b).

²⁰ The fact that passengers share their travel narratives (about their cruise or other cruises or even other travels) already during the cruise itself implies interesting symbolic values to study for the understanding of the group dynamics. This sharing of narratives reminds us of what Bruner noted concerning on-tour narratives, 'The stories that travelers share with others on or after the tour serve to bind the members of the group, and their storytelling is indeed their own performance. Individual stories may assert the knowledge, authority, or status of the storyteller; travel narratives have individual as well as group functions' (Bruner, 2005, p. 13).

²¹ More particularly, Augé writes, 'We are not sure to exist today if we do not see ourselves on the screen [...]: "I can film, so I will have been," or: "I'm filmed, so I have been." With a little more optimism, it is possible to note that all boring friends who project the slides or the movies of their holidays, also make comments on them, tell us about them. [...] Their travel gains meaning through a story that needs listeners. This account allows us a reconstruction of the past that is also a reconstruction of who, or those who, lived it: it is a self-affirmation, which needs the power of word to be accomplished' (Augé, 2000, p. 32 – author's translation). The character of ironic necessity between existence and visual (re)production emphasized by Augé was also central to Calvino, 'It is enough to start by saying something as "So nice, you should just photograph it!" and we are already on the side of those who think that everything that is not photographed is lost, as if it never existed, and that therefore to live, you really must photograph as much as you can. Moreover, to photograph as much as you can, you have to live as much as possible as if you were about to be photographed' (Calvino, 1955 – author's translation).

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Part 5 Planning and Management for Sustainable Cruising

Part 4 introduced the impacts of cruise ship tourism, its stakeholders, politics and power, through a series of case studies from Brazil in South America, Italy and Spain in Europe, and New Zealand and Vanuatu in the South Pacific. Now Part 5 briefly examines the planning and management aspects of sustainable cruising in three chapters. In Chapter 28, C. Michael Hall, Hannah Wood and Sandra Wilson (New Zealand) describe environmental reporting in the cruise industry. The following chapter (29) by Claire Ellis, Pascal Scherrer and Kaye Walker (Australia), examines the improving sustainable management of expedition cruise destinations through some governance and management lessons from the Great Barrier Reef, the Kimberley and Tasmanian regions of Australia. The third and final chapter in this part, Chapter 30 by Daniela Liggett and Emma Stewart (New Zealand), addresses cruising in the Antarctic, its development, regulation and management.



In 2001 my wife Wendy Dowling and I led a trip to the Antarctic for the Royal Automobile Club of Western Australia. We escorted 26 passengers on an 18-day trip to the Antarctic Peninsula on board the powerful Russian icebreaker *Kapitan Dranitsyn* (12,228 t). This photo is taken at the former British Faraday Station, Marina Point on Galindez Island, in the Argentine Islands, Antarctica. The cross marks the site where three men died in 1982. Ukraine took over the station in 1996, and it is now called the Vernadsky Research Base. On the right of the photo the ship lies in the background with Gentoo penguins in front. (From: Ross Dowling.)

Environmental Reporting in the Cruise Industry

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Introduction

Cruise ships have long been associated with poor environmental and employment practices (Johnson, 2002; Klein, 2002). It has been estimated that although they comprise less than 1% of the global merchant fleet they account for 25% of the waste (Herz, 2002; Butt, 2007). Often regarded as one of the fastest growing areas of leisure travel, the expansion of the size of ships as well as the size of the market and the areas they visit, create significant issues with respect to sustainability (Ritter and Schafer, 1998; Hritz and Cecil, 2008; Wright, 2008; Adams, 2010; Manzetti and Stenersen, 2010; Klein, 2011; Del Chiappa and Abbate, 2013; Stefanidaki and Lekakou, 2014; Bonilla-Priego *et al.*, 2014; Lamers *et al.*, 2015). Nevertheless, media coverage of the industry is suggesting that the cruise sector is becoming more sustainable over time. For example, Stieghorst (2012) writes:

Cruises once were the poster child for a vacation that many linked to unsustainable environmental practices. Videos of garbage tossed overboard or an oil sheen trailing a ship left images that tagged the industry when it came to protecting the environment. But for nearly two decades, cruise lines have been cleaning up their act, often prodded by regulators, sometimes on their own initiative. Today, agents can sell most cruises as responsible, some even as ecofriendly.

Although the extent to which the cruise industry can be described as responsible or ecofriendly is likely to remain contested, there is no doubt that there have been improvements from the industry with respect to sustainability. A number of drivers have been identified in encouraging positive change. These include economic benefits, i.e. reduced costs as a result of greater energy efficiency, corporate social responsibility (CSR) (de Grosbois, 2015) and marketing initiatives, and the development and implementation of national and international environmental protection and shipping regulations (Pike *et al.*, 2011). This chapter examines the extent to which cruise lines engage in environmental reporting and what they cover as part of their sustainability initiatives. In addition, in light of growing concerns with the contribution of cruise shipping to climate change the chapter also examines the extent to which cruise lines

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engage in carbon offsetting. However, before illustrating the nature of cruise line reporting and how it has changed over time the chapter will briefly outline some of the dimensions of cruise sustainability.

The Environmental Impact of Cruise Ships

Pollution

Shipping is generally subject to less stringent environmental demands than those placed on land-based transportation (European Maritime Safety Agency (EMSA), 2005). Shipping is associated with pollutants such as wastes, persistent chemicals from anti-fouling, cleaning agents and lubricants, while cruise ships in particular have also been connected to the discharge of human waste at sea. Under the UN Law of the Sea (UNCLOS) pollution of the marine environment is defined in Article 1.1. (4) as meaning the direct or indirect introduction by humans of substances or energy into the marine environment, 'including estuaries, which results or is likely to result in such deleterious effects as harm to living resources and marine life, hazards to human health, hindrance to marine activities, including fishing and other legitimate uses of the sea, impairment of quality for use of sea water and reduction of amenities'.

Although large-scale marine disasters receive significant attention most oil and other pollutants enter the marine environment as a result of the cumulative effects of smaller but recurrent legal and illegal discharges of oil and other substances over long periods of time resulting from 'normal' ship operations. Such operational discharges are estimated to make up 45% of vessel-sourced oil entering the marine environment, whereas shipping accidents make up an estimated 36% (EMSA 2013). The extent of such discharge is extremely hard to assess. However, EMSA (2013) reports that evidence from beached bird and tar-ball surveys indicates that levels of oil pollution have dropped considerably over recent decades, although levels remain above what is legally permitted. Aerial and satellite surveillance also indicates that illegal discharges from vessels have been reducing in volume across Europe. CleanSeaNet, a European satellite-based oil spill and vessel detection service, suggested an overall reduction in the number of possible spills detected in European waters from 10.77 possible spills identified per million km² monitored in 2008, to 7.61 in 2009, 5.68 in 2010, 5.08 in 2011, 4.53 in 2012 and 3.89 in 2013. However, as EMSA (2013) emphasizes, this trend is unevenly distributed, and the reduction is more evident in some sea and coastal waters than others. While these figures may provide general trends they do not provide information on the specific contribution of cruise ships to oil pollution.

The second major area of marine pollution from shipping falls under the definition of 'hazardous and noxious substances' (HNS), which is defined by the International Maritime Organization (IMO) *Protocol on Preparedness, Response and Co-operation to Pollution Incidents by Hazardous and Noxious Substances* (OPRC-HNS Protocol) (2000), which came into force in 2007, as 'any substance other than oil which, if introduced into the marine environment, is likely to create hazards to human health, to harm living resources and marine life, to damage amenities or to interfere with other legitimate uses of the Sea' (Article 2 (2)). One of the most important aspects here for cruise ships is operational chemical substances (e.g. lubricants, cleaning agents), which end up in bilge water tanks. Under international

maritime law sewage (black water) is covered under Annex IV of the *International Convention for the Prevention of Pollution from Ships*, 1973, as modified by the Protocol of 1978 (MARPOL). Because of the large numbers of people they carry sewage management is inherently a major problem for cruise ships. Butt (2007) estimated that an average cruise ship produces approximately 50 t of sewage per day, equating to between 20 and 40 l per person per day. In addition, cruise ships also discharge considerable quantities of grey water, which is other wastewater such as from kitchens, laundries and showers. Like sewage, grey water also contains organic matter, which, because of the often-coastal nature of much cruise traffic, can have considerable impacts on algal growth and eutrophication. Garbage, plastics in particular, is also a significant source of waste from shipping, including that thrown overboard by passengers (Derraik, 2002).

Invasive species

Shipping, including cruise ships, plays a major role in transporting species from one location to another. Therefore, cruise ships are often a major focus in the introduction of marine and terrestrial invasives (Molnar *et al.*, 2008; Pyke *et al.*, 2008), especially in areas that may have only recently been opened up for cruising (Hall, 2015a). Hull fouling (Drake and Lodge, 2007) and ballast water (Endresen *et al.*, 2004) are identified as major sources of alien maritime species. The Arctic and Antarctic regions, for example, have become important cruising locations as companies seek to take advantage of both substantial customer interest and increased access as a result of climate change. Substantial biosecurity protocols have been put in place in the Antarctic and sub-Antarctic regions by national governments as well as the International Association of Antarctic Tour Operators (Hall and Wilson, 2010). However, Arctic protocols on cruise ships have proven much weaker with respect to biosecurity, even though other environmental regulations have been strengthened (Hall *et al.*, 2010; Lück *et al.*, 2010).

Emissions

An environmental area that has received significant attention in recent years is that of marine emissions (Bows-Larkin, 2015). Historically, these have remained largely unregulated, ‘in part because of the international and multi-jurisdictional nature of ocean-going vessels, and in part because of a lack of empirical data on emissions output (a standardized and recognized emissions inventory) at the individual vessel level, that could provide reliable readings of emissions output’ (Neef, 2009, pp. 3–4). Emissions from shipping were estimated to have been in the order of 1,046 million t CO₂ in 2007, which corresponds to 3.3% of global CO₂ emissions in that year (IMO, 2009a). According to the World Economic Forum (WEF) (2009) global ocean-going cruise emissions for 2005 were estimated at 34 t CO₂ which is less than 5% of global shipping emissions. However, as Scott *et al.* (2012) note, this figure does not include the full range of tourist passenger vessels. The most recent IMO study (2015) suggested that international shipping emitted 796 t CO₂ in 2012, accounting for no more than about 2.2% of the total emission volume for that year. [Table 28.1](#) indicates IMO estimates of CO₂ emissions for different categories of cruise ships for 2012, which

Table 28.1. IMO estimates of cruise ship emissions (2012). (From: IMO, 2015.)

[illegible]

shows a figure of just less than 35 t CO₂. [Table 28.2](#) provides the IMO estimates for 2007–2012 and indicates that the IMO estimated a figure of 27.8 t CO₂ for 2007, although they did also note a considerable level of uncertainty in arriving at such figures. The IMO figures for cruise ships do not include other tourism-related vessels such as passenger ferries that were estimated to account for 12,042 t CO₂ in 2012 (IMO, 2015). This is significant as the IMO does not specify whether traditional coastal ferry operations like those in Norway and Alaska that now serve largely as cruise vessels are categorized as ferry or as cruise ships (Eijgelaar *et al.*, 2010). The variation in figures is also significant as it highlights some of the difficulties in getting accurate assessments of the extent of emissions from cruise ships.

Carbon emissions are not the only impacts of shipping on air pollution and climate change. Ocean-going ships are estimated to emit 1.2–1.6 t of particulate matter (PM) with aerodynamic diameters of 10 µm or less (PM₁₀), 4.7–6.5 t of sulfur oxides (SO_x as S) and 5–6.9 t of nitrogen oxides (NO_x as N) (Corbett *et al.*, 2007a, b). This means that maritime transportation is therefore also responsible for an estimated 15–30% of global NO_x emissions and 5–8% of global SO_x emissions (Corbett *et al.*, 2007b). However, many of these emissions have a much more localized effect than CO₂. Almost 70% of ship emissions occur within 400 km of land; Capaldo *et al.* (1999) estimate that ship emissions contribute between 5% and 20% of non sea-salt sulfate concentrations and 5–30% of SO₂ concentrations in coastal regions. In addition to environmental damage such localized air pollution may also have considerable negative health effects (Cofala *et al.*, 2007; Tzannatos, 2010). Corbett *et al.* (2007b) estimated that shipping-related fine PM emissions and ground-level ozone contributed to around 60,000 cardiopulmonary and lung cancer deaths annually at a global scale, with most deaths occurring near coastlines in Europe, East Asia and South Asia, and estimated that with the expected growth in shipping activity annual mortalities would increase into the future.

Under the UNFCCC emissions from aviation and cruise ships and other sea-borne transport are not attributed to country targets. Responsibility for emission reductions in these sectors are with the international aviation and shipping organizations: International Civil Aviation Organization (ICAO) and International Maritime Organization (IMO) (Hall *et al.*, 2013). The IMO (2009a, b) anticipated that, in the absence of mitigation policies, emissions from shipping would grow by 1.9–2.7% per year until 2050, leading to overall growth of 150–250% by 2050. These broad estimates remain reflected in more recent IMO (2015) forecasts. Depending on future economic and energy developments, the four business as usual scenarios of the IMO project an increase of between 50% and 250% to 2050. Lee *et al.* (2013) suggest that if current projections of emissions from shipping to 2050 are placed in the context of the sought after global 2°C emissions reduction pathway, then shipping might contribute between approximately 6% and 18% of median permissible total CO₂-equivalent emissions in 2050 to meet the pathway (see also Gössling *et al.*, 2013).

The IMO does not produce a separate forecast for cruise ship emissions. The World Economic Forum (2009) conservatively estimates that emissions for ocean-going cruises will rise by 3.6% per year, reaching 98 t CO₂ by 2035. However, worldwide cruise demand grew at an average annual rate of 7.4% between 1990 and 2008 (Cruise Lines International Association (CLIA), 2009), and the number of CLIA-carried passengers increased from 17.1 million in 2009 to 23 million in 2015 (provisional figure) (CLIA, 2015). Between 2009 and 2013 capacity grew by 18%, while 33 new ocean-going cruise ships are expected to be built by 2020 (CLIA, 2015). Despite improvements in

Table 28.2. IMO estimates of cruise ship emissions (2007–2012). (From: IMO, 2015.)

Size category	Number active IHSFairplay						Total CO ₂ emissions ('000 t)						Estimated uncertainty (standard deviation as % of mean)
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012	
0–1,999 gt	182	194	203	203	201	198	873	1,045	1,028	968	1,204	1,105	26%
2,000–9,999 gt	78	78	75	78	72	69	735	920	747	823	636	580	13%
10,000–59,999 gt	127	129	125	126	116	115	8,028	7,874	7,553	7,398	7,131	6,929	12%
60,000–99,999 gt	73	77	77	83	83	87	12,188	12,834	13,037	13,919	14,690	15,415	12%
100,000+ gt	28	31	38	44	46	51	5,947	6,754	7,811	9,311	10,365	10,906	12%
Totals	488	509	518	534	518	520	27,771	29,427	30,176	32,419	34,026	34,935	

energy efficiencies, absolute emission growth in the cruise sector is consequently faster than from shipping generally (Scott *et al.*, 2012), with cruise holidays having a very high carbon intensity in terms of emissions per day compared to other forms of tourism (de Bruijn *et al.*, 2010; Eijgelaar *et al.*, 2010). Scott *et al.* (2012) suggested that on the basis of various indicators used by cruise companies and in the scientific literature, average emissions may be in the order of 0.246 to 2.2 kg CO₂ per passenger kilometre (pkm), amounting to 139–169 kg CO₂ per day, or 248–740 kg CO₂ per journey. Adding the flight, which may often be needed to get to the port of departure, the combined amount of emissions from flight and cruise may often vastly exceed per capita per year sustainable emissions levels (Scott *et al.*, 2016).

The first ever regulation of greenhouse gas emissions in shipping was introduced by the IMO in 2011 (Scott *et al.*, 2012). This came into force in January 2013 and is expected to lead to emission reductions of 45–50 million t a year by 2020 (Vidal, 2011). Under the agreement, all ships over 400 t built after 2013 will be required to improve their efficiency by 10%, rising to 20% between 2020 and 2024 and 30% for ships delivered after 2024. China, Brazil, Saudi Arabia and South Africa secured a 6.5 year delay for new ships registered in developing countries, which could mean the first guaranteed effective date of the reform would be in 2019. However, the potential of new engine technologies, biofuels or other technical approaches to reducing emissions may be limited (IMO, 2009b). Even if considerable specific emission reductions are achieved, cruise ships will remain high emitters on a per kilometre, per day or per journey basis. Given the rapid growth in cruise ship holidays, this might ultimately mean that cruise ship travel has to be reconsidered with a focus on the following.

1. The distances travelled, also as a ratio of port to travel times.
2. The speed at which ships travel, for example, even slightly slower times may enable significant energy savings (Gössling *et al.*, 2013).
3. Ship design – this can include designs of improved hull shape, air lubrication systems to reduce hull resistance in the water, improved engines, propellers and the use of diesel-electric systems, as well as wind-assisted propulsion power, solar energy systems to provide lighting or waste heat recovery systems and shaft generators to improve efficiency (Gilbert *et al.*, 2014).
4. The use of alternative ship types that can make use of wind propulsion, such as windjammers or yachts (Gössling, 2010).

Solar power and wind energy are seen as potentially useful to help meet ancillary requirements such as lighting onboard ships, but are not seen as promising as primary propulsion options. IMO (2009b, p. 6) outlines that:

Current solar-cell technology is sufficient to meet only a fraction of the auxiliary power requirements of a tanker, even if the entire deck area were to be covered with photovoltaic cells. Wind-assisted power, on the other hand, has a promising potential for fuel-saving in the medium and long term but, as present-day trial experiences of these technologies on board large vessels is limited, it is difficult to assess their full potential and further trials and development should be encouraged... It seems inevitable, however, that fossil fuels will probably continue to be the pre-dominant source of power for the majority of the shipping industry for the foreseeable future.

The IMO (2009b, p. 6) acknowledges that projections on efficiency gains are difficult, but suggests that by 2020, a combination of ‘regulatory, design and operational measures’ might lead to greater fuel efficiencies.

The last point by the IMO is extremely significant in that the primary focus for improvement in environmental performance is with respect to technological efficiencies. In contrast, non-marine sectors of the tourism industry, including aviation, while also focusing primarily on technological and regulatory measures, have also sought to encourage behavioural responses such as carbon offsetting by customers. In addition, they have also sought to highlight their progress with respect to corporate social and environmental responsibility via the disclosure of non-financial information on their environmental performance and sustainability initiatives. Importantly, there has also been a significant increase in the extent to which airlines have engaged in their environmental reporting since 2009 (Hall *et al.*, 2015). The rest of the chapter examines online sustainability reporting by cruise lines over the period 2008 to 2013.

Environmental Reporting by Cruise Lines

Analyses of the online reporting of cruise companies were conducted in November and December of 2008 and in the corresponding months in 2013. Failure to identify the provision of documentation online does not necessarily mean that companies did not undertake environmental analysis or reporting. However, it does mean that it was not readily publically available to potential customers at the time of analysis. Cruise companies examined included river and coastal cruises as well as ocean going.

Table 28.3 records the online public reporting of 47 cruise companies as of December 2008 covering a total of 311 vessels. Ten companies provided online CSR reports at the time, with 13 (113 vessels in total) providing a separate environmental policy (27.7%). Of those that did provide environmental reporting, main topics covered included ISO 14001 accreditation (an international standard for environmental management systems) (seven companies), wastewater disposal (nine), waste disposal (nine), recycling (seven) and five companies covered the issue of reducing emissions. Only one company covered issues of biodiversity (Galapagos Explorer) and three discussed climate change. These three companies (Lindblad Expeditions, Thomson Cruises, Uniworld River Cruises) were also the only ones to offer carbon offsetting. Disney had their own specific 'environmentality' policy. All documents were narrative based.

Table 28.4 indicates the analysis conducted in 2013 and shows a substantial change in the extent of environmental reporting. Fifty-three companies were included in the analysis covering 430 vessels. Twenty-nine companies (54.7%) provided online CSR reports, of which seven were social responsibility only, eight only discussed environmental responsibility, with the remainder (12) covering both. Ten companies provided details of the levels of their emissions and other environmental factors such as waste and water discharge. Two companies (Thomson Cruises and TUI Cruises) reported as part of the larger group of which they were a member (TUI). Nineteen companies discussed their environmental policies, and 26 (49.1%) were ISO 14001 accredited, representing a significant increase from seven in 2008 (14.9%). Similar increases also occurred with respect to emissions, water and waste reduction activities, and recycling. There was also increased attention to biodiversity issues in reporting, with 21 companies noting biodiversity issues or initiatives in 2013 (39.6%) as compared to only one in 2008. The development of carbon offset programmes was the one

Table 28.3. Assessment of cruise lines environmental reporting 2008. (From: Hall, 2015c.)

Name of cruise line	Number of vessels	Environmental policy											
		Corporate social responsibility plan		Separate environmental policy	ISO 14001	Waste water disposal	Waste disposal reduction plan/activities	Recycling plan/activities	Energy usage	Emission reduction plan/activities	Biodiversity	Climate change	Carbon offset programme
		Social	Environmental										
ACCL	3			Yes		Yes			Yes				
AMA	9												
Waterways													
American	4												
Cruise Lines													
Azamara	2												
Cruises													
Blue Lagoon	4												
Cruises													
Carnival	22	Yes	Yes	Yes	Yes	Yes	Yes		Yes				
Cruise Lines													
(Carnival Corporation)													
Celebrity	10	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes			
Cruises													
Costa Cruises	14	Yes	Yes	Yes	Yes	Yes	Yes						
(Carnival Corporation)													
Crystal	2			Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Cruises													
Cunard Line	3												
(Carnival Corporation)													
Disney Cruise Line	2	Yes	Yes	Yes	Disney 'Environmentality' Policy								

Continued

Table 28.3. Continued.

Name of cruise line	Number of vessels	Corporate social responsibility plan		Separate environmental policy	Environmental policy								
		Social	Environmental		ISO 14001	Waste water disposal	Waste disposal reduction plan/activities	Recycling plan/ activities	Energy usage	Emission reduction plan/ activities	Biodiversity	Climate change	Carbon offset programme
Elegant Cruises & Tours	2												
Fantasea	–												
Fred Olsen Cruise Line	5												
Galapagos Explorer II	1			Yes	Yes	Yes	Yes	Yes			Yes		
Great Lakes Cruise Company	6												
Holland America Line (Carnival Corporation)	14	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Hurtigruten	11												
Imperial River Cruises	12												
Island Cruises	1												
Kristina Cruises	3												
Linblad Expeditions	14	Yes	Yes									Yes	Yes – Clean Ari – Cool Planet
Louis Cruise Lines	13												

Monarch Classic Cruises	3									
MSC Cruises	10									
Norwegian Cruise Line	11									
Oceania Cruises	3									
Orient Lines	1									
Orion Expedition Cruises	1	Yes	Yes	Yes		Yes	Yes	Yes	Yes	
Pandaw Cruises	4									
P & O (Carnival Corporation)	6									
Pearl Seas Cruises	1									
Peter Deilmann Cruises	10									
Princess Cruises (Carnival Corporation)	18			Yes						
Regent Seven Seas Cruises	4									
RiverBarge Excursion Lines	1									
Royal Caribbean International	22	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes

Table 28.3. Continued.

[illegible]

Table 28.4. Assessment of cruise lines environmental reporting 2013. (From: Hall, 2015c.)

Name	Number of vessels	Publically report levels of emissions, waste, and water discharge	CSR plans		Environmental policy	ISO 14001 accredited	Water reduction plan/ activities	Waste reduction plan/ activities	Recycling	Emission reduction plan/ activities	Carbon offset programme	Biodiversity
			Social	Environmental								
AIDA Cruises	10	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Aurora Expeditions	8			Yes	Yes	Yes						Yes
AmaWaterway	19											
American Cruise Lines	6											
AvalonWaterways	19			Yes	Yes							Yes
Azamara Club Cruises	2		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Birka Line	1											
Carnival Cruise Lines	24	Yes		Yes		Yes		Yes	Yes	Yes		Yes
CDF Croisieres de France	4					Yes						
Celebration Cruise Line	1											
Celebrity Cruises	11		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Compagnie du Ponant	4											
Costa Cruises	16	Yes			Yes	Yes		Yes	Yes	Yes		
Cruise & Maritime Voyages	4											
Crystal Cruises	2		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes (Staff)	Yes
Cunard Line	3	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes		
Disney Cruise Line	4			Yes					Yes		Yes (business unit)	Yes
European Waterways	18											
Fred Olsen Cruise Lines	4				Yes	Yes						

Continued

Table 28.4. Continued.

Name	Number of vessels	Publically report levels of emissions, waste, and water discharge	CSR plans		Environmental policy	ISO 14001 accredited	Water reduction plan/ activities	Waste reduction plan/ activities	Recycling	Emission reduction plan/ activities	Carbon offset programme	Biodiversity
			Social	Environmental								
Hapag-Lloyd Cruises	5		Yes	Yes	Yes	Yes			Yes	Yes	Yes (customer)	Yes
Holland America Line	18	Yes	Yes			Yes	Yes	Yes	Yes	Yes		Yes
Hurtigruten	12	Yes	Yes	Yes	Yes	Yes				Yes		Yes
IberoCrueros	2				Yes	Yes				Yes		
Kristina Cruises	1											
Lindbald Expeditions	10		Yes	Yes	Yes	Yes		Yes	Yes			Yes
Louis Cruises	4											
Mano maritime	2											
MSC Cruises	12		Yes		Yes	Yes	Yes	Yes	Yes	Yes		
Norwegian Cruise Line	13		Yes			Yes			Yes	Yes	Yes (customer)	
Oceania Cruises	5											
Oceanwide Expeditions	4								Yes			
P&O Cruises	7	Yes				Yes			Yes			
P&O Cruises Australia	3	Yes	Yes			Yes	Yes	Yes		Yes		
Paul Gauguin Cruises	2		Yes	Yes	Yes	Yes						Yes
Phoenix Reisen	3					Yes						
Polar Quest Expeditions	8											Yes
Princess Cruises	16	Yes		Yes		Yes	Yes	Yes	Yes	Yes		Yes
Pullmantur Cruises	4			Yes								

Quark Expedition	5			Yes					Yes	Yes	Yes (staff)	Yes
Regent Seven Seas Cruises	4											
Royal Caribbean International	21			Yes		Yes	Yes	Yes	Yes	Yes		Yes
Saga Cruises	2			Yes		Yes						
Seabourn Cruise Line	6	Yes		Yes		Yes	Yes	Yes	Yes	Yes		Yes
Silversea	5			Yes								
Star Cruises	6											
Swan Hellenic	1											
Thomson Cruises	5		Carbon emissions only and combined with other members of the TUI group	Yes	Yes	Yes	Yes	Yes		Yes		Yes
TransOcean Tours	4											
TUI Cruises	3		Carbon emissions only and combined with other members of the TUI group	Yes	Yes	Yes	Yes		Yes			Yes
Uniworld River Cruises	18			Yes-	Yes	Yes		Yes	Yes	Yes		
Un-Cruise Adventures	8			Yes	Yes			Yes	Yes	Yes	Yes	Yes
Viking Cruises	44										Yes	
Windstar Cruises	4			Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

area in which few gains were made over the 5-year period. In 2013 only five companies noted carbon offsetting initiatives of which two were focused on reducing staff emissions, two were consumer oriented (the same as in 2008) and one was a Disney programme by which a price was paid for each ton of carbon per business unit into an environmental programme.

Table 28.5 provides a more detailed account of those companies that provide more information on their waste and emissions reduction strategies. A common element in such companies is switching to less polluting fuel. In part this has been brought about by changes in pollution regulations, especially with respect to sulfur dioxide and nitrous oxide. Several companies also note the use of new ship's engines and technologies. With respect to water, reporting shows a range of different approaches. These reflect the different jurisdictions within which vessels operate but also demonstrate the problem of encouraging cruise lines to go beyond the minimum required under law. Similarly, a range of strategies exists with respect to waste management and reduction, but increasingly onboard incineration appears to be adopted as a management measure.

Conclusions

This is the first study that has sought to examine cruise line environmental reporting over time. The results of the online environmental reporting of cruise ship companies in this chapter would appear to suggest that there has been an increase in the environmental initiatives undertaken by cruise lines. However, it should be noted that, as a number of the companies themselves report, increases in the number of passengers means that absolute emissions, waste and water use are increasing even if there are improvements on a per passenger basis. The situation in the cruise sector is therefore very similar to that which faces aviation. The increase in the extent of environmental reporting by cruise lines is also similar to that of the aviation sector (Hall *et al.*, 2015; Lamers and Pashkevich, 2015), although the availability of carbon offsetting is behind that of aviation. Many airlines have also committed themselves to carbon neutral growth in the future (Scott *et al.*, 2012).

What remains unknown of course is the extent to which the availability of offsetting and/or the environmental reporting of cruise lines serve as incentives for some travellers to cruise with companies with a stronger environmental record (Hall, 2009; Scott *et al.*, 2012). Increasing regulation of pollution from maritime shipping in some jurisdictions, such as Europe, the Arctic and the Antarctic (Wright, 2007; Hall, 2015b), arguably has a wider impact on environmental performance given the movement of ships between markets. Nevertheless, the conclusion of Pike *et al.* (2011, p. 2) with respect to shipping as a whole, resonates well with the environmental performance of the cruise industry, 'despite the increased drive for sustainability within all areas of the shipping industry, fragmented initiatives remain the predominant response with only a few focusing on a more holistic approach'. Although environmental reporting has undoubtedly improved it is still uneven among the major cruise companies. Market pressures may have some influence on environmental reporting and performance in the cruise sector, but undoubtedly legal requirements with respect to pollution and waste, including with respect to emissions in the longer term, have the greatest import.

Table 28.5. Approaches to water and waste treatment by reporting cruise lines. (From: Hall, 2015c.)

Name	Black water	Grey water	Ballast water	Bilge water	Food waste	General rubbish	Hazardous waste	Emission reduction	Incineration onboard
AIDA Cruises	No untreated water goes into the ocean	See black water	Treated to avoid transfer of micro-organisms		Dehydrated and incinerated or disposed of ashore	Disposed of ashore. No waste goes into the ocean	Disposed of ashore	Energy saving systems onboard, and low sulfur fuels	Yes
Azamara Club Cruises	Treated and discharged	Treated and discharged		Treated and discharged		No rubbish thrown overboard	Disposed of ashore	Reducing energy use and using alternative fuels and renewable energy. New engines emit 30% less CO ₂ per person	Yes
Carnival Cruise Lines	Treated and discharged	Discharged without treatment 12 miles from shore	Discharged without treatment. Tries to take on as little ballast water as possible, uses black and grey water tanks to stabilize vessels	Treated and discharged	Ground and discharged at sea at least 12 miles from shore	Mix of incineration and disposal ashore	Disposed of ashore	Use of low sulfur fuel	Yes
Celebrity Cruises	Treated and discharged	Treated and discharged		Treated and discharged		No rubbish thrown overboard	Disposed of ashore	Yes	Yes

Continued

Table 28.5. Continued.

Name	Black water	Grey water	Ballast water	Bilge water	Food waste	General rubbish	Hazardous waste	Emission reduction	Incineration onboard
Costa Cruises	Treated and discharged	Discharged 12 miles from shore untreated	Discharged untreated	Treated and discharged	Disposed of overboard	Combination of shore disposal and incineration	Disposed of ashore	Yes	Yes
Crystal Cruises	Treated – does not discharge any water into environmentally sensitive areas, where available, water is discharged in shoreside facilities	Treated – does not discharge any water into environmentally sensitive areas, where available, water is discharged in shoreside facilities			Nothing overboard	Sorted and either incinerated or disposed of ashore	Disposed of ashore in the USA	Yes – fuel reduction programme and energy conservation	Yes
Cunard Line	Treated and discharged	Treated and discharged	Treated and discharged		Incinerated		Medical waste is incinerated onboard	Yes	Yes
Hapag-Lloyd Cruises	Treated							Low sulfur fuels. New engine systems reduces NO emissions by 95%	

Holland America Line	Treated	In some ships it is treated with black water, on others it is discharged untreated 4 miles from shore	Discharged untreated in deep water	Treated – oil is separated and water is discharged	Discharged at sea	Sorted and disposed of either ashore or incinerated. Ground glass is discharged into the sea	Yes	Yes
Hurtigruten							Has switched to low sulfur fuels	
Kristina Cruises				Treated and discharged. Oil that is separated is sold on.				
Lindbald Expeditions						Avoids hazardous waste production by not offering photo development or dry cleaning		
MSC Cruises	Treated						Use of low sulfur fuels	
Norwegian Cruise Line	Treated	Treated			Discharged at sea	Rubbish only bought ashore in areas where incineration is not permitted	Burning of low sulfur fuels. Energy use reduction plans	Yes

Continued

Table 28.5. Continued.

Name	Black water	Grey water	Ballast water	Bilge water	Food waste	General rubbish	Hazardous waste	Emission reduction	Incineration onboard
Oceanwide Expeditions						Disposed of ashore			
P&O Cruises		Some is treated, the rest is discharged without being treated	Majority discharged without treatment, the rest discharged at shoreside facilities	Treated and discharged					
P&O Cruises Australia	Treated and discharged	Discharged without treatment						Claim they are trying to reduce emissions	
Princess Cruises	Treated and discharged	Discharged without treatment			Discharged overboard	Incinerated	Disposed of ashore	Yes	Yes
Quark Expedition								Uses Marine Gas Oil, a cleaner fuel with a low emission factor	
Royal Caribbean International	Treated and discharged 12 miles from shore	Treated and discharged 12 miles from shore		Treated and discharged 12 miles from shore		Disposed of ashore	Disposed of ashore	Yes, e.g. installation of solar panels on some ships	

Seabourn Cruise Line	Treated and discharged	Some is treated before being discharged	3 vessels do not use ballast water	Filtered and diluted with oil filtering equipment	Dried and incinerated onboard	Compacted and incinerated onboard	Disposed ashore	Yes	Yes
Thomson Cruises								Yes – low carbon engines, installation of solar- powered lights	
Viking Cruises								Solar panels fitted on many vessels. Newest vessels are fitted with hybrid engines	
Windstar Cruises							Disposed of ashore	Yes	

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Improving Sustainable Management of Expedition Cruise Destinations in Australia: Governance and Management Lessons from the Great Barrier Reef, the Kimberley and Tasmania

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Introduction

Australia's cruise industry has seen a 130% increase in passenger numbers over the past 5 years (Cruise Lines International Association (CLIA), 2014) and hence there has been growth in cruise vessel port visits and home-port vessels (Cruise Down Under, 2014). Cruise lines are increasingly looking to Australian itineraries, attracted by the offer of new, exciting and exotic experiences (Dowling, 2011; Tourism Australia, 2015). These include the nation's marine and coastal World Heritage and Protected Areas, internationally and nationally recognized for their natural and cultural values. Expedition cruises in particular are suited to capitalize on this interest as they can access these often very remote areas without the need for extensive port or landing infrastructure. Expedition cruising has generally been considered to involve smaller vessels than the traditional cruise ships, described as carrying up to 120 passengers with teams of specialized guiding personnel to provide an educational experience (Walker and Moscardo, 2006), and to facilitate short stops at locations through the use of their own landing tenders or zodiacs (Stewart *et al.*, 2010; Johnston *et al.*, 2012).

Despite Australia's expedition appeal and emergence as a cruise destination, there has only been limited research or attention paid in the academic literature to better understanding the dynamics of this sector (Dowling, 2011). This chapter examines three Australian expedition cruise destinations – the Great Barrier Reef World Heritage Area in Queensland (inscribed for its natural values in 1981), the West Kimberley National Heritage Area in Western Australia (inscribed for its cultural and natural

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values in 2011) and the Tasmanian Wilderness World Heritage Area in Tasmania (inscribed for its cultural and natural values in 1982) – to gain valuable insights into their governance and operational contexts and implications for the sustainability of the expedition cruise sector.

The chapter explores current challenges to managing expedition-style activities from the perspective of destination sustainability through a comparative case study of the three destinations. Sustainability for the purposes of this chapter is about achieving positive long-term outcomes in the social, cultural, environmental and economic dimensions, and recognizes the role of governance and politics therein. Thus, expedition cruise destination governance and management requires continuous negotiation of stakeholder perspectives to ensure contemporary quality visitor experiences can be delivered in financially viable ways while providing sustained protection of the natural and cultural destination qualities.

Legislation and governance frameworks expressed through administrative structures and policies clearly influence the operations and growth of the expedition cruise sector. This chapter thus reflects on how vessels undertaking expedition-style activities are considered in a policy and management sense in each of the three case study areas. It examines the implications of the similarities and differences across these destinations and the learning that could contribute to further improvement in sustainably managing expedition cruising in Australia.

Expedition Cruising in Australia

Expedition cruising, sometimes also termed ‘adventure cruising’ (Smith, 2006), could be considered to have emerged commercially in the 1970s with early pioneers such as Lindblad Expeditions and their purpose-built vessel *Lindblad Explorer*, which ‘in the view of many represented the birth of the modern expeditionary cruise industry’ (Douglas and Douglas, 2004, p. 129), though it is styled on early cruises to Antarctica in the 1960s (Stewart *et al.*, 2010). Expedition/adventure cruise ships are generally distinguished from the larger cruise ship categories of boutique ships, mid-size cruise ships and mega-cruise ships based on size and their lower infrastructure demands. Numerous authors since have examined and described the growth of the expedition cruise sector, its mode of operation, visitor experience and management implications, and distinguishing features (Ham and Weiler, 2002; Smith, 2006; Walker and Moscardo, 2006) particularly around the Antarctic and sub-Antarctic (Bauer, 2001; Ellis and Kriwoken, 2006) and Arctic areas (Dawson *et al.*, 2014) where this style of cruising is dominant. Dawson *et al.* (2014, p. 91) in the context of Arctic Canada highlight the importance of governance to the management of the evolving cruise tourism sector, noting that effective governance ‘is vital to enable emerging economic and sovereignty-related opportunities to be realized and also to mitigate issues associated with safety, security and environmental and cultural sustainability’ – issues of direct relevance to the Australian context.

In the absence of expedition cruise definitions from national and international cruise shipping industry bodies such as Cruise Down Under (CDU) and CLIA, expedition cruising for the purposes of this chapter is considered as having a strong focus on elements of exploration, discovery and learning about natural and cultural environments. As previously described, expedition cruise vessels are considered to be

smaller than the traditional cruise ships. They operate using set departure dates, generally provide fully catered cruises from about 3 days to several weeks in duration and may utilize domestic-registered or foreign-flagged vessels. Frequent shore excursions and activities in remote locations with little or no port infrastructure, utilizing their own tender vessels (such as rubber zodiac craft or specially designed craft for sight-seeing and marine activities for small groups), are a key component of the expedition cruise experience during the day and distinguish cruising on expedition vessels from cruising on mid-range to mega-vessels. Lectures, briefings and discussions with in-house specialized guides and lecturers are other important distinguishing elements of the onboard experience.

Expedition cruise experiences draw heavily on the viewing of spectacular land and seascapes, and also active incorporation of passengers' interaction and engagement with the environment both ecologically and culturally. Examples of experiences offered in the three case studies in this chapter involve: reef snorkelling, diving, animal-watching and visiting Aboriginal rock art sites in the Great Barrier Reef region; coastal exploration, fishing and appreciation of Aboriginal culture, rock art and stone arrangements in the Western Australian Kimberley region; and shore-based walks in the Tasmanian Wilderness World Heritage Area focused upon appreciation of its remote environmental status. In terms of operations, the distinguishing feature of expedition cruises from other styles of cruises is self-reliant access to remote areas.

The expedition-style visitor experiences at a local destination level are often akin to those offered by the even smaller 'charter vessels' (including super yachts, that globally are defined as over 24 m in length; Superyacht Australia, 2014, p. 3), 'local boats' or 'small ships'. These smaller vessels also provide self-reliant access to remote areas, offer similar visitor experiences and operate in each of the case study sites addressed in this chapter. While there may be differences in scale (e.g. number of passengers per trip; geographic range), frequency (e.g. number of site visits per season) and visitor type (e.g. due to differentiation within the marketplace as these vessel operations work to attract different market segments), many of the management issues arising from the actual activities are the same or similar to those of expedition cruise vessels. For instance, all may utilize local shore-based and near-shore natural and cultural sites and experiences, operate relatively independently of local populations and other operators, and generally do not need major port infrastructure. CDU confirms this overlap stating that expedition and adventure-style cruise ships such as, for example, the National Geographic *Orion*, in destinations such as the Great Barrier Reef 'competes with day trip tour boats, putting downward pressure on the cruise operator's yield' (J. Abel, Tasmania, 2015, personal communication).

Definitional ambiguity and variation between jurisdictions creates challenges for effective governance and equitable management of destination sustainability as well as for operators, particularly with regards to the activities and impacts arising from expedition-style activities across the scale of operations.

Governance of Expedition Cruise Vessels in Australia

Sustainable governance arrangements for expedition cruising need to take into consideration the temporally and spatially transitional nature of this style of cruising while recognizing local management issues. Accordingly, the following sections

describe initially the international and national governance frameworks for expedition cruise vessels and then each of the three case studies is examined in more detail to show the management issues and implications in each area.

The international governance framework

The International Maritime Organization (IMO) is the dominant body governing international maritime law. It addresses areas including safety, ship standard design, environmental issues, maritime security, legal matters, technical cooperation and aspects that impact the efficiency of shipping (IMO, 2015). Four major international maritime conventions exist:

- International Convention for the Prevention of Pollution from Ships (MARPOL);
- International Convention for Safety of Life at Sea (SOLAS);
- Convention of the Standards of Training of Seafarers (STCW); and
- The United Nations Convention on the Law of the Sea (UNCLOS).

A series of other conventions also apply that cover areas such as search and rescue, oil pollution, compensation of passengers and environmental controls (such as CITES). Cruise ships are defined by the IMO as vessels over 500 t (Tourism and Transport Forum (TTF), 2014, p. 10).

The Australian framework

Within this international framework, Australia has developed additional national and local legislation and guidelines as well as specific management policies and approaches. Designed to help manage destinations, these also often specifically aim to promote and grow international cruising to Australia and cruising within Australia.

Federal legislation

The Australian Maritime Safety Authority (AMSA) is a statutory authority established under the *Australian Maritime Safety Authority Act 1990* (the AMSA Act) and its principal functions (Australian Maritime Safety Authority, 2015) are:

- Promoting maritime safety and protection of the marine environment;
- Preventing and combating ship-sourced pollution in the marine environment;
- Providing infrastructure to support safety of navigation in Australian waters; and
- Providing a national search and rescue service to the maritime and aviation sectors.

In 2014, AMSA conducted a streamlining review, identifying 13 ways to make it easier for industry to comply with new safety laws for the domestic commercial fleet (AMSA, 2015). The simplifications include increased standardization of licensing and regulations across states and territories, making it easier for expedition ships to operate in multiple states.

The regulatory and licensing regime for coastal shipping also directly impacts the cruise sector. In 1997, the Australian Government exempted cruise ships (vessels over

5000 gross t, able to carry at least 100 passengers, capable of travelling at more than 15 knots and on voyages other than between Victoria and Tasmania) from the licensing regime of the Coastal Trading Act specifically to facilitate growth of the international cruise market in Australia. The exemption has been considered ‘phenomenally successful in achieving its goals and has allowed a major expansion of “domestic cruising” to cities and towns around the Australian coastline’ (TTF, 2014, p. 4). This is supported by a reported 20.6% increase of total output of the Australian cruise ship industry over the previous financial year to an estimated AU\$2.06 billion in 2012–2013 (CDU, 2013).

The Australian expedition cruise subsector, however, has not had the same growth rates and has not kept pace with the global growth in this sector (TTF, 2014, p. 5). Unlike larger cruise vessels, foreign-flagged expedition vessels are not exempt from the Coastal Trading Act as they generally fall under the 5000-t threshold. For foreign-flagged expedition cruise vessels this has three negative impacts. To obtain a temporary licence to operate in Australia under the Coastal Trading Act they must:

- Demonstrate that they are offering a product the domestic market is not providing;
- Undertake five voyages in Australian coastal waters in a 12-month operating period; and
- Meet Australian labour market rules and wage structures for their foreign crews.

Most international expedition cruise vessels do not meet these requirements and hence they are not entering the Australian market or must request a ministerial exemption to operate. Alternatively, ships must maintain an international itinerary (and hence avoid the Australian licence requirement). While this has been feasible for some operations in northern Australia, which may include an Indonesian, East Timor, Papua New Guinea or South Pacific port or destination in an itinerary, distances are usually too great for expedition itineraries in southern Australia to meet this requirement.

At the time of writing this chapter, the Commonwealth Government was reviewing the Coastal Trading Act and in 2014 created an Options Paper entitled ‘Approaches to regulating coastal shipping in Australia’ to gather input from stakeholders. While the Act relates to both freight and passenger vessels, a specific section was drafted for tourism and cruise shipping, noting the ‘tensions between Australian companies operating under Australian regulations and conditions and foreign-flagged vessels which are able to utilize lower cost business structures’ (Commonwealth Government of Australia, 2014, p. 19).

The lack of a clear understanding of the scope or definition of the expedition cruise sector has complicated this review. For instance, both the CDU and TTF submissions note that only two Australian-based operators exist in the expedition cruise-shipping sector. All Australian-based smaller vessels operating similar style trips are not included as they are too small to be deemed a ‘cruise ship’. However, the recently formed Australian Expedition Cruise Shipping Association (AECSA; whose members are a subset of the Kimberley Marine Tourism Association) also made a submission to the review stating they have 11 members (one member operating three vessels) and note passenger capacity ranging from 10 to 76 per vessel.

While at the time of writing the Review decision was not yet announced, the broader tourism industry and wider cruise industry have strongly supported changes (as evidenced by their industry association submissions from CDU and TTF) to allow foreign expedition cruise vessels similar exemptions to those existing for large cruise

ships, noting it should only affect two Australian-based operators – an issue the AECSA challenges based on their smaller-capacity definition of expedition cruises. Thus, the wider industry is hoping these changes will promote a rapid rise in expedition cruising in Australia while the segment most affected is seeking consideration of impacts upon them.

In addition to shipping regulations and management frameworks, Australia has a federal and state approach regarding the protection of natural and cultural values, including Native Title for Traditional Owners. The tourism industry has also created management frameworks nationally, and at state and destination level. Rather than legislative requirements, much of the management focuses on collaborative approaches to destination management and marketing. These aim to create a sustainable approach to tourism, balancing community aspirations, regional economic and social development, the priorities of tourism and other local relevant industry sectors, with natural and cultural heritage protection. The tourism industry generally links to regulatory controls provided by other government departments such as environmental management and protected area authorities. For instance, tourism accreditation is required to gain a permit or licence to operate a commercial tourism venture in many protected areas across Australia. These factors also significantly impact expedition cruise management and operations in each of the case studies in this chapter.

The Case Studies – Three Protected Areas

The following sections develop a regional focus through case studies of three iconic Australian expedition cruise regions: the Great Barrier Reef World Heritage Area in Queensland, the West Kimberley National Heritage Area in Western Australia and the Tasmanian Wilderness in Tasmania (Fig. 29.1).

The Great Barrier Reef World Heritage Area

The Great Barrier Reef Marine Park (GBRMP) and World Heritage Area (WHA) incorporate the largest coral reef and island system in the world (Fig. 29.1). It is an internationally recognized icon of environmental significance, covering a vast and largely uninhabited 344,400 km², stretching 2300 km along Australia's north-eastern coastline. Constructing a maze of 3000 coral reefs, and 900 continental islands and coral cays, it offers unparalleled expedition experiences in one of the most biodiverse habitats on earth.

International expedition cruise operation interest and permit applications in the late 1990s initiated a reconsideration of the GBRMP's Cruise Shipping Policy, which defined a cruise ship as any ship engaged in the conduct of a tourist programme in the park in excess of 70 m in overall length (GBRMPA, 1999). In consideration of the expedition style of operations' activities, passenger numbers and vessel sizes, a new description of the expedition-style cruise operations in the GBRMP was included in the policy stating they 'are smaller (up to 120 meters long) and carry only small groups (around 150 passengers) ... and ... the experience sought is focused on self-reliant access' (GBRMPA, 1999). A suite of recommendations for review in the policy accompanied these changes, though at the time of writing this chapter almost 16 years later, the

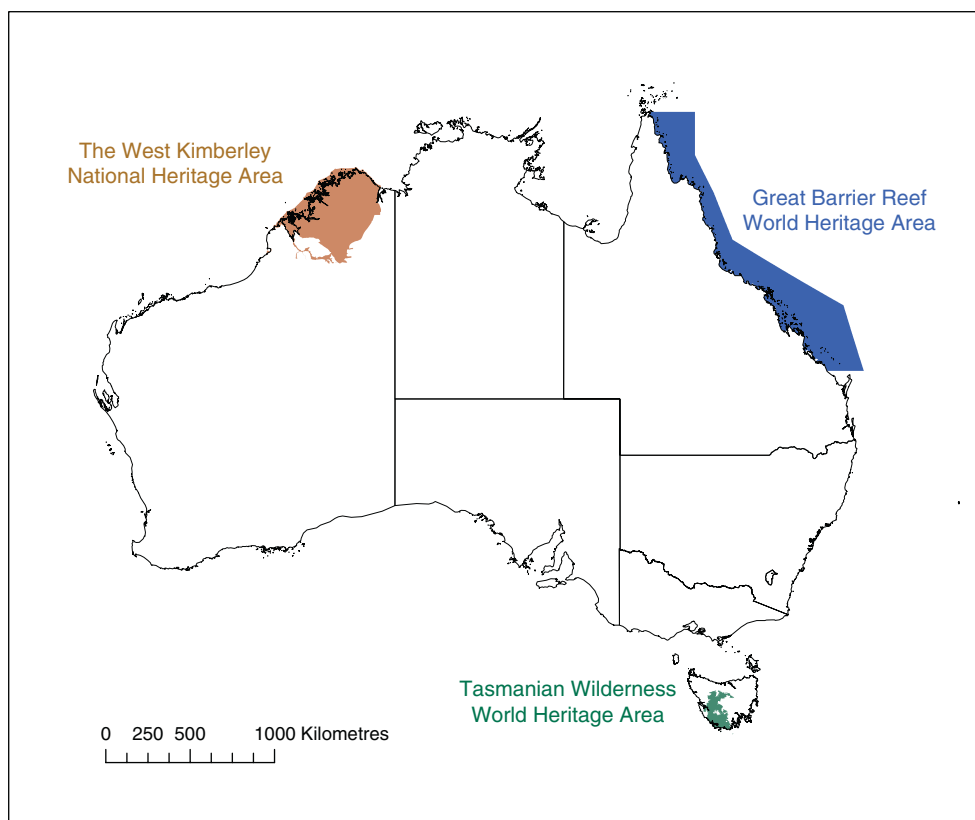


Fig. 29.1. Map of Australia highlighting the case study sites (courtesy of Pascal Scherrer).

reviewed policy had not been released for comment. However, the permit applications did initiate assessments by the Authority to identify and establish potential anchorages in more remote locations as well as popular regions of the park, with specific management proposals and liaison with Queensland state management authorities of island national parks and Traditional Owners in the lead up to Joint Management Agreements to cater for their intended destination stopovers.

The initial interest in the 1990s resulted in the conduct of expedition cruise operations in the GBRMP for a number of years, further international operator interest and the establishment of an Australian cruise company specializing in expedition-style operations in the region. There was also the expansion of expedition cruise activities in the GBRMP by one established Australian operator and the continuation of activities by another, though neither of these operators fell under the cruise policy as their vessels were less than 70 m in length. However, despite this initial interest and the growing international appeal and market for expedition-style cruising, subsequent ‘expedition cruise’ permit applications in the GBRMP decreased (GBRMPA, Townsville, 2015, pers. comm.).

Little information is available regarding reasons for the decline, though [Table 29.1](#) summarizes relevant aspects that impact operations. Anecdotal key issues for expedition vessels involved the complexity of existing permit processes and operational requirements, particularly regarding island visits and anchorage, landing and travel restrictions.

While the delay in the cruise policy being reviewed as recommended may have had an impact in this respect, in an assessment of the current management policies and plans for the GBRMP three areas emerge that could have significant implications for sustainability from an industry operation perspective, as described below.

The GBRMP is managed via a series of 19 different zoning plans (each allowing different levels and types of activities), complemented by other representative management plans that specifically address biodiversity, conservation and multiple use or intensity of use issues in specific regions of the park. The objective of the 'General Use Zones', which cruise vessels of 70 m or more in length are generally restricted to for their activities, is to provide opportunities for reasonable use while still allowing for conservation of these areas. These zones may not allow access to specifically sensitive biological or cultural areas, which of course may be the most appealing for expedition itineraries. The implication for expedition cruise operations of the different zoning and management plans in combination with the Cruise Ship Policy (GBRMPA, 1999) and the Australian governance frameworks are:

- Case by case assessment of every permit application;
- Initial permits are only allocated for 1 year;
- Different allowances for use of own boats/tenders/zodiacs and the type of activities in different zones or management areas that may impact the 'self-reliant' style of operations the passengers are seeking;
- A requirement to use local operators if undertaking land excursions in some locations, which requires specific booking arrangements with these operators;
- The use of only specifically approved anchorage sites for vessels 70 m or more in length at desired locations, which are designated on the basis of accommodating larger traditional-sized cruise ships and hence may be located quite a distance from shore for depth and habitat reasons (e.g. Hinchinbrook Island or Lizard Island);
- A booking system for anchorage sites that allow only one vessel per day;
- A requirement for a reef pilot to be booked and accommodated to navigate safe passage through the GBRMP; and
- Travel restricted to major shipping channels and transit routes, rather than being able to take more direct routes permitted for smaller local expedition-style operators.

Permits, approvals and bookings from multiple management agencies are required to conduct an expedition itinerary involving land and sea activities, for example:

- A GBRMPA permit from the federal authority for marine park activities;
- Anchorage bookings with only one ship allowed per anchorage per day;
- A Commercial Activity Permit from the Queensland Government (QPWS) for island visitations within the marine park, and each island requires a separate permit (as per National Park);
- Bookings for island visits to ensure visitation carrying capacities are not exceeded;
- Possible Traditional Owner activity approval and accommodation of additional guides for areas under Joint Management agreements;
- Booking with local operators as required for the conduct of certain activities in specific areas;
- AMSA pilot booking and accommodation of pilot; and
- Other Australian governance requirements, for example, including an international port of call in each itinerary if required.

This permit approval and booking process can be very restrictive for the purposes of expedition cruising. For instance, due to the types of activities conducted and their reliance on weather conditions for use of the tenders, vessels may need to rely on some degree of flexibility within their itineraries and timings. If arrival at a scheduled anchorage or activity stopover is delayed due to weather conditions the ship must be in contact with the GBRMPA and Queensland Government to re-book or miss these activities. This has implications for the operator's market regarding passenger satisfaction, and repeat and new patronage, and hence impacts the likelihood these itineraries are maintained beyond their advertised schedule.

Best practice guidelines are provided by the GBRMPA, and operators are encouraged to address and interpret WHA values for the passengers. However, the management and conduct of their expedition activities is largely left to the governance of the operation. This has implications for the environmental sustainability of operations in the region, and the GBRMPA does offer incentives to gain independent certification with Ecotourism Australia, for example, to encourage sustainable practices. If appropriate independent certifications are gained then the GBRMPA will facilitate a longer period of permit approval (up to 15 years). Due to the limited scope of cruise operations permitted and their activities occurring in only a very small percentage of the whole park, cruise activities are not considered to have a significant environmental impact, especially if using local operators for their activities or if the passengers rarely leave the ship (GBRMPA, Townsville, 2015, pers. comm.). This impression of cruise activities, which is more indicative of large or traditional-style cruising, is perhaps suggestive of the limited expedition cruise activities that are currently approved and operating in the GBRMP.

The Kimberley – including West Kimberley National Heritage Area

Considered globally as one of the few relatively untouched large wild areas left in the world, the Kimberley features a spectacular and rugged coastline, a diversity of pristine marine habitats, is rich in marine wildlife (including dugongs, marine turtles, dolphins, sawfish, saltwater crocodiles) and is a significant humpback whale calving area as well as being noted for its coral reefs (Fig. 29.1). The coastal area is very sparsely populated, features numerous wild rivers, endemic species and is part of the country¹ of several Traditional Owner groups. There are many significant and spectacular rock art sites along the coast and evidence of rock art dating back more than 40,000 years. The Western Australian (WA) Department of Parks and Wildlife, as part of the Kimberley Science and Conservation Strategy, established the Kimberley Wilderness Parks initiative that seeks to achieve WA's largest interconnected system of marine and terrestrial reserves covering more than 5 million ha. This includes five marine parks (North Kimberley, Camden Sound, Roebuck Bay, Eighty Mile Beach and the Horizontal Falls Marine Park). The marine parks and potentially some land areas are proposed to be jointly managed with Traditional Owners through joint management bodies.

Additional to the aforementioned national frameworks relating to cruise activities, government agencies manage aspects of tourism along the Kimberley Coast (see Table 29.1).

Expedition cruising along the Kimberley coast commenced in the 1980s with initially irregular 'scenic' and 'adventure' trips on comparatively small vessels (Coate, 2006). Strong growth in activities in terms of the number and size of vessels and their

frequency of trips led to an independent baseline assessment of the industry and its activities in 2006 (Scherrer *et al.*, 2008). This study identified 30 vessels as operating regular multi-day tours along the Kimberley Coast between Broome and Wyndham – 14 of which were classed as luxury motor cruise vessels ranging in size from 20 to 103 m in length (10 to 106 passengers), many of them purpose-built for local conditions and activities (Scherrer *et al.*, 2008). Vessel numbers have subsequently dropped, with less than 20 vessels operating regular tours in 2013 and three vessels accounting for around half of all passengers (Western Australia Government, 2013).

The complexity of the uncharted waterways, vast unpopulated areas and limited communication infrastructure has been a limiting factor to new vessels entering the Kimberley expedition cruise market and highlights the importance of local knowledge with regard to safety and visitor experience. The largely uncontrolled and unmonitored itineraries of vessels created issues for Traditional Owner groups along the Kimberley coast, who are increasingly asserting their rights to know about and have a say in activities occurring on Traditional Owner country. Government agencies are also seeking greater monitoring particularly on issues of environmental and safety aspects such as the management of oil spills or search and rescue requirements.

Recognizing the growing tensions and possible future growth, a draft Kimberley Coast Cruise and Recreational Vessel Management Strategy was developed in 2013 (Western Australia Government, 2013). This strategy specifically sought to create a single system agreed by all stakeholders and applicable to all types of vessels (including locally based seasonal expedition vessels, larger Australian and foreign-flagged expedition vessels, super yachts, charter boats, fishing and dive live-aboards and all recreational vessels). Traditional Owner groups are in the process of refining and rolling out visitor permit systems and associated codes of conduct covering access and activities in their respective Native Title Determination Areas. Examples include the Dambimangari Visitor's Pass to commence in January 2016 (Dambimangari Aboriginal Corporation, 2015) and the Uunguu Visitor Pass (Wunambal Gaambera Aboriginal Corporation, 2009). These may become integrated into a single system in the future.

Industry self-management has not been strong although the Kimberley Marine Tourism Association (KMTA) has existed for a number of years to support the development of expedition cruising through the region. As part of a government initiative to increase the regulation and standards within the industry, the 'WA Marine Tour Operators Best Practice Standards – Kimberley' was produced. It is designed to assist marine tourism operators deliver quality tourism experiences, while minimizing negative environmental and cultural impacts and meeting regulatory requirements. The Standards are planned to form the basis of a marine-focused accreditation module for an Australia-wide tourism accreditation scheme.

The Tasmanian Wilderness World Heritage Area, Port Davey – Bathurst Harbour

The Tasmanian Wilderness World Heritage Area covers approximately 1,584,000 ha and represents about one-fifth of the area of the island state of Tasmania (Fig. 29.1). It protects vast tracts of high quality wilderness, which harbours a wealth of outstanding natural and cultural heritage. The core area was inscribed on the World Heritage List in 1982 on the basis of all four natural criteria and three cultural criteria, at the time satisfying more criteria than any other World Heritage property on earth.

The rivers flowing into Port Davey – Bathurst Harbour bring dark tannin-stained freshwater from the surrounding landscape to the estuary’s upper water layer. These form a well-defined halocline in the top 3 m of the Bathurst Harbour/Bathurst Channel region for most months (Edgar, 1989) and in summer the halocline breaks down and only slightly diluted marine waters occupy the region. Light penetration into the water is significantly restricted, exceptionally low nutrient levels characterize the estuary and rare, and in some instances, unique marine species (some considered to be relicts of Gondwana age fauna) live there (Last and Edgar, 1994). Within Australia, it is considered one of the most pristine estuarine systems and one of only a few such estuaries globally.

As part of a state-wide Marine Protected Areas Strategy, the marine reserve at Port Davey – Bathurst Harbour (17,000 ha) was approved in 2004 by extending the Southwest National Park to include the marine environment. All vessels must meet the Commercial Visitor Guidelines for the Port Davey Marine Reserve (Tasmanian Parks and Wildlife Service, n.d.) that apply to commercial operations ‘including motorized and non-motorized vessel-based recreation and tourism operations and land tourism operations (a vessel includes yachts, motorboats, kayaks, dinghies, inflatables and float planes)’. Commercial fishing vessels are excluded.

Despite rapidly growing cruise ship visitation to Tasmania, with 44 ship visits in 2012–2013 (Tourism Tasmania, 2015), Port Davey – Bathurst Harbour and the TWWHA remain little visited by expedition ships. Anecdotally this is partly due to very tight management guidelines with current barriers including the Coastal Trading Act and requirement of housing onboard quarantine, pilot and parks representatives, hence potentially taking at least three berths on a small expedition vessel. There are a growing number of small (usually less than 20-passenger) Tasmanian-based commercial tourism operators currently visiting the area. In addition, plans are underway for vessels to provide mother-ship bases for operations at Port Davey during summer for passengers to fly in and out. These generally are not required to have onboard government representatives. All commercial tourism operators, however, have tight guidelines on walking tracks, group size and guide numbers. Issues such as biosecurity around the fungus *Phytophthora*, weeds and pests as well as bushfires are also risks requiring mitigating behaviours. [Table 29.1](#) summarizes aspects impacting expedition operations in the area.

A major management issue relates to the potential impact on the shoreline from wave wake damage. There are strict speed limits and no motorized vessels are allowed in parts of the Reserve. An additional major environmental issue is potential damage to the fragile benthic marine biota from the turbulence created by the passage, manoeuvring and anchoring of a cruise ship (Ellis *et al.*, 2005). Previously permits had been based on characteristics such as ship length, draft and tonnage but additional research was undertaken in 2001–2003 and a model developed utilizing a series of variables specific to each ship to more accurately predict ship turbulence and potential impacts. The model was partially validated in ‘real size’ (Ellis *et al.*, 2005) and is now integrated into the permit process for vessels over 35 m in length.

Similarities and differences

[Table 29.1](#) summarizes the key features of the three case studies from an expedition cruise perspective and highlights the similarities and differences.

Table 29.1. Comparison of three key Australian expedition cruise case study areas.

	Great Barrier Reef	Kimberley	Tasmanian Wilderness
Key attraction	Reef, islands and single site of indigenous rock art	Landscapes, marine, indigenous culture and rock art	Landscapes
Protection status	World Heritage Area listed for natural values in 1981	Natural Heritage Area listed for natural and cultural values in 2011	World Heritage Area listed for natural and cultural values in 1982
Governance structure	Federal Government Marine Parks tourism operation permit GBRMP cruise ship anchorage bookings Qld Government Commercial Activity Permits for each National Park destination (and each island has a different National Park designation) Liaison with Traditional Owner groups with regard to appropriate guiding and management at culturally sensitive sites under Joint Management Agreements National Park visitation bookings AMSA reef pilot requirement (so a cabin must be allocated for this purpose)	WA Department of Transport, which has a coastal management and protection role encompassing marine safety, provision of maritime facilities and sustainable use of the coastline WA Department of Fisheries, whose primary responsibility is to conserve, develop and manage the fish and aquatic resources of the state Tourism WA, which is concerned for the delivery of quality tourism experiences that benefit regional communities and the state WA Department of Parks and Wildlife, which manages state level protected areas Aboriginal Corporations and Prescribed Body Corporates representing native title holders and facilitating Traditional Owner guided management of land and sea country	Parks and Wildlife Service Tasmania Quarantine (when relevant)
Management & operational considerations	Multiple jurisdictions and compliance requirements Different zoning and associated management plans creating complexity in permit conditions and restrictions of activities at different destinations in a single itinerary	Development of a single framework, but also four distinct native title determination areas with different requirements	Single approval process that includes parks and pilotage issues – Commercial Visitor Guidelines, Port Davey Marine Reserve

Cultural sustainability issues and Indigenous involvement	Traditional Owner Joint Management coordinated with Qld Government – QPWS Commercial Activity Permits; however, independent liaison with the Traditional Owners with regard to building partnerships and provision of guiding is noted	The Kimberley coast consists of extensive areas covered by native title determinations (both land and waters) and Aboriginal land (reserved by the Aboriginal Lands Trust) Native title determinations for the Kimberley coast include non-exclusive and exclusive Native Title rights History of unregulated commercial and recreational visitation of Traditional Owner country and sites Visitor permits being introduced by Traditional Owners	Indigenous sites exist in the area but little Traditional Owner involvement in tourism to date
Social sustainability issues	Low resident population Strong social attachment from state and national population Significant focus on current cumulative degradation from tourism, resource, transport industry and recreational impacts	Low resident population High recreational boat ownership and usage with little control or regulation	No resident population Strong social attachment from state population
Environmental sustainability issues	Degradation and cumulative tourism, resource, transport industry and recreational impacts. However, impact of cruise industry regarded to be relatively negligible/not significant by GBRMPA due to cruise ships having some of the best waste discharge operations and the current management policy in place regarding their movements, anchorages and activities	Site-specific pressures from increased visitation (commercial and recreational), particularly reef walking, wildlife, biosecurity	Unregulated recreational vessel impacts difficult to manage but very low numbers of commercial vessel operations, thus limited impacts. Track hardening and biosecurity

Continued

Table 29.1. Continued.

	Great Barrier Reef	Kimberley	Tasmanian Wilderness
Economic sustainability issues – operators	High costs, limited flexibility	High operational costs; increasing competition; trip price set and marketed 2 years in advance but permit fees may be imposed with shorter transition period	Requirements of three berths (pilot, quarantine and parks) means non-viable location for small ships, availability of pilots limited
Economic sustainability issues – destination	Tourism has a substantial impact on the local and national economy, but expedition cruising is a very small percentage of this	Very high local returns in regional towns such as Broome as it is both an embark and disembark location and a vessel home base	No local population
Visitor experience issues	There are best practice guidelines offered for operators to follow provided by GBRMPA; though independent best practice certification facilitates longer permits	Growing pressure at iconic sites with multiple operators concurrently visiting same site impacting visitor perceptions, increased opportunities to engage with Traditional Owners	Limited approved anchoring sites mean long tender trips in possible inclement weather
Political/strategic considerations	Change to Coastal Trading Act or its administration may increase the number of foreign-flagged vessels	Change to Coastal Trading Act or its administration may increase the number of foreign-flagged vessels	Change to Coastal Trading Act or its administration may increase the number of foreign-flagged vessels. State actively working to encourage state-based operations

Implications for Expedition Cruising in Australia

The national level review reveals that currently debated changes to the legislation or administration of the Coastal Trading Act may significantly increase the numbers of foreign-flagged expedition-style cruise vessels in Australia over the next few years. This will result in increased pressures on local management of key expedition cruise destinations. Nationally, the lack of a cohesive approach by the industry exacerbates the national and local work of government, Traditional Owners and other parts of tourism to work collectively and develop agreed sustainable management systems. Models of self-regulation and a strong collective voice on expedition-style cruising globally include the International Association of Antarctic Tour Operators (IAATO) and Association of Arctic Expedition Cruise Operators (AECO). It remains to be seen how the newly formed Australian Expedition Cruise Shipping Association works with the more nationally powerful and larger entities such as CDU, TTF and CLIA. The aim by local tourism councils to broaden the WA Marine Tour Operations Best Practice Standards – Kimberley (Government of Western Australia, 2015) to a national approach is a positive step around integrating aspects of expedition cruising into tourism destination management.

The case study comparison shows the local management of expedition-style vessel growth has been driven by local issues, perceived needs and pressures and opportunities such as increased capacity to regulate activities through new Marine Park or Native Title determinations. Strict regulatory requirements at both national and local level have limited the growth in Tasmania and the Great Barrier Reef. The Kimberley region in contrast had minimal local controls until recently, but the difficult marine environment created a natural entry barrier to new ships. The WA Government is currently leading the development of a cohesive management framework aimed at systematically improving management and governance of the industry. This process considers multiple stakeholder views and recognizes the need for a dynamic and adaptable approach. It allows continuous modification and adaptation with the ultimate aim of facilitating sustainable high quality visitor experiences while supporting livelihoods and the local economy. The process is still ongoing as Native Title Determination and the gazettal of new Marine Parks continues, creating greater capacity to regulate and manage a previously largely unmanaged operator approach. Rather than using vessel size as a regulatory tool, the government recognizes that some sites may only be able to take small numbers of visitors and so is recommending that site-specific plans be used to restrict visitation levels. For example, the difference between one vessel splitting 100 passengers into ten groups of ten passengers for a site visit, compared with multiple small vessels bringing groups of ten passengers needs to be considered based on the environmental or social impact the regulation is aimed at managing.

It should be noted the variations within the management regimes, particularly the Great Barrier Reef, could create positive outcomes. Tailored itineraries, for example, are a feature of expedition cruising. The capacity to be highly flexible is an important element in creating a sustainable balance between activities and conservation. Also Joint Management Agreements with Traditional Owners have meant the approvals can be often managed as part of the permit application process. Independent contracts and arrangements can also be made between operators and Traditional Owners with regard to visitation requirements and guides amongst others. [Table 29.2](#) summarizes growth issues around expedition cruise management in the case studies reviewed.

Table 29.2. Potential limiting factors to growth.

Dimensions	Limiting factors	GBR	Kimberley	Tasmania	Potential mitigation solutions
Governance	Variations in application of management policies across commercial tourism vessels of different types	✓	✓	✓	Review categories of smaller tourism vessels and encourage standardized policy development
	Complexity of guidelines and/or multi-agency requirements	✓	✓		Review Australia-wide requirements and simplify
	Limited site-specific/destination guidelines that encourage best practice	✓	✓		Kimberley – creation of a cruise strategy for area GBR – variations between sites
	Lack of cohesion within the industry to create codes of conduct and self-regulation and to lobby for improved management of expedition vessels	✓	✓	✓	Develop industry agreement on vessel categories to avoid inappropriate operator split between cruise ship and charter operator associations creating mixed messages and expedition-style activities with a very low political voice
	Inability of legislative approaches to evenly manage visitor impacts that may be recreational as well as commercial tour operator		✓	✓	Kimberley – Native Title determination allowing traditional owners to charge a visitor pass Port Davey – Bathurst Harbour communication strategies on best practice boating
Economic	Limited capacity for landing fees or other charges to create returns for the locations		✓	✓	Native Title determination allowing traditional owners to charge a visitor pass A per visitor Environmental Management Charge is paid by operators and these funds directly support GBRMPA management funding
Environmental	Geographically vast distances between key ports and a potentially demanding environment (marine and land) create a seasonal nature to the industry and issues of economic return for operators	✓	✓	✓	Create innovative business models and counter-season industry linkages that take advantage of local seasonality
	Complex fishing regulations regarding passengers consuming small quantity catches on trip		✓		Simplify fishing regulations specifically for expedition vessels
Cultural	Varying permit processes for access to Traditional Owner land including individual agreements	✓	✓	✓	Standardize permit processes for access to Traditional Owner land but individual agreements still able to be made
	Known sacred and rock-art sites may become off-limits to visitation	✓	✓		Develop more appropriate visitation controls that require positive communication messages from operators to support visitor understanding

The issues outlined in [Table 29.2](#) are similar to those identified by Dawson *et al.* (2014, p. 91), who noted five governance challenges around expedition vessels in the Arctic:

- i. Inconsistencies associated with the multi-jurisdictional/trans-national operating context;
- ii. Lack of guidelines for cruise tourism vessel operation and management;
- iii. Lack of capacity and aging/insufficient infrastructure;
- iv. Challenges associated with a vast and demanding geographic landscape;
- v. The outcomes of rapid change in times of high environmental and economic uncertainty.

Four of these five challenges resonate with the findings of this chapter (point iii not being considered pertinent in the Australian situation). To assist sustainable management and governance of these types of operations in remote regions of vast geographical, ecological and cultural significance it is vitally important to develop consistency in definitions of expedition cruising. Rather than these being dependent upon size, length, tonnage or passenger numbers, this chapter proposes that better outcomes would result from a management focus upon the type of activities involved in expedition-style cruising. This may then include a more equitable management structure for all operators independent of the size of their vessels.

Conclusion

Significant work has been undertaken in developing management approaches for commercial tourism vessels undertaking expedition-style activities in each of the three case study areas within Australia. All three case studies include relatively remote island and coastal areas well suited to expedition cruising, of appeal to domestic and international tourists and have been identified for their high natural and cultural values. Further work would be needed to determine if the current expedition vessel management regulations, governance and management practices have contributed to sustainability of the natural and cultural values, but they appear to have had mixed results in terms of ensuring commercial tourism of this style is well managed and results in long-term sustainable visitation. In particular, the impact on the operational aspects and hence economic viability of expedition-style cruising in each area has varied.

While cruising within Australia has rapidly grown, expedition cruising in more remote areas of significant natural and cultural values has not grown at a similar or expected pace, nor does it appear to have kept pace with the global growth in expedition cruising. The national legislative restrictions, lack of coordination and consistency within the industry, and variations in management approaches in different regions appear to have created barriers for this sector. In particular, the lack of consistency in identifying and managing vessels undertaking expedition-style activities has exacerbated the capacity to manage the sector well. While legislative and governance inconsistencies exist in the distinction between large cruise vessels and expedition vessels, a greater issue for effective management within Australia currently appears to be the lack of clarity with small vessel commercial tourism operators and the expedition vessel sector. Management approaches using the size of vessel to distinguish the expedition cruising sector rather than style of operation create inconsistencies and tensions.

It is timely to review the potential issues in management and governance both nationally and locally. The wider Australian tourism industry and cruise industry anticipates changes to the management of the Coastal Trading Act that may help create a significant increase in expedition vessels, particularly foreign-flagged vessels in the near future. While the tourism industry and national government are interested in growing the expedition cruise sector in Australia, the actual impact of the recent stronger management approaches in locations such as the Kimberley, the impact of changes on the industry being made at the federal level, specifically around the application of the Coastal Trading Act, as well as site specific changes such as Traditional Owner visitor management fees remains to be seen.

Note

¹ The notion of country refers to seamlessly integrated land, sea and air, as well as those human and non-human elements that sustain them and is based on belonging and responsibility according to ancestral relationship and Aboriginal Law (Blundell and Woolagoodja, 2005).

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Sailing in Icy Waters: Antarctic Cruise Tourism Development, Regulation and Management

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Introduction

The growth experienced in the international cruise sector over the past few decades is clearly evident in Antarctic tourism, where primarily due to logistical reasons the majority of tourists continue to travel to the continent by ship (Lück *et al.*, 2010; Crosbie and Splettstoesser, 2011). Since the mid-1960s, when the modern era of cruise ship tourism to the Antarctic is generally considered to have started (Reich, 1980) with the maiden voyage of the first vessel to have been purpose-built for Antarctic tourism, the ice-strengthened MV *Lindblad Explorer* (Headland, 1994; Stonehouse and Snyder, 2010), the sector has experienced unprecedented growth and diversification, particularly over the past couple of decades (Liggett, 2009). While expedition cruising, which utilizes smaller vessels carrying a maximum of 500 passengers, remains the normal mode of transport for cruise passengers, other forms of ship-borne travel include small vessels such as yachts (Orams, 2010) as well as large ‘cruise only’ vessels (carrying more than 500 passengers), which generally only travel in ice-free waters and do not make onshore landings (Lamers, 2009; Lück, 2010).

More recently, ‘fly-cruise’ packages whereby visitors fly to the South Shetland Islands and then join a cruise ship have also entered the market. In view of these developments, policy makers (and researchers) have been discussing the environmental costs of Antarctic cruise tourism (Lück, 2010) and have been trying to understand, monitor and manage tourism to the Antarctic Treaty area. While the governance of cruise tourism in the Antarctic occurs on a number of different levels (an international governmental level, a national governmental level and a transnational non-governmental level) at present, the International Association of Antarctica Tour Operators (IAATO) still largely self-regulates tourism operations in this area. This chapter will outline the characteristics of Antarctic cruise tourism development, explore the governance of the sector and assess its regulation and management.

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Cruise Tourism Development in the Antarctic

In many respects it is not surprising that the Antarctic region, which comprises the fifth largest continental landmass extending across approximately 14 million km² around the South Pole and its cold and highly productive Southern Ocean surrounds, has become an important cruise tourism destination. Antarctica is not only the coldest of all the continents, but on average also the driest, highest, windiest and arguably the most remote. While these geographic features may have naturally limited the scale and scope of tourism development in the region, they also have defined the continent's tourism appeal. The continent can boast great beauty, an abundance of wildlife, an intriguing human history of science and exploration and some of the most dramatic cold-climate scenery in the world (Bauer and Dowling, 2006).

Defining Antarctic tourism

A number of scholars have defined Antarctic tourism (Hall, 1994; Herr, 1996; Bauer, 2001; Murray and Jabour, 2004; Molenaar, 2005; Liggett, 2009), but a very simple and elegant definition has been offered by Lamers (2009), who considers Antarctic tourism to represent:

those activities that are organized (e.g. governmental, non-governmental or commercial) in the Antarctic region, i.e. south of 60 degrees South Latitude, with the purpose of enjoying (e.g. pleasure, adventure, education) specific Antarctic values (e.g. wilderness, wildlife, remoteness, extremeness) in any form. (Lamers, 2009, p. 13)

The recreational activities undertaken by members (including staff, crew and researchers) of National Antarctic Programmes (NAPs) are excluded from the definition (Lamers, 2009). In his definition, Lamers (2009) also clearly excludes any tourism that occurs outside Antarctica's political boundaries, which are defined by the 1959 Antarctic Treaty as the continent, all islands and surrounding oceans south of 60° S latitude (see [Fig. 30.1](#) for a map of Antarctica highlighting the most visited touristic sites). From the perspective of assessing the regulation and management of tourism within the framework of the Antarctic Treaty System (ATS), this definitional boundary is eminently sensible.

As our focus in this chapter will also be on the governance of tourism in the Antarctic, we will place a similar emphasis on operations in the Antarctic Treaty area while acknowledging that cruise operators have to traverse the waters north of that area in order to travel to the Antarctic. As we cannot ignore the activities of Antarctic tour operators in those more temperate northern waters when, after departing an Antarctic gateway port, they are already following their Antarctic itineraries, we propose to define Antarctic cruise tourism as 'any recreational visits to the Antarctic region on board vessels carrying passengers into the Antarctic Treaty area'. This definition allows us to focus on the operations of cruise vessels that travel southward of the 60° S latitudinal line, providing a sufficiently narrow focus to explore tourism regulation and management through the ATS, while considering the activities of these tour operators in their broader geographical frame.

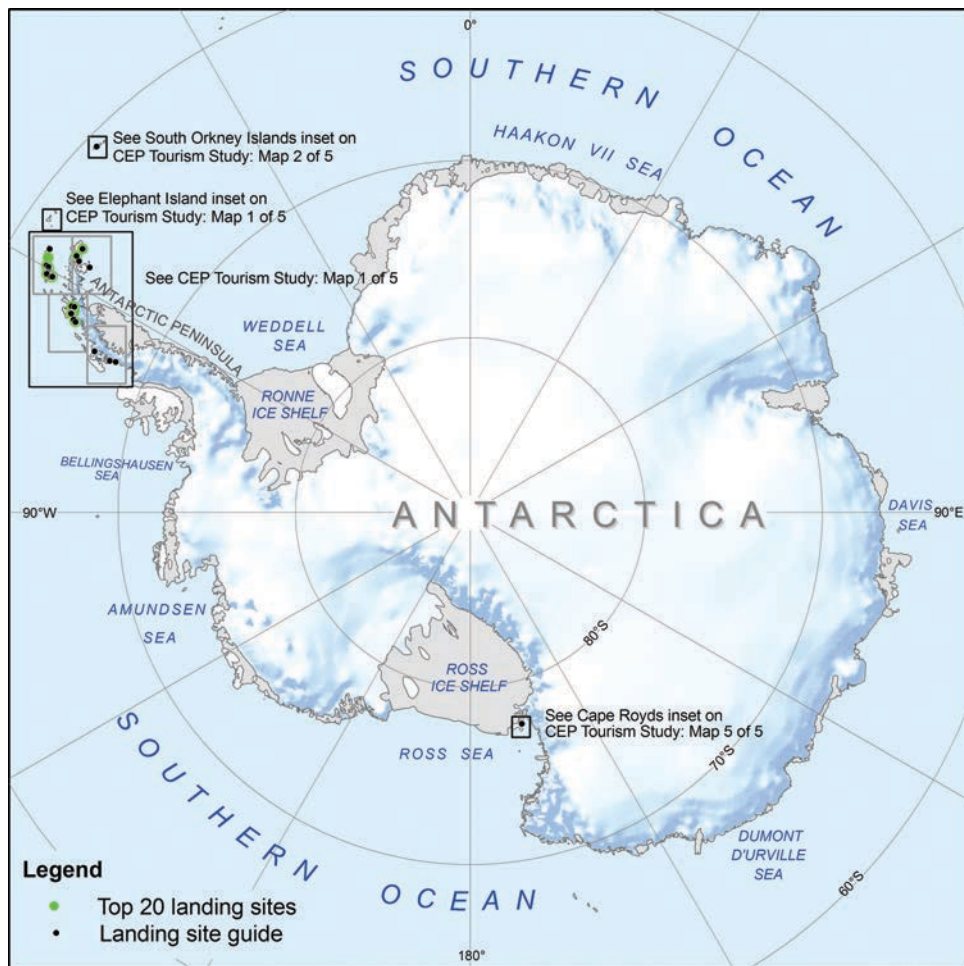


Fig. 30.1. The Antarctic Continent and Southern Ocean. The 20 most visited landing sites in Antarctica and sites with site guidelines are highlighted in this map. (From: CEP, 2012. Map courtesy of the Australian Antarctic Division © Commonwealth of Australia 2010.)

A short history of cruise tourism in the Antarctic

Cruise tourism to the Antarctic region is not a new activity (Lamers, 2009), with the earliest voyages carrying passengers identified as ‘tourists’ to Campbell Island, Auckland Islands and Macquarie Island searching for castaways and checking provisions deposited on these sub-Antarctic islands for emergencies being traced back to the early 1880s (Headland, 1994). Similar voyages were made by Argentinean and British naval vessels to the sub-Antarctic islands in the Atlantic sector and were complemented by whaling factory ships and trawlers that occasionally offered passage to the Falkland Islands/Malvinas for fare-paying passengers (Headland, 1994; Stonehouse and Snyder, 2010). In the early years of the 20th century, Thomas Cook advertised a cruise to the Ross Sea region apparently to coincide with Scott’s 1910 expedition, but for reasons

unknown the cruise did not eventuate (Bauer and Dowling, 2006). Similarly, a New Zealand paper (the *Christchurch Press*) announced in 1910 a 50-day voyage to McMurdo Sound but interest waned after the fate of the Scott expedition became known and furthermore with the advent of World War I (Headland, 1994). Although the *Pampa* (an Argentine naval vessel) carried tourists on a routine relief voyage in 1933 (Headland, 1994), it was not until after World War II that the first ships (Chilean and Argentinian vessels) transported what can be regarded as ‘modern-day tourists’ on exclusive trips to the Antarctic (Reich, 1980; Crosbie and Splettstoesser, 2011).

The work of the Swedish-American travel organizer, adventurer and entrepreneur Lars-Eric Lindblad in the mid-1960s defined the start of the modern era of cruise tourism in Antarctica (and other remote locations throughout the world). Lindblad organized these early cruise trips initially on chartered vessels – an Argentinean naval vessel, a Chilean passenger vessel and a Danish ice-strengthened working and research vessel. The success of these early voyages prompted Lindblad to have a ship purpose-built for travel to the Polar Regions (Headland, 1994). Affectionately known as the ‘Little Red Ship’, the 1A ice-classed MV *Lindblad Explorer*, a 92-berth Norwegian-registered vessel, remained in service, although renamed the *Society Explorer* in 1984 and the *Explorer* in 1992, until her unfortunate sinking in 2007. Tourism pioneer, Lindblad was significant for establishing core principles for cruise travel in the Antarctic, as he believed that ‘we cannot protect what we don’t know’, and set about building an expedition style of cruising characterized by onshore visits utilizing small rubber boats known as Zodiacs, coupled with an extensive onboard education and lecture programme (Crosbie and Splettstoesser, 2011). It was Lindblad’s belief that these experiences would promote a greater understanding of Antarctica’s role in the global environment (Lamers, 2009). The ‘Lindblad pattern’, as it has become known, is a philosophy combining exploration and education that largely remains in place today (Liggett, 2009). Cruise expeditions have ventured to Antarctica every year since 1966, and as Fig. 30.2 reveals, since the early tourist voyages, cruise tourism peaked in the first decade of the 21st century, after it had increased rapidly in the early 1990s (Enzenbacher, 1992) reflecting growth in adventure and nature-based tourism activities worldwide (Bauer and Dowling, 2006).

One of the main reasons for the rapid increase in cruise tourism at this time was the ready supply of re-configured Russian research vessels (Bauer and Dowling, 2006). In the 1990s, after the collapse of the Soviet Union, former Soviet ice-strengthened vessels of the Akademik fleet became available for long-term charter on the open market (Grenier, 2004; Liggett, 2009); a situation that tourism operators capitalized on with the retro-fitted ice-strengthened vessels and icebreakers becoming the workhorses of Antarctic cruise travel. The number of vessels used has been relatively stable over the past couple of decades while the number of voyages greatly fluctuated, responding directly and rapidly to demand and changing availability of high-end yachting adventures and more economically priced cruise-only options (see Fig. 30.3).

An increase in the number of ships operating in Antarctic waters in the very beginning of the 21st century (see Fig. 30.3) while the number of voyages was on the decline can be explained with more yachts taking only one voyage into Antarctic waters and with greater numbers of tourists travelling on large cruise-only vessels that became more prominent in the Antarctic cruise market at that time. Since the peak season of 2007/2008, when Antarctic tourists numbered in excess of 45,000, there was a decline, largely explained by the global financial crisis, before a return to growth in the

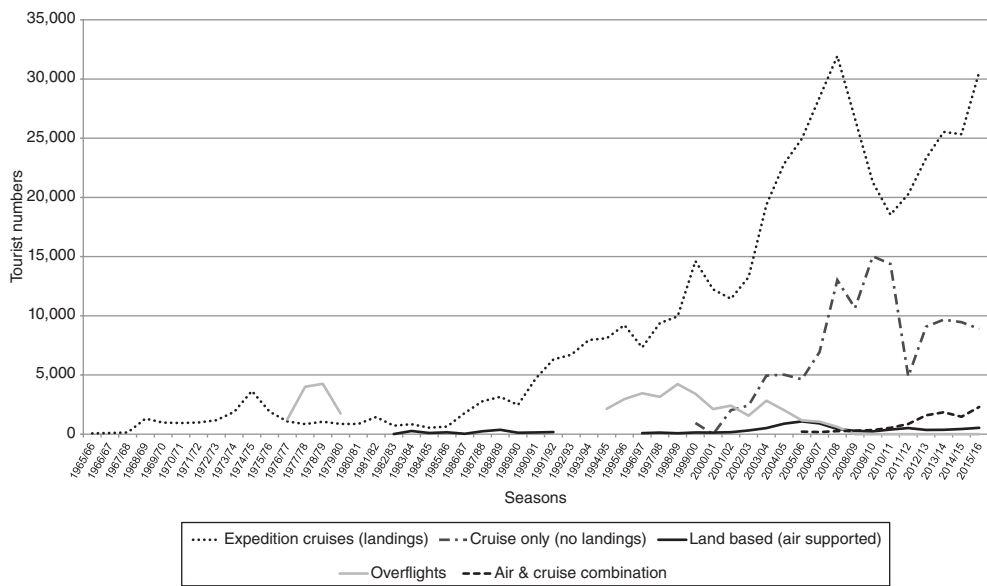


Fig. 30.2. Number of Antarctic tourists by main mode of transport since 1965. (The data are based on IAATO statistics (www.iaato.org) and a range of sources for data prior to 1991 (Reich, 1980; Headland, 1992, 1994, 2005; Enzenbacher, 1993). NB The 2015/16 data denote forecasted instead of reported numbers.

2011/2012 season and, as Figs 30.2 and 30.3 indicate, cruise ship tourism is on the rise again in Antarctica. IAATO forecasts for the 2015/2016 season indicate that the numbers of Antarctic tourists will rise to just over 40,000 individuals. Approximately 75% of the number of tourists in the 2015/2016 season are expected to travel on traditional small and medium-size expedition ships and yachts, all carrying 500 or fewer passengers and including landings in their itineraries (see Fig. 30.3) (IAATO, 2015b).

Expedition Cruising

The so-called expedition cruises, which involve shore landings, are largely conducted aboard cruise vessels carrying no more than 500 passengers. The voyages generally depart gateway ports such as from Ushuaia (Argentina), Port Stanley (Malvinas/Falkland Islands) or, to a lesser extent, Punta Arenas (Chile), Buenos Aires (Argentina), Puerto Madryn (Argentina), Hobart (Australia) and Bluff or Lyttelton (New Zealand). Occasionally, there have been departures from Cape Town and Port Elizabeth (South Africa) and Fremantle (Australia) (IAATO, 2015b). The ships sail primarily to the coastal areas of the Antarctic Peninsula region, but also to the Ross Sea Region and the sub-Antarctic islands over a 5-month period from November to March. Visits ashore are generally of short duration (3 h or less), of moderate intensity (fewer than 100 tourists on shore at any one time) and of variable frequency (a typical cruise itinerary includes one to three landings per day) (IAATO, 2015b).

IAATO report that tourism activities include the operation of small boats, shore landings and, to a lesser extent, kayaking, mountain climbing, scuba diving,

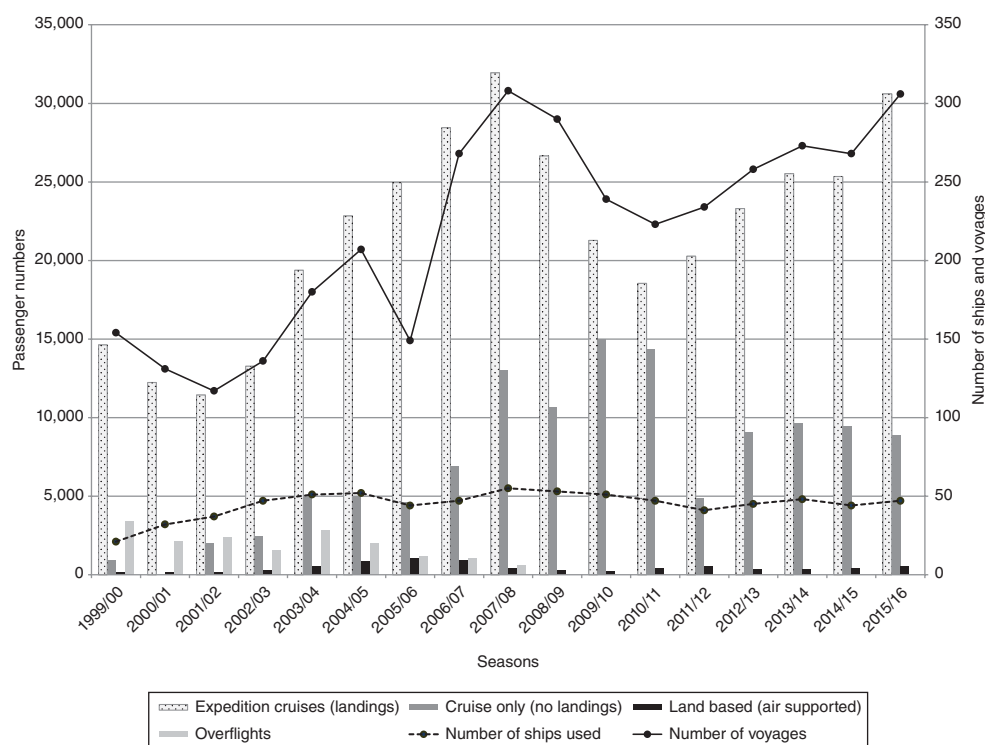


Fig. 30.3. Number of tourists visiting Antarctica over the past 15 seasons against the number of ships utilized and the number of voyages organized to Antarctica, based on IAATO statistics (www.iaato.org). (NB The 2015/2016 data denote forecasted instead of reported numbers.)

snorkelling, skiing, snowboarding, camping (including short overnight stays), running events, helicopter operations and underwater remotely operated vehicles (ROVs). Most of these activities have taken place for the past decade, with some dating back to the beginning of Antarctic tourism in the late 1960s (IAATO, 2015b). The 2014/2015 season saw the use of ‘drones’ or Unmanned Aerial Vehicles (UAVs), small remotely operated flight vehicles, which can be fitted with cameras for aerial photography. Indicative of the increasing concern around the use of UAVs in tourism operations, IAATO has developed pro-active and stringent guidelines for their use among members (IAATO, 2015c). These guidelines prohibit the use of UAVs for recreational purposes in coastal areas in the 2015/2016 season and impose strict requirements, including authorization by a competent authority and requiring an observer as well as an experienced UAV pilot for each flight, for the use of UAVs elsewhere (IAATO, 2015b).

Cruise-only operations

Figures 30.2 and 30.3 also highlight that, from the start of the new millennium, ship-based activities have diversified to include larger passenger vessels (carrying up to 3000 guests), which conduct ‘cruise-only’ or sightseeing cruises without offering landings

(Lamers, 2009). Despite a peak around 2010, cruise-only operations are now decreasing due to increased costs associated with new International Maritime Organization (IMO) requirements related to having vessels operate on light marine fuel oil only while in Antarctic waters. For the 2015/2016 season, IAATO project a slight decrease in cruise-only vessels (IAATO, 2015a).

Fly–cruise operations

More recently, ‘fly–cruise’ packages whereby visitors fly to the Falkland Islands or South Shetland Islands and then join a cruise ship have also entered the market. For example, the 2015/2016 season for fly–cruise packages is expected to grow with the introduction of two new vessels *Ocean Endeavour* and *Le Lyrial*, both of which anticipate carrying approximately 200 passengers and conducting about ten fly–cruise voyages (IAATO, 2015b).

Yachting

Due to the challenging maritime conditions, significant distances from protected ports, the lack of facilities and anchorages in Antarctica, historically only a few yachts ever attempted to enter Antarctic waters, with only five separate voyages recorded prior to 1970. However, from this date, private yacht visits to Antarctica grew exponentially, with the 1980s recording 77 and the 1990s 217 voyages (Orams, 2010), with nearly all itineraries in the Antarctic Peninsula, and using Ushuaia as a gateway port (IAATO, 2015b). More recently, an increase in the number of luxury super-yachts (more than 30 m in length) has been noted (Orams, 2010). In an Information Paper submitted to the ATCM XXXVIII in Sofia, Bulgaria (2015), it is recommended by IAATO that the ATCM continue to monitor the level of yachting activities in Antarctica, taking particular note of those yachts that may have been in the region without authorization from a Treaty Party (IAATO, 2015a).

Antarctic cruise tourists

Generally regarded as a niche ‘up-market’ travel destination, dominated by well-off, experienced travellers in their senior years, it is not surprising that Antarctic tourists have traditionally hailed from North America, Europe and Australasia (Bauer, 2001). However, recent figures indicate a growing interest in Antarctic tourism from Chinese, and to a lesser extent Japanese, nationals when compared to figures from the past decade. For instance, in season 2007/2008 Chinese nationals made up less than 1% of the total numbers of tourism, and even less than that in years prior to 2007 (see [Table 30.1](#) for comparative data on the past two seasons).

Incidents and accidents

As highlighted in [Table 30.2](#), Antarctic ship-borne tourism has not been without incident. There has been a series of accidents over the past decade (Lamers, 2009; Liggett,

Table 30.1. Nationalities of Antarctic tourists as a percentage of the total number of Antarctic tourists in the 2014/2015 and 2013/2014 seasons based on data obtained from IAATO.

Nationality	Percentage of total 2014/2015 season	Percentage of total 2013/2014 season
United States	34	33
Australia	11	11
United Kingdom	9	8
China	8	9
Germany	8	8
Canada	5	5
France	3	3
Switzerland	3	2
Others	19	21

2011) with the most serious occurring on 23 November 2007, when the MV *Explorer*, the first vessel purpose-built for polar tourism, sank in Bransfield Strait, some 25 nautical miles (NM) south-east of King George Island (Stewart and Draper, 2008). The vessel was, at that time, operated by Canada-based G.A.P. Shipping Co. and was flying the Liberian flag. As is commonly the case, the sinking of the vessel was a result of a combination of smaller problems and misjudgements, with the cascade of events that led to the ultimate loss of the vessel. The eventual sinking was set in motion by the Master's misinterpretation of the type of ice surrounding the vessel and selecting too great a speed for the vessel's passage through what turned out to be compact and hard ice. After making contact with a 'wall of ice', the vessel suffered serious damage to its hull. While all 154 passengers and crew were rescued by the nearby vessel MV *Nordnorge*, the MV *Explorer* could not be saved and found its final resting place at the bottom of Bransfield Strait.

What becomes clear from the information provided in Table 30.2 is that with increasing numbers of ships and tourists (see Figs 30.2 and 30.3) visiting the Antarctic, the likelihood of incidents and accidents also increases. This is the nature of shipping, as human error remains the dominant factor in shipping accidents (Hetherington *et al.*, 2006). Hetherington *et al.* (2006) identified a myriad of human performance factors, including health and stress levels, technical and non-technical competencies, situation awareness, cognitive demands, communication, language and cultural diversity, as well as organizational issues related to safety culture and training and engine room or bridge management as potential contributors to maritime accidents. They also indicated that lack of sufficient English language skills in crews made up of different cultural and linguistic backgrounds is a formidable hurdle to efficient communication, which cannot be overcome with safety training alone but requires greater cultural awareness, culturally sensitive recruitment processes and language training. The language problem is very real for Antarctic tourism, with many crewmembers on chartered or subchartered cruise vessels visiting the Antarctic originating from non-English speaking countries. So far, we do not have sufficient information on the connection between incidents related to Antarctic cruise tourism and the factors contributing to these incidents, and more research is needed on this topic to derive clear conclusions and recommendations for the regulation and management of Antarctic tourism.

Table 30.2. Recorded incidents and accidents related to ship-borne tourism, which includes cruise tourism and yachting, in Antarctica (based on IAATO records and information papers spanning the past two decades as well as Headland (1992, 1994, 2005) and Reich (1980) for earlier records).

Date	Vessel	Tour operator	Occurrence
14-Feb-67	<i>Lapataia</i>	Lindblad Travel	26 tourists stranded on Half Moon Island
1-Jan-68	<i>Navarino</i>	Lindblad Travel	Steering engine failure
22-Jan-68	<i>Magga Dan</i>	Lindblad Travel	Ship ran aground off Hut Point, McMurdo Sound
22-Jan-69	<i>Aquiles</i>	Lindblad Travel	Approximately 70 tourists stranded at Palmer station
24-Dec-71	<i>Lindblad Explorer</i>	Lindblad Travel	Ship grounded in Gerlache Strait, tourists rescued by Chilean Navy
11-Feb-72	<i>Lindblad Explorer</i>	Lindblad Travel	Ship grounded on rocks in Admiralty Bay, King George Island
29-Nov-72	<i>Ice Bird</i>	David Lewis	Second capsized of yacht, later reconstructed at Palmer station in 1973
1973	<i>Libertad</i>	DNT/ELMA	Damage to ship
24-Dec-79	<i>Lindblad Explorer</i>	Lindblad Travel	Ship grounded on rocks off Wiencke Island
10-Jan-86	<i>Southern Quest</i>	'In the Footsteps of Scott' expedition	Ship crushed by pack ice, 21 crew-members rescued by US helicopters from McMurdo, ship sank 4 nm east of Beaufort Island
28-Jan-89	<i>Bahia Paraiso</i>	Argentine Government supply/tourist ship	Ship ran aground off Anvers Island then sank leaking 600,000 l of fuel
1-Feb-91	<i>Pomairé</i>	Marinsular	Ship grounded in Jones Sound
21-Jan-91	<i>World Discoverer</i>	Society Expeditions	While approaching Cape Evans/Ross Island the vessel grounded on an uncharted rock
24-Jan-96	<i>Professor Multanovskiy</i>	Marine Expeditions Inc.	Vessel was grounded on rocks west-north-west from Penguin Island
4-Jan-97	<i>Professor Khromov</i>	Quark Expedition/Supernova Expeditions	Vessel grounded on shoal, uncharted rock in Niemeyer Channel
18-Jan-97	<i>Akademik Sergei Vavilov</i>	Marine Expeditions (operator); Supernova/Quark Expeditions (charterer)	Oil spill; oil was observed leaking from the vessel in the Pleneau/Hovgaard area
3-Feb-99	<i>Hanseatic</i>	Hapag-Lloyd	Transport incident – starboard propeller sustained damage in Paradise Bay

Continued

Table 30.2. Continued.

Date	Vessel	Tour operator	Occurrence
31-Dec-99	<i>Clipper Adventurer</i>	New World Ship Management Co. LLC/Clipper Cruise Line (operator); Zegrahm Expeditions (charterer)	While at anchor the vessel was contacted by ice damaging two of the five blades on the port propeller near Seymour Island
1-Feb-00	<i>Clipper Adventurer</i>	New World Ship Management Co. LLC/Clipper Cruise Line	Vessel was beset in pack ice while navigating in Martha Strait
1-Feb-00	<i>Akademik Sergei Vavilov</i>	Quark/Supernova Expeditions	Collision with humpback whale, whale injured, when approaching Dallmann Bay
28-Dec-01	<i>Vista Mar</i>	Gauss mbH	Oil spill; Port propeller damaged during manoeuvring in Hope Bay; Gland oil (<1 l) leaking into the sea
18-Jan-02	<i>Professor Molchanov</i>	Oceanwide Expeditions (operator); Quark Expeditions (subcharterer)	Vessel nudged an iceberg, which damaged the bow bulwark
17-Nov-02	<i>Explorer</i>	Abercrombie and Kent Explorer Shipping	Generator/alternator failure causing several electrical problems
22-Nov-02	<i>Clipper Adventurer</i>	Clipper/New World Shipping	A strong wind blew the vessel on to the sandbar in Whalers Bay, Deception Island
13-Feb-03	<i>Marco Polo</i>	Orient Lines	Grounding of vessel due to weather and mechanical conditions at Half Moon Island
30-Jan-07	<i>Nordkapp</i>	Hurtigruten	Grounding at Neptune's Bellows, Deception Island, as a result of human error; parts of the hull and tank damaged
23-Nov-07	<i>Explorer</i>	G.A.P. Adventures	Sank in Bransfield Strait, near the South Shetland Islands after striking submerged ice that damaged the hull
28-Dec-07	<i>Fram</i>	Hurtigruten	Vessel drifts on to a glacier after an electricity outage and damages one lifeboat at Brown Bluff
4-Dec-08	<i>Ushuaia</i>	Antarpply Expeditions	Grounding at the entrance of Wilhelmina Bay near Cape Anna; passengers transferred to Chilean naval vessel <i>Aquiles</i> ; minor damage to the hull and to two diesel tanks carrying marine gas oil; some leakage of oil

Continued

Table 30.2. Continued.

Date	Vessel	Tour operator	Occurrence
17-Feb-09	<i>Ocean Nova</i>	Quark Expeditions	Grounding in Marguerite Bay, west of Debenham Island; passengers transferred to <i>Clipper Adventurer</i> for transport to Ushuaia; no leakage of oil reported
4-Jan-10	<i>Clelia II</i>	Travel Dynamics International	While landing passengers at Peterman Island, Penola Strait, a southerly current pushed the vessel on to rocks; damage to the starboard engine with some minor leakage of lubricating oil of the drive shaft and a power outage occurred
Feb-11	<i>Berserk</i>	Yacht	Lost in the Ross Sea region (presumed sunk) and loss of crew of three
9-Dec-11	<i>Sea Spirit</i>	Quark Expeditions	Grounding of the yacht in Whalers Bay, Deception Island; yacht freed itself when the tide came in
1-Apr-12	<i>Endless Sea</i>	Yacht	Beset in ice in the vicinity of King George Island, South Shetland Islands and sank (reported to be carrying 8000 l of fuel)
7-Apr-12	<i>Mar Sern Firn</i> (yacht)	Independent expedition	Loss of the yacht in Maxwell Bay, South Shetland Islands; all four passengers/crew were rescued unharmed by the Chilean Navy
25-Dec-13	<i>Akademik Shokalskiy</i>	Australasian Antarctic Expedition 'The Spirit of Mawson'	Vessel got trapped in pack ice off East Antarctica but eventually broke free on 8 January 2014; four other vessels provided assistance (<i>L'Astrolabe</i> /France; <i>Xue Long</i> /China; <i>Aurora Australis</i> /Australia; USCGC <i>Polar Star</i> /USA)
20-Feb-13	<i>Orion</i>	Orion Expedition Cruises/Lindblad Expeditions	Vessel had a technical issue with its engine cooling system; auxiliary systems were used until the issue was rectified within a few hours; no threat to life or the environment.
2014/15	Various non-IAATO yachts	unknown	Several incidents involving non-IAATO yachts include a grounding in the South Shetlands that resulted in an IAATO operator repatriating seven Polish nationals

Flag-State Jurisdiction and Port-State Control

Flag-state jurisdiction relates to the right of states to register vessels under their territory and the right of vessels to fly the civil ensign of the state whose nationality they assume (Mansell, 2009). Currently, only slightly more than half of the cruise vessels operating in the Antarctic are flagged to Antarctic Treaty Parties, and a considerable percentage of the cruise-only vessels are flagged the non-ATS state Malta (Swanson *et al.*, 2015). Although the complexity of shipping practices and maritime regulations does not allow for simple causal relationships to be established between vessel registries and shipping accidents (Hänninen and Kujala, 2014), a number of studies have identified that open registries, or flags of convenience, can be associated with lower safety standards and greater risks of accidents (Swanson *et al.*, 2015). Essentially all of the Antarctic cruise vessels flagged to states that are not ATS signatories can be categorized as flying flags of convenience, i.e. flags of states other than those that the ships' owners or operators are based in primarily with the purpose of saving costs or avoiding more stringent flag-state regulations. Over 30% of Antarctic cruise vessels fly the flag of the Bahamas, with other common flag states being Malta and the Marshall Islands (Swanson *et al.*, 2015).

While the Antarctic operators of these cruise vessels are typically based in ATS signatory states and are consequently bound by ATS regulations, these regulations do not extend to vessel safety and general operations (other than landing restrictions as well as waste management and marine pollution regulations). The resulting gap between poorer vessel safety standards for convenience-flagged vessels (Li and Wonham, 1999; Swanson *et al.*, 2015) and endeavours by the Antarctic Treaty Consultative Parties (ATCPs) to protect the Antarctic marine and terrestrial environment is cause for concern, which has been raised in Antarctic Treaty Consultative Meetings (ATCMs) (see e.g. ASOC, 2003), but which has, so far, only received marginal attention. Calls for addressing problematic flag-state jurisdiction by strengthening port-state control, which enables port states to extend their territorial control over vessels visiting their ports and to require visiting vessels to comply with their regulations, especially as pollution control and vessel safety are concerned, has not found much resonance amongst ATCPs yet and is a matter that requires further research and attention.

The Regulation and Management of Antarctic Cruise Tourism

The regulation of Antarctic tourism involves the legal framework of authoritatively set rules and mechanisms that have been developed, generally by governments, with the purpose of setting out the boundaries of the playing field on which Antarctic tourism operations are taking place. Self-regulation, which in the case of Antarctic tourism is assumed by IAATO, refers to a specific group's approach to establishing its own rules and guidelines, which all group members have to abide by. The management of Antarctic tourism occurs on an operational and administrative level and concerns itself with monitoring and controlling the behaviour of operators and tourists in the field. It customarily involves day-to-day planning and operations, pre- and post-activity reporting, and the active supervision of human behaviour. The responsibility for Antarctic tourism management still largely rests with IAATO and the tour operators themselves (Liggett, 2015).

Governmental regulation of Antarctic cruise tourism through the ATS

The ATCPs consider the regulation of Antarctic tourism through the ATS as ultimately their responsibility (Liggett, 2009). The 1959 Antarctic Treaty, which has the principal goals of ensuring a peaceful use of the Antarctic and encouraging scientific collaboration, represents the foundation upon which the ATS was built. The ATS offers a range of instruments to regulate any human activities in the Antarctic, among them issue-focused regulatory mechanisms that ATCPs can adopt during the annual ATCMs – measures, decisions and resolutions (formerly known as recommendations) – as well as separate conventions, protocols or other binding agreements. The most important binding multilateral ATS mechanism regulating human activity in the Antarctic is the 1991 Protocol on Environmental Protection to the Antarctic Treaty (the Protocol), which entered into force in 1998 and designated Antarctica as a ‘natural reserve devoted to peace and science’ (Article 2 of the Protocol). It specifically mentions ‘tourism and all other governmental and non-governmental activities’ in Article 3 (Environmental Principles), Article 8 (Environmental Impact Assessment (EIA)), Article 15 (Emergency Response Action), Annex III (Waste Disposal and Waste Management) and Annex VI (Liability Arising from Environmental Emergencies).

The Protocol is implemented at a national level through the respective domestic legislation of its signatory parties, which includes all ATCPs. The domestic implementation of the Protocol is not consistent across the different signatory parties, and EIA procedures, which assume the function of the primary gatekeepers to Antarctica (Hemmings and Roura, 2003), vary widely, not least due to the ambiguous formulation of how the nature and scale of environmental impacts is to be judged (Kriwoken and Rootes, 2000). Several states, including Australia, Germany, the Netherlands, New Zealand, Norway, Sweden and the UK, have the legal and administrative capacity to regulate Antarctic tour operations through the granting (or denial) of permits to operate, while other states, e.g. the USA, do not have such regulatory discretion (Polk, 1998). As an international agreement, the Protocol only applies to the citizens of those states that are its signatory parties. Tourism operators based in Third Party states are considered an area of concern (Bastmeijer and Roura, 2004), although at the moment almost all IAATO operators are based in states that are parties to the Protocol – exceptions here are operators based in Switzerland and Malaysia (see [Table 30.3](#)).

As a special type of tourism, Antarctic cruise tourism is, at government level, also regulated primarily through the provisions of the Protocol. Cruise tourism operators have to submit EIAs to their national competent authorities if they are based in signatory states to the Protocol. Commonly, Antarctica tour operators only have to file Preliminary Assessments (PAs), the lowest level of EIAs mandated by the Protocol and only applicable to activities of less than a minor or transitory impact. If a tourism activity is expected to have minor or transitory impacts, Initial Environmental Evaluations (IEEs) have to be prepared. So far, 382 individual IEEs have been submitted by tour operators to their national competent authorities, but close to 90% of these IEEs were required by and prepared for authorities in only four states: the USA, France, New Zealand and Germany.

For cruise tourism, a major loophole of the existing governmental regulation through the Protocol is represented by the very ambiguous rules regarding the discarding of untreated sewage in the area south of 60° S latitude (Joyner, 1992; Redgwell, 1994). The Protocol instructs operators to remove any untreated sewage that has been

disposed of within 12 NM off land or ice shelves unless the removal of the sewage 'would unduly impair Antarctic operations' (Art 6(a), Annex IV of the Protocol). The Protocol does not define what an undue impairment of Antarctic operations entails, leaving it to the individual operators to interpret Art 6(a) of Annex IV as broadly as they wish. Furthermore, the Protocol does not establish what is to happen with treated sewage in the Antarctic Treaty area, which, according to the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78), can be discharged within 4 NM of land, provided it is finely shredded and disinfected. As MARPOL 73/78 has not yet been ratified by all states, relying only on MARPOL 73/78 in the absence of relevant and unambiguous prevention of marine pollution by the Protocol is problematic.

In addition to the enactment of the Protocol, the ATCPs can also draw on individual measures, resolutions/recommendations to regulate Antarctic cruise tourism. While altogether 44 such regulatory mechanisms have been adopted by the ATCPs, only two of these mechanisms are measures – Measure 4 (2004) on insurance and contingency planning, and Measure 15 (2009) on shore landings of passengers – and as such binding. However, these two measures are not yet in force. The remaining 42 regulatory mechanisms adopted by ATCPs are hortatory, i.e. non-binding, and can largely be seen as 'recommendations', with 12 of them simply introducing new site-specific guidelines. Site-specific guidelines exist for almost all of the sites most frequently visited by Antarctic cruise operators and allow for the targeted management of tourist visits, including the restriction of visitation times, establishment of no-go zones and the provision of site-specific codes of conduct, in a manner that is well-received and respected by IAATO operators (CEP, 2012).

Self-regulation and Management of Antarctic Cruise Tourism through IAATO

Whilst the ATS can offer a framework for the regulation of tourism activities in the Antarctic, the lack of capacity for effective policing and monitoring of operator behaviour *in situ* by the ATCPs and their competent authorities implies that the management of Antarctic tourism on the ground is left largely to IAATO and the tour operators themselves. Despite lacking true sanctioning power due to the fact that tour operators do not have to be IAATO members to organize commercial visits to the Antarctic, IAATO has been so far fairly successful in self-policing (Liggett, 2009), and the ATCPs continue to rely heavily on IAATO's self-regulatory capacity (Molenaar, 2005).

IAATO was founded in 1991 by seven proactive US-based tour operators in an attempt to be able to coordinate their activities and pre-empt the development of more stringent governmental regulation of Antarctic tourism (Spletstoeser, 2000; Haase *et al.*, 2009). Since 1991, IAATO has represented Antarctic tour operators at international fora, such as the annual ATCMs and meetings of the International Hydrographic Organization/Hydrographic Committee on Antarctica (IHO/HCA). IAATO's participation in ATCMs involved an active contribution to the meetings of the Working Group on Tourism and Non-Governmental Activities through the submission of Information Papers detailing the operations of IAATO members in the Antarctic, highlighting managerial and regulatory challenges and outlining IAATO's approach to policing its members' Antarctic operations (Liggett and Stewart, *in press*). IAATO compiles their member operators' annual reports in a database, which

provides by far the most comprehensive Antarctic tourism statistics available to the public and policy makers (see CEP, 2012). Through IAATO's collective approach and proactive participation in these fora (Herr, 1996; Murray and Jabour, 2004), IAATO largely managed to prevent the formulation of more conservative and limiting regulatory mechanisms by the ATCPs (Richardson, 1999).

IAATO's mission is 'to advocate, promote and practice safe and environmentally responsible private-sector travel to the Antarctic' (www.iaato.org), which is pursued through collective decision making and rule-setting during IAATO's annual general meetings on the one hand and tactical operational planning involving pre-registering of cruise itineraries, daily vessel-to-vessel communication in the Antarctic, coordination of landings and careful monitoring and policing of tourist behaviour on the other hand (Haase *et al.*, 2009; Liggett, 2009).

Over more than two decades, IAATO has grown from its seven original members to a total of 119 members (Table 30.3). The majority of the member operators are based in the Anglo-Saxon countries, but recent developments show a growth in the number of members based in Asian countries. IAATO's membership structure allows the organization to distinguish between: full members, experienced tour operators who have had associate B1 membership status in IAATO for at least 1 year and who have full voting rights; associate B1 members, tour operators who are expected to apply to become full voting 'members' of IAATO; associate B2 members, who are travel organizers who do not operate tours to the Antarctic themselves but sell Antarctic itineraries for other operators; and affiliate members, who comprise any other 'companies or individuals with an interest in supporting Antarctic tourism and IAATO Objectives' (see IAATO, 2016).

Table 30.3. IAATO members and their countries of origin based on 2014/15 IAATO data.

Country	Affiliate	Associate B1	Associate B2	Member	Total
USA	4	1	11	13	29
United Kingdom	7	4	6	7	24
Argentina	5	0	4	2	11
Australia	1	0	7	2	10
Netherlands	0	1	2	3	6
Chile	2	0	2	2	6
Canada	0	1	0	3	4
New Zealand	1	1	0	2	4
Germany	0	0	0	4	4
France	0	0	1	3	4
Switzerland	0	1	2	0	3
China	0	0	3	0	3
Belgium	0	0	1	1	2
Norway	1	0	0	1	2
Sweden	0	1	1	0	2
Italy	0	0	1	0	1
Japan	0	0	1	0	1
Poland	0	0	0	1	1
South Africa	1	0	0	0	1
Malaysia	0	0	0	1	1
Total	22	10	42	45	119

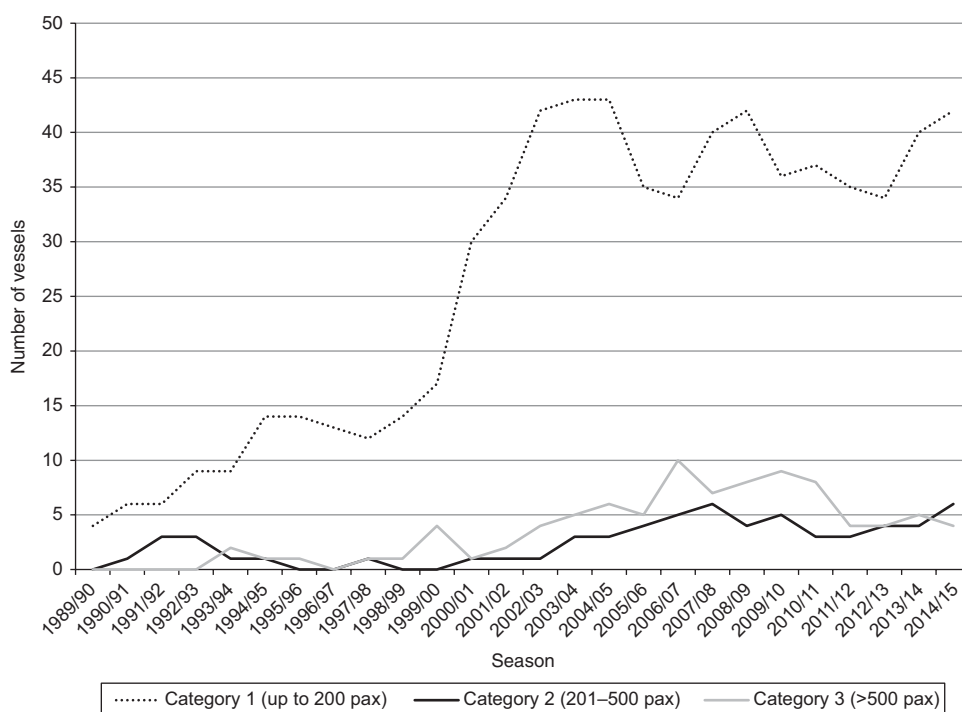


Fig. 30.4. Number of the differently sized vessels operated by IAATO members (From: IAATO, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015b; CEP, 2012.)

The growth in membership is also mirrored by an increase in the number of vessels IAATO members are operating in the Antarctic. An intensive campaign aimed at raising awareness of ATS regulations as well as IAATO's objectives amongst yacht operators has resulted in a significant increase of the number of IAATO members who sail yachts to the Antarctic, while the number of larger, cruise-only vessel operators has fallen due to the increased operating costs resulting from the requirement to only carry light marine fuel in the Antarctic Treaty area. These developments are nicely illustrated by the reduction in category 3 vessels, which have a capacity of more than 500 passengers, and a general increase in category 1 vessels, which include yachts, operating in the Antarctic (see [Fig. 30.4](#)).

Regulation of Antarctic Cruise Tourism Outside IAATO and the ATS

In the international forum, governance of Antarctic tourism builds on the collective and consensual choices made by ATCPs, but also on regulatory mechanisms set by transnational organizations such as the IMO. Under the framework of the United Nations Convention on the Law of the Sea (UNCLOS), the IMO has developed a range of conventions, protocols and recommendations regarding navigation in polar waters, mainly relating to maritime safety and marine pollution prevention as well as certification of seafarers. The two

conventions that are relevant to the operation of Antarctic cruise vessels are the International Convention on the Safety of Life at Sea (SOLAS) (1974) and MARPOL 73/78.

Against the background of piecemeal maritime regulation and a widely anticipated growth in shipping across both Polar regions, IMO adopted the first part of a new legally binding mandatory instrument – the International Code for Ships Operating in Polar Waters or the ‘Polar Code’ in November 2014. Expected to come into force in January 2017, part one of the Polar Code addresses the safety of shipping in polar waters and identifies the measures required over and above standard shipping regulations to ensure ships can operate safely in the Polar regions. The Code currently only applies to cargo vessels of 500 gross registered tonnes (GRT) and above and to cruise ships, but it is widely anticipated that fishing vessels and private vessels (including yachts) will be added. Part two of the Polar Code, which addresses pollution prevention from shipping, was approved by the IMO’s Marine Environment Protection Committee (MEPC) in October 2014 and adopted by MEPC in May 2015. The Polar Code might be able to address some of the aforementioned problems of sub-standard vessel safety under flags of convenience.

As a service to its members IAATO has delivered a workshop to help its members prepare for the Code with a particular emphasis on developing consistency in standards and approaches to risk assessments, to define any generic elements that expedition and cruise operators may use in both the Antarctic and Arctic, and to provide a forum to meet and discuss practical ways to implement the code with representatives from flag, class, insurance and other polar ship operators (IAATO, 2015d). While the code is largely welcomed and regarded as a new era for shipping operations in the Polar Regions, a number of observers criticize the code for not going far enough to prevent environmental accidents (ASOC, 2015). Critics also point out the regulations will initially apply only to new vessels, and not to those that already operate in polar waters, sometimes without sufficient ice strengthening (Cressey, 2014).

Conclusion: Managerial and Regulatory Challenges Related to Antarctic Cruise Tourism

The remote Polar regions have not escaped the unprecedented growth in the global cruise ship sector, and in many ways, the experience of visiting Antarctica by cruise ship is described by many as one of the world’s last wilderness voyages. As we describe in this chapter, Antarctic cruise tourism has thus far been considered as having been commendably managed on the ground by IAATO and the Antarctic cruise operators (Liggett, 2011). However, IAATO’s effectual self-regulation has arguably led to a certain level of complacency among ATCPs, who have failed to develop a comprehensive and systematic approach to the regulation of Antarctic tourism (Beck, 1994; Bastmeijer and Roura, 2004). The largely hortatory character of the individual regulatory mechanisms focusing on Antarctic tourism not only by the ATCPs (Richardson, 1999) but also by IAATO (Mason and Legg, 1999) represents a considerable weakness of the current Antarctic tourism regulation.

The mandatory regulation offered by the Protocol may provide ATCPs some solace with regard to having addressed Antarctic cruise tourism in a manner consistent with the regulation of other human activities in the Antarctic but is riddled with problems resulting mainly from: (i) the Protocol’s limited applicability to operators based in its

signatory states; (ii) the differences with which its provisions were translated into the domestic law of signatory states; and (iii) the challenge of effective enforceability due to the continent's remoteness and lack of monitoring of tourism activities. While the new mandatory Polar Code, which was, to a certain extent, stimulated by recent incidents in polar waters such as the sinking of the MV *Explorer*, promises to address significant loopholes with regard to maritime security and environmental protection, challenges for the management of Antarctic cruise tourism as discussed in this chapter still prevail. In many respects these challenges are heightened by a return to growth scenario, a diversification in cruise products and modes of transport, as well as a change in visitor and operator preferences and origins.

While Antarctic tourism research has matured considerably over the past decade (Liggett and Stewart, 2015), with less focus on reporting about the operational parameters of Antarctic tourism, which have largely been addressed and benchmarked, and more attention given to the regulatory landscape framing Antarctic tourism activities as well as tourist behaviour and experience (see e.g. Maher, 2007; Powell *et al.*, 2008, 2012), more work is needed on the implications of changes in demand for the 'Antarctic tourism product', on how different cultures interact with the Antarctic environment as tourists and how they respond to codes of conduct versus mandatory behavioural rules. Given the complexity of Antarctic tourism development and the regulatory framework it sits in, scholars, institutions and the sector itself need to consider on an ongoing basis the most effective mechanisms for managing visitors who choose to 'sail into icy waters'.

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Part 6 Ports, Destinations and Infrastructure Development

Part 5 examined the planning and management aspects of sustainable cruising in three chapters. This final part of the book, Part 6, investigates ports, destinations and infrastructure development in four chapters. In Chapter 31, Emad Monshi (Saudi Arabia) and Noel Scott (Australia) examine the development of cruise tourism in Saudi Arabia. In Chapter 32, Marianna Sigala (Australia) describes cruise itinerary planning. These two chapters are followed by two more examining cruising in Asia, especially China. In Chapter 33, Véronique Mondou (France) and Benjamin Taunay ask the question, is China a new goldmine for cruise companies? In the following chapter (34), Ross Dowling and Iris Mao (Australia) broaden the scope and examine cruising in Asia whilst still maintaining a focus on China.



Cunard Line's *Queen Mary 2* leaving the Port of Fremantle, Western Australia. This luxury resort ship is 148,528 t and is the largest ocean liner ever built. An ocean liner is a ship designed to transport passengers from point A to point B. In the case of *QM2* it was purposely built for regular crossings of the North Atlantic ocean between Southampton, UK and New York, USA. (From: Wings Aerial Photographics, photo courtesy of Fremantle Ports.)

Development of Cruise Tourism in Saudi Arabia

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Introduction

This chapter discusses the recent development of cruise tourism in Saudi Arabia. Following the introduction of cruise tourism by the United Arab Emirates (UAE), Saudi Arabia is establishing three sea ports for cruise ships in Alkhobar, Farasan and Alwajh. This involves significant infrastructure, human resources and marketing expenditure but is expected to have important regional economic impact. The chapter examines the regional development of cruise tourism from a supply and demand perspective and using a SWOT analysis approach (strengths, weaknesses, opportunities and threats).

Cruise tourism development in the GCC region

Gulf Corporation Council (GCC) countries (UAE, Qatar, Bahrain, Oman, Saudi Arabia and Kuwait) are pushing their economies away from dependency on exporting crude oil and petrochemical products (Sharpley, 2002; Karolak, 2014). Recent statistics shows that UAE has succeeded in diversifying its economy, and the total contribution of its travel and tourism industry to the gross domestic product (GDP) is around one-tenth the overall GDP (WTTC, 2014). To analyse cruise ship tourism in Saudi Arabia, the success factors of UAE as a tourism destination, including its cruise sector, will be highlighted first. Highlighting the main features of the UAE tourism industry provides a comparison and benchmark for the Saudi cruise tourism sector, and this is a common approach in tourism destination development and tourism studies (Steiner, 2010; Lanquar, 2015).

UAE tourism

The UAE consists of seven emirates: Abu Dhabi (which serves as the capital), Dubai, Sharjah, Ajman, Fujairah, Ras al-Khaimah and Umm al-Quwain. Abu Dhabi and Sharjah position themselves as a luxury destination, and a conservative/Islamic destination, respectively. While Abu Dhabi and Sharjah mainly target niche markets, Dubai prefers mass tourism. According to the Travel and Tourism Competitiveness Report

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(TTCR) (2013), UAE was ranked first on the Middle East and North Africa (MENA) region and 28th on the world tourism index (see [Table 31.1](#)). Out of 14 indicators used by the TTCR (2013), the air transport infrastructure indicator scored the highest score, putting UAE's air travel sector on the third rank globally. This high evaluation for UAE's travel sector reflects its high-tech airports, well-developed road connections to neighbouring countries, cruise tourism ports and several up-to-date intra-city transportation systems. In addition, the governments of Dubai, Abu Dhabi and Sharjah own full- and low-cost carriers: Emirates and Fly Dubai (owned by Dubai), Etihad (owned by Abu Dhabi) and Air Arabia (first low-cost carrier in the MENA region owned by the Sharjah government). Statistics show that Dubai welcomed 10 million tourists in 2013 (WTTC, 2014), and expected to double this number in 2020 when it hosts the World Expo (Sulayem, 2014). This ambition to grow the tourism industry requires significant development of the travel industry to cope with this number of tourists. Major development projects for several sectors within UAE's travel industry have been launched including its cruise sector. UAE has developed a world class international airport and established the Mohammed bin Rashid Aviation City, as well as supported development of regional railways connecting all GCC countries and invested heavily in its cruise sector.

Highlights on UAE cruise tourism sector

To become a premier international cruise hub, Dubai developed Mina Rashid port, which can welcome seven cruise vessels at the same time and host more than 25,000 passengers in its three cruise terminals (Sulayem, 2014). In addition, UAE has attracted international prestigious cruise lines: Costa and MSC Cruises, AIDA and TUI Cruises have Abu Dhabi and Dubai as their regional destinations in the MENA region (Frost *et al.*, 2014). For 7 consecutive years, Mina Rashid port has been awarded the world's leading cruise port and anticipates that 5% of the 20 million tourists in UAE in 2020 will come through its cruise tourism (Sulayem, 2014). Furthermore, cruise ports in UAE host government agencies to ease tourists welcoming procedures, and they are connected to city centres and tourism attractions through several transportation channels (Sulayem, 2014). The success of UAE cruise tourism is not only due to the development of its tourism port infrastructure, attracting international cruise

Table 31.1. World and regional ranking of GCC tourism destinations. (From: QSA, 2009; KGO, 2013; MANAFTH, 2013; TTCR, 2013; SAOG, 2014; SPA, 2014b; MOI, 2015.)

GCC destinations Year	World rank		Regional rank (MENA)	Regional rank (GCC)	Number of sea ports
	2011	2013	2013	2013	Total
UAE	30	28	1st	1st	20
Qatar	42	41	2nd	2nd	4
Bahrain	40	55	4th	3rd	4
Oman	61	57	5th	4th	6
Saudi Arabia	62	62	7th	5th	9
Kuwait	95	101	12th	6th	3

lines, and links to several intra-city transportation channels, but also due to including cruise tourism with other successful tourism sectors in one large national tourism portfolio. Diversification of tourism products in UAE and establishing linkages between them supports both niche and mass tourism products, increasing destination accessibility and raising its competitiveness level (Benur and Bramwell, 2015).

UAE and competitors in the MENA region

In several destinations around the world, political instability has had negative impacts on cruise ship tourism; in Haiti in the 1980s (Wilkinson, 2006), in Papua New Guinea and the Solomon Islands in the early 2000s (Douglas and Douglas, 2006) and in Cyprus in 2001 (Robbins, 2006). Economic instability and recession have the same effects on cruise ship destinations (Wilkinson, 2006). In the MENA region, UAE surpasses all other tourism destinations including Egypt, Morocco, Tunisia and Algeria in Africa, and Israel, Jordan, Syria and Palestine in Asia, due to its political and economic stability (Lanquar, 2015) and enhancing its tourism destination image through the development of iconic hotels, resorts and shopping malls (Steiner, 2010). On the GCC stage, currently Qatar is the main competitor to UAE, while Bahrain, Oman and Saudi Arabia are new entrants in the tourism market. Kuwait, the other GCC country, is not in the top 100 tourism destinations worldwide (TTCR, 2013). In short, developing different transportation sectors has increased UAE's accessibility as a tourism destination and supported its cruise tourism sector.

SWOT Analysis of Cruise Tourism in Saudi Arabia

In 2012, the president of the Saudi Ports announced that Saudi Arabia was planning to develop three sea ports located in Alkhobar, Jizan and Alwajh so as to be able to host cruise ships (STTIM, 2012) (see [Fig. 31.1](#) for the location of these Saudi ports). This chapter distinguishes between four different types of sea ports: fishery ports, industrial ports, commercial ports and cruise ship ports (see [Table 31.2](#)). The Saudi decision to establish its cruise tourism sector comes as no surprise as it is, like other GCC governments, trying to diversify its economies through the support of the tourism industry. While Dubai tourism (which represents 66% of the tourism industry in the UAE) anticipates reaching the 1 million mark of tourists through cruise ports in 2020 (Sulayem, 2014), Saudi exceeded 2 million passengers in 2004 through its commercial ports (SPA, 2014b) (see [Table 31.3](#)).

Alkhobar port, which is located in the east of Saudi Arabia on the Arabian Gulf used to be a primary commercial port; however, currently it's being used by the Coast Guard and requires minor upgrades in development before it will be suitable for hosting cruise ships. Jizan port, located in the south-west of Saudi Arabia, is a small commercial port providing limited services for passengers travelling between Jizan and Farasan Islands, but it is planned for it to become the second cruise ship port. Alwajh is just a small coastal city with a fishery port in the northern region of Saudi Arabia, but it is planned to be the third cruise port. Currently none of these three sea ports has the infrastructure or the passenger terminals to host cruise ships with large numbers of passengers. The cost of a single functional and visually pleasing port terminal,



Fig. 31.1. Location of Saudi sea ports and threats. (Opportunities are represented by circles and threats by crosses.)

Table 31.2. Classification of Saudi sea ports.

Fishery port	Port used by fishermen only
Industrial ports	Ports used to handle cargo only
Commercial ports	Port able to handle cargo and passengers, but not equipped to host cruise ships
Cruise port	Ports equipped with infra- and superstructure to host huge cruise ships and thousands of passengers (currently under construction in Saudi Arabia)

with up-to-date infrastructure and all the required facilities is around US\$32.5 million per year to build and operate (Braun and Tramell, 2006). This figure represents the building and operating of an American cruise ship port 10 years ago, so the current cost in Saudi Arabia is most likely to be higher due to global inflation and the need for

Table 31.3. Number of sea port passengers in KSA in 2004 and UAE in 2015. (From: Frost *et al.*, 2014; SPA, 2014b.)

Passengers at Saudi commercial ports in 2004	
Jeddah Islamic port	1,105,818
Diba port	792,672
Yanbu commercial port	155,913
Jizan port ^a	Start receiving passengers in 2010 (222,828 passengers)
Dammam port	Cargo only
Aljubail commercial port	Cargo only
Aljubail industrial port	Cargo only
Yanbu industrial port	Cargo only
Ras Alkhair port	Cargo only
Alkhobar port ^a	Currently used by coast guard
Alwajh port ^a	Currently used by fishermen
Total number of passengers at sea ports in KSA	2,054,403
Passengers at UAE sea ports in 2015 (forecast)	
Dubai ports	450,000
Abu Dhabi ports	250,000
Total number of passengers at sea ports in UAE ^b	700,000

^aUnder development to be one of three Saudi cruise ports.

^bThere are few other UAE sea ports with limited capacity.

foreign expertise. Apart from this infrastructure it is necessary to develop human resources to operate the infra- and superstructure of the cruise sector.

While Saudi Arabia has a long record in operating sea ports, it has no prior experience in operating cruise ports and the private sector does not own or operate cruise ships. Cruise ships are required to meet strict environmental and safety laws legislated by developed countries (Timothy, 2006), and most cruise lines use flags of convenience to register their cruise ships and avoid such laws (Wood, 2000; Timothy, 2006). In other words, developing local human resources to operate cruise ports and cruise ships is a major challenge faced by any tourism destination planning to develop its cruise tourism sector and avoid economic leakages. Without suitable tourism management for cruise ports, cruise tourists' spending could leak from the host economy, and there may be negative impacts on the environment (Sorensen, 2006). Therefore, courses and training related to operating cruise ports and cruise ships are needed to develop the cruise tourism sector and ensure its positive impacts.

After development of both infrastructure and human resources, marketing of these cruise ports is expected to represent a third challenge. The MENA region currently is being seen as a war zone. There is a need for significant financial investments in marketing campaigns to attract cruise tourists to visit any tourism destination in the MENA region (Winkler, 2007), including Saudi Arabia. Marketing campaigns and discounted prices are proven methods to overcome challenges faced by tourism destinations to grow cruise tourism (Wilkinson, 2006). It may be possible to use the romantic concept of paradise (also used by the Pacific Islands) to overcome such challenges (Douglas and Douglas, 2006) by taking advantage of the 1300 Saudi islands and numerous potential tourism activities (SaudiTourism, 2013).

Using a SWOT analysis approach, the strengths and weaknesses (internal factors), and opportunities and threats (external factors) in relation to Saudi Arabian new cruise tourism sector will be discussed in the following sections. This common approach (Luo *et al.*, 2011; Mei, 2013) is used here to examine the Saudi potential to overcome infrastructure, human resources and marketing challenges in developing its cruise tourism sector.

Internal factors of cruise tourism in Saudi Arabia

This section will analyse the *internal factors* facing the development of Saudi cruise tourism. Table 31.4 lists expected strengths and weaknesses of future cruise ship tourism in Saudi Arabia. These aspects focus on major internal factors related to the Saudi travel and tourism industry including public and private interactions with the industry, environmental advantages and tourism human resources.

Strengths and weaknesses factors related to public and private organizations

Despite the huge oil reserve in Saudi Arabia and the high current global demand for oil, the Saudi government realized a long time ago that oil will come to an end

Table 31.4. Strengths and weaknesses of future development of cruise tourism in Saudi Arabia.

No.	Strengths	Weaknesses
Strength and weakness factors related to public and private organizations		
1	Government support for the tourism industry	Limited experience in developing the tourism industry (the Hajj is not being seen as a tourism event)
2	Long public and private experience in operating commercial and industrial ports	No cruise ports (currently under construction)
3	The government announcement of developing three cruise ports at once	No Saudi cruise ships
Strengths and weakness factors related to geographical location		
4	Two coastlines with the length of 17,000 km	Limited infrastructure at most coastal cities
5	1300 islands scattered around the coast	Undeveloped islands
6	The ongoing development of three Saudi beaches costing about US\$1.5 billion	No public transportations connecting sea ports with city centres
Strengths and weakness factors related to economic aspects		
7	High demand from locals for outbound tourism and luxury tourism	Limited known tourism attractions within Saudi Arabia by local tourists
Strengths and weakness factors related to tourism education		
8	Over 60 Saudi tourism, hospitality and event educational institutions	Low academic quality for most institutions

sometime in the future and high demand could be affected by other alternative sources for energy. The government support of the travel and tourism industry is one of many initiatives to diversify the Saudi economy. The Saudi Commission for Tourism and National Heritage (SCTNH) and the National Bureau for Exhibitions and Conferences were established in 2000 and 2013 (SECB, 2013; SCTNH, 2015b), respectively. Several local and international conferences and forums have been organized in the past decade aiming to restructure the travel and tourism industry, including the Saudi Travel and Tourism Investment Market/Forum (STTIM) (2011–2015) and the Saudi Conferences and Exhibitions Forums (2013–2015). In relation to cruise tourism, the Saudi Ports Authority (SPA) moved from public operation of its nine industrial and commercial sea ports to private operation in 1997 (SPA, 2014a).

During the STTIM Forum 2012, the SPA announced the government decision to develop the existing ports of Alkhobar and Jizan to become suitable for tourism operations, and the establishment of Alwajh Port to become the third cruise port in the Kingdom (see [Fig 31.1](#) for the locations of future tourism ports). Despite privatization of Saudi ports, the SPA still owns ports' infrastructures, and legislates and coordinates the private entities operating each sea port. Nevertheless, the level of inter-organizational collaboration between Saudi tourism and non-tourism National Government Organizations (NGOs) represent a key success factor in developing the tourism industry (Yaghmour and Scott, 2009). These new NGOs, business events and new cruise ports exemplify strength factors related to the internal environment of the Saudi cruise tourism sector. Government support to develop tourism industries around the world is being considered by the World Tourism Organization (UNWTO) as a strength point raising destinations level of competitiveness (TTCR, 2015). Therefore, all this evidence of the Saudi support for the industry shows the determination to overcome all challenges to achieve the industry strategic objectives.

On the other hand, there are no cruise ports in Saudi Arabia. Alkhobar port, which is a commercial port, is being used by the Coast Guard and requires minor development to be able to host cruise ships. Jizan port is being used by public and private organizations to support the transportation of passengers between Jizan mainland and Farasan Islands on small boats. For Jizan port to be suitable for hosting huge cruise ships, it requires significant development work over several years. Alwajh is a coastal city in the northern region of Saudi Arabia looking forward to establishing its port, as the current location is just a beach being used by the local fisheries. Finally, the cruise ships themselves do not exist. Some Saudi companies are operating large ships for oil and products movement, and passenger's transportation such as Kano Ltd. However, no Saudi company is operating cruise ships with the concept of mobile resorts. While it is expected that attracting experienced cruise operators to Saudi waters is the first option, motivating Saudi private companies to develop cruise lines as a second option is a challenge as the cost of a single cruise ship reached US\$800 million in 2004 (Dowling, 2006) and the break-even point of such an investment is high (Petrick, 2005). Motivating the Saudi private sector to invest in cruise ships is not necessary; however, having local cruise ship operators means more stability in the sector during turbulent times (Wilks *et al.*, 2006) when experienced cruise lines might prefer to stay away from the waters of the MENA region.

Strength and weakness factors related to geographical location

The coastline length of Saudi Arabia is 17,000 km, and it hosts 1300 islands (89% in the Red Sea and 11% in the Arabian Gulf) (SaudiTourism, 2013). The Red Sea, with a surface area of about 438,000 km², the habitat of over 1000 invertebrate species and 200 soft and hard corals (Advisor.Travel, 2015), is a famous diving tourism destination owing to its natural scenery of beaches and coastline, reefs, fishery and underwater archaeological sites (Bailey *et al.*, 2007; Zamani-Farahani and Henderson, 2010). These factors motivated the Saudi government to develop marine tourism, including cruise tourism, 3S tourism (sun, sand and sea) and event tourism along the Red Sea coastline. In addition to the current development of three cruise ports by the Saudi Ports Authority, two other NGOs have taken advantage of the Kingdom location. The Saudi Wildlife Authority declared Farasan Islands (5408 km²) and Umm Alqamari Islands (4.03 km²) as protected areas (SWA, 2015) based on scientific research and the recommendation of the World Conservation Union (IUCN) (DeVantier *et al.*, 2000).

Both archipelagos are well-known stations for the flocks of migratory birds between Africa and Asia in different seasons (Evans, 1987; Shobrak and Aloufi, 2014). The SCTNH itself is currently developing three iconic remote beaches, where the budget to develop each beach is about US\$0.5 billion. As the tourism around coastlines around the world dominates global tourist numbers (UNWTO, 2010), the current protected areas and the mega projects of developing three cruise ports and three new beaches will be expected to support each other in one large national marine tourism portfolio. Nevertheless, NGOs hope that these six mega projects will create hundreds of thousands of direct and indirect jobs (SCTNH, 2011; Al-Sughair, 2013; SCTNH, 2015a), and boost the non-oil economy in the Kingdom through marine tourism.

The private sector is also taking advantage of this long coastline. Outside the two holy cities of Makkah and Madinah and the capital city of Riyadh, most hotels, furnished apartments and sea resorts are near Saudi coastal cities (MAS, 2012; SCTNH, 2013, 2014a, b). The majority of entertainment parks in Saudi Arabia are located along Jeddah beaches. Businesses operate trips for fishing and diving in the Red Sea for the tourism attractions mentioned earlier. Finally, event organizers have several sport events and festivals in the water of the Red Sea and the Arabian Gulf, such as a sailing competition in Yanbu, powerboat racing in Dammam and the Alhareed festival in Jizan (SaudiTourism, 2014). Ironically, looking at the same factors from another point of view, they represent weaknesses. The coastlines lack modern infra- and super-structure, all Saudi islands are undeveloped as they are uninhabited or located in remote locations, and there is a lack of modern transportation systems to connect the islands to the mainland, and the beaches to city centres.

Strength and weakness factors related to economic aspects

The total number of Saudi inbound and outbound tourists exceeded 20 million in 2010 (37% outbound tourism) spending about US\$13 billion (Aldosari, 2013), which shows that demand for tourism products is high, and it is expected to keep growing. Saudi tourists are known as high spenders and seek luxurious tourism products in the USA and Europe. They have begun to explore new tourism destinations

such as Malaysia in the late 1990s, Dubai since 2000 and Turkey in recent years. Based on these facts, it is expected that cruise ship tourism products will be popular among Saudi tourists. Cruise tourism represents a new and luxury tourism product, which is attractive for Saudi tourists. In addition, cruise tourism can take Saudi tourists to their preferred tourism destinations in North America, Europe and East Asia. In addition, these three ports enable tourists to travel around the kingdom by boat.

Excluding Jeddah and Alkhobar, the economies of all Saudi coastal cities are poor, and tourism attractions around these coastal cities are currently untapped products. Currently, no tourist visa is available in Saudi Arabia, except for pilgrims, business tourists (MICE tourists) and niche markets of tourists visiting archaeological sites under government supervision. It is important to point out that the Saudi government is planning to open up its borders in the near future for foreign tourists and join other GCC counties in issuing one regional visa (similar to the Schengen Agreement used by European countries). Developing cruise tourism in Saudi Arabia requires the development of infrastructure in coastal cities, including roads connecting cruise ports to city centres, development of tourism attractions within reasonable distance from cruise ports and, most importantly, legislating a tourist visa or at least a temporary/transit visa for cruise ship tourists. Such developments are essential to support the cruise tourism sector and improve Saudi tourism competitiveness in the GCC region (Wen and Hou, 2015).

Strength and weakness factors related to tourism education

The tourism industry is part of the global service industry. Operating successful cruise ports and cruise ships requires well educated and trained human resources in related fields including tourism, hospitality and event management. Nevertheless, other human resource expertise in business and management is also important to operate the cruise sector, and market tourism destinations for cruise lines and cruise tourists. To overcome the challenge of developing human resources and applying sustainable tourism practices, Saudi Arabia is investing heavily in tourism education and training (Johnson, 2010). The first Saudi tourism institute was established in the mid-1990s, and between 2005 and 2015 more than 50 new tourism institutes were established (see [Table 31.5](#)). The government support for tourism education is not only to diversify the Saudi economy through the tourism industry, but also to solve the high unemployment rates in the Kingdom (Aldosari, 2013).

To ensure quality outputs of these tourism institutions, several strategies have been used. Some institutions have signed academic agreements with well-known institutions to use their academic curriculum and to have exchange programmes for their undergraduate students. The Tourism Institute at King Abdulaziz University in Jeddah, for example, has signed a similar agreement with Gallon Institute in Switzerland, which is ranked among the top ten hospitality institutions in a few academic rankings. All government institutions and some private ones have launched scholarship programmes to allow diploma and bachelor degree holders to pursue their education in advanced universities around the world. Between 2007 and 2014, the postgraduate scholarship programme at the College of Tourism and Archaeology at King Saud University accepted around 100 applicants. The programme provides applicants with a

Table 31.5. List of major Saudi tourism educational institutes. (From: College of Excellence, 2013; MENA, 2013; TVTC, 2013; IRC, 2015; MOE, 2015.)

No.	Name of Institute	Umbrella	Location	Ownership
1	College of Tourism and Hospitality	Technical and Vocational Training Corp.	Madinah	Gov.
2	Ibn Rushd College for Management Sciences	Alfaisal University	Abha	Prv.
3	College of Tourism and Management	Alfaisal University	Jeddah	Prv.
4	College of Tourism and Archaeology	King Saud University	Riyadh	Gov.
5	Tourism Institute	King Abdulaziz University	Jeddah	Gov.
6	College of Tourism and Management	Um Alqura University	Makkah	Gov.
7	College of Tourism and Archaeology	Hail University	Hail	Gov.
8	College of Arts and Humanities	Jizan University	Jizan	Gov.
9–15	Technical Colleges (seven colleges)	Technical and Vocational Training Corp.	Seven cities	Gov.
16–17	Travel and Tourism Department	Institute of Public Management	Two cities	Gov.
18	Higher Institute for Tourism	Higher Institute for Tourism	Riyadh	Prv.
19–24	Alhokeer Institute for Tourism (six institutes)	Alhokeer Holding Co.	Six cities	Prv.
25–54	Colleges of Excellence (29 colleges)	Technical and Vocational Training Corp.	Seven cities	Mix.
55	College of Tourism	King Khaled University	Abha	Gov.
56	College of Tourism	Taiba University	Madinah	Gov.

full-time job, full-time scholarship to improve a second language and the opportunity to study Masters and PhD degrees in tourism-related fields.

To guarantee that Saudi graduates are equipped with the required skills to operate and manage tourism companies, the Technical and Vocational Training Corporation (TVTC) established seven colleges around the Kingdom, focusing on training skills rather than theoretical education, and awarding students with diploma and bachelor degrees. Finally, to raise the quality level of outputs, the TVTC signed agreements with American, Canadian, British, Spanish, German, Australian, New Zealand and Dutch Colleges to launch another 29 tourism and hospitality colleges, fully operated by international institutions including Laureate College, Niagara College and Q2 College (COE, 2013). Therefore, it is expected that as soon as the cruise tourism sector is launched in Saudi Arabia, qualified tourism, hospitality and event management graduates will be ready to work in the new sector to provide tourists with quality services and avoid economic leakages in the tourism industry. It is also expected to increase the level of interaction between foreign tourists and local employees leading to a richer experience.

External Factors for Cruise Tourism in Saudi Arabia

Opportunities and threats of developing cruise ship tourism in Saudi Arabia are external factors related to major political and tourism issues around the coastline of Saudi Arabia (see [Table 31.6](#) and [Fig. 31.1](#)).

Opportunities and threats factors related to geographical location of Saudi Arabia

Saudi Arabia's location in the middle of the world, between cruise hubs in East Asia, Australia, the Mediterranean Sea, the USA and the Caribbean, represents an opportunity to attract cruise lines to its under-construction cruise ports. Developing cruise ports on the Red Sea, which connects the east to the west through its two gates, Suez Canal and Strait of Bab el Mandab, is a smart investment strategy as it has no major cruise ports. Nevertheless, major tourism destinations are located near the coastlines of Saudi Arabia including: Doha, Qatar; Dubai and Abu Dhabi, UAE; Muscat and Salalah, Oman; Shirm Alshaikh, Egypt (see [Fig. 31.1](#)). These nearby tourism destinations represent potential elements within a regional tourism portfolio that cruise tourists can visit while they are in the region. In 2015, the GCC announced that all six members of the GCC plan to launch a tourist visa in mid-2016 similar to the European Schengen Agreement, allowing foreign tourists to visit all GCC countries. Therefore, the three upcoming Saudi cruise ports are expected to play major roles in increasing accessibility to all regional destinations, including tourism attractions in the GCC countries.

On the other hand, the MENA region is suffering from ongoing wars and political conflicts including the Palestine–Israel conflict, civil war in Syria, a terrorism group invading Syria and Iraq (known as ISIS), a civil war in Yemen and an active terrorism group in the north-east of Egypt (known as the Muslim Brotherhood). Only the latter two conflicts may affect maritime traffic in the Bab el Mandab in Yemen and Suez Canal in Egypt, respectively (see [Fig. 31.1](#)). In addition, all these issues within the

Table 31.6. Opportunities and threats in cruise ship tourism in Saudi Arabia.

No.	List of opportunities	List of threats
Opportunities and threats factors related to geographical location		
1	The geographical location of Saudi Arabia	Two different political tensions around the Strait of Bab el Mandab
2	The connection of the Red Sea to the Mediterranean (major cruise tourism hub) through Suez Canal, Egypt	Political tension in the Arabian Gulf
Opportunities and threats factors related to the regional tourism industry		
3	Major tourism attractions along the Saudi coastline or near it (UAE, Qatar, Oman, Yemen and Egypt)	The unpleasant image of the whole Arab world/MENA region as a war zone
4	Hajj in Saudi Arabia and three mega events hosted by neighbouring countries in 2020 and 2022	The ambitions of Dubai, UAE to be the capital of cruise tourism in the MENA region

MENA region are affecting the tourism destination image in the whole region, requiring more efforts and increasing marketing costs to attract cruise lines and cruise tourists. Furthermore, there are two existing threats to the maritime traffic near the Saudi coastlines coming from outside the MENA region. The first one is the repeated threats by Iran to close the Strait of Hormuz, which connects the Arab Sea to the Arabian Gulf, and the shaded piracy around the Horn of Africa (see [Fig. 31.1](#)). In short, these issues in the MENA region have negative impacts on the image of the region, raising insurance and marketing costs.

Opportunities and threats factors related to the regional tourism industry

The annual religious mega event of Hajj attracts about 3 million pilgrims to the holy city of Makkah, which has no airport nor sea port and is located 50 km to the west of the Red Sea and 70 km south of Jeddah (see [Fig. 31.1](#)). Almost 90% of pilgrims travel to Makkah through King Abdulaziz International Airport in Jeddah, around 8% use highways connecting Makkah to other Saudi cities and neighbouring countries, and less than 2% use the King Abdulaziz International Islamic sea port in Jeddah. The growth in the number of pilgrims to Makkah and limited capacity of Jeddah airport will speed up the development of cruise tourism in Saudi Arabia, including infrastructure for cruise ports and attract potential private investments to operate cruise ships. Nevertheless, the long-existing religious tourism and other tourism products including event tourism, 3S tourism, marine tourism and future cruise tourism will support each other in reaching the concept of a complete diverse tourism product, and raise Saudi competitiveness in tourism (Wen and Hou, 2015).

Other mega events hosted by gulf cities on the coastline of the Arabian Gulf will play a bigger role in speeding up the process of developing cruise tourism not only in Saudi Arabia but also in the whole GCC region. While Doha, Qatar, won the bids to host the 2019 World Athletics Championships, and the 2022 Federation Internationale de Football Association (FIFA) World Cup, Dubai, UAE, also won the bid to host Expo 2020. It is a well-known fact that mega events, such as the FIFA World Cup and Expos, have major long-run positive economic impacts on the host cities as well as regional destinations, including legacy reputation (Getz, 2008; Fourie and Santana-Gallego, 2011; Preuss, 2015). Therefore, the three Saudi cruise ports will have the opportunity to increase tourism accessibility, as mentioned earlier, as well as being part of successful regional tourism. These two opportunities related to the major tourism attractions and mega events in the region mean that operating the upcoming Saudi cruise ports is most likely to be successful and achieve their strategic objectives.

On the other hand, the ambition of Dubai to be the capital of cruise tourism in the MENA region represents a threat factor to the development of cruise tourism in Saudi Arabia. A certain level of competition among regional tourism destinations is healthy to develop a regional tourism industry. Winkler (2007) also refers to the importance of collaborations among GCC tourism destinations and of not exceeding certain levels of competition. To give this competition issue a realistic perspective, the future Saudi cruise tourism sector has all the requirements to be developed properly; however, UAE cruise tourism started a decade ago and has achieved several success milestones. In short, attracting cruise lines and cruise tourists to choose Saudi cruise ports over UAE ports represents a real challenge for Saudi NGOs.

Regional Economic Impacts of Developing Saudi Cruise Tourism

Post development of these three cruise ports, several regional impacts are expected including positive socioeconomic impacts as well as new pressures on marine environments (Butt, 2007; Brida and Zapata, 2009). Saudi cruise ports will increase accessibility for Saudi Arabia as well as other regional tourism destinations. It also means supporting the accessibility and maintaining the growth of event tourism in the GCC region, including the hajj near the Red Sea coastline, and the Expo 2020 in Dubai and the FIFA World Cup in Qatar on the Arabian Gulf. Developing one part of the travel industry also means reducing the existing pressures on major airports including Jeddah, Dubai and Doha airports. If marine tourism patterns of integration are successful, cruise tourism can increase the tourism nexus in the GCC region, as cruise ships are considered as floating resorts (Dowling, 2006). As cruise ships have the same contents as land-based resorts (Dowling, 2006), they would definitely increase the capacities of the travel sector between tourism attractions within a regional tourism destination, increase hospitality capacities at cruise ports and support several tourism patterns including: luxury tourism, recreation tourism, leisure tourism and shopping tourism in Saudi Arabia (Al-Saleh and Hannam, 2010; Ahmad, 2012).

Nevertheless, such luxury mobile resorts can have a pleasant impact on the regional tourism image. A major addition to the travel and tourism industry at any tourism destination means thousands of new jobs to operate each cruise port, cruise ship, and all other travel and tourism sectors related directly or indirectly to this newly developed addition. GUO (2009) reached a similar conclusion; that the Pearl River Delta cruise economy in China requires regional collaboration, infrastructure and professional training (Erbing *et al.*, 2014). From the financial and regional points of view, all three Saudi cruise ports may be expected to have a high return on investments (ROI) and positive regional impacts. As both Qatar and UAE are targeting mass tourism through bidding on mega events, Alkhobar cruise port is expected to have a high ROI. Nevertheless, as Saudi Arabia is planning to double the number of pilgrims and open its borders for foreign tourists in the near future, both upcoming cruise ports on the Red Sea are expected to have high ROIs as well as positive regional impacts.

Conclusion

Saudi Arabia has the ability to develop and operate its cruise ship tourism sector to be competitive. Based on the SWOT analysis, cruise ship tourism has the potential to grow rapidly based on the expected demand from local citizens and the growing global demand. On the other hand, major challenges are mostly related to external factors: regional competition and security threats. While the former could be overcome with collaboration among GCC countries (Winkler, 2007) and huge investments in infrastructure and promotion (Sharpley, 2002), the latter is difficult to control (Henderson, 2006). However, during political tensions in and around the Arabian Gulf, tourism NGOs could focus on the two tourism ports on the Red Sea. Speeding up the process of developing Saudi cruise tourism is strongly recommended as it is expected to reduce current pressures on airports and roads, improve accessibility in

the GCC region (Henderson, 2006), enrich the national tourism portfolio and reduce the threatened unemployment rates by creating thousands of jobs (Aldosari, 2013).

This chapter discussed the potential impacts of three Saudi cruise ports under construction. Future research should consider measuring the current costs of operating and marketing all three cruise ports, along with their establishment costs. In addition, attention should be given to evaluating the potential benefits of the new Saudi cruise sector on local and regional tourism. It is also important to investigate the potential negative impacts of cruise ships on the coral reefs of Saudi Arabia (Kürten *et al.*, 2014), and on the quality of water (Mohorjy and Khan, 2006) as the same water is used for drinking purposes through desalination. Finally, from a risk point of view, future research should consider exploring the impacts of foreign tourists on the Saudi conservative culture and Islamic values (Henderson, 2010; Zamani-Farahani and Henderson, 2010), and the possibilities of tourism graduates moving to other more highly paid economic sectors such as finance.

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Cruise Itinerary Planning

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Introduction

A cruise itinerary represents a key element of the whole cruise experience and so it significantly determines the differentiation and profitability of a cruise company. A cruise itinerary includes: home port, the port of embarkation and disembarkation, duration, ports on call, departure and arrival times to ports of call and activities at ports of call. The purpose of this chapter is to identify and analyse the various factors (demand, supply and contextual situation) as well as the type and sources of information (e.g. market research, industry/competitive data, governmental information) that a cruise line company needs to consider when planning a cruise itinerary. Special attention is given to the following managerial issues and strategies when planning an itinerary: revenue/yield management; operations and cost management; authentic tourism experiences; sustainability; and themed cruises. Past and current examples of cruise itineraries are also discussed to demonstrate the applicability of these concepts and to aid understanding of what has worked or not in cruise itinerary design.

It is widely recognized that the cruise industry sells itineraries and not destinations (Dowling, 2006; Vogel *et al.*, 2012; Rodrigue and Notteboom, 2013), while the purpose of the cruise is not the transport service itself, but the provision of pleasure to the cruise passengers (Kendall, 1986). The design of cruise itineraries is an issue of critical strategic and operational importance to cruise companies, because it is found to: be a critical factor influencing customers' selection of a cruise (Weaver, 2005; Barron and Greenwood, 2006; Gibson, 2006; Tan, 2011); determine the firm's ability to achieve profitability by both controlling costs and maximizing revenues (Selby, 2013; Rodrigue and Notteboom, 2013); enhance brand prestige and image (Hwang and Han, 2014); increase customer satisfaction (Douglas and Douglas, 2004); and influence cruise ship occupancy rates (Lee and Ramdeen, 2013). Thus, to achieve customer satisfaction, product differentiation and outstanding performance, the design of cruise itineraries should include a selection of attractive ports of call (destinations with on-shore activities and services) that fulfils the economic and operational restrictions and needs of cruise ship companies.

Nowadays, itinerary design should also consider not only the geographic but also the sociodemographic expansion of the cruise industry (Barron and Greenwood, 2006). Indeed, the cruise companies have now detached themselves from the constraints of geography and the classic/traditional destinations and they are sailing everywhere (Wood, 2000; Vogel *et al.*, 2012), while they are also offering a wide range of cruise products and itineraries in order to meet the needs and lifestyles of

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new and diversified market segments. Thus, itinerary design is always challenged by the issues of globalization (worldwide identification and development of new ports of call), McDonaldization, market diversification/segmentation, the experience economy and continuous innovation (Pine and Gilmore, 1999; Wood, 2000; Weaver, 2005; Wang *et al.*, 2014).

However, the design of a cruise itinerary is not a simple process but a multi-criterion decision that needs to balance numerous factors and constraints relating to the demand, supply and context of the cruise industry, such as: technical/operational issues (e.g. port infrastructure, vessel characteristics); market characteristics; regulatory frameworks (e.g. labour, visa and environmental legislation); cost and economical implications (e.g. costs of cruising speed and its expense and customer experience implications on sailing versus port parking duration); and weather conditions (e.g. seasonality of itineraries and/or avoidance/mitigation of cruise cancellation risks and costs). Simultaneously, the design of a cruise itinerary should not be viewed independently, as it is interconnected in an operational manner with other itineraries, e.g. through the repositioning of vessel units to cope with variations in seasonal demand among the various geographical markets (Rodrigue and Notteboom, 2013).

This chapter aims to analyse the design factors and process related to cruise itinerary planning. To achieve this, the chapter first discusses the design elements of a cruise itinerary and the ways in which they can be used for creating various types of cruise itineraries; cruise itinerary diversity allows cruise companies to target and appeal to different market segments and achieve high profitability by spreading operational and market risks and achieving high asset utilization (i.e. lower seasonality). The chapter proceeds by identifying and elaborating on the specific factors that need to be considered when deciding on how to use every itinerary design element so that cruise operating costs are minimized, while revenue per passenger slot is maximized. Finally, the chapter concludes by discussing the various sources of information that a cruise company can use for supporting its decision-making processes related to itinerary planning.

Defining the Cruise Itinerary: Design Elements and Typologies

The cruise ship is not a ship as a mere means of transport. Instead, the cruise product is widely recognized to include two major elements (Butler, 2003; Toh *et al.*, 2005; Weaver, 2005; Dowling, 2006): (i) the cruise ship facilities, accommodation and services; and (ii) the voyage/itinerary, i.e. the planned journey of the cruise ship. Hence, the cruise itinerary is a defining characteristic of a cruise experience. Indeed, the cruise product is defined as a specific type of ocean voyage, one in which the vessel begins and ends at the same place, and its main purpose is the leisure and recreation of its passengers (Douglas and Douglas, 2004). However, significant diversifications and innovations taking place in the cruise product require the expansion of this definition, because it excludes itineraries whereby:

- The vessels start and end in different ports;
- The vessels are used as a floating (business or leisure) venue (e.g. a casino, a hotel/resort or a residential area);
- The cruisers join or leave the cruise during the route;

- The passengers join the cruise for reasons other than leisure/recreational, e.g. business or educational purposes; and
- The passengers use the vessel as a permanent resident or second home, e.g. The World of ResidenSea.

Hence, a contemporary definition should consider the cruise product as a special ocean voyage that allows flexibility in terms of the starting and ending point of the cruise itinerary as well as diversity in relation to the motivations and the types/mixture of the cruise passengers.

Nevertheless, the design elements of a cruise itinerary include:

- The port of embarkation and disembarkation (or home port);
- The ports of call; and
- The itinerary planning and scheduling, including: the voyage duration; the selection, number and order of port calls; departure, arrival times and activities at ports; sailing times; and time at ports.

As a result of the diversification of the cruise market, a great variety of cruise itineraries are on offer to appeal to the needs, interests and budgets of various market segments. A range of criteria can be used for designing and categorizing cruise itineraries in various types, such as:

- *Voyage duration*: the duration of the journey has to match the time availability and holiday patterns of the demand. Based on their duration, the cruise itineraries are generally clustered under the following types: 3–4 days (for short breakers or city cruises); 7 or 14 days (short or long vacationers); and long itineraries (more than 2 weeks up to 1–2 months, e.g. world cruises or cross-ocean cruises) appealing to people who are rich in time and money and who may love sailing (e.g. pensioners).
- *The seasonality of an itinerary* (Rodrigue and Notteboom, 2013) that is heavily associated to the stability of the weather conditions and the corresponding demand. Itineraries are usually categorized in a number of ways. First, perennial itineraries represent regions/itineraries serviced throughout the year (e.g. Caribbean and Mediterranean). For this category there might be seasonal variation in the number of ships deployed, but the markets are serviced throughout the year. Second, seasonal itineraries represent regions/itineraries that are serviced only during a specific period or season (e.g. Baltic, Norwegian fiords, Alaska and New England during the summer months – north hemisphere, South American and Australian itineraries during the winter months of the north hemisphere). Third, repositioning itineraries are scheduled between seasonal or perennial markets and they are offered when the cruise companies move the ships from the low season/market to the high season/market (e.g. transatlantic itineraries from the Caribbean to the Mediterranean in the summer and vice-versa in the winter). Barcelona and Dubai are emerging repositioning hubs to address the market seasonality of the Caribbean, Mediterranean and Indian Ocean regions. Repositioning cruises have to be designed in such a way that both parties benefit: the cruise companies (i.e. increase vessel utilization and avoidance of empty legs/itineraries); and the cruisers (i.e. lower cost cruises at the expense of a more expensive air ticket, as the beginning and ending ports of call are not the same).

- *The theme of the cruise experience:* The demand push of the experience economy (Pine and Gilmore, 1999) increasingly requires cruise companies to develop cruise itineraries based on various themes, such as: wine, food, religion, history/culture, sports and numerous leisure activities (e.g. knitting, gambling, movie watching). Themed cruises can be based either on a themed vessel (e.g. Disney Cruises) and/or a themed itinerary (Table 32.1), while their development will also influence the design of all other design elements of cruise itineraries (e.g. the food and activities on board, the selection of the ports of call, the activities at ports of call, the timing/season of visiting a port).
- *The purpose of the cruise:* the design of a cruise itinerary is also influenced by the reason/purpose for which the passengers wish to take a cruise, i.e. to enjoy the vessel and the ports of call; to use the vessel as an accommodation, while being transferred from one port to another (i.e. selection of ports and arrival/departure times are important); and to go nowhere and simply enjoy an event/activity on the sea (itinerary does not matter but its duration is important). Thus, the purpose/motivation of taking a cruise significantly influences the selection of every cruise design element and the importance/weight placed on the latter (Table 32.2).

Selecting Ports and Defining their Function/Role in Cruise Itineraries

Typologies of ports

Ports are generally categorized into three types for the cruise industry (Lekakou *et al.*, 2009): *home ports*, which represent the start/end point of the cruise itinerary and whereby the cruise ships spend more time in the terminal for various operational reasons (e.g. fuelling, procurement, passengers' (dis)embarkation); *ports of call*, which are ports visited by a cruise ship during the cruise; and the *hybrid* port, which is a mixture of the previous two categories (they are the starting and ending point for some cruise itineraries, but they also act as intermediate point for other cruise itineraries).

In addition, cruise itineraries can include different types of ports of call depending on the ports' characteristics and so, the functions that they can serve in cruise itineraries (Rodrigue and Notteboom, 2013):

- *Destination cruise port:* whereby the cruise port area (e.g. Barcelona, Venice) or port terminal (for duty free shopping) is the sole destination and cruisers have no reason to visit the vicinity, and/or there might be safety and security issues when going outside the port area (e.g. North Africa or Mexico ports). In this case, limited excursions/tours need to be offered outside the port area.
- *Gateway cruise port:* included in itineraries because they are the gateway (technical stops) to major touristic destinations that are inland (e.g. Ephesus is approached by Kusadasi port, Rome is accessed through Civitavecchia port, Athens-Akropolis is accessed through Piraeus port, Olympia is accessed from Katakolon). These ports are not and do not need to be attractive themselves and/or offer amenities, but they have to offer excursions outside the port area.
- *Balanced cruise port:* cruises ports included in itineraries, because they are a destination themselves and a point of transit for excursions (e.g. Miami, San Juan,

Table 32.1. Design examples of themed cruise itineraries.

Theme	Customization of the design elements of themed cruise itineraries
Themed itineraries	
Slow cruises by Costa Cruises	<i>Theme:</i> Slow food and Slow tourism <i>Target market:</i> People looking for personalized slow pace touristic experiences on board and ashore, e.g. couples and groups of friends <i>Itineraries:</i> Exclusive routes utilizing smaller ships sailing to new destinations that may be off the beaten path and therefore inaccessible to larger ships Long stopovers in ports (often overnight and part of the next day) to allow guests maximum time ashore and the chance to explore each place en route in depth (e.g. discovery of the cultural heritage and the scenic nature ashore) <i>Onboard experiences:</i> Personalized gastronomic, leisure and leisure activities of high quality that usually match the cruise theme and/or character of the ports of call
Crystal Cruises Discovery cruises	<i>Six themes:</i> Thrill-seeking, elegance, the Roman empire, maritime history, magic and microbrews <i>Onboard and ashore experiences:</i> A variety of experiences is offered in all the 23 Crystal Symphony and Crystal Serenity voyages that features complementary theme-focused enrichment (according to the theme of the cruise) with hands-on activities, rousing performances, educational presentations, and expert instruction onboard and ashore <i>Extreme Thrill Seekers:</i> Crystal's version of the Discovery Channel, with expert shark divers, underwater photographers, deep-sea treasure hunters (10 March 2013, Singapore to Cape Town) <i>Explorations Elegance:</i> Esteemed auction house experts sharing their insights on rare jewels, renowned wines and over-the-top international real estate (18 April 2013, London to Rome) <i>Gladiators and Empires:</i> A celebration of the Roman Empire and its influences on art, religion, law, war, social structure, science and architecture ... easily explored via Italy's iconic ruins and renowned museums ashore (18 May 2013; Venice to Barcelona) <i>Up Close and Magical:</i> An expansion of Crystal's exclusive entertainment programme, Magic Castle at Sea, with multiple maestros from Hollywood's exclusive members-only club (The Magic Castle) dazzling, mystifying and sharing their illusionary talents with more classes and shows (11 December 2013, round-trip Miami) <i>Maritime: Past, Present and Future:</i> A Trans-Pacific sailing offering an ideal opportunity to delve into the fascinating stories of maritime history; from the lavishness of luxury liners to the boldness of battleships, experts and historians offer unique perspectives (28 October 2014, San Diego to Auckland) <i>Wine and Food: Microbrews:</i> Crystal's acclaimed culinary theme embraces the growing popularity of microbreweries, with experts, tasting and cuisine pairing (5 November 2014, New York to Miami)

Oceania Cruises

Theme: Gastronomy – local cuisine

Target market: Epicureans

Itineraries: Culinary enrichment programme of itineraries that include more than 25 ports worldwide: in Mediterranean since May 2012; in Asia, South America and the Caribbean since winter 2013. New luxury but small cruise ships: *Riviera* and its sister ship *Marina* (1250 guests) and *Regatta* and *Nautica* (650 guests)

Onboard and ashore experiences (minimum price US\$175 per person, including the escorted market tour and cooking class 'n' board and/or at a shoreside cooking school or a well-known restaurant kitchen):

The tours are uniquely designed for each port and provide guests with the opportunity to explore local food markets in small groups, alongside an expert chef, e.g. visits to an artisanal cheese maker, a chocolatier, a wine vineyard or a fish market. For example, tours include visits to the Agora meat and fish market and lunch in the Plaka, in Barcelona, tours include Spanish olive oil tasting, shopping at Santa Caterina Market and lunch at a top tapas restaurant, while in Istanbul tours include a cooking class at Cooking Alaturka

Tours also incorporate mini-lectures, demonstrations or lunch

A hands-on culinary school at sea called the Bon Appetit Culinary Centre that offers to guests a hands-on cooking class, that draws inspiration from the ashore visits to local food markets and producers

Carnival Corporation & plc's newest cruise line – Fathom

Theme: Voluntourism

Target market: Purpose-driven cruisers such as:

- People interested in vacations that combine volunteering with immersive travel experiences
- Parents who want to expose their children to new parts of the world and the value of volunteering
- Cruise veterans who are looking for new experiences

Itinerary:

Seven-night trips between Miami and Cuba with at least three port stops on the island (starting April 2016)

A small size vessel (*Adonia* of 710-passenger capacity) is used for providing a more intimate experience, so passengers can have a better opportunity to get to know one another as they work together towards a common goal on the ship and in port

Onboard and ashore experiences:

- Socially motivated experiences before, during and after the cruise: passengers will receive e-mails introducing them to the area in which they elect to serve. The first 2 days at sea will include Spanish lessons and cultural films about the country. Upon arrival, travellers will work with not-for-profit partners on projects like planting trees and making ceramic water filters. After the trip, Fathom will keep passengers updated on the projects and connect them with volunteer opportunities near their hometowns
- Onboard Cuban theme programme, e.g. Cuban food, music and films onboard
- Volunteer efforts will fall into one of three categories: education (e.g. volunteers teaming with local teachers to improve English skills of adults); environment (e.g. volunteers cultivating seedlings or planting trees); or economic development (e.g. assisting in the cultivation of cacao plants and organic fertilizer at a nursery and producing artisan chocolates with a women's cooperative)
- Training onboard is offered in order to give anyone the skills they need to succeed once ashore

Continued

Table 32.1. Continued.

Theme	Customization of the design elements of themed cruise itineraries
Themed cruise ships	
The scholarship: a university campus on board	<i>Theme:</i> The Scholar Ship was a Royal Caribbean Cruises Ltd educational cruise developed in collaboration with the following international universities: Al Akhawayn University, Morocco; Cardiff University, UK; Fudan University, China; Macquarie University, Australia, Tecnológico de Monterrey, Mexico; University of California, Berkeley, USA; University of Ghana, Ghana. <i>Itinerary:</i> A 16-week itinerary to eight ports spanning five continents (the itinerary duration matched an academic semester). At the end of the cruise journey, successful students were awarded an MBA degree. <i>Onboard and ashore experiences:</i> Ashore tours offered numerous educational opportunities through academic field studies, shore excursions and independent travel. The port programme was highly integrated into the academic programme, making for a sophisticated, hands-on, real life learning experience. Onboard, students/guests were completely immersed in a multicultural living environment and academic programme. The onboard educational programme was delivered by international academics and integrated academic, cultural and social experiences that was virtually impossible to be duplicated elsewhere The students were also recruited worldwide to ensure an intercultural learning environment
The Holy Ship	<i>Theme:</i> Music and dancing experience with personal rooms/cabins and all the comforts of a luxurious ship only steps from the dance floor <i>Itinerary:</i> 3-night cruise (Caribbean) <i>Onboard and ashore experiences:</i> Top electronic music artists in the world performing on multiple stages Artist hosted activities Theme nights Private island beach parties
The Groove Cruise	<i>Theme:</i> Floating dance music festival <i>Target market:</i> 2700 dance music lovers <i>Itinerary:</i> 96 hours of non-stop music experience, comprising 4 straight days of beach and pool parties, as well as themed extravaganzas and onboard events that rival the best dance music festivals in the world (Caribbean, since 2004) <i>Onboard and ashore experiences:</i> 50 world renowned artists World known DJs, a 14-storey cruise ship with 12 restaurants, a casino, a gym and a spa Nine stages Private beach and waterfall/ashore theme parties included with drinks food and transfers, unlimited soft serve VIP experience called the Admirals Club

Table 32.2. Purpose of cruise and importance of the itinerary design elements.

Type of cruise based on its purpose	Ports of call	Duration of itinerary	Arrival – departure time
People taking cruises for enjoying both the vessel and visiting various destinations/ports	Somewhat important A mixture of ports of call can be used: popular ports that will make the itinerary attractive; and some less popular ports to fill in the journey days or ports that are in nearby proximity to popular ports so the vessel reduces sailing time and costs	Very important, as duration has to match the (holiday) patterns and preferences of the demand	Arrival at ports of call in the early morning (to undertake destination activities and visit the destination) Departure early afternoon to enjoy dinner and activities onboard
People taking cruises for being transferred from one place to another while having cheap accommodation, e.g. easycruise (Gross, 2010)	Very important, since the major criterion for selecting/taking the vessel (is not the vessel itself) is the 'attractiveness' of the ports on call, i.e. the vessel is the transportation medium to the ports of call	Not important (since the passengers can hop on and off the vessel whenever they like and so they can customize the duration to their preferences)	Arrival at ports of call early afternoon to have access to services and attractions at the port (there is no restaurant, activities onboard) Departure early morning (after the clubbing at the destination) and sailing to the next port of call (while people are sleeping) until afternoon whereby people can disembark in order to find again services and activities at the destination

Continued

Table 32.2. Continued.

Type of cruise based on its purpose	Ports of call	Duration of itinerary	Arrival – departure time
People taking a cruise to nowhere (usually 1–2 days long), i.e. voyages that sail out to sea and then return without visiting another port. Cruises to nowhere are common when: private groups charter the entire ship for various reasons (e.g. meetings, conferences); cruise companies wishing to fill the ship for the very short period of time for a ship that just finished a repositioning cruise before it starts sailing its new regular itineraries from its new home-port; and cruise companies wishing to simply sail in international waters, so passengers can undertake activities that are not legal in their home territory (e.g. gambling, duty free, consumption of alcohol)	No importance about whether and in which ports of call the vessel will flow However, the starting and ending port of the cruise itinerary can be of great importance, since it should be easy for passengers to arrive/ depart from the cruise	Very important, as the duration of the itinerary has to be just enough so that the people can enjoy the event and/or the onboard activity, while not becoming bored (e.g. gambling, training, conference)	Very important: it should match the passengers' lifestyles (i.e. Friday nights out, holiday periods, weekend shopping, depart late night, come back early morning)

Nassau, Lisbon). Such ports offer a balance of attractions and amenities in the port and the wider region.

- **Technical port:** ports that are included in itineraries, because they offer cheap and/or good quality technical services to cruise companies (e.g. cheap fuel, wastage services, cargo/logistics services, procurement, etc.).

Development of ports

The role and the function that a port serves in a cruise itinerary (i.e. as a home port, technical stop or a port on call) heavily influence the impact of cruising on the port destination (e.g. income generation to local businesses, port revenues, job creation, environmental impacts). Because of that, destination management organizations try to invest in port infrastructure, amenities and attractions in order to increase the importance and services offered by their port, attract/persuade cruise companies to use the ports as home or hub ports and so multiply the economic benefits of cruising in the port area and the vicinity. Good port infrastructure also heavily influences the efficiency of cruise companies' operations and the quality/attractiveness of the services and amenities offered to their customers. Because of these common interests, collaborations between private cruise companies and public destination organizations are formed globally with the aim of developing good port infrastructures. There is also an emerging trend whereby cruise companies are interested in developing their own dedicated proprietary facilities, terminals and/or co-located amenities (Lekakou, 2007) in order to: minimize their operating costs by owning rather than paying for port facilities, i.e. develop port concessions and decrease costs by vertical integration in their production processes; better control and manage quality/security of port facilities; guarantee and control access to port services in congested ports; expand port capacity in crowded but important (geographically or touristically) ports; and/or develop new destinations, new ports on call and/or new itineraries.

Although the development of ports is a long-term issue associated with the strategic planning and development of cruise companies, it also critically influences the day-to-day operational abilities and performance of a company as well as its capability to continuously innovate and (re)design cruise itineraries (Table 32.3). In addition, the development of private ports can significantly change the geographical map of flows and concentration of cruise itineraries.

Factors to be considered when selecting ports

The selection of ports to be included in cruise itineraries represents a complex process that needs to consider multiple factors and balance the interests and goals of both the cruise companies (e.g. minimize costs, operational constraints) and the demand (e.g. visits to interesting, safe and attractive destinations) (McCalla, 1998). The majority of previous studies (e.g. Nolan, 1987; Marti, 1991, 1992; McCalla, 1998; Peisley, 2003; Barron and Greenwood, 2006; Lekakou *et al.*, 2009) have categorized these factors into two major categories: factors related to the *site*, i.e. the cruise port (such as, port infrastructures and superstructures); and factors related to the *situation*, which refers to physical or cultural qualities (such as, the proximity to markets of

Table 32.3. Examples of port developments and their impacts on the design of cruise itineraries. (From: www.traveldailynews.com; Wang *et al.*, 2014.)

Port development	Impacts on itinerary design and development
The Norwegian Cruise Line has purchased approximately 75 acres in Southern Belize (in a region called Harvest Caye that includes two adjoining islands) for the planned development of an <i>ecofriendly cruise destination</i>. The Government of Belize and Norwegian Cruise Line have signed a memorandum of understanding on the development that calls for adherence to Belize's environmental standards, creation of jobs for Belizeans, as well as significant economic impact. The new destination is expected to benefit Belize directly with significantly increased head tax revenues, and at a local level with up to 1000 new jobs (employment of Belizeans in the construction and operation of the destination) The company aims to create a world-class cruise destination, consisting of two locations: an island destination with docking/tendering facilities; and a mainland connection point for inland tours. Major components of the project would include a floating pier, island village with open-air structures on raised platforms, marina, transportation hub for tours to the mainland, a lagoon for a variety of water sports and a relaxing beach area	Support of sustainable tourism development (which is also compatible with the Belize's National Sustainable Tourism Master Plan) because the project will allow: The design and provision of authentic cruise experiences grounded in the storyline of nature, ancient culture, art, adventure and music that celebrates Belizean, Mayan and Garifuna history and culture The creation of the new destination and extra capacity in order to relieve the cruise tourism pressures in the existing facilities at the Belize City The development of a new port base and capacity to help expand the number of vessels and itineraries serving the region: the company expects to double the number of guests sailing on the Western Caribbean itineraries The development of a new destination hub and attraction of more tourists: the company expects to bring four times as many guests to Belize than today The development of new and exciting destinations and itineraries that are focused on sustainable design and ecofriendly principles that can help retain the natural beauty and local culture of this tropical paradise
Private beaches are usual on the Cays (Key West) owned by cruise companies e.g. Disney, Princess Cruises, Holland America Line, Radisson 7 Seas, Costa Cruises, etc.	Development of new destinations/beaches not crowded or visited by others The provision of authentic and private experiences, e.g. beach barbeques The diversification and differentiation of cruise itineraries from competitors
Private ports built by cruise companies for their exclusive use: In Bahamas: CocoBay (Royal Caribbean), Half Moon Cay (Holland), Castaway Cay (Disney), Princess Cay (Princess), Great Stirrup Cay (Norwegian) In remote locations such as: Mahogany Bay in Honduras (Carnival), Puerto Costa Maya (Royal Caribbean) in Mexico	Reduction of operating expenses Better control of quality, security and access to port services and amenities The ownership of fixed capacity in ports forces the cruise companies to continually design and operate (new) itineraries in the region. The development and operation of fixed itineraries in the region reduces destination seasonality and increases the capacity utilization of the cruise company. For example, Coco Bay, Half Moon Cay, Casta Cay and Great Stirrup Cay are all within 1 cruise day from the home ports of Florida, offering the option for short 3–4-day cruises to a quiet and safe destination

Table 32.4. Factors (based on the site/situation framework) to be considered when selecting ports. (Based on: Marti, 1991, 1992; Lee, 2002; Barron and Greenwood, 2006; Johnson, 2006; Manning, 2006; Lekakou *et al.*, 2009; Hull and Milne, 2010; Mak *et al.*, 2010; Demirel and Yucenur, 2011; Gui and Russo, 2011; Tan, 2011; Stefanidaki, 2013; Wang *et al.*, 2014.)

Site		Situation	
Natural port characteristics	Geographic proximity of the port to other ports of call Port protection from weather conditions Attractiveness of the port itself (e.g. Caldera in Santorini)	Proximity to markets of cruise passengers	
Port services to passengers	Cruise travel agencies Banking services Postal services Safe and secure environment Duty free shops VIP lounge Children's playground Internet café Sports area Car parking Transport itineraries inside port First aid station Tourism information centres Foreign exchange bureaux	Intermodal transport serving the port	Availability and reliability of sea transportation Availability and quality of land-based connections, e.g. accessibility to motorways Road infrastructures Rail infrastructures Availability, quality and capacity of air transportation and connections Cooperation with air, sea, rail and road transport providers and controllers, e.g. synchronizing transportation connections with cruise itineraries/schedules, controlling traffic
Port-city amenities	Availability and capacity of international airport Availability of an international train station Appropriate hotel infrastructure and room night capacity Restaurants, cafés and other entertainment facilities Marketplace, shopping Recreation areas Tourist information points Local – city transportation, e.g. quality and availability of public transportation, taxi availability Tourist police	Attractive places and activities	Attractive areas Cruise sites Places of cultural interest Places of historical interest Ability to travel to neighbouring touristic areas Attractive activities Availability of themed tourism experiences or alternative forms of tourism, e.g. sports, religious, wine, gastronomy tourism

Continued

Table 32.4. Continued.

Site		Situation
Port Infrastructures	Infrastructures for passengers embarking/disembarking	Provisioning (local supply of food, drink, and clean water) for local procurement
	Modern passenger terminals	The destination lifecycle of the port
	Capacity for handling a large number of passengers simultaneously – multi-ship terminals, air-bridge	Social factors (educational level and language ability of local residents)
	Infrastructures for ship's crew	
	Appropriate capacity, e.g. sufficient docking space, parking facilities of tour buses	
	Port depth	
	Transportation infrastructure and services between the port and attractions	
	Warehousing, logistics (many cruise companies operate their own logistics for procurement and they need space and facilities for their logistics close to port areas)	
Port efficiency	Port's management	
	Ship turnaround time	
	Baggage handling	
	Facilitation of passengers	
Port services to cruise ships	Security checks	
	Pilotage	
	Ship supplies provision	
	Towage	
	Loading and unloading facilities	
	Sea rescue security systems	
	Bunkering	
	Cold ironing and shore power supply to eliminate CO ₂ emissions	
	Classification societies inspectors	
	Shipbuilding and ship-repair facilities	
	Services relating to safety	
	Services relating to security	
	Waste reception facilities	
	Convenient fuel and water hook-ups	

Port services cost	Cost of services to cruise ship, e.g. dockage fees, head taxes Cost of passenger services Port dues
Port management	Operating costs for the cruise company's headquarters Capability for setting up long-time relations Special treatment for frequent users Response to the cruise company's particular needs Networking of the port with other cruise ports in the area Port's marketing policy
Political conditions and regulatory framework	Incentives to cruise companies for starting home port operations Cabotage policy requiring cruise ship departing from specific ports to employ a minimum percentage of local staff Policy regarding cruise terminal concession Political stability Environmental policies Deregulation/liberalization policies Passenger shipping legislation, taxation, maritime law and policy, e.g. relaxed visa requirements, reasonable head tax and port charges, and expedited clearance procedures at ports National tourism policy supporting or subsidizing the cruise industry Willingness of port officials and policy makers to work with the cruise lines to enhance the overall port experience, improve infrastructure and develop new and different tourism opportunities

cruise passengers and the attractiveness of the port region for cruising). [Table 32.4](#) summarizes these factors, while [Table 32.5](#) provides some examples of ports that satisfy these factors and are selected as ports of call or home ports by several cruise companies.

The type of cruise appears to determine the importance of the factor that needs to be considered when selecting ports of call. For example, luxury cruises place importance on visiting exotic and unknown destinations, because more affluent and experienced sea tourists have the desire for first-hand knowledge of less-visited parts of the world (Lingard, 2002). In contrast, mass-market contemporary cruises tend to select the most traditional, popular ports of call that appeal to the mass market.

The use of these factors and their weight/importance for selecting ports also depend on the role/function that the port has to play within the itinerary (i.e. as home port, port of call or hybrid). For example, it is more important for ports of call than home ports to have or be next to interesting attractions, while it is more important for home ports than ports of call to offer multi-modal (i.e. by air, train, motorway) accessibility or infrastructural services (Lekakou, 2007). For example, Santorini and Mykonos (the two most famous and attractive Greek islands) represent two ports of call that ‘must’ be included in almost all the itineraries sailing in the (western) Mediterranean, despite: the congestion at the Santorini cable car or tendering services (passengers may have to wait for 2–3 h to get into a small vessel to reach the port and then wait to get the cable car to go to the top of the island); and the congestion, traffic jumps and delays in the narrow roads connecting the port and the city of Mykonos.

On the other hand, cruise companies have transferred their home port from Heraklion (Crete, Greece) to Kusadasi (Turkey), despite the cultural attractiveness of Heraklion (next to Knossos, the Venetian castle in Heraklion and its world famous museums), because of (Lekakou, 2007): the poor port infrastructure, the expensive and inefficient port services (procurement, wastage management, etc.) provided at Heraklion as well as the inability of the Heraklion airport to expand its airlift capacity and infrastructural inability to accommodate transatlantic flights in relation to the modern, cheaper and more efficient port of Kusadasi and its proximity to bigger international airports. However, because of its touristic interest, Heraklion is still included as an important port of call in almost all cruise itineraries.

Itinerary Planning and Scheduling

Itinerary planning and scheduling includes decisions regarding: the voyage duration; the selection, number and order of port calls; departure and arrival times to ports; activities at ports; sailing times and time at port. The itinerary plan and schedule should appeal to the market, but simultaneously satisfy the economic and operational needs of the cruise company. The following issues need to be considered when planning and scheduling an itinerary in order to maximize its marketability, profitability and technical capacity to be implemented.

Voyage duration, sailing time and time at ports

The duration of the voyage determines the number of ports to be visited (the longer the voyage, the more ports that could potentially be visited) and so, it affects its appeal

Table 32.5. Examples of home ports and ports on call.

Regions	Home ports	Ports of call
Western Mediterranean	Italy: Venice, Genoa, Civitavecchia, Savona Spain: Barcelona, Valencia, Palma Majorca	Agadir (Morocco), Ajaccio (Corsica) Cagliari (Sardinia), Cannes (France) Bilbao, Gijon, Ibiza, La Coruna and Cartagena (Spain), Cherbourg (France), Funchai, Lisbon, Vigo (Portugal) Gibraltar (UK), Messina, Naples, Ravenna (Italy)
Eastern Mediterranean	Turkey: Istanbul, Kusadasi, Antalya Greece: Piraeus, Heraklion	Greece: Santorini, Mykonos, Patmos, Rhodes, Katakolon, Corfu, Samos, Syros, Argostoli, Chania, Thessaloniki Turkey: Bodrum, Kusadasi Croatia: Dubrovnik, Split, Zadar Slovenia: Koper
Asia Pacific	China: Baoshan (Shanghai), Tianjin, Hong Kong Australia: Brisbane, Sydney, Perth (Freemantle) Singapore Japan: Tokyo (Yokohama)	Australia: Perth, Geraldton, Darwin, Cairns, Airline Beach, Broome Thailand: Bangkok China: Sanya, Tianjin, Xiamen Japan: Beppu, Fukuoka, Hiroshima, Kobe, Kumamoto, Kyoto (Port Maizuru), Nagasaki, Toyama Indonesia: Benoa (Bali), Lombok Philippines: Boracay, Manila South Korea: Busan, Jeju India: Cochin, Goa Vietnam: Ho Chi Minh (Phu My), Nha Trang Taiwan: Kaohsiung, Taichung, Taipei Thailand: Ko Samui Malaysia: Kota Kinabalu, Kuala Lumpur (Port Kiang), Penang
North Europe/ Baltics	Denmark: Copenhagen UK: Southampton, Harwich Sweden: Stockholm	Skagen (Denmark), Alesund, Flam, Honnigsvag, Geiranger, Oslo, Olden, Stavanger and Bergen (Norway), Helsinki (Finland), Rotterdam (the Netherlands) and Helsinki, Tallinn, St Petersburg for Baltics
South America	Puerto Rico: San Juan Brazil: Sao Paolo (Santos) Chile: Valparaiso	Argentina: Buenos Aires, Rio De Janeiro, Ushuaia Chile: Cape Horn, Puerto Montt, Punta Arenas, Valparaiso Brazil: Copa Cabana Beach, Buzios, Sao Paolo (Santos), Portobelo Olha Grande, Iihabela Uruguay: Montevideo, Punta Del Este

Continued

Table 32.5. Continued.

Regions	Home ports	Ports of call
Middle East	UAE: Dubai	Abu Dhabi, Ashdod, Haifa (Israel), Khasab, Muskat, Salalah (Oman), Suez Canal
North America (east)	Boston, Baltimore, Cape Liberty, Port Lauderdale, Halifax	Bar Harbor, Charleston, Portland, Quebec City, Saint John (New Brunswick), Rockland, Maine
North America (west)	Ensenada (Mexico), Los Angeles, San Diego, Seattle, San Francisco, Vancouver	Astoria, Catalina Island (California), Monterey, Santa Barbara, Icy Strait Point, Ketchikan and Juneau (Alaska)

to the market, the sailing costs (fuel) and the ability of the company to maximize revenues. For example, cruise companies have moved their base port nearer to the cruising area and further from the demand market, thus providing shorter itineraries but visiting the same ports (Barron and Greenwood, 2006). This shows that the marketability of the itinerary (i.e. satisfaction of the demand for shorter itineraries) can critically influence the design of an itinerary. Research also shows that longer itineraries have lower profitability margin, as customers are inclined to spend less onboard as the cruise progresses (Rodrique and Notteboom, 2013).

Passengers generally prefer to stay longer at ports of call, so that they can experience the destinations (Marti, 1990). Hence, cruise companies need to limit the number of ports visited per voyage and/or try to create itineraries including ports of call that are of short proximity to each other. For example, a typical 7-day cruise itinerary includes three to five ports of call (depending on their proximity). The proximity of ports of call reduces the sailing time and fuel costs, giving more opportunity to visit more ports and generate revenues from shore excursions. On the other hand, itineraries allowing more time at the destination and less time onboard eliminate the possibility of cruise companies making additional revenues from selling activities/goods onboard (e.g. shopping, gambling, alcohol), while it increases the port costs. Thus, there is a trade-off between visiting more ports to make the itinerary more attractive and generate shore revenues, and eliminating the number of ports to reduce costs and increase onboard revenue opportunities. In general, it can be argued that if the difference between shore excursion revenue and the total port cost added to the cost of fuel while staying in port (e.g. electricity, docking, taxes, etc.) is greater than the difference between onboard revenues made minus the cost of fuel for steaming during the same period, then the case for calling at a port is a good decision (Shelby and Heberlein, 1986).

However, research shows that there is a difference between first-time cruisers who tend to demand more intensive port itineraries, and more experienced cruisers who appear to prefer a more relaxed itinerary with more days at sea (Lingard, 2002). Thus, itinerary planners need to consider the target market for a particular cruise before deciding the correct balance between the number of ports visited and the number of days at sea (Marti, 1992).

Selection and combination of ports

The selection of ports will critically influence: the marketability and appeal of the itinerary; the possibility of generating revenues by selling shore excursions; and the operating costs. The selection of ports of call is critically influenced by the size of the vessel, i.e. some large cruise ships can only use large ports for technical/practical reasons. The selection and number of ports to be included in the itinerary are also conditioned by cost factors (e.g. fuel consumption and port taxes) (Marti, 1991), however, if the additional revenue to be generated by including a port of call (e.g. by selling excursions, or increasing the image/price and occupancy of the cruise) exceeds the costs for visiting the port, then the port should be included in the itinerary (Rodrigue and Notteboom, 2013).

It is generally agreed that a good itinerary includes a mix of ports of call that will entice customers to buy the cruise paying good prices with other less known ports of call that might also ‘surprise and delight’ along the way (Bull, 1996). Indeed, diversification (and not only number) of ports of call and the attractions/excursions within the various ports are key for an itinerary to diversify it, create variety and make it successful and profitable. This is for the following reasons. First, tourists perceive visiting different destinations as very beneficial, since a multi-destination cruise is viewed as a way to minimize the level of risk and uncertainty that they would like the visits/destinations; to save money, time and to avoid the inconvenience of packing/unpacking in relation when visiting all the places on a ‘one by one’ basis. The diversity of ports of call also contributes to satisfying the heterogeneity of preferences of the various market segments that take a cruise.

Repeat cruisers demand new destinations, while new cruisers would like to visit the popular hot spots. To attract new customers and also target experienced cruisers, itinerary planners should offer a combination of well-known ports and undiscovered ports. Cruise itineraries should also consider the various preferences and needs of their international passengers; for example, Chinese prefer shopping, eating, fun, entertainment, culture and history, while they dislike swimming and sunbathing; the Russians prefer late dining, party atmosphere and group activities; the Americans prefer passive rather than active shore excursions, eating and relaxation. Overall, itinerary planning should offer a balance between popular places and less known places; ports that offer many activities, and those ports that invite relaxation and observation; and traditional and innovative destinations. Successful itineraries offer an overall balance of familiarity and uncertainty, harmony and complexity, and consistency and novelty (Barron and Greenwood, 2006).

Itinerary scheduling and planning

Critical decisions related to the starting and departing times of itineraries and ports of call will also influence the appeal of the itinerary and its costs. Usually, vessels arrive at ports of call in the early morning allowing passengers to experience the destination in the day time and depart in the early afternoon, just before dining time and time for entertainment onboard. However, the time and day for reaching a port should also consider the following: synchronization with air flights; times/days when competing cruise companies visit the port in order to avoid congestion; port

availability; legislation; availability of tendering services; weather, seasons (daylight is different in various months); and climate conditions. Sailing times and stay duration at ports need also to balance the conflicting interests of passengers and cruise companies: passengers are interested in maximizing time at ports, while cruise companies are interested in maximizing sailing time, so they generate more revenues and minimize costs (e.g. casinos and duty free are not allowed to operate while the vessel is at port). The type of cruise can also significantly influence itinerary scheduling and planning. For example, luxury cruise lines tend to plan longer stays at ports that have enough tourism experiences to satisfy passengers (e.g. 2 or 3 nights' stay at the port of St Petersburg), while traditionally mass market itineraries offer 1 full day at a destination, and normally sail to the next port during the night.

Cruise planners can also select from two categories of itinerary planning: one category is when a ship follows the same itinerary on a year-round basis, and always uses the same port for embarkation and disembarkation; the other case occurs when embarking and disembarking is done at different ports, and the ship's itinerary changes for each voyage (Marti, 1992). The stability or the variation/flexibility of the itinerary planning is heavily influenced by (Rodrigue and Notteboom, 2013): the weather conditions; seasonality of demand; size of vessel; and type of cruise (mass market or niche market).

In this vein, cruise regions with low seasonality and a relatively stable and mass market are usually served by large cruise ships (e.g. Mediterranean and Caribbean) that repeat stable itineraries throughout the year, use a fixed port of (dis)embarkation and are not repositioned to other cruise regions. For example, during the whole year, the *Freedom of the Seas* (4370 passengers) operates two itineraries (7 nights each, each one being repeated every other year) from the fixed port of Port Canaveral (Florida). In contrast, in order to increase the capacity utilization of small vessels serving seasonal regions and niche markets (e.g. themed cruises or luxury cruises), cruise ships are rarely deployed on the same rotation for more than one cruise.

Ships may continually change rotation by moving from one region to another depending on weather conditions and demand seasonality. This flexible routing of small niche vessels may include various rotations within a single region as well as repositioning cruises in order to relocate the vessel to another region and operate different rotations in this region during another season. For example, the itinerary of *Silver Wind* (296 guests) included different rotations within different regions: the west Mediterranean and Adriatic (April, May and June); the Adriatic, Aegean Sea and Turkey (July, August, September and October); Turkey, Red Sea, Gulf, Middle East (November and December); southern Africa, West Africa and Canary Islands (January, February, March); and then starting again the rotation within the west Mediterranean and Adriatic from April, May and June. These back-to-back rotations within geographically neighbouring regions are an important feature of itinerary scheduling, as they maximize vessel capacity utilization (i.e. repositioning itineraries).

Information Sources

Designing itineraries is an information intensive, laborious and complex process, as one has to consider a huge amount and variety of information that also changes substantially in dynamic, continuous and unpredictable ways. To minimize risk, itinerary

planners need to collect, analyse and cross-check to validate and use various sources of information, such as:

- Customer feedback, research and surveys, such as: cruise companies offer incentives to encourage customers to fill in rating forms (Cartwright and Baird, 1999). Brejda and Gilbert (2012) showed how cruise companies can use online customer review websites (e.g. www.cruisecritic.com) for collecting useful customer feedback about them, their competitors and the cruise market trends.
- Feedback and suggestions from staff: captains, port staff, sales and marketing staff.
- Statistics, reports, insights and studies by professional and industry bodies, such as the Cruise Lines International Association (CLIA).
- Market intelligence reports and statistics by consultancy companies such as <http://www.cruisemarketwatch.com>.
- Destination information, market reports, insights, trends and statistics provided by destination/port management authorities and organizations.
- Research data from universities and research bodies.

Conclusion

Overall, designing a cruise itinerary requires the simultaneous consideration of a plethora and variety of factors related to various stakeholders of the cruise industry:

- Factors related to the cruise company: vessel capacity and deployment, vessel characteristics like size;
- Factors related to the cruise industry (competition): number and type of competing cruise ship operators in the region and/or ports, competitors' itinerary design (number of ports, arrival/departure timings, of shore excursions, port call patterns of existing cruise services);
- Factors related to cruise demand: disposable incomes; lifestyle, culture, demographics of the customer base; potential revenue generation; demand seasonality and volatility; brand positioning (exotic ports of call for premium services); and guest satisfaction (customer oriented industry); and
- Factors related to the ports: costs, availability and quality of port services; legislation, port accessibility and characteristics; port/destination attractiveness/touristic interest.

Successful itinerary design also balances the trade-offs between the (conflicting) interests of various stakeholders (e.g. cruisers, cruise companies and destinations/ports) and satisfies multiple criteria and goals, such as economic profitability, market appeal and sustainability goals.

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Is China a New Goldmine for Cruise Companies?

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Introduction

Cruising in China is unusual in several ways. Ten years ago Chinese customers were not aware it existed as a tourism activity and there were no cruise ships plying the country's coastline. In 2014, statistics showed there were 697,000 Chinese cruise passengers (CLIA, 2014, 2015; CCYIA, 2015) leaving from Chinese ports. Even if these figures may be imprecise (particularly because they do not include cruise passengers from Hong Kong), all the indicators reflect the dynamism of this industry in China. The Chinese central government, supported by Ministry of Tourism guidelines, expects 4.5 million cruise passengers by 2020 and soon hopes to become the world's second largest market. The large international groups, market leaders in the cruising industry, have not lagged behind and have greatly improved their offer by sourcing new ships and creating links with both the authorities and Chinese societies.

The second significant phenomenon is that the allocation of cruise ships to the China Sea does not simply mean it is a new sailing area for traditional cruise customers. The ships are typically a multicultural space where many nationalities mingle, with the mix mainly coming from America and Europe. The cruises leaving from Chinese ports are uniquely composed of an almost exclusively Chinese clientele. As a result of this large increase in the number of Chinese cruise passengers over the past 10 years, and with the prospects for future growth, China is a growth market, reflecting the current progression of the global cruise industry.

The objective of this chapter is to understand the current situation regarding cruising in China, based on research that has been undertaken since 2010, looking at the adaptation of products (routes, facilities) to meet the expectations of Chinese cruise passengers, as well as what these customers do whilst onboard. The results of this analysis will be presented in two stages. The first part will look at the factors in the emergence of cruising in China that have led to the increase in supply. It is a case of analysing how, in this Communist-ruled country, an activity dominated by American interests could have developed. We will analyse the offers available from international companies in terms of vessels, cruise duration and routes leaving from Chinese ports. In return, we will see that cruising has attracted enormous interest from Chinese customers, which has encouraged the stakeholders to keep innovating. The options available have increased significantly in just the past decade.

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The second part will analyse the popularity of this activity among cruise passengers who have recently discovered the industry, a population with a radically different lifestyle compared to the onboard standards offered by US and European companies. We therefore posit the hypothesis that this is not just a new sailing area into which activities observed elsewhere can simply be transposed. We need to understand how the adoption of cruising by Chinese tourists has resulted in new habits – or not as the case may be. Three patterns of use will be highlighted. We will stress the importance of the concept of experience, then we will discuss the activities of Chinese cruise passengers – how do they differ from those of westerners and from activities already seen in Chinese society; and finally we will look at the importance accorded to cruising as a factor of social valuation and distinction.

From a methodological point of view, several difficulties need to be highlighted. The Chinese-language references concentrate on the analysis of the development of the phenomenon without conducting any field studies, forcing western researchers to work without any *in situ* reference points. The research published in Mandarin is primarily aimed at helping public and private stakeholders in the economic sector, with six areas of interest: personnel training, regional economic impacts, market segmentation, environment and strategies, terminal construction, economic models and tour results (Cai *et al.*, 2014). Rather than the activities of cruise passengers it is the offer which is studied in these articles, specifically including ‘problems to solve’ (Sun and Feng, 2012), the evaluation of ‘development potential’ in the main urban centres (Cai and Niu, 2010) and the ‘optimization of the cruise tourism system’ (Zhu, 2010).

The Shanghai metropolis has been the subject of specific attention, with from 2004 an analysis of how sea cruising has contributed to the economic development of the city (Hu and Chen, 2004). In addition, the statistical data available are weak. The information provided by the China Cruise and Yacht Industry Association (CCYIA) does not always rely on the same sources. As such, up until 2013, Hong Kong was included in the total number of cruise passengers travelling from Chinese ports, which is not the case today. The data provided by this same organization in 2014 counted the number of passengers both boarding and disembarking, therefore artificially increasing the rise in cruise passenger numbers. Cross-referencing the statistics from the CCYIA and Cruise Lines International Association (CLIA) allows us to determine the overall number of cruise passengers but we lack more accurate statistical studies.

The weakness of the quantitative data has meant we chose to collect our information via interviews with the managers of companies operating in China and the major players in the cruising market. We also used ethnographic observations aboard ships and interviews with Chinese cruise passengers. This study, carried out between 2010 and 2015, began with an initial contextualization of the phenomenon in partnership with colleagues from the University of Ningbo. Then in 2012 we undertook a series of participant observations, first during a cruise in the South China Sea, followed by two other cruises to South Korea and Japan. The information was cross-referenced in 2013, 2014 and 2015 with a series of interviews with the leading companies in the sector, tour operators and port managers. [Tables 33.1](#) and [33.2](#) show the results of all our field studies. This empirical work feeds our knowledge regarding the expectations of Chinese customers and how they have taken to this activity, which has such strong western characteristics.

Table 33.1. Cruises undertaken during our observation studies.

Company	Vessel	Route	Cruise Length	Date
RCI	<i>Legend of the Seas</i>	Shanghai – Jeju (South Korea) – Qingdao – Incheon (South Korea) – Shanghai	7 days – 6 nights	2011
Star Cruises	<i>Star Aquarius</i>	Hainan (Sanya) – Ha Long Bay (Vietnam) – Hainan (Sanya)	3 days – 2 nights	2012
RCI	<i>Mariner of the Seas</i>	Shanghai – Jeju (South Korea) – Seoul (South Korea) – Shanghai	5 days – 4 nights	2014

Table 33.2. List of our interviews conducted with cruise companies, tour operators and port managers.

Name	Activity	Place	Date
CYTS	Chinese tour operator	Shanghai	2013
Shanghai Ba-Shi International Travel Service	Chinese tour operator	Shanghai	2013
Shanghai Airlines Tours International	Chinese tour operator	Shanghai	2013
Spring Tour	Chinese tour operator	Shanghai	2013
Shanghai Cts Private Overseas Affairs	Chinese tour operator specializing in sales of cruises outside China	Shanghai	2014
Ctrip	Online Chinese tour operator. Joint owner, in partnership with RCI since 2015, of the company SkySea Cruises	Shanghai	2014 and 2015
Costa	Italian cruise line belonging to the American group Carnival	Shanghai	2012
Le Ponant	French cruise line	Shanghai	2013
RCI	American cruise line	Shanghai	2013
MSC	Swiss-Italian cruise line	Shanghai	2014
Zhoushan Archipelago International Cruise Port	Zhoushan archipelago terminal	Zhujiajian Island (Zhoushan)	2014 and 2015
Shanghai Wusongkou International Cruise Terminal	Wusongkou cruise terminal	Shanghai	2013 and 2015

Cruising Tourism for Chinese People in China: How it Changed from a Small-scale Industry to Strong Growth in the Cruising Market

While in 2006, less than 10 years ago, the initial foreign companies had a limited presence in China, the supply situation has since evolved considerably to the point that

competition is starting to become apparent between the different companies fighting over this new market. This first section aims to outline the main stages in its development and its associated stakeholders in order to provide an overview of the contemporary phenomenon that is maritime cruise tourism for Chinese customers in the People's Republic of China (PRC).

The conditions leading to the appearance of cruising in China

Since the early 2000s, the Chinese central government has given permission for non-Chinese cruise lines to moor up along its coastline (Sun *et al.*, 2014). This type of cruise is aimed at foreign customers making a stopover in China as part of a larger itinerary that takes in different countries. This activity is still limited, especially because until 2012 it was forbidden for vessels to make multiple calls to Chinese ports. According to figures provided by the CCYIA (2015), the number of customers transiting through Chinese ports in 2014 only came to around 120,000 passengers and has been stagnant since 2009. What really marked the beginning of cruising in China was when international companies started operating from Chinese ports and offering destinations to the Chinese population.

The launch of cruises in China dates from 2006 and was the result of two converging interests. The impetus was provided by the Chinese central government, whose job it is to decide policy with regard to economic development, and therefore tourism. The cruise industry comes under the auspices of tourism activities, which are in turn encouraged by the state. The central government has in fact been encouraging tourism development since the early 1980s (Nyiri, 2006). The process accelerated in the mid-1990s when tourism became a driving force for economic development (Taunay, 2009) and then after the millennium when each year the Ministry of Tourism decided on a theme to be used as a *leitmotiv* for the various sectors ('rural tourism', 'maritime tourism', etc.). These policies, however, initially concerned domestic tourism, with international tourism being regulated later (Arlt, 2006). In this sense, cruising is an ambiguous product as it combines both national and international aspects of tourism, hence its late approval (2006) by the Chinese central government.

In this state-orchestrated system, the coastal provinces have reacted by initiating port infrastructure projects, thus improving their logistical services for handling cruise passengers. Several provinces have identified themselves as cruise ports in addition to industrial activities (Hong Kong (Lau *et al.*, 2014), Shanghai, Tianjin) or residential and tourist resorts (Sanya on Hainan Island (Wang *et al.*, 2014)).

This political will came at a key moment in the cruise industry, which throughout the first decade of the millennium was characterized by a strong dynamism. On a worldwide scale we are witnessing a renewal of the offer, both in terms of shipbuilding and innovation in the onboard services. During this period, this concentrated effort resulted in the creation of two cruising giants – the Carnival and Royal Caribbean Cruise Line groups, both of which are American, providing new investment capacity for their affiliated companies (Bjelcic, 2011).

At a global level the introduction of new vessels, which are larger and with improved services, has attracted more customers while creating a more diverse profile (reducing the average age of cruise passengers, developing family cruising, offering attractive prices for those households with more modest incomes). The number of

cruise passengers around the world has more than doubled since 2000, when there were 10 million customers, rising to 23 million passengers in 2015 (CLIA, 2016). Another characteristic of these customers is that the majority are still American (55% of cruise passengers in 2013) but their relative share has decreased in relation to other nationalities, particularly Europeans. In 2000, Americans accounted for 91% of all cruise passengers and while there were fewer than 3 million European cruise passengers in 2003, today 6.6 million now enjoy this holiday option (CLIA Europe, 2015). The fact remains that the cruise lines, driven by an increasing number of ships on the water, have sought new areas for growth (Weeden *et al.*, 2011). China, with its demographic, social and economic characteristics, generally attracts tourism operators and that includes cruise lines.

The result is that 10 years on there were 697,000 Chinese cruise passengers from mainland China in 2014 (CLIA, 2015; CCYIA, 2015¹), an annual growth rate of 79% between 2012 and 2014 (compared to 34% for the whole of Asia, which is already growing much faster than the rest of the world). This number is almost equal to the total of all other Asian countries combined (710,000 passengers) confirming the strong success of this new offering in China and reinforced by many other indicators. The adoption of this product by Chinese tour operators and travel agencies reflects the business opportunity it represents.² In addition, the considerable increase in supply and the messages coming from the managers of the world's largest companies highlight their interest in this geographic region.³

From a slow start to aggressive competition between American and European cruise operators

The Chinese cruising market is striking due to the way its cruise operators have developed their strategies. In the space of 10 years it has gone from an exploratory and poorly financed operation to become a leading market sector.

Back in 2006, only one company existed (Table 33.3). It was the Italian company Costa Cruises, a subsidiary of the American market leader, Carnival. Aware of the risks, they offered two medium-sized ships with relatively old facilities. These vessels, the *Costa Romantica* and *Costa Classica*, have similar characteristics. They were both commissioned in the early 1990s and their capacity for around 1500 passengers is nowhere near that of the largest ships currently on the seas (with up to 6300 passengers). This low-key introduction was a way for the Carnival Group to test the market and the Chinese cruising area could then be given to higher capacity ships once new vessels entered the fleet.

The second largest group, Royal Caribbean Cruise Line had the same strategy and in 2008 their subsidiary, Royal Caribbean International (RCI), sent a ship, *Legend of the Seas*, to the region. In addition to these two American companies, the Malaysian company Star Cruises (belonging to the Chinese Genting Hong Kong group) is operating in the country from the ports of Hong Kong and Hainan Island. This company is small when compared to the two American market leaders and has only recently started to update its fleet (two new vessels are scheduled for delivery in 2016 and 2017). So its ships offered the same facilities in the late 2000s as its competitors.

Following these hesitant beginnings, at present the group is trying to increase its presence, in terms of both capacity but also the quality of onboard services. Costa and

Table 33.3. The development of companies operating in China.

Group	Company	Starting date	Vessels (passenger capacity)	Offers	Market sector	Target customers
Carnival Corporation (USA)	Costa (Italy)	2006	<i>Victoria</i> (2394) <i>Atlantica</i> (2680) <i>Serena</i> (3780) <i>Fortuna</i> (2716)	Short cruises lasting a few days (South Korea, Japan, South East Asia, Taiwan) Round-the-world tour (86 days) launched in March 2015	Contemporary	Private clients
RCCL (USA)	RCI (USA)	2008	<i>Voyager of the Seas</i> (3114) <i>Mariner of the Seas</i> (3114) <i>Legend of the Seas</i> (1804) <i>Quantum of the Seas</i> (3rd largest cruise liner in the world, 4180) <i>Ovation of the Seas</i> (same series as the Quantum, 4180, sailing in China during its inaugural season from April to December 2016 before heading to Australia)	Short cruises lasting a few days (South Korea, Japan, Taiwan, South East Asia)	Contemporary	Private clients
Genting HK (China, Hong Kong)	Star Cruises (Malaysia)	Founded in 1993 for the Asian market	<i>Star Pisces</i> (1009) <i>Superstar Virgo</i> (1870), <i>Superstar Aquarius</i> (1511)	Mini-cruises leaving from Hong Kong. Short cruises lasting a few days leaving from Hainan	Contemporary	Private clients

Continued

Table 33.3. Continued.

Group	Company	Starting date	Vessels (passenger capacity)	Offers	Market sector	Target customers
Genting HK (China, Hong Kong)	Dream Cruises (Malaysia)	Founded in 2016	<i>Genting Dream</i> (3360), 2016 <i>World Dream</i> , 2017	Short cruises lasting a few days (China, Vietnam) from Guangzhou	Premium	Private clients
MSC (Italy-Switzerland)	MSC (Italy-Switzerland)	2009 (sales office in China) 2016, in partnership with the company Caissa (China)	12 ships (1560 to 3502) MSC <i>Lirica</i> (1976) chartered from the Caissa group	Mainly in the Mediterranean and the Caribbean (1 ship) China (vessel chartered by the Caissa group)	Contemporary	Private clients
HNA Group (China)	HNA Cruises (China)	2012, bankrupt in 2015	<i>Henna</i> (formerly <i>Pacific Sun</i> , 1478)	Short cruises lasting a few days	Contemporary	Private clients
Artemis (France)	Le Ponant (France)	2013 (Sales office in China)	5 ships (64 to 264) full ship chartering	Cruises outside China, in the Antarctic for the moment	Luxury	'Business' groups, reward holidays for senior managers
Carnival Corporation (USA)	Princess Cruises (USA)	2014	<i>Sapphire Princess</i> (2670) <i>Majestic Princess</i> (3600, a new vessel will be delivered in 2017)	Short cruises lasting a few days (South Korea, Japan, Taiwan, South East Asia)	Premium	Private clients

Bohai Ferries (China)	Bohai Ferries (China)	2014	<i>Chinese Taishan</i> (formerly <i>Costa Voyager</i> , 920)	Short cruises lasting a few days	Contemporary	Private clients
RCCL/CTRIP (USA/China)	SkySea Cruise Line (USA/China)	2015	<i>SkySea Golden Era</i> (formerly <i>Celebrity Century</i> belonging to Celebrity Cruises, 1184)	Short cruises lasting a few days (South Korea, Japan, Taiwan, South East Asia)	Contemporary	Private clients
Carnival Corporation (USA)	Carnival Cruise Line (USA)	2017	<i>Carnival Miracle</i> (2124) <i>Carnival Splendor</i> (3002)		Contemporary	
Carnival (USA)	AIDA (Germany)	2017	<i>Aidabella</i> (2500)		Contemporary	
Norwegian Cruise Line Holding (USA, 28% of the company is owned by Genting Hong Kong)	Norwegian Cruise Line (USA)	2017	<i>Norwegian Joy</i> (4200)		Premium	
Carnival Corporation + China State Shipbuilding Corporation (CSSC) + China Investment Corporation (CIC). Agreement signed in October 2015	Name not revealed		Two ships, transferred from the Carnival fleet, under construction?			

RCI have consistently been allocating ever larger and more innovative vessels and in May 2015 RCI introduced their flagship *Quantum of the Seas* now based in, and sailing out of, Shanghai port. This is the first time a company has used a ship of this size in Asia (it is the third largest cruise ship in the world with space for 4180 passengers) and it has just come out of the shipyard. In addition, this boat is the first in a new series (the Quantum class) described as particularly innovative (with enhanced connectivity, inside cabins equipped with a video wall reproducing a virtual balcony view, robots replacing barmen, air fans to provide a skydiving sensation, a glass cabin attached to an articulated arm that can accommodate a dozen people and reaches 92 m above the water, etc.). This is a sensible strategy as Chinese clients, looking for something new,⁴ are saying they want to travel on the largest boats and those with the best facilities. The Carnival group has not been left behind as Costa has allocated three recently built ships to the region and another company in the group, Princess Cruises, which operates in the 'premium' segment, is also present in the local market with higher quality services than its competing companies. We are as such currently witnessing an escalation in the competition between operators, each group strengthening its position with bigger and more innovative vessels, even ordering ships designed specifically for Chinese customers. This will be the case in 2017 for the operators Princess Cruises with their liner *Majestic*, and Norwegian Cruise Line with the introduction of a new vessel the same year. Star Cruises, with the delivery of new ships in 2016 and 2017, is heading in the same direction.

While the choice of ships is increasing, the number of cruising programmes leaving from Chinese ports is very limited. The length of the cruise, generally between 3 and 5 days, fits with the holidays of a small proportion of the population, most of whom are workers with 2 weeks of holiday per year. Equally, these short cruises allow first-time cruisers, who represent most of the customers, to test the product (Mondou, 2015). This short time period means the ships ply routes that are limited to neighbouring countries such as Japan, South Korea, the island of Taiwan and Vietnam. This offer targets affluent urban customers and the three major embarkation ports reflect this geography. Shanghai, Hong Kong and Tianjin, near Beijing, are the densest population centres. This urban population with its wishes, age range and professional status is regarded by these companies as the perfect source for privileged individual customers.

As the demand has evolved so quickly, other companies have started offering cruises to new customer segments. The Italian-Swiss company MSC, an independent operator not linked to one of the large groups, has opened a booking office in Shanghai. Its fleet of 12 boats do not leave from Chinese ports⁵ but instead they sell Mediterranean cruises. As they have travel agency status (the first cruise company to have obtained this label), they can offer 'fly-cruise' holidays. The customers they are targeting with this business are more repeat cruisers than first-timers looking to discover the industry. The company offers three of its largest vessels as 'the bigger, the better',⁶ with facilities adapted to the tastes of Chinese customers: Chinese menus, hot water in the cabins (the Chinese population prefer drinking hot, not cold, water and so kettles need to be provided), Mandarin-speaking crewmembers and special meetings organized for Chinese clients at the start of the cruise to explain the programme. Even though over the whole year the proportion of Chinese customers is low, at around 3 to 4%, at certain times (especially at the Chinese New Year) this may rise to nearly a third of all passengers.⁷

Finally, the ‘luxury’ segment also exists in the offer available in China. Le Ponant, also independent, is a French company operating in the luxury segment with smaller boats, sumptuously fitted out and offering atypical routes (they particularly specialize in polar cruises). They have also opened a booking office in China. This company is different from the others, which typically offer short cruises lasting a few days. Le Ponant targets a customer group referred to as ‘business’, which corresponds to those in management positions who are rewarded for their work with unique and outstanding trips. A few days in the China Sea do not meet these requirements, so cruises further afield are offered, with the first taking place in Antarctica.

So clearly there is a very wide range of cruises available, dominated by the mass market – in line with the entire world market – but from 2006 to 2015 the options on offer have greatly increased. As such, China represents a cross-section of the global cruise industry.

In this overview of what is on offer in China we can note that, apart from Star Cruises, none of the other companies is Asian. There are also currently difficulties for Chinese companies wanting to develop cruising activities, in competing with the powerful American or European groups, their expertise, their fleets and unparalleled communication resources. Only two companies are present (HNA Cruises and Bohai Ferry), but their fleets with only one ship each and with limited services due to the age of the vessels, provide very little effective competition. The bankruptcy of HNA in November 2015 proves the point. But Chinese investors, private or public, are certainly not absent from the sector and those companies wishing to enter the market have been able to establish partnerships.

The Carnival group announced in October 2015 that they had signed a partnership agreement with two Chinese companies (China State Shipbuilding Corporation and China Investment Corporation), the objective of which is to create a new Chinese cruise line. RCCL worked together with the largest online travel agency, Ctrip, to create a Sino-American company, SkySea Cruise. Ctrip now claims to handle 10% of cruise bookings⁸ in China and has boosted its specialist cruise team from two employees in 2008 to 200 in 2014. This reflects the growth of this market within the company. Since May 2015, this new company has operated its own ship, *SkySea Golden Era*, formerly the *Celebrity Century*, which has left the Celebrity Cruises fleet (also a subsidiary of RCCL). With a fleet of 43 vessels across the companies in the group, other ships could well be transferred to this new Chinese company in the coming years. The arrival of this new operator was accompanied by the announcement of extensive ship upgrades to meet the tastes and expectations of Chinese customers. This comes back to the central issue of what Chinese customers want when compared to an offer that is traditionally American in character due to its history and its capitalist origins. One might ask if Chinese cruise passengers, who have radically different lifestyles and ideas when compared to American and European cruise passengers, see this style of holiday in the same way and, consequently, what have been the motivations guiding them and explaining the growth observed over the past decade?

What Cruising Means

Cruises in China are, as we have stated, a particularly Chinese phenomenon. We need to look at society in the PRC to understand what these activities mean to the Chinese

and to determine if their way of cruising differs from that of other societies, in particular the Americans and Europeans. We will examine three points: the importance of the cruising experience, the transfer to ships of typical Chinese activities and self-differentiation from others for those who can afford to go cruising.

The experience

In a market with such a limited choice to neighbouring countries, the destination is still relatively unimportant. The experience of cruising, often for the first time, is the important factor. This is a recurring response from those Chinese cruisers interviewed:

We are traveling for pleasure and to broaden our horizons. [In Chinese the expression is *Kaiyanjie*, which he repeated several times and means broadening one's horizons and discovering new things.] Broadening our horizons, seeing the sea, seeing such an enormous, beautiful ship. (From an interview with a 70-year-old man from Guangxi, cruising with his wife, daughter, son-in-law, granddaughter and his son-in-law's parents in July 2014)

Being on the ship allows holidaymakers to position themselves in a space–time originally designed for western tourists. Even though the companies have made some changes to the onboard facilities, they are for now still limited. As such, we can see the development of cruising for Chinese tourists as a method of international discovery, in a context where it is still difficult to take holidays outside China (because obtaining visas is still often a problem).

Cruises in particular allow them to discover the western world, from which the activity and the ships originate (and which have been developed to satisfy American and then European tastes), before being converted for Chinese tourists. The possibility of living 'Italian-style' is therefore a key sales argument highlighted by Costa in its catalogues for Chinese customers and this attraction is referred to in the views of the cruise passengers we interviewed:

To the question: 'What did you think of cruising before you actually did it?', the interviewee said, 'I had no clear idea, as a friend told me I should really try one and I would not regret it. I really wanted to experience this "corrupt" lifestyle.' 'And now, what do you think?' 'It really is a "corrupt" experience, very "corrupt!" However, I really enjoyed it. I find that westerners really know how to have fun.' 'Can you explain why you used the term "corrupt"?' 'You can do everything on board: eat, drink, gamble without limits. It's a "bourgeois" way of life, almost a waste somehow. And now it is available to us, which would have been unimaginable a few years ago.' (From an interview with a Chinese cruise passenger via Weibo, 2014)

In this sense, the destination of the cruise – as we have found out up to now thanks to our various interviews and observations – is less important than the *in situ* experience of it. This Chinese activity has been exacerbated by the limited choice of international destinations offered by the cruise lines to date. Only the wealthiest can afford a cruise in the Mediterranean or the Caribbean area. In fact the unknown nature of what is international remains a strong draw for many Chinese tourists for whom the cruise is often the first international experience in a world in which so many things are therefore foreign. We need to remember that international tourism for inhabitants of the PRC has only really been a possibility (and initially just to Asian countries) since the

early 2000s. Before this date it was more difficult to get a passport than to be issued with a visa (Taunay, 2011).

We can also consider that the atmosphere of nationalism that existed in China was effectively putting a brake on international discovery, presented in the authorized press as a dangerous place and where the living conditions were not as good as those in China. The Chinese Communist Party, whose motto is still 'serve the people', is entitled to involve itself in the private life of all Chinese nationals. Besides the fact that not all Chinese citizens can afford to go sea-cruising, it should be noted that this phenomenon, as with tourism more generally and being potentially subversive, remains highly regulated.

Activities

If the destination matters little one way or another, the *in situ* experience of cruising is fundamental. Flicking through cruise brochures shows that eating, watching a show, going shopping or playing games (karaoke, mahjong) are better appreciated than discovering the stop-off points. Whatever brochure you look at, the food takes centre stage. In 2014 a lexical analysis⁹ showed that this subject took up 29% and 23% of space in two promotions for the *Costa Atlantica*, 21% for the *New Costa Victoria*, but also 25% of Royal Caribbean's promotions, and 34% of those from Princess Cruises. This discovery of unknown nearby destinations therefore takes place first in a culturally standard space where people need to eat well. Second comes shopping and the quality of the cabins, which reinforce the importance of comfort onboard.

Cruising appears to be a reflection of Chinese tourism activities previously observed only in mainland China (Mondou and Taunay, 2012). To satisfy an essential aesthetic criteria for Chinese society – white skin – the sunbathing area is little used. A Chinese proverb says that white skin compensates for ugliness 100 times (*bai yi yi bai chou*) and exposing one's body to the sun is a break from tradition that few cruise passengers allow themselves to attempt. This is exactly what can be seen on Chinese beaches, an area used more for strolling than sunbathing (Taunay and Vacher, in press). In addition, the swimming pools are used more for contemplative activities than for sport. While such pools are among the major attractions of the boats sailing around the Caribbean Basin and the Mediterranean, in Chinese waters the pools and bathing are ignored. Few tourists use them and, if they do, it is only for a few minutes. Even the spa baths, in fact very popular in mainland China, only get the occasional visit and not before the evening when there is no risk of the sun having any effect on skin colour.

Another notable factor is that the space for shops is often increased. Sailing in international waters means cruise passengers can purchase tax-free products, which are sometimes different from those available on the mainland. As such, these areas are usually much more popular than the swimming pools and sun-decks, which shows that the services available on a particular ship must vary greatly depending on the population travelling onboard.

There exists, therefore, a Chinese style of *entertainment* that can be clearly seen with the rapid growth of cruising in China. Sociability is one of the key motivations for cruise passengers. Getting together with one's family, friends or as a social group

before setting off is essential to allow for shared experiences during the cruise. Many people prioritize themselves ahead of the discovery of the surrounding landscape. Communal mealtimes, shopping but also gaming (casinos are banned in mainland China) form a kind of triptych that is essential when trying to understand the behaviour of Chinese cruise passengers.

Cruising is therefore more a way of transposing a daily way of life to another place than experimenting and doing new, ambitious activities in that new place. As such, few people took part in sporting activities in the various examples we observed: the fitness centres were mostly empty and the outdoor sports' areas (basketball, golf) were also unused. Maritime cruising in China remains a phenomenon appreciated by a customer base used to looking after their young children or approaching retirement age:

If you ask me, cruising is suitable for both young and older people. For young people there are a lot of entertainment facilities. For us older people cruising is comfortable because travelling by plane and train is tiring. (From an interview with a 66-year-old man from Shanghai, cruising with his wife, July 2014)

Status-seeking

Finally we need to remember that not everyone who wants to can actually go cruising. The costs of cruising are at least double the average salary of those living in the big urban areas of the country and only the rich urban classes can afford this activity, which has been available for less than 10 years. Being one of those who can prove you went on a sea cruise, by providing photographic evidence of the event, is therefore an element of social differentiation. This is why tourists take so many photos when onboard ship. Like tourism in China, a way of distinguishing social classes, taking a cruise is a way of enhancing your image in your network of relationships, something to be proud of and to share with your contact list (Sanjuan, 2006).

We were able to confirm this theory by our own observation, a kind of ethnography 'in motion', during a cruise in November 2012 from Sanya to Ha Long Bay (in Vietnam) (Mondou and Taunay, in press). While people paid little attention to the scenery, they nevertheless believed it essential to be photographed in front of some of the most noticeable sites: the skyscrapers in Phoenix, the artificial island from which the ship set sail, the rocks in Ha Long Bay, the setting sun. These shots were taken with great care to get exactly the right view. Being photographed was what interested the tourists onboard. Everybody was keen to appear in individual shots and group photos. Photos were taken at every available opportunity, multiple times if necessary and then checked to be sure they were correct. It was therefore essential that we identify the visible differences between the Chinese tourists and the few foreigners onboard ship during the cruise (only ten were not Chinese and they were a group of Swedish tourists). This latter group spent nearly all their time relaxing around the pool and in fact had it almost entirely to themselves. The activities preferred by international tourists are almost the polar opposites of those chosen by Chinese cruise passengers.

Conclusion

Although it is still difficult to accurately measure the number of Chinese people cruising from the mainland, it has become clear that in this part of the world a rapidly changing market is developing, one that will be huge a few years from now. Around 700,000 Chinese tourists take a cruise in the China Seas annually, still a relatively small number but one which didn't even exist less than 10 years ago in 2006 when the Chinese central government authorized foreign companies to promote cruising to China's neighbouring countries. While other popular cruising areas worldwide have stabilized or are only experiencing minor growth, Asia, thanks to China's emerging tourism sector, is developing rapidly. In less than a decade and while the leading foreign companies allocated older ships to the area – seeing the opportunity to make use of them – the market has diversified with the arrival of new companies offering services in almost every sector (Meetings, Incentives, Conferencing, Exhibitions (MICE), luxury, mass) and introducing brand new vessels. The speed of change is due to the range of Chinese tourism activities, which vary according to which social class is concerned. The methods involved are, however, different to those experienced elsewhere with American and European customers. What is important to one group may be insignificant to others and vice versa. The sporting angle is, for example, absent when it comes to Chinese cruise passengers, as is swimming given that this activity is relatively rare in China (at least among the elderly). If the opportunities for sunbathing and tanning hold no interest for the Chinese, it is the exact opposite when it comes to sociability and the experience of being onboard ship in an international environment. This is why making sure you are photographed is very important, registering your visit in space and time, which will pay dividends later among your social networks.

Cruises leaving from Chinese ports are therefore certain to be a growth market in the coming years and there are enormous opportunities for further research, which for the moment have been overlooked. Today this sector is developing due to the efforts of foreign companies, but the lack of Chinese companies will probably be quickly forgotten once the government starts encouraging their development.

Notes

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¹ For the year 2014, and in contrast to previous statistics, Hong Kong is no longer included in the reports provided by the CCYIA and CLIA.

² All the tour operators and travel agencies interviewed indicated a very strong growth in sales. Their knowledge of the product, the number of brochures handed out and their window displays outlining cruising options are all indicators of the importance attached to cruising by tourism professionals.

³ We can, for example, provide these quotes:

'The Chinese love cruises and the market's growth rate is the fastest in the world ... yet that is only a drop in the bucket in terms of total Chinese outbound travel, so we see much more

potential', Adam Goldstein, president of Royal Caribbean (<http://www.cnbc.com/id/102514107>, article dated 18 March 2015, site visited 22 March 2015).

'The first world voyage by a cruise ship specially for the Chinese market marks a particular milestone for the Costa Group and the cruise industry in the rapid further development of our business in Asia. We will invest further in this and accelerate the development of these important markets for the future with innovative ideas and products,' Michael Thamm, Costa Group CEO (<http://www.travelpulse.com/news/cruise/costas-first-chinese-around-the-world-voyage-departs.html>, article dated 3 March 2015, site visited 22 March 2015).

⁴ All the professionals we met (tour operators and companies) were unanimous regarding the positive feedback from customers concerning those ships offering the latest services, but also the most spectacular services.

⁵ From 2016, they will nevertheless station a ship here in partnership with the company Caissa, one of the leading Chinese tour operators, organizing tours for foreigners around China, and tours both in China and abroad for Chinese customers.

⁶ Interview conducted with Donal Yang, Sales Manager South and Southwest China for MSC Shanghai, October 2014, Shanghai.

⁷ Interview conducted with Donal Yang, Sales Manager South and Southwest China for MSC Shanghai, October 2014, Shanghai.

⁸ Interview conducted with Juan Qu, general manager for the Cruise Business Unit at Ctrip, October 2014, Shanghai.

⁹ Source: LI Yaqing, 'Le tourisme de croisière maritime en Chine', Year 1 Masters' thesis, University of Angers, 31 pp. (work carried out by studying the contents of tour operators' and cruise companies' catalogues (in Mandarin), all published in 2014).

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Cruising in Asia, with a Focus on China

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Introduction

The Asian cruise market is booming. Currently representing 7% of global cruisers, this market will dramatically expand and account for 20% of the global cruise market by the end of the decade, with an anticipated 3.7 million passengers a year by 2017 and 7 million by 2020 (World Cruise Industry Review, 2013). The boom is contributing to the economic performance in the Asian region, particularly to China, as an increasing number of affluent, middle class consumers look for new holiday experiences. By 2022, China's middle class is expected to number 630 million, an increase from 230 million in 2012. Given the market significance, this chapter will focus on the development and trends of cruising in Asia generally, and China specifically.

Cruising in Asia

Asia is growing rapidly in importance as a cruise destination (Sangchoul *et al.*, 2011). While a decade ago Singapore and Hong Kong were the two major Asian cruise hubs, much has changed and now there are a growing number of ports and cruise hubs in the region (Fig. 34.1). The Asian tourist market has grown significantly over the past couple of decades. In 2002 Asia had grown to become the second most visited region in the world after Europe, with the main source of visitors being Asians themselves (Cochrane, 2008). Due to the increase in disposable income and leisure time for the general Asian family (Papathanassis, 2009) cruising in Asia has begun to grow rapidly over the past decade (Sangchoul *et al.*, 2011). In the past the cruise industry in Asia was very slow to develop. It had only one cruise line, Star Cruises, which dominated the Asian cruise market with 3- and 4-day cruises from Singapore and Hong Kong. Star Cruises was basically the only premium cruise line sailing throughout Asian waters and its marketing focused mainly on the opportunities to gamble onboard, something outlawed in Singapore. The company grew rapidly on the back of this single offering and at one stage was the world's third largest cruise corporation.

Other than Star Cruises, Asian ports were only viewed as destinations on round-the-world voyages. However, in the mid-2000s cruise lines started to view Asia as a more important destination than just a stopover port, and they started to send larger, newer ships to the region to attract a younger clientele with shorter itineraries. By the end of the decade

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Fig. 34.1. Silversea Cruises ship *Silver Wind* (17,400 t) in the Port of Colombo, Sri Lanka. (From: Ross Dowling.)

the region began to see the benefits of the cruise industry to the local economy, and the beginning of the battle to become the main cruise hub of that continent began. The three largest players in the Asian cruise industry, Singapore, Hong Kong and Shanghai, began the development of cruise terminals to welcome tourists, who were increasingly arriving by cruise ships (Tan, 2009). In addition the people of Asia themselves were starting to accept cruising as an alternative holiday option, as evidenced by cruising having the highest amount of repeat visitors and customer satisfaction of any form of tourism in the region.

In 2012 Asia had 1.5 million cruisers, and it is estimated that by 2017 this will increase to 3.7 million, with this figure doubling again to 7 million by 2020 (World Cruise Industry Review, 2013). It is estimated that the bulk of the growth will be generated by the Chinese. Carnival Corporation, the world's largest cruise corporation, estimates that by 2020 one in five cruisers will come from Asia. The establishment of new ports in the region and the deployment of a host of new cruise ships there have met this projected growth. New major cruise terminals have been built in Shanghai, Hong Kong and Singapore, all of which can host the megaships. Other strategic ports in the region are: Pusan Newport built in Busan, South Korea (opened in 2010); Tianjin, Port International Cruise Terminal, China (2010); Baoshan Cruise Ship Terminal Shanghai, China (2011); Marina Bay Cruise Center, Singapore (2012); and the Kai Tak Terminal, Hong Kong (2013).

Parallel to this infrastructure growth, the number of cruise ships deployed in the region has grown rapidly. P&O Cruises began cruising throughout Asia in the early 2000s (P&O Cruise Line, n.d.). In 2009 Holland America brought the *Volendam* into Asia for the first cruise that the company has ever offered in Asia-Pacific waters (Holland America, n.d.). Two years later the *Zaandam* sailed the Asia-Pacific route. Other cruise lines such as Celebrity, which offers luxury cruising experiences, announced that they would be basing the *Celebrity Millennium* in Asia using Singapore and Hong Kong

as the two main hubs for this ship over the 2011–2012 season (Sloan, 2011). Today there are many more cruise lines deploying ships throughout Asia to capitalize on the Asian Cruise Boom. Royal Caribbean now has three of its 24 cruise ships deployed in Asia including the *Quantum of the Seas*, which has a capacity of 4180 passengers. Costa Cruises has two ships in the region home-ported in Shanghai and Princess Cruises has opened a number of new sales offices in China, Japan, South Korea and Singapore.

The Princess Cruises ship *Majestic Princess* (3560 passengers, 141,200 t) will be based in China year-round in 2017. A sister ship to the *Regal Princess* and *Royal Princess*, it will be home-ported in Shanghai for cruises to Japan and Korea and will become the first vessel tailored specifically for Chinese guests.

Another new entrant to the market is Norwegian Cruise Line's *Norwegian Joy* (4000 passengers, 168,800 t), which is set to debut in China in the summer of 2017. The ship has been styled exclusively for Chinese guests and will include a two-level go-kart racetrack.

Cruise Growth in Asia

In 2015 the Cruise Lines International Association, South East Asia, released a report on 'Asia cruise trends, 2014 edition' (CLIA, 2015). Chart Management Consultants principal Ted Blamey prepared the report and the following is a snapshot of the rich information in the report. Readers are referred to the full report for more comprehensive data. The report found that cruise tourism in Asia is growing rapidly both in capacity deployed in the region and the passenger source market. Between 2013 and 2015 the number of ships deployed in Asia grew at a 10% compound annual growth rate. In addition the volume of cruises and voyages both within and through Asia increased (11%), operating days expanded (16%) and passenger capacity increased (20%). Today global deployment patterns have shifted in favour of Asia. It has the greatest gain in share of global capacity deployment (2.4%) among all regions and grew from seventh to fourth in ranking of share of available bed days between 2013 and 2015 (CLIA, 2015). The cruise industry is bringing more cruise visits to destinations in Asia. CLIA estimates there will be 980 more port calls in 2015, a 34% increase from 2013. Destinations with the greatest growth in total port calls are Japan (238), Malaysia (197), Hong Kong (101), Singapore (84) and South Korea (68).

As a source market for cruise tourism worldwide, the absolute volume of cruise travellers sourced from Asia has nearly doubled since 2012. Between 2012 and 2014 passenger volume grew by 34% per year from 775,000 to 1.4 million passengers. The main driver of passenger growth in Asia is China, which has added 480,000 more cruise travellers since 2012 (80% compound annual growth rate). Other markets include Hong Kong (74%), India (36%), Japan (20%) and Taiwan (14%). Among the nearly 1.4 million cruise passengers from Asia, China accounted for nearly half of the regional passenger volume in 2014, with an estimated 679,000 passengers from mainland China compared to 700,000 sourced from the rest of Asia. Other source markets include Singapore (163,000), Taiwan (137,000) and Japan (119,000).

Other findings of the report are that Asia cruise passengers prefer short cruises, with the majority of Asian cruisers (91%) sailing within the region in 2014 (CLIA, 2015). Passengers preferred shorter sailings of 4–6 nights (48%) followed by 2–3 nights (38%). The leading destination among the long-haul cruisers who sailed outside

of Asia was Europe (60%), followed by Alaska/Canada/New England (20%) and Caribbean/western USA/Hawaii (14%). The majority of Asian cruisers (84%) sailed on the contemporary ship segment followed by the premium/upscale segment (15%).

Country Growth

China will be the big mover in cruise growth over the next decade, and this is the focus of a later section of this chapter, thus other countries and regions will be reviewed here. Since 2013 Hong Kong has had an annual growth rate of 42% of port calls, and in 2015 it is estimated to host up to 389,000 Passenger Destination Days in 200 port calls. It is mainly a turnaround port, which accounts for 70% of call volume. Port calls in Japan have grown by 31% per annum over the past 2 years and in 2015 the country will have the most scheduled port calls (646) among all Asia markets. Predominantly transit calls (550), these visits will result in a potential for over 1.2 million passenger destination days in the market. It is anticipated that Japan will keep pace with the average port call growth across the entire Asia region. Port calls to South Korea have grown by 11% per annum, however, in 2015 this was the country anticipated to drop by 10% compared to its 2014 figure. South Korea is mainly a transit destination, with 364 transit calls out of 376 total calls scheduled. The destination was scheduled to host over 1.1 million passenger destination days in 2015. Taiwan is diversified among transit and turnaround port calls, with 175 total calls scheduled for 2015, the majority being in Keelung/Taipei (84%). The destination was expected to host 325,000 passenger destination days in 2015.

Cruising grew by 14% per annum in Singapore in the 2013–2014 period, and is expected to grow by 12% in 2015. Among all ports, Singapore will host the most calls in 2015 (374) generating 633,000 passenger destination days. Turnaround calls will dominate, with 82% of total calls and 84% of total passenger destination days. Malaysia is a major cruise market in Asia, with a growth in port calls of 23% since 2013. This growth was set to continue in 2015 with call volumes estimated to increase 15% with 580 port calls, generating 871,000 passenger destination days, the majority being transit calls (84%). Georgetown/Penang and Kuala Lumpur were set to lead Malaysia in calls, with a combined 46% of the market.

The Philippines grew rapidly as a cruise destination over the 2013–2015 period. Starting from a small base the combined annual growth rate was 135%. In 2015 it was estimated to host 77 port calls with the potential to host nearly 100,000 passenger destination days. Transit traffic was the majority of calls (79%) and passenger destination days (75%). Thailand's cruising has grown by 7% per annum over the past 3 years. In 2015 it was scheduled to host 374 port calls, with a potential for 579,000 passenger destination days. Transit traffic will be the majority of port call volume (81%). Phuket and Bangkok will lead Thailand in port calls, providing 51% of total port calls. Since 2013 Vietnam's cruise industry has grown by 4% per annum. However, in 2015 it was scheduled to have 316 cruise calls and 421,000 passenger destination days. The main ports are Ho Chi Minh City and Hanoi, with a combined 54% of visits.

India dominates the South Asia subregion with over 50% of the market, with cruising in India having grown by 13% per annum over the past 2 years. It is mainly a transit cruise destination, with 113 calls scheduled hosting a potential 121,000 passenger destination days in 2015. Other cruise destinations in South Asia include

Myanmar (73 port calls with a potential of 55,000 passenger destination days in 2015), Cambodia (34; 47,000), Sri Lanka (39; 36,000) and the Maldives (13; 10,000). Starting from a small initial base of port calls, these destinations have experienced positive growth since 2013. Cambodia has had a strong 2-year growth in cruising based largely on transit calls and in the period 2013–2015 it grew at 46% per annum.

River Cruising

Myanmar has the longest history of river cruises, starting in the late 19th century with the British-established Irrawaddy Flotilla (PATA, 2011). At its height, the company had hundreds of ships and transported some 9 million passengers a year. Within Asia, river cruises are already developed along the Mekong River, the Irrawaddy River (Myanmar), as well as between Bangkok and Ayutthaya (Thailand) on the Chao Praya River (PATA, 2011). In China, the Yangtze is popular for 4–5-day tours between Wuhan and Chongqing, including the famous Three Gorges Dam. In India the merging of the two sacred rivers, the Ganges and the Brahmaputra, close to the Himalayas, is a popular area for cruises, with tours of up to 15 days organized by many operators in the region. Borneo also has potential as a river cruising area with 4–5-day cruises along the Mahakam River as well as along the Kapuas River. In addition, day cruises are offered on the Sarawak River in Kuching (Malaysia).

Cruising in China

The China Cruise and Yacht Industry Association (CCYIA) (2010) estimates that cruising in China will experience three stages of development.

1. 2006–2010 – an initial stage focusing on the development of port infrastructure and terminal services for cruise liners.
2. 2011–2015 – a take-off stage focusing on improving services at cruise terminals as well as developing outbound cruise tourism products, development and services.
3. 2016 onwards – a mature stage providing high quality services to inbound and outbound cruise passengers.

In 2013 the number of inbound and outbound cruise passengers reached 1.2 million in the first 10 months, highlighting a significant growth on both the previous year (810,000) and 2009 (300,000) (China Tourism Update, 2013). The rapid development of cruising in China is contributing to a favourable policy from the central and local government, with significant improvement of port infrastructures and growing demand by the tourism market. Therefore, this chapter will also analyse the influence of government policy, port infrastructure and market demand for a clearer understanding of the emergence and growth of cruising in China.

Market overview

According to the China National Tourism Administration (CNTA), China is the world's number one and fastest growing outbound tourism market, with 107 million

Chinese tourists in 2014, an increase of 19.5% over 2013 (CNTA, 2015). According to the latest prediction from the World Tourism Organization, there will be an annual increase of 43 million international tourists to China over the next 20 years, and the number will soar to 1.8 billion by 2030 (CNTA, 2015). The domestic tourism market in China had a continuous increase of 10% each year in the most recent decade and now contributes over 4% to the growth of the country's GDP (CNTA, 2015). The booming tourism in China provides huge opportunities for the cruise industry to capitalize on its great market potential (Sun *et al.*, 2014). China is expected to be the world's second largest cruise market (after the USA) by 2017, with growth rates far higher than in North America and Europe, the two regions where the industry has historically collected most of its profits (Bachman, 2014; Shao, 2014). The Asia Cruise Association (2013) estimated that the area's demand will nearly triple to 3.8 million annual cruisers in 2020, with 1.6 million from China.

The rapidly growing number of Chinese tourists has contributed to the double-digit growth in the past few years as an increasing number of affluent, middle class consumers seek new holiday experiences. According to research by CLIA, the number of cruise passengers in Asia has grown at a compound annual rate of 34% since 2012, reaching 1.4 million in 2014. Growth was fuelled by a 79% increase per year in the number of Chinese travellers over that period.

China's policy to encourage the cruise economy is part of the Chinese government's strategy to promote the marine industry as well as tourism. The government's commitment to support the cruise industry has contributed to the rapid growth of the cruise market. The year 2013 was themed as 'Marine Tourism Year' and some 530,000 Chinese tourists took cruises beyond the mainland – more than double the previous year. The tourism authorities in China are optimistic about its cruise market and their research shows Chinese tourists will dominate the cruise market in future with almost three-quarters of all cruise passengers being Chinese. A study, carried out by the Hong Kong Tourism Board (HKTb), estimated that China has the potential to deliver 83 million cruise passengers a year. Those cruising from Hong Kong alone could account for 54 million passengers annually. With around 23 million people around the world expected to take a cruise in 2015, China would completely dominate the industry if such growth comes to fruition.

The cruise industry

Cruising in China is still a recent phenomenon. Cruises were not able to visit Chinese ports until the beginning of the 21st century. However, the country has great potential for cruise tourism, and the cruise industry has been growing quickly in China since then. A total of 115 cruise port visits occurred in China in 2006 and there were only 25 cruise voyages departing from China. A decade later the basic port infrastructure and terminal service are in place for cruise liners at the major ports of call such as Shanghai and Tianjin. The industry has the capacity to accommodate an increased number of cruises and therefore cater for more market demand.

According to the China Cruise Industry Development Report 2014 released by the CCYIA, the total number of cruises from China was expected to reach around 466 by the end of 2014, representing an increase of 14.8% from the previous year. There has been a significant

increase in port of call cruises albeit from a lower base than home-port cruises. Of the expected total number of cruises from China for 2014, 366 were home-port cruises, an increase of 9.3% from 2013, with 100 being port of call cruises, an increase of 40.8%. The 466 cruises were estimated to have catered to 861,700 tourists (1.72 million trips), a growth of 43.4% from 2014. Of these tourists, about 739,600 (1.48 million trips) were Chinese travellers who boarded their cruise from Chinese ports, 44.3% higher than the previous year. Another 122,400 were foreign travellers who boarded a China-inclusive cruise that commenced from foreign ports, representing an increase of 37.9%.

According to the report, investment in the cruise industry reached a record high in 2014 (CCYIA, 2014). The two leaders in the international cruise industry, Carnival Corporation and Royal Caribbean Cruises, have both presented their strategies for developing the China and Asia-Pacific markets. Hoping to achieve a market edge, Carnival Corporation has moved its chief operating office to Shanghai to head up all Carnival brand's operations there. The company had four ships based in China by the summer of 2015. Royal Caribbean International opted to home port its newest ship, *Quantum of the Seas*, in Shanghai year-round starting in Spring 2015. In 2016, China will represent 10% of RCL's summer capacity while Asia overall will be 15% of the company's total deployment (Young, 2014). Also highly active in the Chinese market is Norwegian Cruise Line, part of which, Star Cruises Ltd, was an early player in the China market due to its base in Hong Kong.

Home-grown Chinese companies are also keen to gain a stake in the cruise industry. According to CCYIA (2014), Ctrip has partnered with Royal Caribbean to develop the cruise market. The China State Shipbuilding Corporation (CSSC) has established an arrangement with Carnival Corporation, indicating a first step to facilitate China's cruise shipbuilding industry. The China Communications Construction Company Ltd has invested in the development of the Sanya cruise port, marking the beginning of a cruise mixed economy.

China's HNA Group launched its ship *Henna* (1965 passengers, 47,000 t) in 2013. The state-controlled Bohai Ferry rechristened the imported *Costa Voyager* as *Chinese Taishan* (Fig. 34.2). SkySea Cruises, in which Royal Caribbean and the Chinese travel company Ctrip each own a 35% share, overhauled the former *Celebrity Century* for the Chinese market this year. Significant investment plans have been proposed for the development of more cruise ports in China (CCYIA, 2014).

According to Zheng Weihang, vice director at the China Cruise and Yacht Industry Association, another four domestic companies are contemplating similar schemes. Although they lack managerial experience, domestic players will at least benefit from policies that ban international cruises from sailing along China's coast lines and limit them from taking trips to Taiwan.

The CCYIA (2014) expected the China cruise market to continue its rapid development in 2015. The number of allocated cruise ships originating from Chinese ports grew from 8 to 12 in 2015. The number of mainland China tourists taking cruises passed 1 million for the first time in 2015. The total number of cruises to berth at domestic ports continued to exceed those received by Singapore and Hong Kong and thus maintained its number one position in Asia. The majority of cruise passengers from the mainland China market travel from home ports, which is different from what occurs in Singapore and Hong Kong. More importantly, Shanghai will be further developed into a significant 'Asian cruise centre' and is expected to pass New York to become the eighth largest home port for cruise ships globally.



Fig. 34.2 The *Chinese Taishan* (24,427 t) departing from Yantai, Shandong Province, China. (From: *China Daily*.)

The Chinese government itself is targeting 4.5 million cruisers by 2020. In the past 3 years much money has been invested in the construction of terminals in Shanghai, Sanya, Tianjin and Xiamen (Sun *et al.*, 2014). The US\$140 million Wusongkou International Terminal in Shanghai now claims to be the largest in Asia. Terminals in Tsingtao, Zhoushan, Dalian and Shenzhen are under construction, and another seven are in the pipeline. The scale and grandeur of each terminal has made positive return on investment difficult for the local governments. For cruise operators good terminal operations are as important as having the new berths. Paul Chong, vice president of business development for Carnival Asia, recalls an incident where the terminal's operators forgot to turn on the air conditioning, so passengers were waiting inside 'a greenhouse'.

China's political particulars, especially the visa constraints, are another big factor. The limited waiver choices have prompted concerns that 'the cabin will become increasingly difficult to sell', Chong notes, and Beijing's tensions with neighbours are 'making the ships difficult to sail'. In 2016 Carnival's *Costa* unveiled an 86-day global trip from China across five continents; the ship-to-shore hurdle is probably looming larger than the peak price of US\$50,000 per person.

Adapting cruise products to the Chinese market

Adapting products and services to cater to Chinese tourists' needs is a crucial issue for cruise lines who aim to tap into this fast growing market. Most Chinese cruise tourists are first-time cruisers. The concept of ship travel to Chinese once meant taking a steamer down the Yangtze River, mostly as basic transportation before jet service and an expansive highway system became the norm. Today, though, it has taken on an ever more luxurious look and feel. Cruising with 'Chinese characteristics'

includes not only Chinese cuisines and language services but also mah-jong rooms, larger duty free shops with more European luxury brands and, in the case of one Carnival global first, a 'presidential menu' enjoyed by former president Hu Jintao during his 2011 White House visit (Shao, 2014). Although gambling tables are a mainstay in international waters, cruise lines say they are not emphasizing that element in Chinese marketing.

China's urban middle class population is the major target of cruise liners. Larger than the entire US population, these potential cruisers are accustomed to staying on the best, most luxurious ships. The Chinese are keen to copy the lifestyle of wealthy westerners and enjoy luxurious experiences/products that can give them 'face' while showing off to their relatives and friends. According to new McKinsey research, China alone will account for about 20% of global luxury sales in 2015. Therefore, any cruise in China is likely to have the word 'luxury' attached to it, and no doubt a first-generational sense of wealth is fuelling the boom. To cater to Chinese cruisers, ships will offer less space to open decks, pools and outdoors activities as the Chinese are less interested in them. There will also be fewer bars and cocktail lounges on the ships, but on the other hand, there will be more branded luxury shops and duty free stores.

The growing Chinese middle class is seeking an escape from the city, fresh air and/or romance, 'A cruise cuts you off from your life. You can't really work on a cruise, and for a lot of time you have nowhere to go' says Shen Liang, a 34-year-old general manager at a software company in Shanghai, who was on a 6-day cruise to South Korea. Shen hastens to add that he can finally get his friends to play poker now that they are all trapped at sea (Shao, 2014). By 2022, China's middle class is expected to number 630 million, an increase from 230 million in 2012 (World Cruise Industry Review, 2013). Unlike western tourists, who are motivated to socialize with like-minded people in their trip, Chinese cruisers are likely to travel with family, relatives or friends in a larger group. They tend to socialize more within the group rather than interact with strangers. Therefore, dedicated karaoke lounges with up-to-date equipment, buffet restaurants and tables for large parties will cater for their needs.

The preferred length of the average Chinese cruise is also shorter compared to those of their western counterparts. Programmes of less than 1 week are more suitable and affordable to the Chinese market due to the length of public holidays and income levels. Currently, 4- to 6-day cruises can cost as little as US\$600 and go up to US\$2000 per person on Ctrip.com. Therefore, even the modestly affluent can take part. Popular cruise destinations range from Hong Kong, Macau and Taiwan to a few non-Chinese ports that accept visa-free visits (South Korea allows for 3-day entry). Cruise lines also adapt to the differences in booking habits as Chinese like to book their holiday closer to departure.

Training potential players

The fast development of the cruise industry in China has created a huge demand for staff in various positions at cruise terminals as well as onboard cruise ships. The industry needs people who have knowledge and experience in developing and managing cruise terminals. They also need local people who have marketing and managerial knowledge of cruise tourism products. For domestic potential players, they are eager to

acquire more knowledge of international practice in this business. Responding to demand, the Shanghai Maritime University has developed an Executive MBA programme in response to the dramatic growth of China's cruise market. It is now educating Chinese organizations and entrepreneurs interested in being part of the potential growth. International experts are recruited to provide training on aspects such as cruise product segmentation, ship acquisition, deployment and itineraries, marketing and branding, sales management, cruise terminal development, etc.

Conclusion

Asia is one of the largest continents in the world and consists of 40 different countries. A population of over 4 billion people lives in areas that are rich in culture and religion but are also extremely under-explored by the majority of the world. The current interest from international tourists in exploring Asia has resulted in an increase in the popularity of cruises throughout their waters. As a result cruising in Asia has grown rapidly, with a large increase in the number of ships now visiting the area compared to the single cruise line Star Cruises that sailed throughout the continent over the past 20 years (Star Cruises, n.d.). An increase in river cruises throughout Asia is also bringing more tourists to the region with itineraries aimed at a younger generation than the typical older cohort that forms the basis of European river cruise companies.

The CLIA Report (2015) concludes that cruising in Asia continues to grow, with 26 cruise brands deployed in the region in 2015. More than 1000 cruises and voyages are scheduled on 52 ships with an estimated capacity of 2 million passengers. The ships deployed will be mid-size (22), followed by small ships (14), large ships (10), expedition ships (5) and one megaship. Asia to Asia cruises and short sailings dominate the 2015 itineraries, with 981 cruises scheduled, the majority being 2–3-night cruises (48%) followed by 4–6-night cruises (37%). It is estimated that the cruise industry will have a potential to bring 7 million passenger destination days across local communities in the region. This includes 4000 port calls scheduled, covering 168 destinations in 19 markets. The most visited ports are Japan (646), Malaysia (580), Singapore (374), Jeju Island, South Korea (217) and Hong Kong (200). Japan and South Korea will host the most passenger destination days, with approximately 1.2 million passengers scheduled in each market. Undoubtedly the jewel in the crown of the Asian cruise phenomenon is China, with its growing market, new cruise terminals and some of the world's best ships being positioned there to capture what is expected to be 'the growth powerhouse for the Asian cruising economy' (CLIA, 2015).

The future of cruising is China. Zheng Weihang, Executive Vice President of CCYIA states that the number of cruise passengers from mainland China grew 79% annually between 2012 and 2014 to 697,000. He further estimates that the number of Chinese cruisers will exceed 1 million in 2015, 2.5 million (2020), 4.5 million (2025) and 7.0 million (2030) (*Maritime Executive*, 2016). This indeed is phenomenal growth and will reshape the face of the cruise industry.

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Part 7 Conclusions and Future Directions

Part 6 investigated ports, destinations and infrastructure development. Now the final single concluding chapter (35), by the editors of the book, brings it to a close with a summation of the preceding six parts, followed by some suggestions on the future directions of cruising.



Departing Reunion Island in the Indian Ocean, one of four overseas regions of France, on the Silversea Cruises luxury ship *Silver Wind* (17,400 t). (From: Ross Dowling.)

Conclusions and Future Directions

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Conclusions and Future Directions

Developments since 2006

Since the first edition of *Cruise Ship Tourism* (Dowling, 2006), much has changed in the development, management and also appeal of cruise ship tourism. The number of people cruising has more than doubled, from 10.6 million passengers in 2004, to more than 22.3 million in 2015. The size of ships has increased, from a high of 3500-passenger capacity in 2006, to vessels that now carry more than 6000 guests and 2500 crew. As discussed by several chapters in this volume, there has also been a tremendous growth in the number of ports and destination regions seeking to welcome ships of all sizes and styles, as well as an increase in source markets. Among the most notable of these is Australasia, which reached 1 million passengers in 2015, and China. This latter market is demonstrating remarkable growth, a more than 200% increase, from 1 million in 2015, to a projected 2.3 million passengers in 2018. The average age of cruisers is also reducing, with the North American ocean cruise passenger (still the largest source market) most likely to be a Baby Boomer, (born between 1945 and 1960). In 2004, the average passenger age was 50–74 years (CLIA, 2004a, in Miller and Grazer, 2006). Growth in demand is not confined to those new markets. For instance, in 2013 46% of US tourists claimed an intention to cruise, a figure that rose to 48% in 2015.

Traditional cruise destinations (Mediterranean, Baltic, Alaska) may be experiencing static or minor growth, but the Caribbean region continues to hold the largest share (43%) of the global market. With Cuba now opened up to cruise ships, starting with Carnival's Fathom brand from May 2016 (*Guardian*, 2015), the Western Caribbean will likely benefit from renewed interest, especially from the Florida ports of Miami and Fort Lauderdale. As already noted, China is developing rapidly (see Mondou and Taunay, Chapter 33, this volume) with cruise lines repositioning ships, as well as developing home ports out of the country. This new market seeks a slightly different product, which has already impacted on the design of ships built to service it. For instance, gambling is not considered a prime motivation, and while they are less interested in shore excursions, and sunbathing and swimming in the pools, they enjoy travelling in family groups and are especially concerned about the food and meal experience onboard.

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Onboard, technological innovations remain a key differential, as evidenced by new developments such as Royal Caribbean's aerial gondola, the North Star, virtual balconies and robot barmen. Similarly, recent developments include a hybrid residence/vacation product from Crystal cruises (see Dowling and Weeden, Chapter 1, this volume), an innovation likely to be monitored carefully by competitors. In general, cruise companies have been slow to meet demand for Internet access onboard, but 2016 sees evidence of things changing, with several companies now offering these services free to passengers onboard (see Dowling and Weeden, Chapter 1, this volume). Innovative and flexible packaging of the cruise product has also changed – with some ships staying in port longer, sometimes overnight, or for several days.

While mass-market innovations such as these predominate in media headlines, bespoke itineraries and activities for an increasing number of 'responsible' cruises are also emerging. Carnival's Fathom brand, for instance, is a product designed to appeal to the 'responsible cruiser', with excursions tailored to those who aspire to volunteer in local community projects in port destinations (see Fig. 35.1). Sometimes labelled *voluncruising*, this is not a new concept – previous examples include Sweet Travel's cruises for the lesbian market, which offered community project experiences – but is deemed by Carnival to be a novel market opportunity, and the plan is to roll it out across the brands as the concept develops. A similar offering, the EcoShip project, from Japanese non-governmental organization Peace Boat, will launch as the world's 'greenest cruise ship' in 2020. Like the Fathom brand, it will offer volunteering opportunities on a social and environmental advocacy platform. While still seeking investment, the ship is designed to appeal to those who identify with the strapline 'Leave the world a little better than you found it' (EcoShip, n.d.).

Involving cruise ship passengers in social and environmental projects in the destinations they visit is starting to become an increasing part of the cruise experience, as part of 'giving back' to local communities. Carnival Corporation's Fathom brand ship *Adonia* (30,277 t) is marketed as 'impact travel', that is, travel with purpose. The ship



Fig. 35.1. Impact travel with Carnival Cruise's Fathom brand. (From: Carnival Corporation.)

makes round-trip voyages from Miami to the Dominican Republic and Cuba. At their destination passengers have the opportunity to work alongside local residents on community and/or environmental projects.

Planned capacity increases

Whilst the above examples demonstrate the many developments to have taken place since 2006, both in demand and supply, there are aspects of cruise tourism that have remained unchanged. Perhaps the most significant of these is the industry's continued high confidence in a positive future for cruising. Due in large part to China's interest in the cruise experience, operator confidence is evidenced in the many new ships on order, and subsequent increased capacity up to and beyond 2023. Over this period at least 47 new ships will launch, capable of carrying a total of 110,048 guests. From April to December 2016, four ships with an average of 4046 passenger capacity were launched, in addition to two smaller ships belonging to Regent Seven Seas Cruises, and Seabourn Cruise Line (see Fig. 35.2). During 2017–2023, 41 ships are on order, with ocean cruisers offering an average of 3864 berths. Of the 15 smaller ships from lines such as Seabourn, Silversea Cruises and Viking Ocean, new builds include two ships for Lindblad Expeditions (carrying 100 guests), and three ships for Crystal Cruises, (accommodating up to 1000 passengers) (USAToday, 2016).

Cruise ships are becoming larger in size and this places considerable limitations on the ports that can accommodate them. In addition there are huge logistical issues in moving the over 5000 passengers on and off the ships, as well as the impacts that this may have on the destination community and/or environment. The Royal Caribbean International large luxury resort ship *Allure of the Seas* (5408 passengers,



Fig. 35.2. Royal Caribbean International's *Allure of the Seas*. (From: Lois Godfrey.)

225,062 t) is one of the largest cruise ships at sea. The photo in [Fig. 35.2](#) is of the inside section of the ship showing one of its towers with park view cabins facing towards its Central Park in the centre of the ship.

Challenging times ahead

Reviewing the content of many chapters in this book, it is understandable why the industry proclaims confidence in the future of cruising. With passenger numbers up, an increased interest in niche cruising, and novel and ‘exotic’ destinations continually opening up, both passengers and cruise lines can seemingly look forward to a period of secure and sustained growth. However, not everyone would agree that cruise tourism is a positive development for all stakeholders, with some issues in particular attracting growing criticism. Not least among these is the matter of ship size. Vogel (see Chapter 7, this volume) notes that onboard revenue increasingly has to deliver operating profit, thus emphasizing the significance of the ship as the destination. He argues this situation will continue, especially with the already noted new builds, and subsequent heavy discounting of ticket prices to attract demand. Strategic management of this nature will ultimately create further challenge for destinations reliant on cruise visits for income, especially the promised income from passenger spending.

Additionally, with the industry showing no sign of abandoning its strategy of nautical gigantism (see Mangan *et al.*, 2008), pressure on berth availability will continue to be a key challenge to many port and harbour managers. This is already evident in well-established European destinations such as Venice (Italy) and Barcelona (Spain), and many Caribbean ports, especially when effective itinerary planning is not proactively pursued (see [Fig. 35.3](#)). Port and city congestion, the likely outcome of inadequate harbour planning and development, is already a problem for Australia’s key ports, Sydney, Brisbane and Melbourne, while a similar situation is emerging in many Asian ports (e.g. South Korea and Japan) whose infrastructure has not yet caught up with demand. Congestion is not only an immense inconvenience to local businesses and communities, but also has an impact on passenger satisfaction, which is of great concern to cruise operators, because destination experience and choice of itinerary continue to be key motivations for cruising. As such, good relationships between ports and cruise lines are crucial (see Lemmetyinen, Chapter 16, this volume).

Surprisingly few studies have investigated the attitude of port (and the wider town or city) businesses towards cruise ship visits. Do they enjoy positive or negative experiences, or is it a combination of both? Although cruise lines claim passengers spend extensively ashore, positive economic impact is often very small, and confined to a few excursion and transport providers. Restaurants, cafés and bars often receive minimal benefit due to many passengers ‘getting back on the bus’ for lunch onboard.

This brings the chapter to a topic of great critical interest – the impact of cruise tourism, especially in connection with the environment. Six chapters in the book have focused on this latter topic (see Part 5, Planning and Managing for Sustainable Cruising), which reflects the huge amount of interest in this issue since the first edition was published in 2006. At the heart of much of the criticism levelled at the industry in terms of its impact is the issue of *power* – who has it and who does not, and what this means for relations between and among these disparate stakeholder groups. The enormous power of the cruise industry is derived from its financial structure. For instance,



Fig. 35.3. The former Seabourn Cruises ship *Seabourn Legend* (9961 t) in the Port of Barcelona, Spain in 2012. The ship is now the boutique luxury ship *Star Legend*, part of the Windstar Cruises Line. The Port of Barcelona is one of the busiest in Europe. (From: Ross Dowling.)

as discussed by Clancy (see Chapter 2, this volume), almost without exception, cruise lines incorporate in tax havens such as Bermuda, Liberia and Panama, which offer them significant tax advantages. In addition, they pursue the centuries-old strategy (see Terry, Chapter 4, this volume) of open (and the more recent second) registries, and fly under flags of convenience, which afford them significant freedom with regard to labour costs, environmental regulations and safety standards. In future, greater public awareness of the extent of tax avoidance in the cruise industry is likely to amplify. Indeed, it features in many of the chapters in this volume, particularly those in Part 1. Beyond this book, publications like *Sun and Sea Tourism: Fantasy and Finance of the All-Inclusive Industry* (Ambrosie, 2015), and the data leak of the so-called Panama Papers (*Guardian*, n.d.), have educated a wider audience as to how the cruise industry is structured, financed and ultimately (un)regulated. Arguably, too few academics with financial expertise are available to investigate the industry. One of the few to do so, Michael Vogel (see Chapter 7, this volume) asserts this situation may be partly due to the challenge of accessing financial data of cruise companies due to them being privately owned. Only Carnival Corporation plc. and Royal Caribbean Cruise Lines are legally required to publish annual financial statements.

None the less, critical debate on the subject of cruise impact is unlikely to dissipate. Indeed, Ross Klein (cruisejunkie.com), who has campaigned on a platform of social, economic and environmental equity for many years, as did Polly Pattullo, with her earlier book *Last Resorts: The Cost of Tourism in the Caribbean* (1996), has remained strong in his condemnation of the industry on these issues. However, since 2006, many more have additionally turned their attention to the industry, which can ill-afford in the long term



Fig. 35.4. As the reach of cruise ships now stretches across the globe, the cultural impacts of the industry are under increased scrutiny. Here a group of dancers welcome the five star luxury Silversea Cruises ship *Silver Shadow* (28,258 t) to Bali, Indonesia in 2006. (From: Ross Dowling.)

to ignore such commentators. This is especially true with regard to the human resource policies of many cruise lines. A great majority of mass-market operators attract critical commentary from academics, pressure groups and social activists over employees' low wages, long hours of work, job insecurity and a reliance upon gratuities for income (see Terry, Chapter 4, this volume). Whilst some passengers express sympathy for staff on an individual basis, it seems the majority of them are either unaware, or seemingly uninterested in these issues, a point supported by Adams and Font (see Chapter 18, this volume). These authors argue Cruise Lines International Association's (CLIA) members understand the importance to passengers of environmental and social responsibility, although it remains unclear how this manifests in policy development for the industry as a whole.

The environmental cost of cruising has also attracted the attention of critical commentators, although, again, this appears to be of little consequence to cruise-goers. The subject is hotly debated by stakeholders such as Friends of the Earth, *cruisejunkie.com* and academics such as Font *et al.* (see Chapter 5, this volume). The latter's approach has been to tackle corporate social responsibility (CSR) reporting in the industry, and to compare it with organizations operating outside the maritime industry. CSR reporting (and hopefully concomitant actions) is essential governance for all public and also many privately owned companies, although the cruise industry has lagged behind on this largely due to its registering arrangements. In future, this has to change, but although it is usually a demand-led action, the industry cannot expect change to come from its passengers. Indeed, there is little evidence of a 'responsible cruiser', or passenger proactively engaged in persuading the industry to become more benign in its social and environmental impact. None the less, there are plenty of critics happy to do so on their



Fig. 35.5. Ensuring the security of passengers, crew and ships is a major part of the cruise industry. Here a passenger is having a security photo taken at Abu Dhabi Cruise Terminal, Port Zayed, United Arab Emirates, 2016. (From: Abu Dhabi Ports, UAE.)

behalf, even though Klein (see Chapter 3, this volume) acknowledges cruise companies are challenging to confront when they enjoy such a positive image and reputation for high satisfaction rates. He calls for greater research on the industry, specifically that which takes a historical perspective on the industry's political activism in this era of unprecedented international growth.

The safety and security of passengers and crew will also be a significant future challenge for the industry. Global events such as natural disasters and terrorism, as well as international relations, will impact on future development. However, it is what happens onboard that will prove most important in passenger and public trust, and ongoing company reputation management (see Fig. 35.5).

With regard to crime and sexual assaults on ships, their occurrence will continue to be downplayed by many in the industry. Although *cruisejunkie.com* (Ross Klein) has campaigned for decades to bring these issues into an open forum, he admits the truth is sometimes difficult to ascertain. Until companies get hold of this issue, further lurid reports of missing or murdered passengers and crew will remain a challenge, and the mysteries surrounding the veracity of events will become ever more troubling (see Klein *et al.*, Chapter 6, this volume). Peter Tarlow (see Chapter 15, this volume) asserts that cruise companies need to handle issues of crime, safety and security in an honest and compassionate manner in order to secure the industry's sustainability and survival.

Conclusion

Potentially, technology is the key to the industry facing up to its social, environmental and economic responsibilities. However, not all cruise lines are the same – indeed, it is

important to recognize the heterogeneity of companies, brands and vessels when discussing the industry. Likewise, the cruise experience is characterized as multidimensional, complex and highly diversified (see Mendes and Guerreiro, Chapter 13, this volume). Not all ships are involved in ocean cruising, and not all companies are landing 6000+ passengers in ports. In future, these distinctions need to be more apparent in research and commentary about the industry's more negative aspects. Many companies provide excellent quality accommodation for staff, with others aiming to do likewise. However, the global penetration of social media means companies can no longer rely on the physical isolation of a ship to guarantee silence on crises that happen at sea. Indeed, social media will force the mass-market ocean cruise industry to engage in honest dialogue with guests in future. This is especially relevant for outbreaks of norovirus (see Klein *et al.*, Chapter 6, this volume), which has often been brought to the attention of a wider public through the use of passengers' social media links. Liu and Pennington-Gray (see Chapter 14, this volume) concur about direct and responsive communications, and also call for researchers to include ports and destinations in future studies.

In line with improved technology services onboard and an increase in social media usage comes the need for cruise operators to engage with their critics, and to support research through improving scholar access to ships, passengers and crew. It is also encouraging to see an increase in the number of PhDs being pursued in this subject across the world. Increased web 2.0 usage is forcing the industry to engage in honest dialogue with its public, and it is to be hoped the industry recognizes that researchers more and more will seek transparency and access. As seen in this volume, an increasingly significant number of people are interested in researching this global phenomenon. Some are critical, others merely observational, but the future will hopefully see a greater connection between the research and all industry stakeholders, both internal and external.

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