

Cruise Destination Management

The 'Growth Cruise to Ithaca'

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Cruise Sector Growth

- Indicators: "The Sea-Current"
- Growth Dynamics: "The Motor"

Implications for Cruise Destinations

- Co-Opetition: "Navigation"
- Destination Capacity Management: "The Harbour"

Towards a Destination Policy

- What Cruisers Say about Rhodes (CruiseCritic.com Anecdotes)
- A Cruise Destination Management Agenda: "Becoming Ithaca"

Summary & Discussion: At the End of the Day

Contents:

CRUISE SECTOR GROWTH

Understanding its Nature

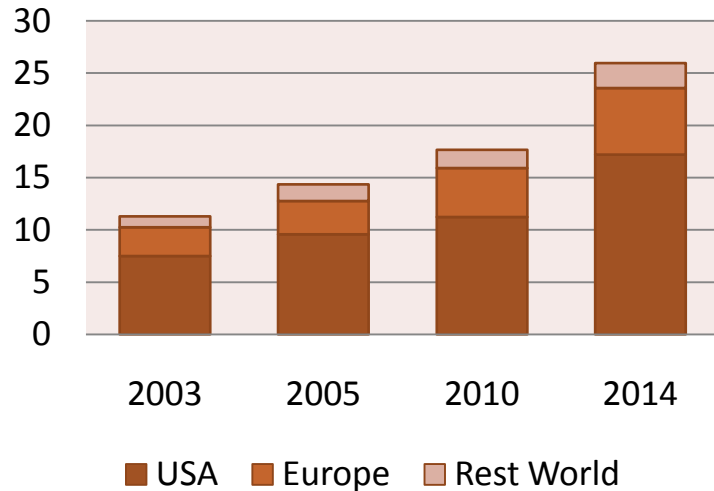
***Growth for the sake of
growth is the ideology of
a cancer cell.***

Edward Abbey 1927-1989

Cruise Demand Indicators

Growing passenger numbers and increasing capacities

Cruise Passengers (Million)

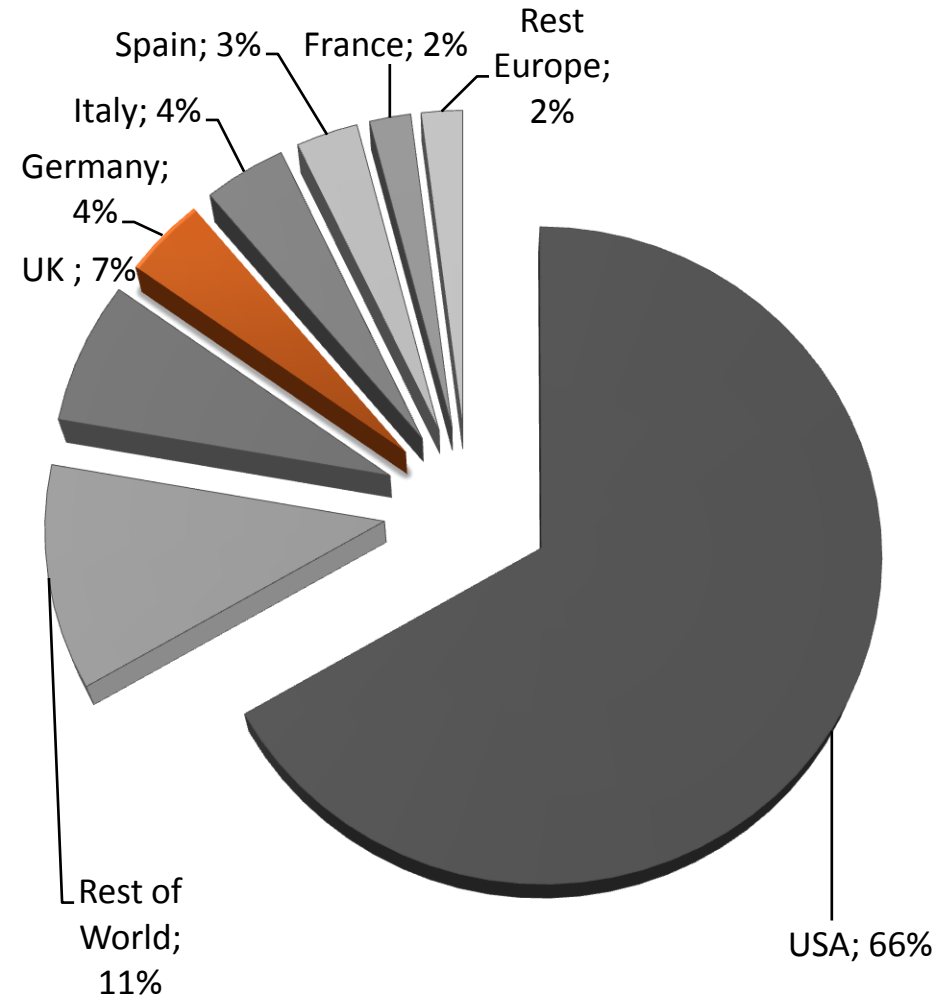


► **Passenger Growth:**

- North America ≈ 6%
- Europe ≈ 10%
- Rest of World ≈ 7%

► **Capacity Growth:**

- 2005: 317.000 LBs
- 2010: 407.511 LBs
- Capacity increase of 28%
- Approx. 40% of capacity serving European source markets



International Cruise Growth

German Market Development



Revenue

- 2010: € 2.1 B.
- 2009: € 1.9 B. (+ € 0.2 Bil. / + **10,05%**)
- 2008: € 1.7 B. (+ € 0.2 B. / + **11,7%**)
- AIDA:
 - 2010: € 883 Mil. (42% of the total German Cruise Revenue)
 - 2009 : € 722 Mil. (38% of the total German Cruise Revenue)



Average Ticket Price

- 2010: € 1,696
- 2009: € 1,881 (- € 185 / - **9%**)
- 2008: € 1,868 (+ € 13 / + **0.7%**)



Passengers

- 2010: 1.219.473
- 2009: 1.025.968 (+193,505 / +**18%**)
- 2008: 906.620 (+119,348 / +**13%**)
- AIDA Pax
 - 2010: 511.000 (41.9% of the total German Cruise Pax)
 - 2009: 414.000 (40.3% of the total German Cruise Pax)

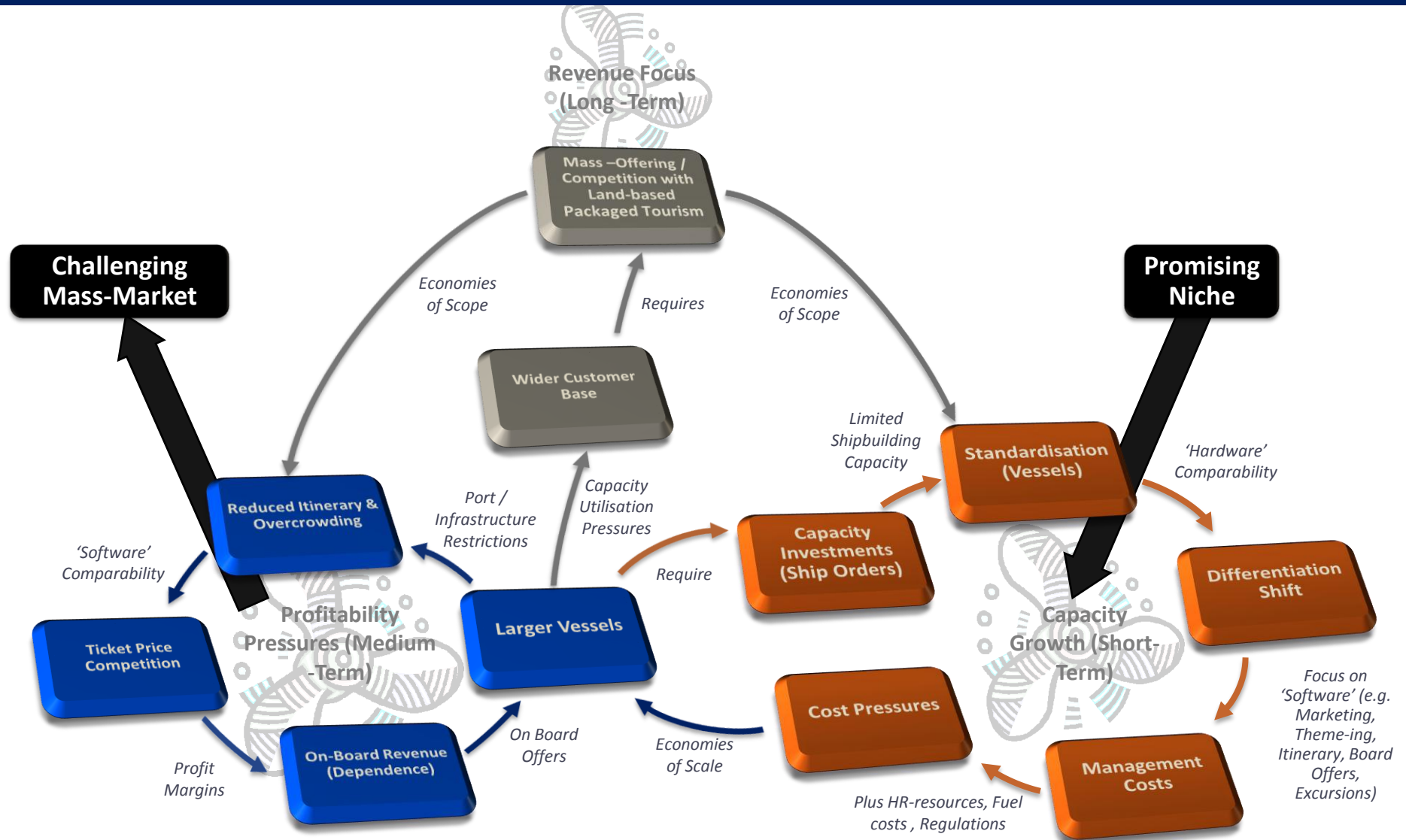


Average Cruise Duration

- 2010: 9,3 Days
- 2009: 9,7 Days (- 0,4 Days / - **4.1%**)
- 2008: 9,37 Days (+ 0,33 Days / + **3.5 %**)

The 'Cruise Growth Motor'

Growth is neither Good nor Bad. It is a Journey! The question is: Where does it Lead?



The background of the slide is a grayscale photograph of ocean waves. The waves are breaking, creating white foam and spray. The sky is overcast with soft, diffused light. The overall tone is somewhat somber and dramatic.

IMPLICATIONS FOR CRUISE DESTINATIONS

Co-Opetition & Measures

Cruise Visit = Temporary Destination Co-Opetition

“Floating Destinations”

- Fewer ports of call
- Over-Crowding (Many visitors at one time)
- Infrastructure Stress (both Public & Private)

On-board Revenue (All-Inclusive at Sea)

- Destination income mainly from excursions, cultural experiences
- Cruise operators promote destination services that generate a profit for them!

“Hybrid Cruisers”

- Profile of cruise visitors near that of package tourists
- More price-sensitive / More ‘Do-It-Yourself’
- Assess destination for a ‘future land-holiday visit’

Recommendations for Destinations

Governance & Infrastructure

- Cruise-port alliances (easier to promote an itinerary than a port of call)
- Destination capacity management
- Infrastructure investments (not just at port but also surrounding area)

Off-board Revenue (All-Exclusive at Land)

- Invest in 'Heritage & Nature' not just 'Commerce'
- Public-Private-Partnerships with cruise operators
- Key Account Management (Excursion Managers)

"Pure Hosts"

- Fair pricing
- Destination content management (B2C, Online)
- Focus on authenticity & 'philoxenia'



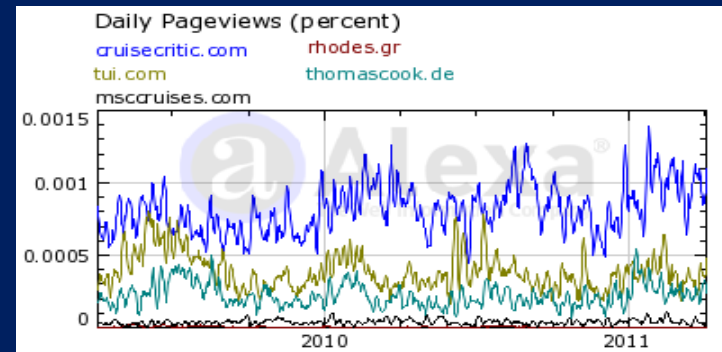
TOWARDS & DESTINATION POLICY

Becoming the 'Cruise Ithaca'

What do Cruisers Say About Rhodes?

www.CruiseCritic.com

... And How Many Others Hear them!



Rhodes was probably a **great place to visit** before the cruise ships began to stop there, because the old buildings and walls are quite interesting. It is just **overloaded** with gift shops and bars (and tourists) now, so there is no charm left

- Over-Crowding
- Mass-Tourism

We were taken around to some **very pretty areas** of Rhodes and ended at lunch with red or white Greek wine out of a box... the shore excursion was not represented accurately at all. Rhodes would be a nice getaway if you lived in Europe. However, to fly there from the U.S. doesn't seem to make much sense as there **wasn't much to do there** but enjoy the beaches.

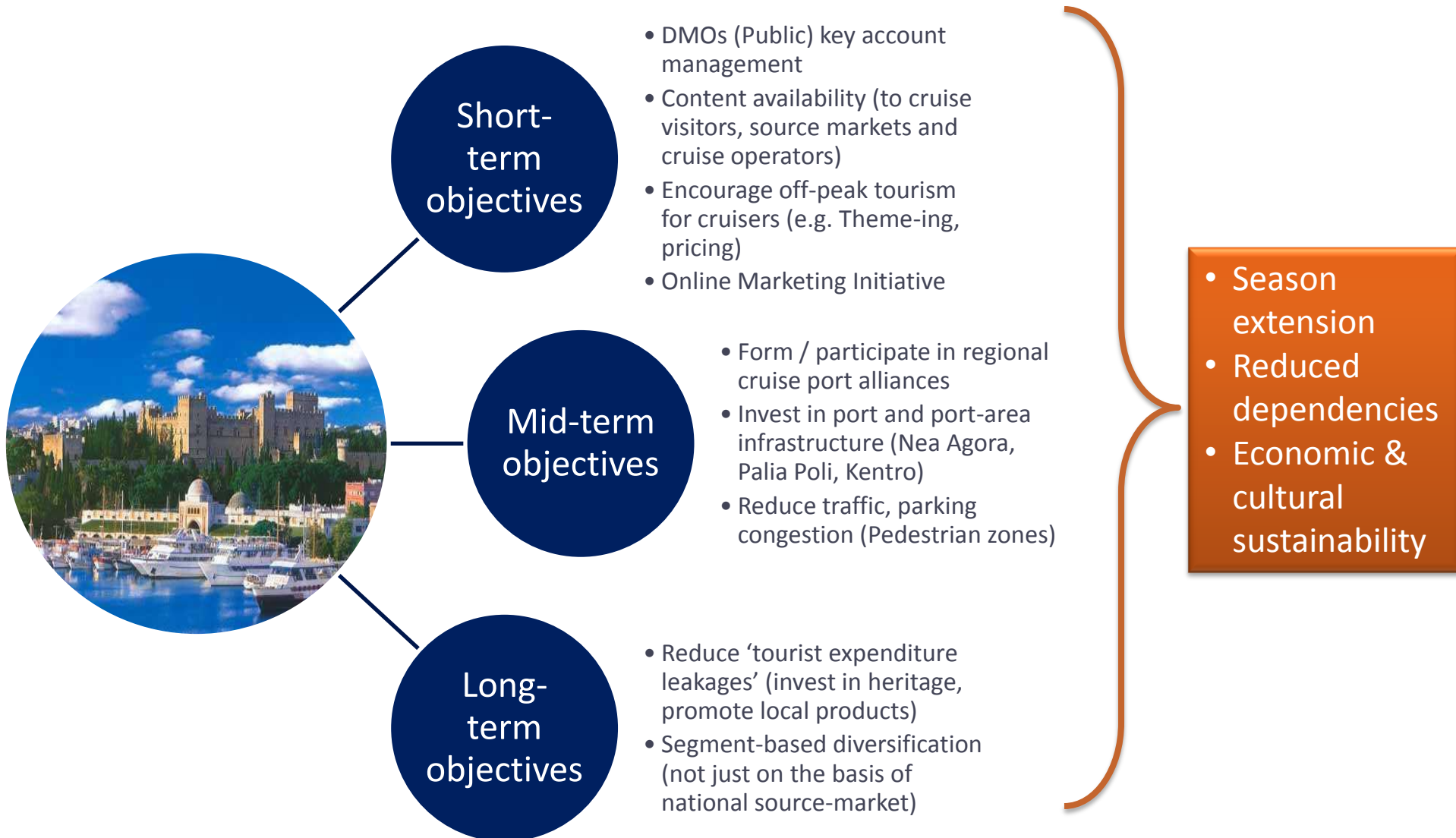
- Natural Beauty
- Image Issue

Rhodes, is a neat little place the old city which is walled is basically another **tourist trap** but its fun to walk around see the castles and streets and **enjoy a good Greek meal**.

- Heritage
- Over-Commerce

Cruise Destination Development Agenda

Cruising as a 'Seasonality-Smoother' and 'Infrastructure-Enabler'



AT THE END OF THE DAY...

Our islands can benefit from the cruise sector's growth if we see it as a infrastructure catalyst and integrate it with our overall tourism offer

For the Private Sector:

“We are all ‘Xenoi’... Even at home!”

- Cruise visitors (and tourists in general) appreciate what WE appreciate, and complain about what WE complain
- We don't just sell accommodation & catering, we SHARE our daily lives with tourists

For the Public Sector:

“We should collectively benefit from (cruise) tourism... Not just individually profit”

- Need for a regional tourism sustainability strategy (beyond a promotion strategy)
- Infrastructure-investments and smoothing seasonality benefits the locality as well
- Public policy to reduce ‘leakages’, directly subsidise local attractions (not just beds)

Thank You for your Attention



► Research Functions:

- Founder & Chairman of the **Cruise Research Society**
(<http://www.cruiseresearchsociety.com>)
- Co-Director of the **Institute for Maritime Tourism (IMT)**
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- Editorial Board Member of the Journal of the European Journal of Tourism, Hospitality and Recreation (EJTHR) –
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► Administrative Functions:

- Dean of Studies – Faculty of Business & Economics
- Chairman of the CIM Examinations Committee
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