

'Cruise Tourism Mechanics': Understanding the industry's Dynamics & Current Structures

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Cruise Management &

E-Tourism

Prof. Dr. Alexis Papathanassis

**Maritime Tourism Summer School
University of the Aegean**

Rhodes – 01-03 of September 2014



Cruise Research Society

Some Cruise Brochure Covers

What is the Hidden Meaning?



CLIA 2014 State of the Cruise Industry Report

Demand & Supply Growth

Cruise Capacity Growth?!

CLIA 2014 Global Fleet

410 Ships
Including River Cruise

467,629 Beds

Global Passengers



2013 Estimate:
21,300,000

2014 Forecast:
21,700,000

Top 2014 Cruise Trends

- Improved technology and connectivity at sea
- Millennials will drive first-time cruiser growth
- Luxury resurgence
- More all-inclusive packages
- Multi-generational travel will increase
- Active vacations at sea

Global Cruise Industry Investment



\$7.2 Billion
Investment
in 2013/ 2014

Wider Economic Impacts?!

29 new ships

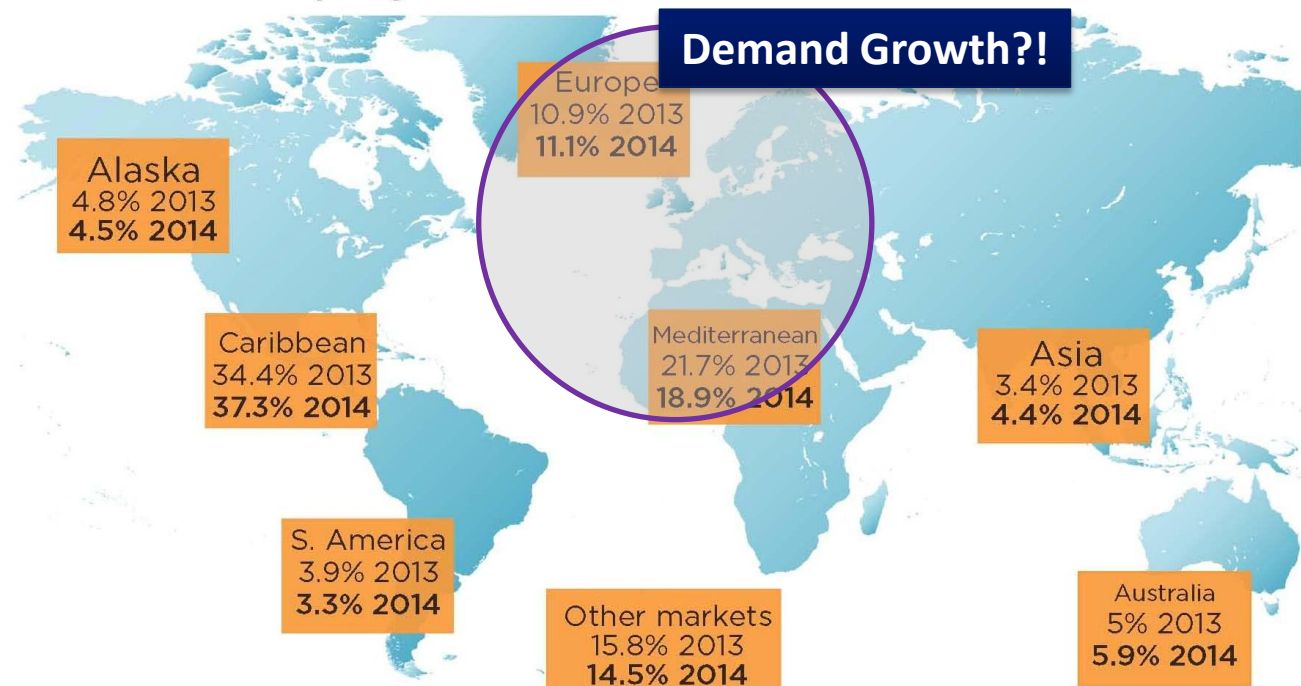
with a capacity of 34,000+
pax in CLIA Global
Fleet 2013/2014

Another 20

ships will join the CLIA Global
Fleet (52,000+ beds) 2015-18

Global Cruise Itineraries and Ship Deployment

Capacity Market Share



CLIA 2014 State of the Cruise Industry Report

Passenger Growth, Diversity & Value for Money

Top 10 Passenger Source Countries

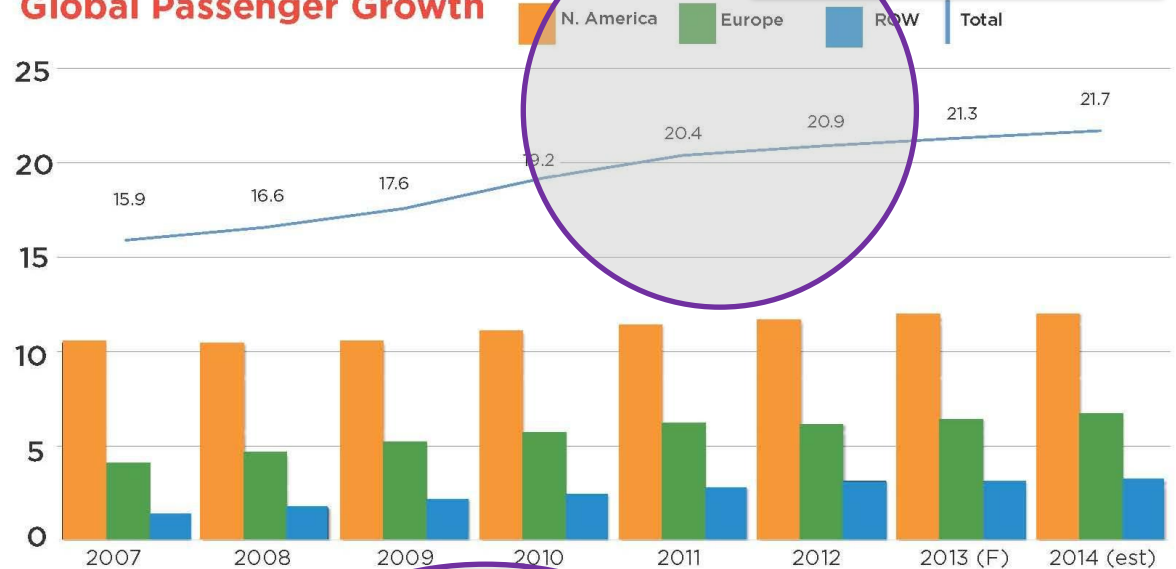


Hot Cruise Destinations for 2014¹

- Trans Pacific
- US Rivers/ exotic rivers
- South America
- Antarctic
- World Cruises
- Africa
- Middle East
- Canada/ New England



Global Passenger Growth



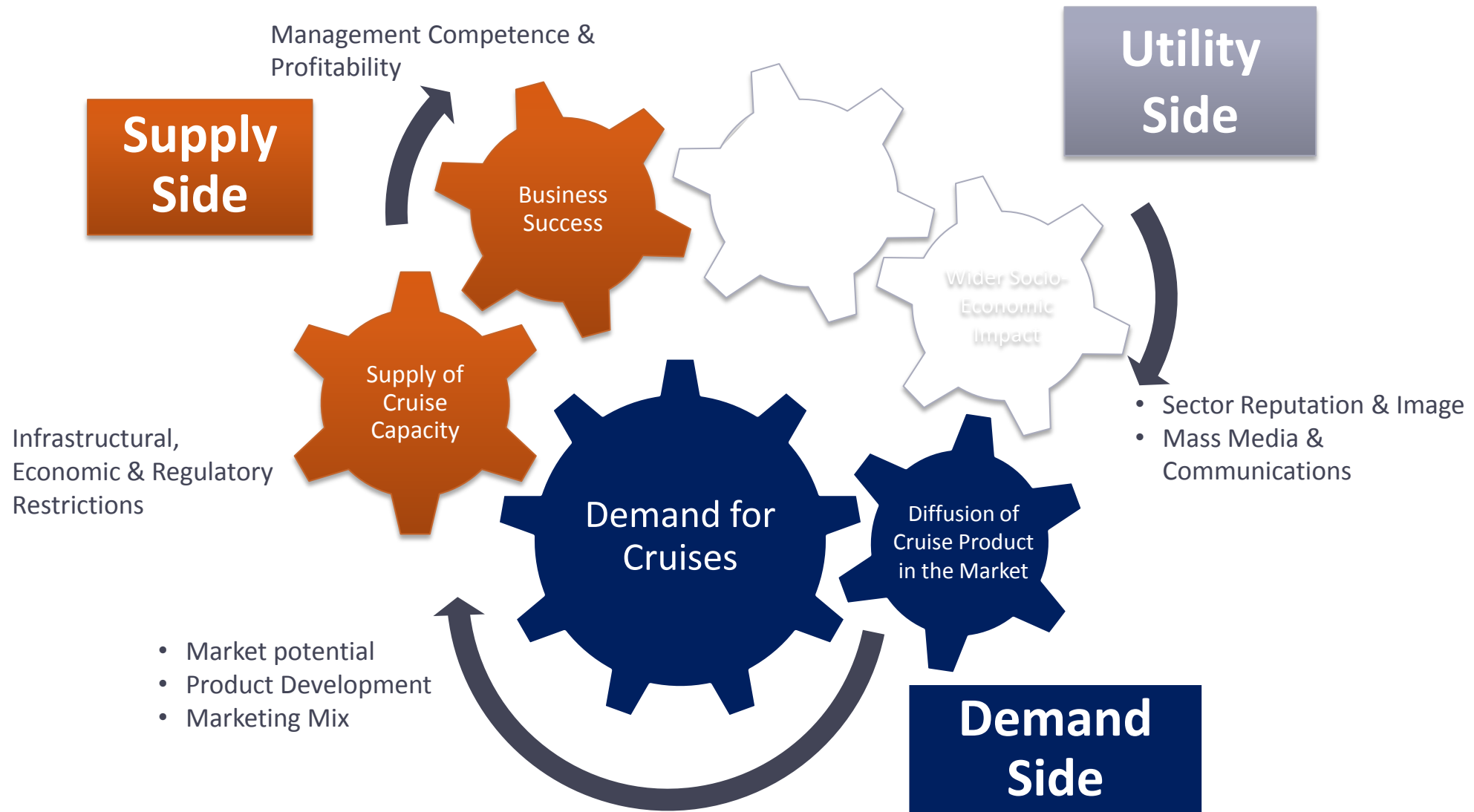
Major Consumer Motivators to Take a Cruise²



Corporate Social Responsibility

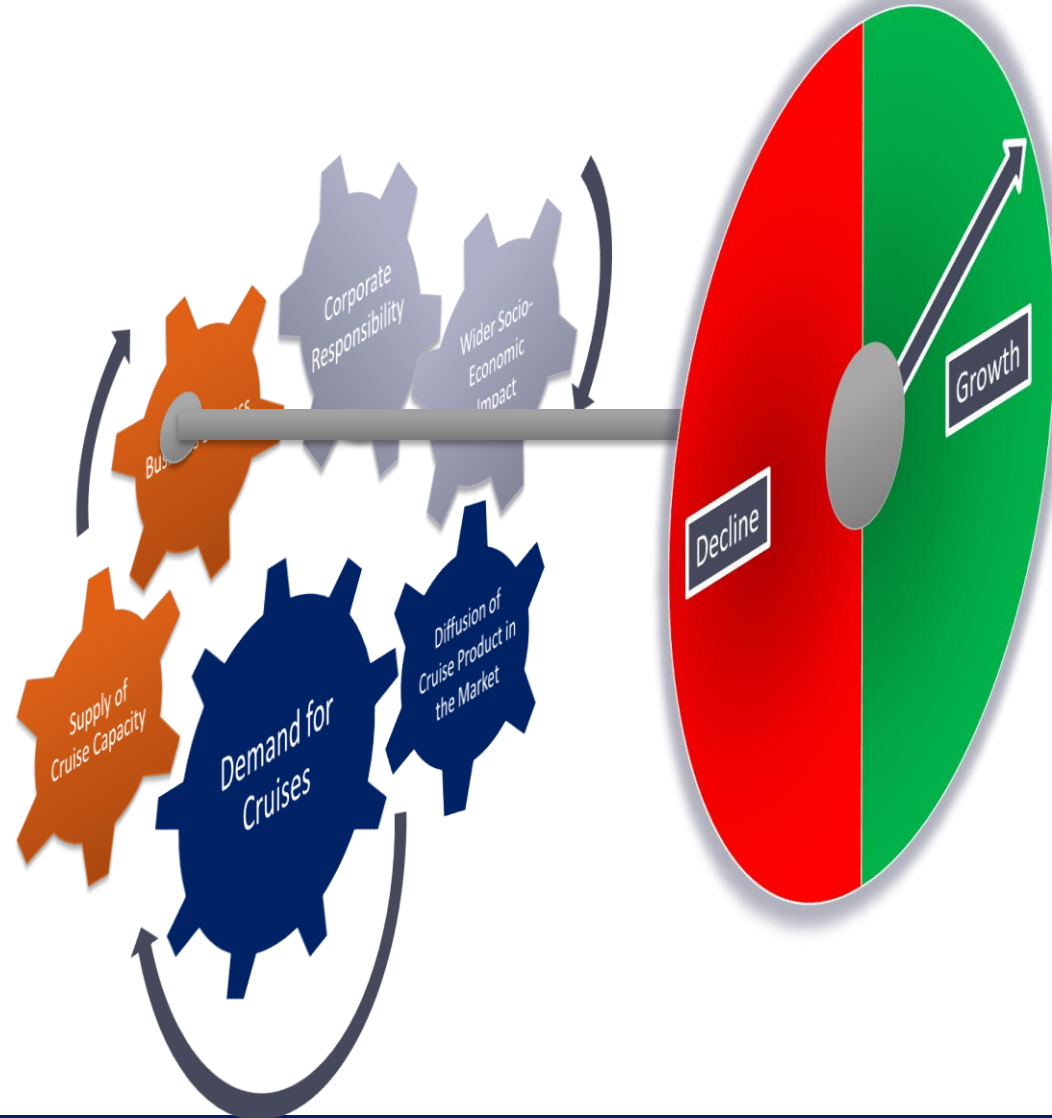
¹ According to CLIA Cruise Line Member Survey ² According to CLIA

A Simple Model of Cruise Sector Evolution / Growth... 'The Cruise Engine'



The Dynamics of Cruise Sector Growth Illustrated...

- ▶ When:
 - Demand for Cruises
 - Wider Socio-economic Impacts
 - And Business Success (Profitability)
- ▶ ... Are all moving clockwise (i.e. Developing Positively growth continues)
- ▶ ... Unless slowed down (or reversed) by:
 - Cruise supply restrictions
 - Responsibility concerns (internal or external)
 - Diffusion dynamics in the source markets
- ▶ At some point:
 - Growth will lead to decline, and
 - After decline, growth can be expected



CRUISE TOURISM DEMAND-SIDE: CURRENT DEVELOPMENTS & FORECASTS

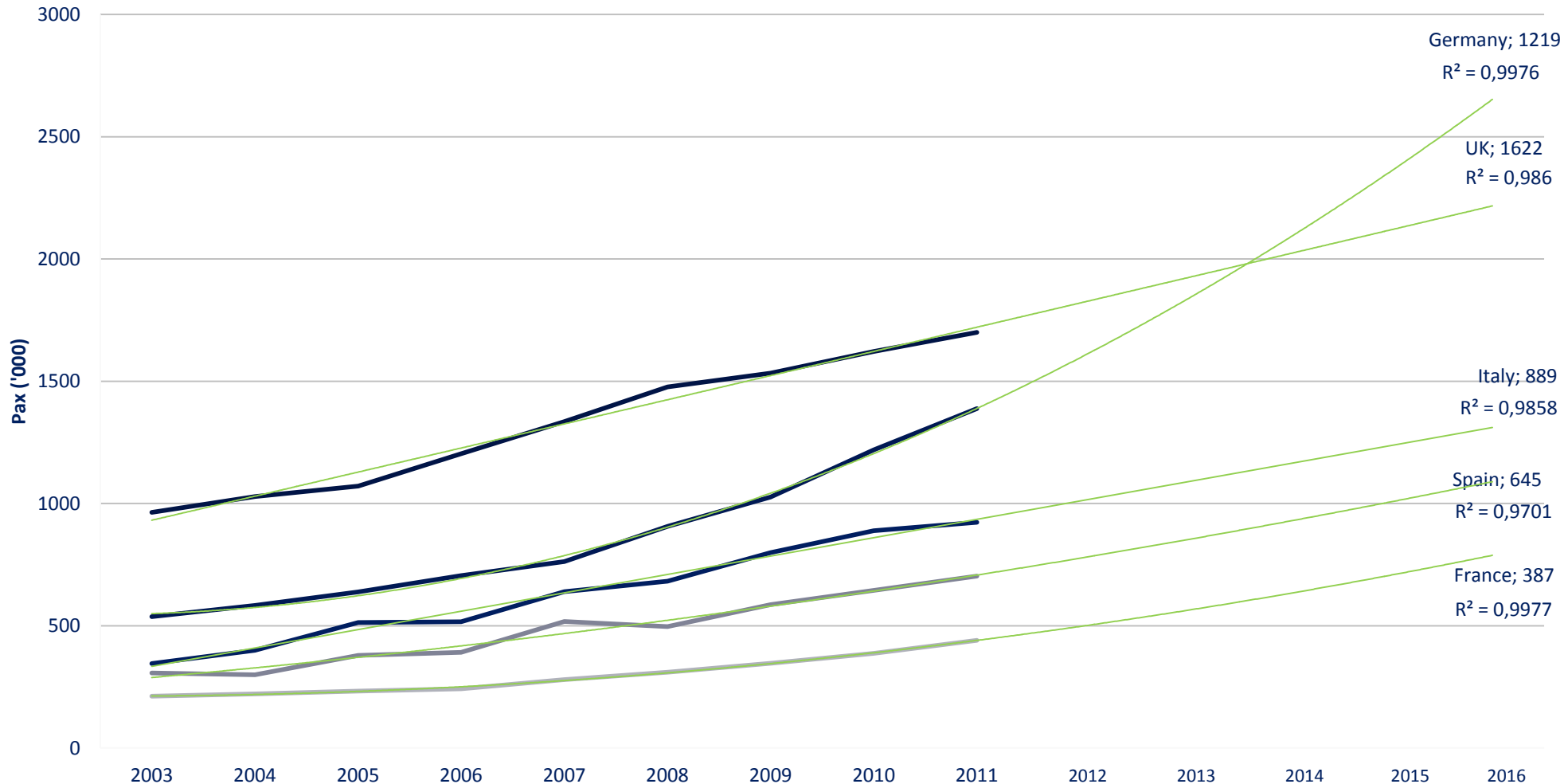
Endless Growth Potential!!



European Cruise Pax Development & Forecast

The EU Market is promising... Germany expected to be the leading EU source market

European Pax Development



Cruise Image and Potential Demand

► German Market Potential (Source: ADAC Reisemonitor)

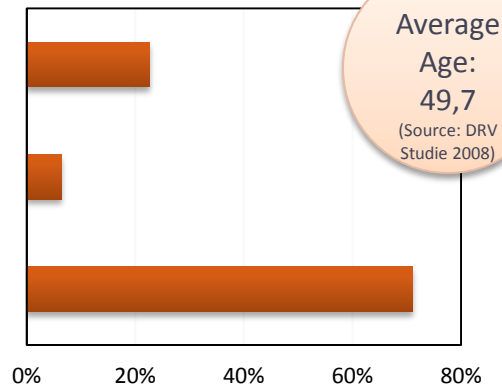
- 2010: 4.3% of the population planned to take a cruise
 - 2009 & 2008: 3.9%
 - 2007: 3.2%
- **Every third German could imagine taking a cruise in the next 5 years**
 - Potential 31%
 - Preferred Regions: Mediterranean (Canaries), Caribbean

For whom are cruises interesting?

... mainly for the older generation

... mainly for the younger generation

... for both generations

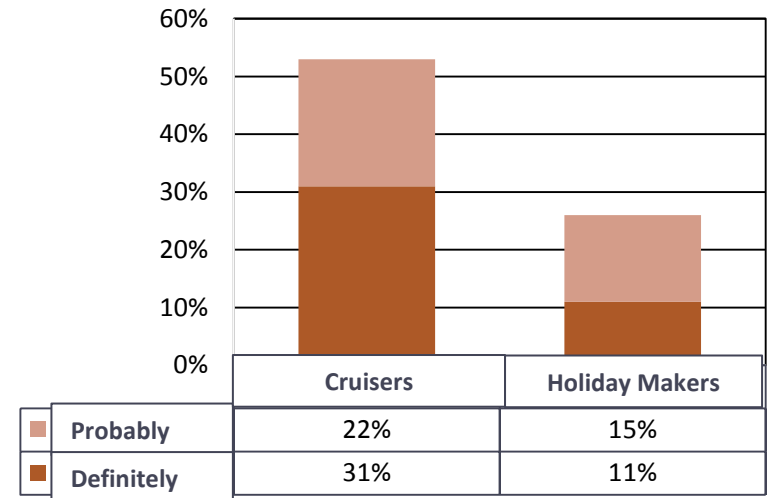


Source: <http://www.web-tourismus.de> 2008 (n:93)

► USA Comparison (Source: CLIA Cruise Market Profile Study 2008):

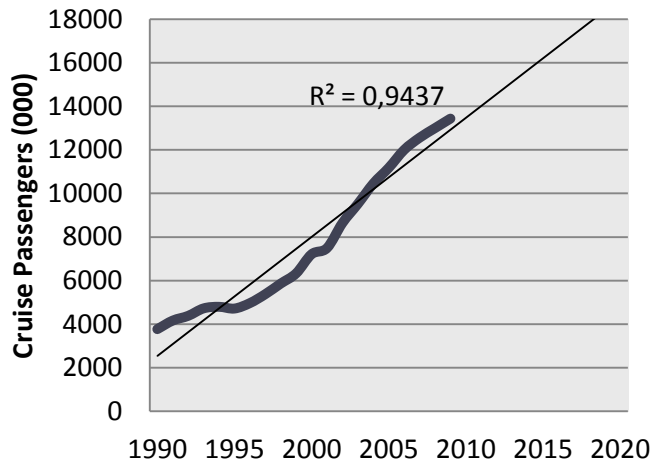
- Average Age: 46
- Market potential (approx. 43% of the population) = 128,5 Mil.
 - 59 Mil (approx. 44,6 % of the market potential) have been on a cruise
 - 30 Mil (approx. 50% of cruisers) have been on a cruise in the last 3 years

% of consumers intending to take a cruise in the next 3 years

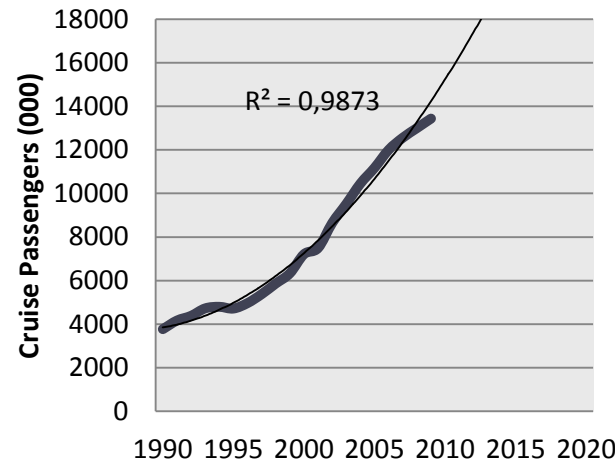


A Critical View on Growth: *Extrapolation of Historical Data*

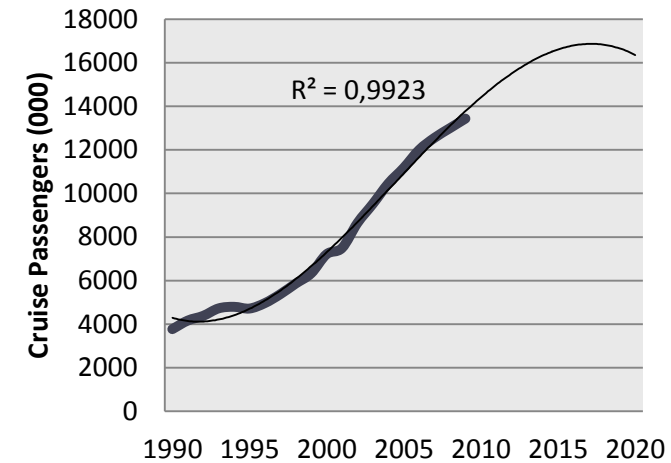
Linear Extrapolation



Quadratic Extrapolation



Cubic Extrapolation (S-Shaped Curve)



- ▶ Least data fit ($R^2 = 94\%$)
- ▶ 30 Million Pax by 2041
- ▶ Indefinite growth assumption

- ▶ Second best data fit ($R^2 = 98\%$)
- ▶ 69 Million Pax by 2041
- ▶ Indefinite growth assumption

- ▶ Best data fit ($R^2 = 99\%$)
- ▶ Compatible with the Product Life Cycle concept
 - ▶ Historically applicable for tourist destinations (Butler 1980, 2006) and
 - ▶ Tourism segments (Zimmermann 1997)

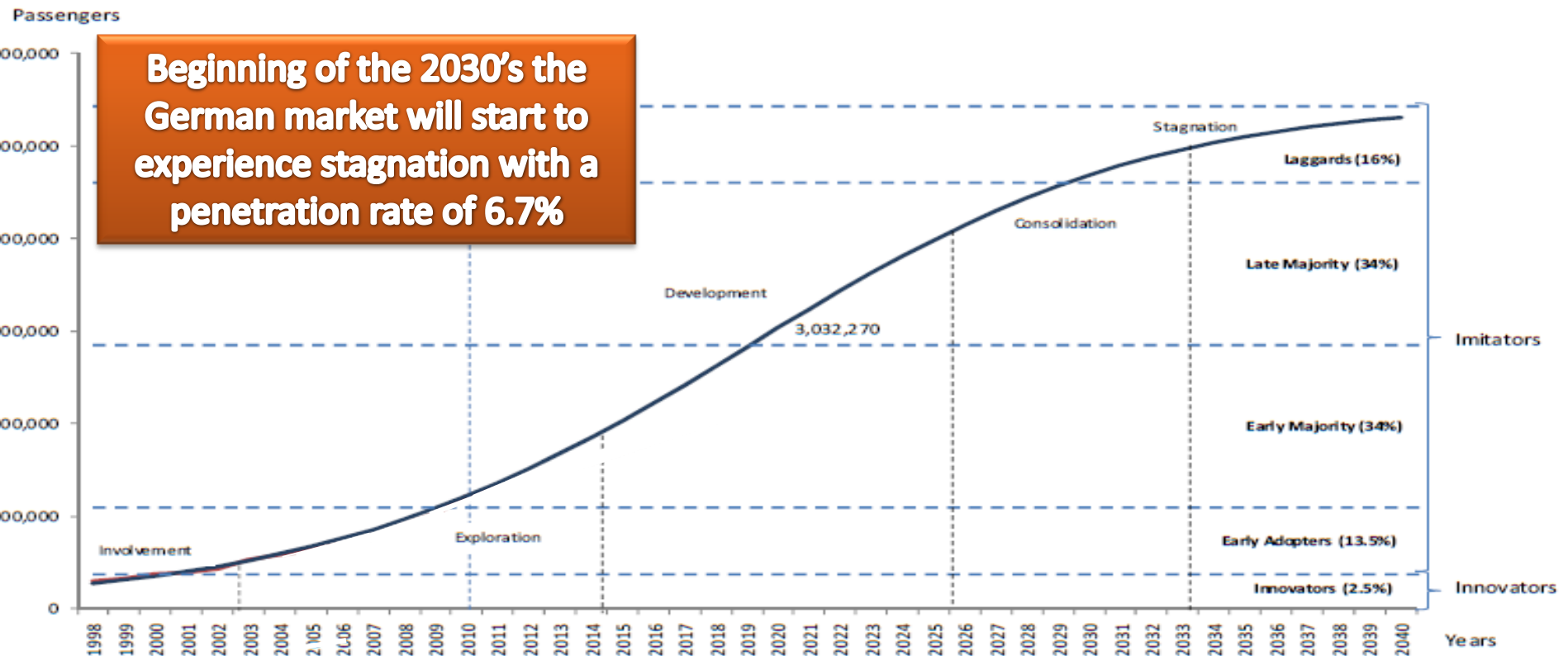
Forecast Implications?

Weak signals (e.g. ticket price reductions; mega-ships / onboard revenue)

Validity of forecasting demand on the basis of supply

Another Forecast

A PLC-Based Forecasting Model



- Bass Diffusion Model (1968):
 - Represents an S curve – Just like the Product- or Destination- Life Cycle
 - Can be used for forecasting the slope of the S curve, on the basis of the market potential and the degree of imitation and innovation

- Assumptions:
 - Market Potential in Germany approx. 5 million
 - Travellers spending more than €1700 on a vacation
 - Demographic structure remains the same
 - Innovation and imitation coefficients are calculated from the historical data (currently demand is determined by imitators – cruise market has left the introduction phase)

CRUISE TOURISM DEMAND SIDE: INNOVATION DIFFUSION MODEL (ROGERS, 1968)

Understanding the 'S Curve' (Product Life Cycle) of Sectors

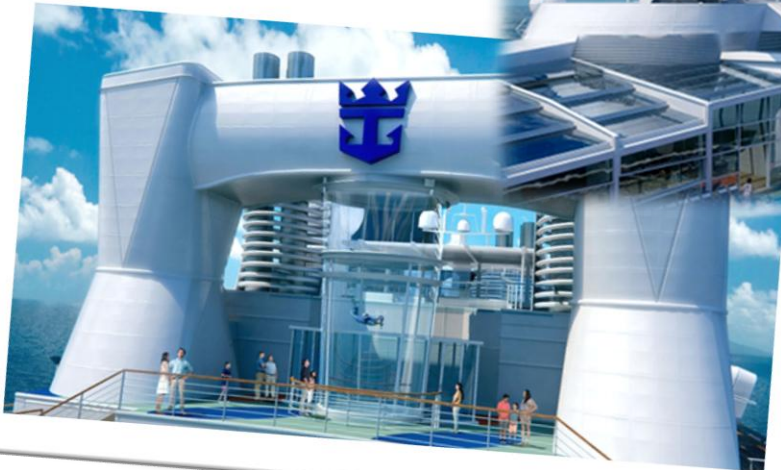


Cruise Liners as Technological Marvels...



Modern Floating Destinations Full of Unique Experiences

Some Impressions from the RCL Quantum of the Seas



Cruise Tourism

A Recipe of Success



Comfort and Service Quality

„Round-tout without carrying suitcases“

„Being at home abroad“

Excellent Catering 24/7

Crew / Pax Ratio 1/3



Variety & Differentiation

The ship as the Destination
(Mega-ships, Floating Resorts)

Theme Cruises (e.g. Metal-Cruises)

Sea-Land product Combinations

New Routes, Destinations



Excellent Value for Money

2012: Av. Price for a Cruise: € 1.710 (approx..€ 185/Day)*



Modern Image

Increasing proportion First-Timers

Increasingly younger customers

Innovation & Technology

Innovation Diffusion Model (1)

Original Model (or Product Life Cycle)

▪ Innovators (2.5%):

- Adventurous
- Well-educated
- Well-informed
- Well-off (usually)
- Risk-takers

▪ Early Adopters (13,5%):

- Respectable
- Opinion leaders
- Popular
- Educated

▪ Early majority (34%):

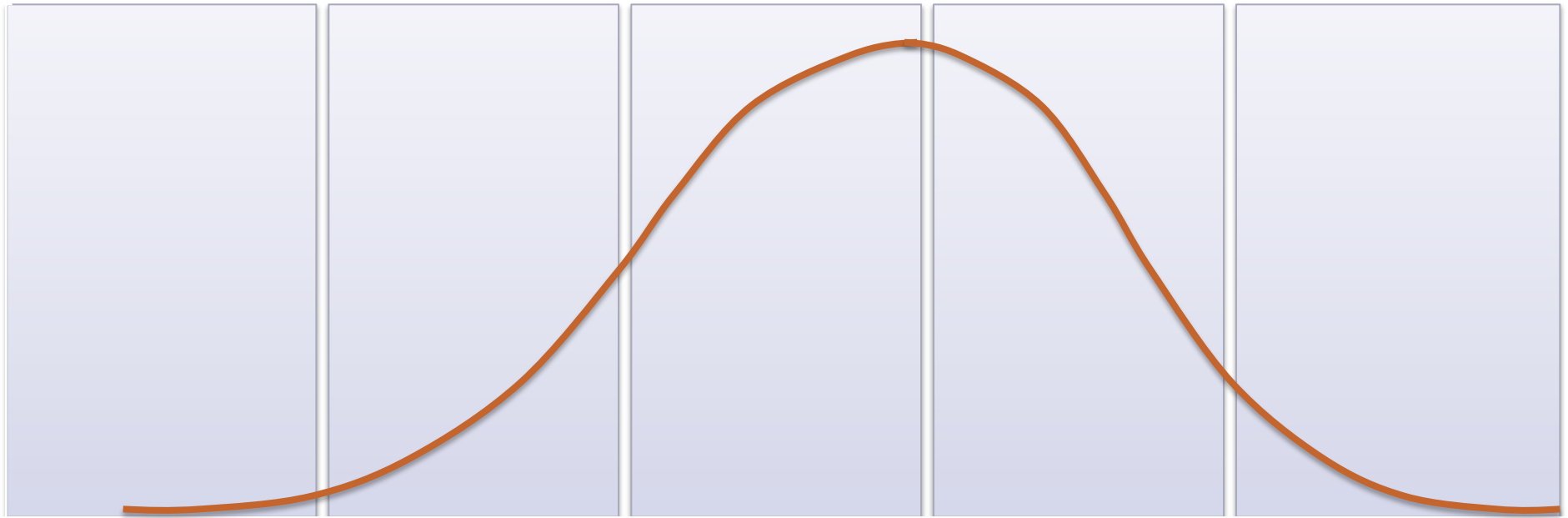
- Thoughtful
- Extensive social network

▪ Late majority (34%)

- Sceptical,
- Traditional
- Lower social status

▪ Laggards (16%):

- Traditionalists
- Limited info sources and network
- Risk-averse
- Lower economic status



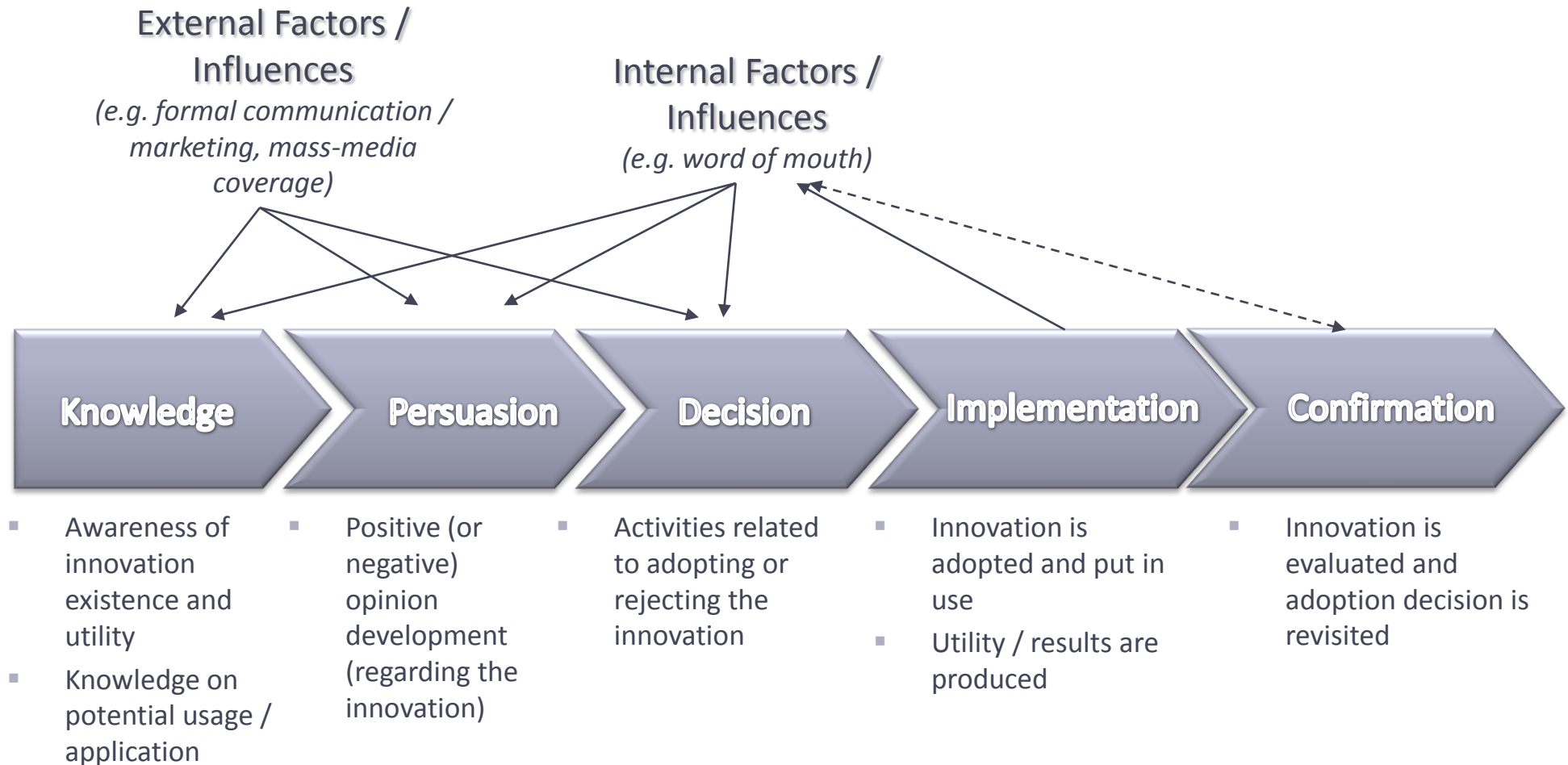
Innovation Diffusion Model (2)

Cumulative Version (S-Curve)



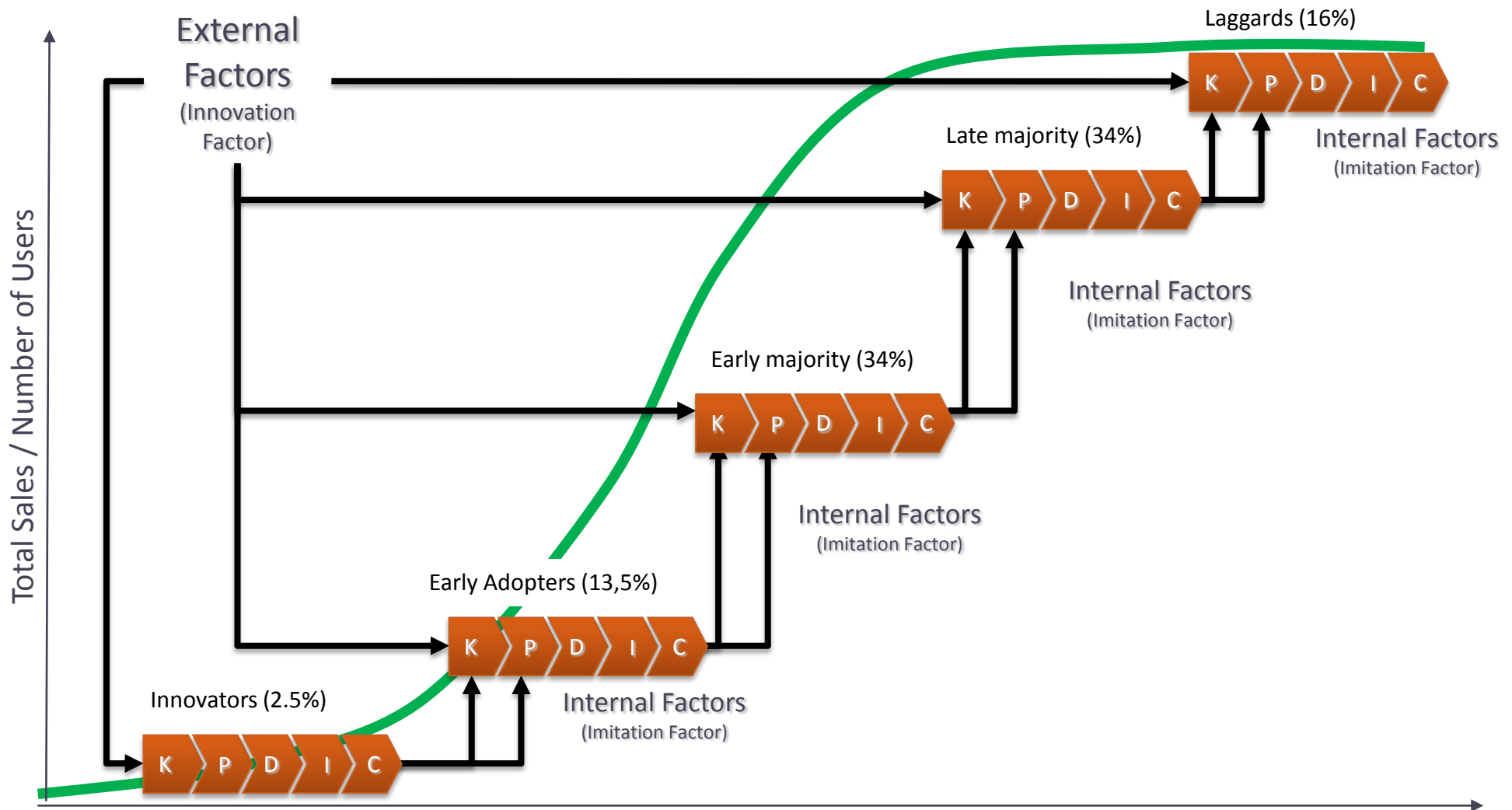
Innovation Diffusion Model (3)

Individual Adoption Process



Innovation Diffusion Model (4)

Innovation & Imitation Factor



Diffusion 2.0: Online Guest Cruise Reviews

Guest Empowerment & Multiplication Effects



We have been on 5 cruises prior to this cruise. We would not ever consider cruising on Costa again nor would we recommend it to friends or family. Of all our prior cruises we never had a... [read more](#)

73 users found this review helpful.

Worst cruise out of the 13 I've been on. The most rude people I have ever encountered on land or sea. Costa has cut back to the bare bones and it shows everywhere. The crew seems unhappy as well... [read more](#)

29 users found this review helpful.

We chose this cruise line for the initial reason of the price. It also helped that they offer a kids sail free program and in this economy, who can't say that's a welcome treat. We had an excellent... [read more](#)

58 users found this review helpful.

1 cruise, 3
dissatisfied
guests, 160
readers!

Brand Promotion or Brand Destruction Possibilities?!

263 comments,
744 people 'Likes'...
since yesterday!

Cruise Critic
Yesterday

A big 'ol tip of the hat to Captain Greybeard for revealing the hull design for Norwegian Cruise Line's Breakaway. Painted by Peter Max. Love it or hate it? <http://bit.ly/OMY5aa>



Like · Comment · Share

100

744 people like this.

View all 263 comments

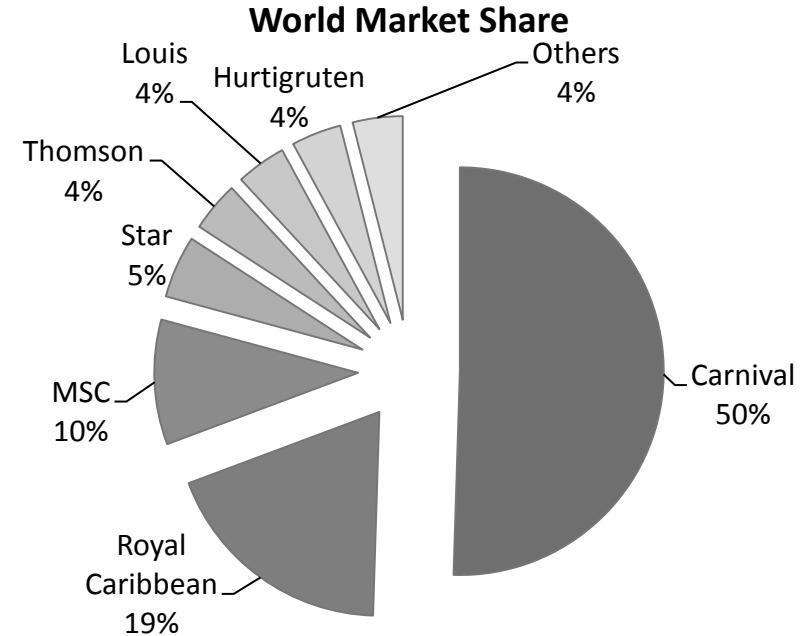
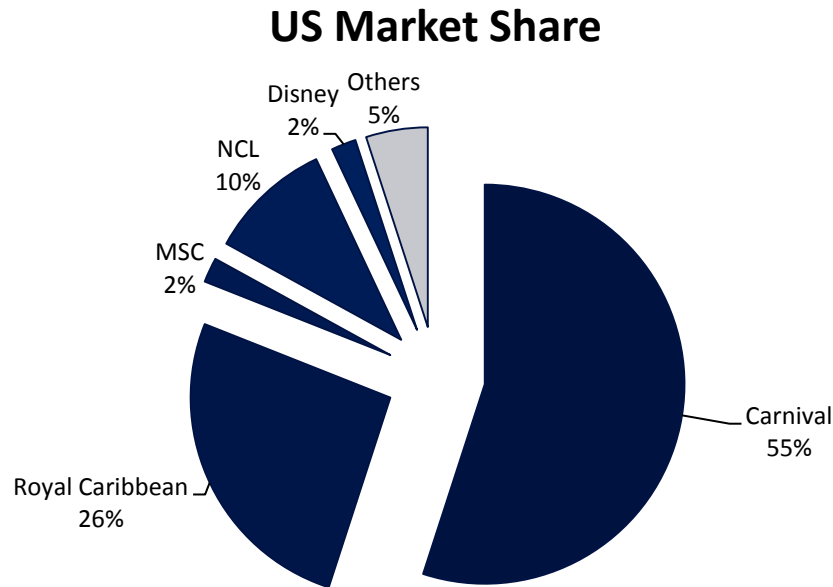
The background of the slide is a grayscale photograph of ocean waves. The waves are breaking, creating white foam and spray. The image is slightly blurred, giving it a sense of motion. The overall tone is somber due to the grayscale palette.

CRUISE TOURISM SUPPLY SIDE: SECTOR CONCENTRATION & MEGA-LINERS

Is Bigger Better?

Concentration through M&A

“Cruise Sector Duopoly?”



- ▶ Leverage over suppliers & destinations
- ▶ Economies of scale
- ▶ Risk-spreading & financial reserves
- ▶ Difficult for new entrants due to shipbuilding sector concentration

Capacity Development

Mega-Ship Trend... Why?

► 2010*:

- Global cruise fleet 298 vessels amounting > 400,000 berths
- About half operate in Europe

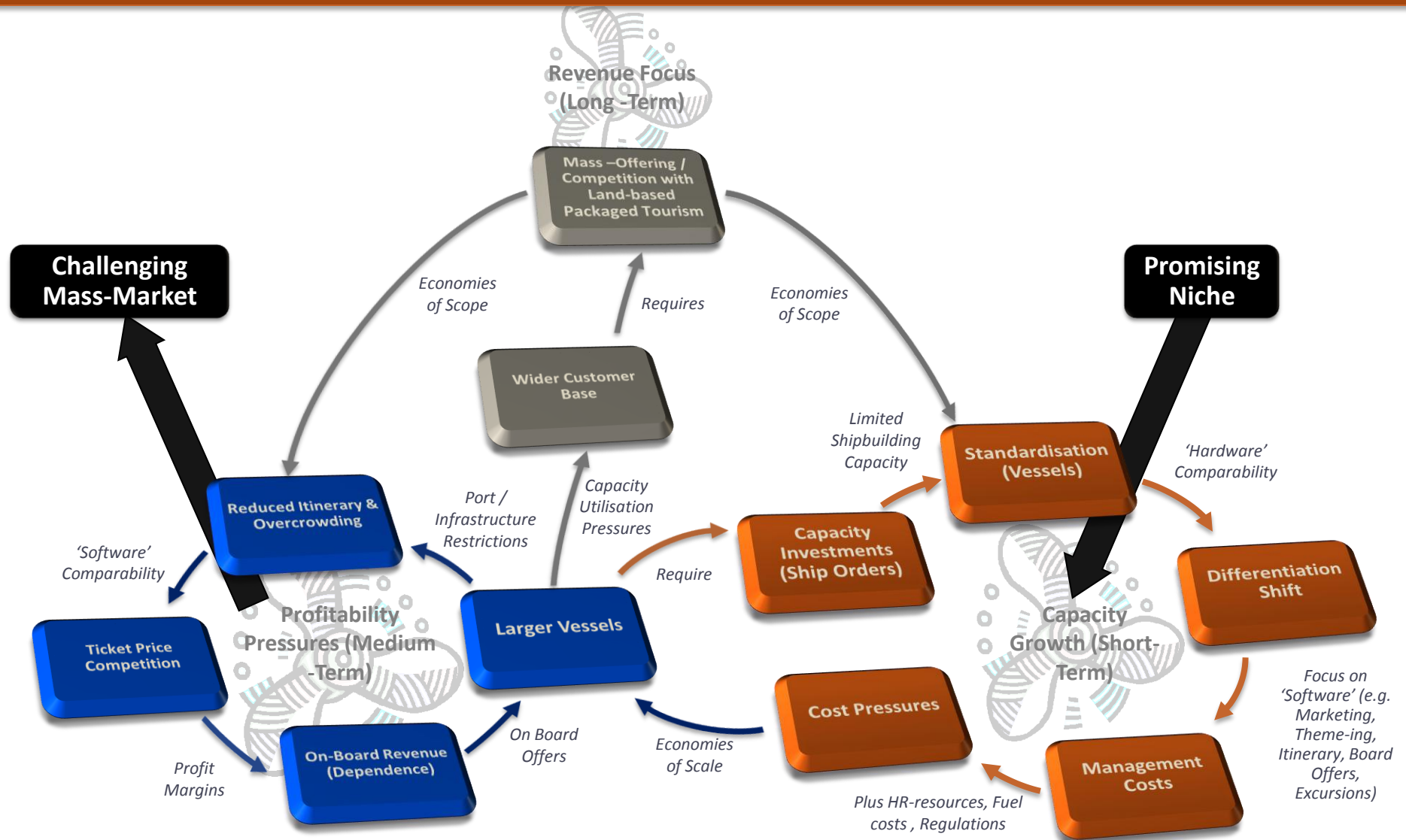
► 2012-2016**:

- Total Ships: 20
- Total Berths: 57,751
- Total Order Book Value: \$13,468,000,000.00
- Average Price Per Berth: \$273,183



The Impact of Mega-Liners on Profitability

The Journey from a Niche to a Mass-Market for Cruises



CRUISE TOURISM SUPPLY SIDE: CRUISE OPERATOR PROFITABILITY

The 'Cannibalisation Effect'



Cruise sector profitability...

DIE WELT zur Startseite machen

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Home Politik Wirtschaft Geld Sport Wissen Panorama Kultur Reise Motor Regionales Mein

IN DEN NACHRICHTEN: Romney vs. Obama Türkei-Syrien-Konflikt Erhard Wunderlich Dieter Müller

Home > Wirtschaft > "Man wechselt die Flagge nicht wie ein Unterhemd"

27.07.12 | Kapitän Jungblut

"Man wechselt die Flagge nicht wie ein Unterhemd"

Die Reederei Deilmann will die "MS Deutschland" unter der Fahne Maltas fahren lassen. Der Kapitän wehrt sich – nun sagt er, er sei wegen seines Widerstands von Bord geworfen worden. Von S. Beutelsbacher und S. Seiderer

Ausgerechnet die "MS Deutschland". Gerade jenes Schiff, das den Namen des Landes

Die Flagge Deutschlands weht am Heck der MS Deutschland. Die Reederei würde sie gegen eine maltesische austauschen

WEITERFÜHRENDE LINKS

- Reederei: Flaggen-Zoff um "Traumschiff" – Kapitän schreibt Gauck
- Flaggenstreit: Reederei jagt Kapitän von Bord des "Traumschiffs"
- Königinntreffen:

"Traumschiff" beka handfesten Streit z

Er sei von der Unt würdloser Fall in wird", schimpfte d vor Anker, weil sie Sportler nach Hau deutscher Fahne

THE WALL STREET JOURNAL Tuesday, September 25, 2012 As of 1:09 PM EDT

Home World Europe U.K. U.S. Business Markets Market Data Tech Life & Culture Opinion Property Jobs

TOP STORIES IN Life & Culture

The New Face of Infidelity

Repelling Viruses, Reviving Mammoths

A Mapmaker Takes on the World

Carnival Profit Slips, Hurt by Lower Cruise Prices

Article Stock Quotes Comments

By TESS STYNES

Carnival Corp.'s **CCL -1.60%** fiscal third-quarter profit slipped as the world's largest cruise operator's cost controls and lower fuel consumption helped offset lower ticket prices.

For the current fiscal quarter, forecast per-share earnings of seven cents to 11 cents below recent estimates of analysts polled by Thomson Reuters, who expected 16 cents a share.

The company, which runs cruise lines such as Holland America, Cunard and Carnival, has reported stronger booking volumes as it gradually recovers from negative publicity following the shipwreck of its Costa Concordia off the coast of Italy in January.

For the fiscal year, Carnival narrowed its per-share earnings estimate to between \$1.83 and \$1.87 from its prior estimate for between \$1.80 and \$1.90. The company said improved yield expectations and costs were offset by unfavorable changes in fuel prices and currency-exchange rates.

The company now expects net-revenue yields will be flat to down slightly for the year excluding the impact of the Costa Concordia incident. Including costs, it forecast a decline of 3%. Carnival previously estimated that net-revenue yields would decline 3% to 4%, but on Tuesday said they would fall slightly, excluding its Costa cruise business.

Net-revenue yields are a key cruise-industry indicator that measures revenues in

USA TODAY Travel

Volunteer Michael Cleveland teaches teens to believe in themselves.

The Cruise Log Your port of call for cruising news with Gene Sloan

More cruise lines drop calls in North Africa

Costa Cruises sailing back to profitability

By Gene Sloan, USA TODAY

Comment Recommend 13 Tweet 11 +1 0

Bookings at Costa Cruises are bouncing back from the sharp drop seen in the months after the Costa Concordia accident, and the brand should be back to profitability by next year, according to executives at the line's parent company.

Carnival Corp. vice chairman Howard Frank told Wall Street analysts Tuesday that consumer research shows the perception of the Costa brand is gradually improving in each of the line's major markets.

"While our business planning for 2013 is still a work in progress, we are expecting that Costa Cruises will swing back to solid profitability in 2013, after a very challenging 2012," Frank said during a conference call to discuss Carnival's third quarter earnings.

Carnival Corp. is the parent company of nearly a dozen major cruise lines including Costa, Carnival, Princess, Holland America and Cunard. Even with a downturn at Costa, the parent company on Tuesday reported profits for the third quarter of \$1.3 billion, or \$1.71 per share, about even with the same quarter a year ago. The number included an



CAPTION Vincenzo Pinta, AP/Getty Images

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Cruise ships sail with cash, bling

CBC News Posted: Sep 23, 2012 4:52 PM NT | Last Updated: Sep 24, 2012 12:04 PM NT 22



Cruise ship leaves 9:35

Two large cruise ships were in port in St. John's Harbour on Saturday, bringing in more than 5,000 passengers and at least 1,200 crew members.

The Emerald Princess made an unexpected stop in the harbour, after bad weather forced the vessel to cancel a visit to Greenland.

The ship was carrying over 3,000 passengers and 1,200 crew.

Meanwhile, the Artania was also in port, carrying close to 2,000 people on a tour of the Atlantic provinces.

The city estimates each person who comes in generates \$100 of income.

"My wife is doing the retail therapy and supporting your economy," said Darryl Webster, a former



The Emerald Princess is 20 storeys high. (CBC)

Facebook 15

Twitter 3

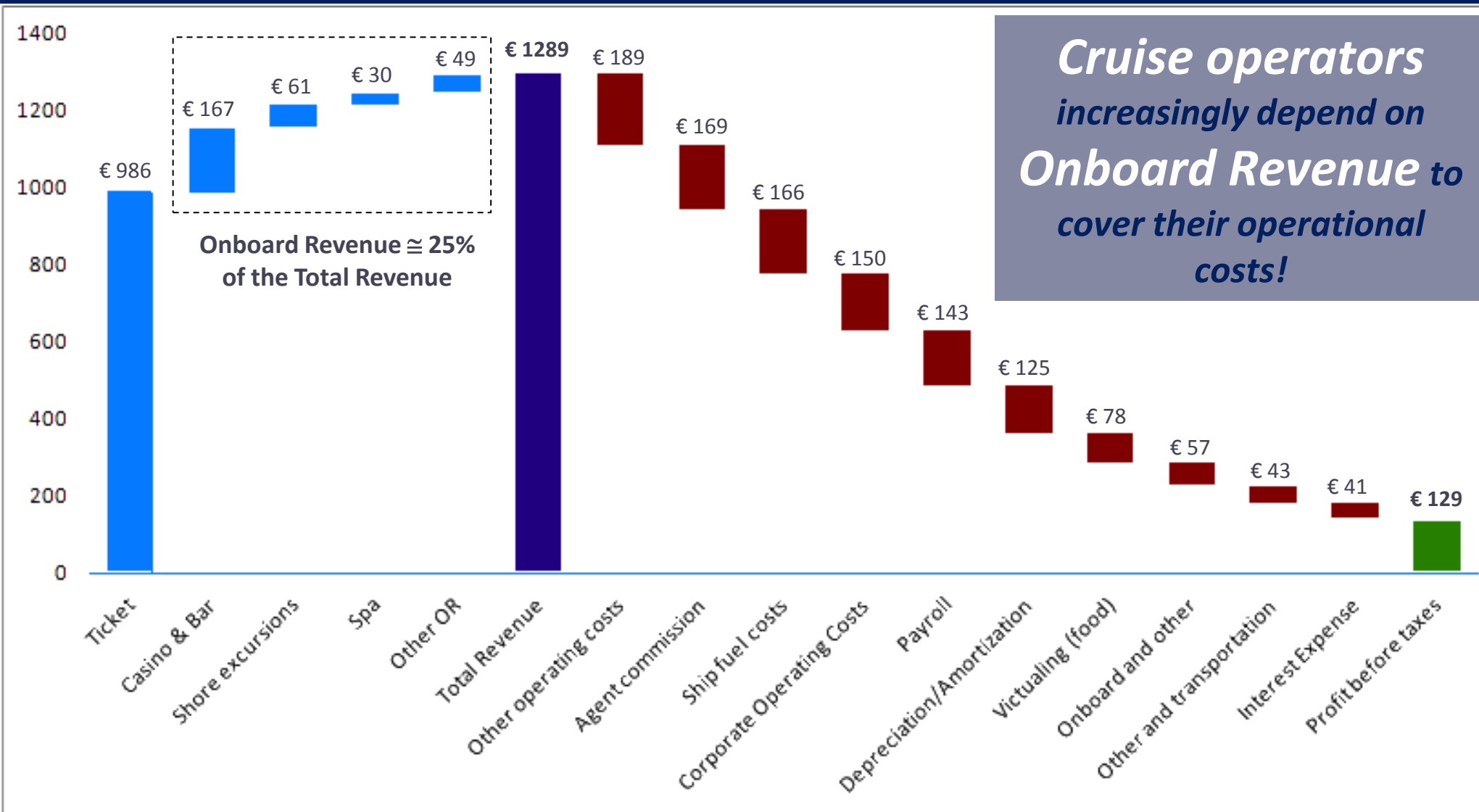
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Average Cruiser 2013

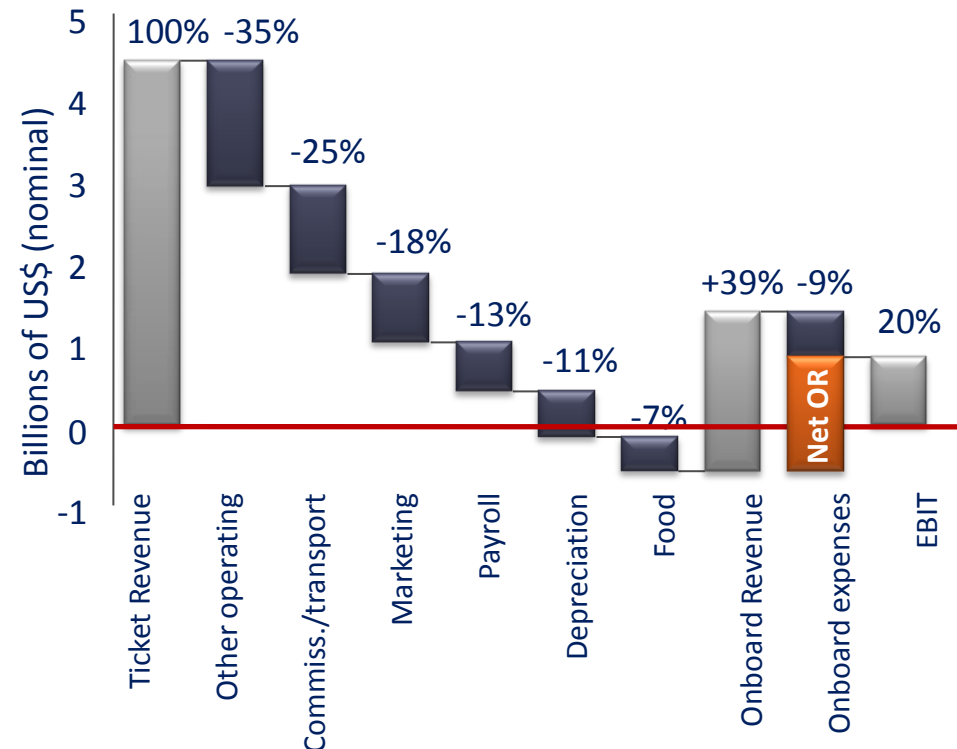
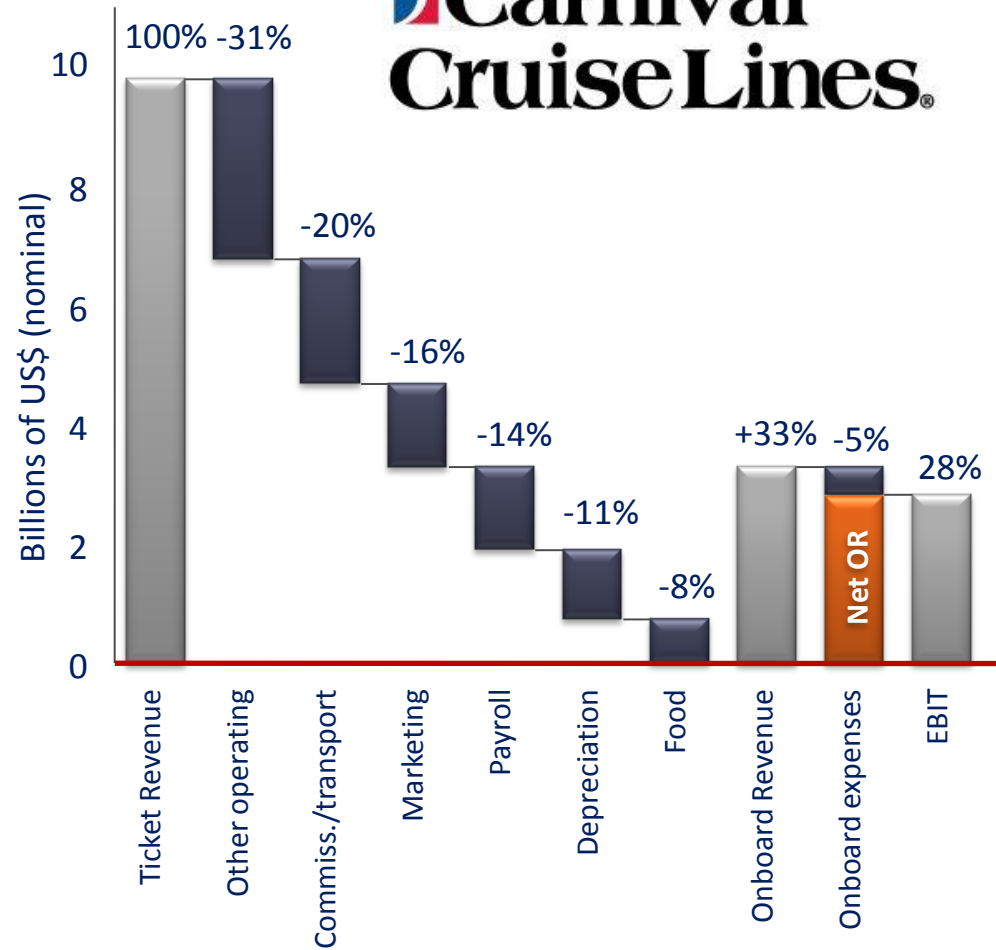
Financial Breakdown*



Balance Sheet Analyses (RCL & Carnival) 2007*

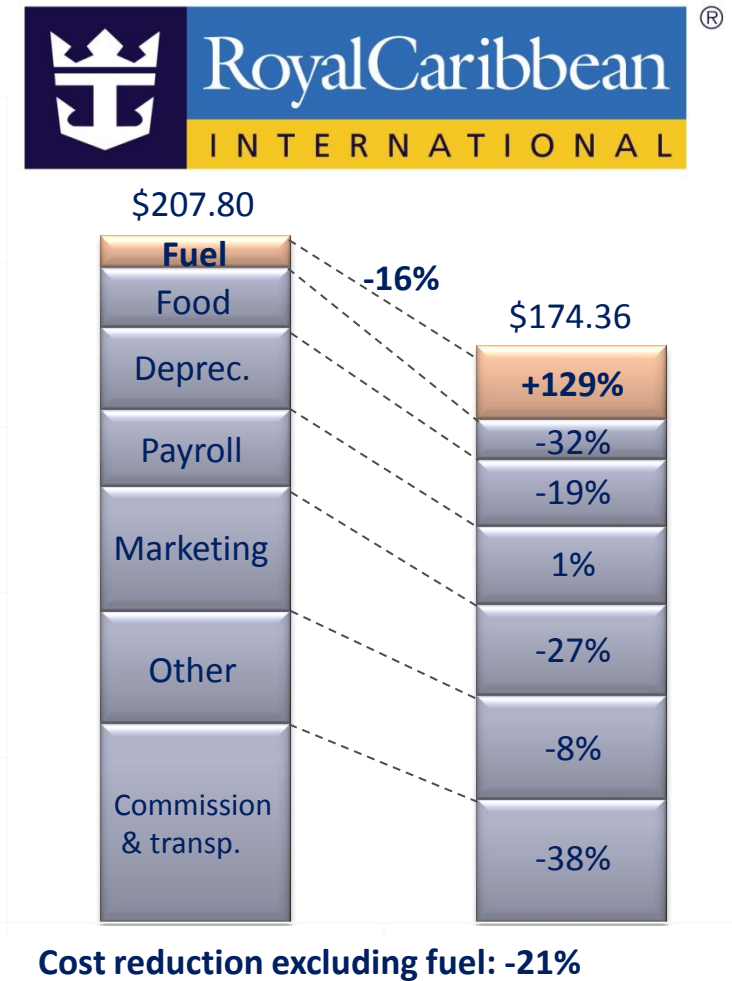
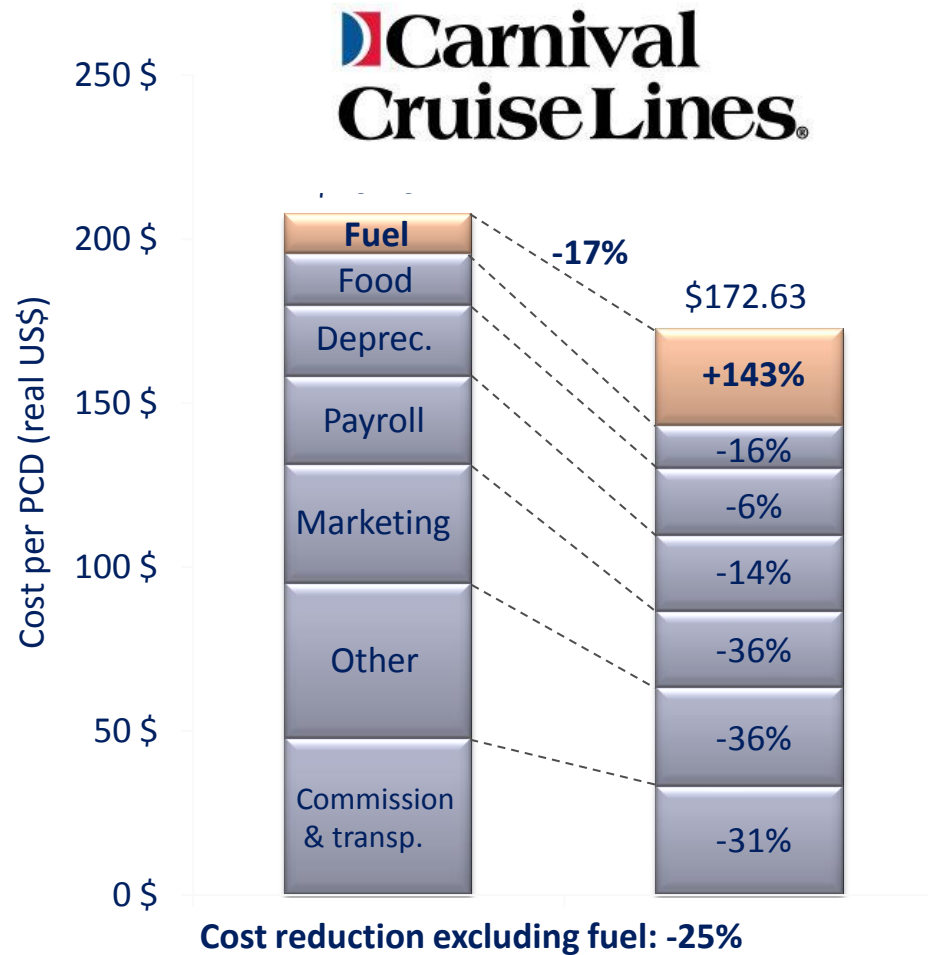
Dependence on Onboard Revenue

**Carnival
Cruise Lines®**



Balance Sheet Analyses (RCL & Carnival) 2011*

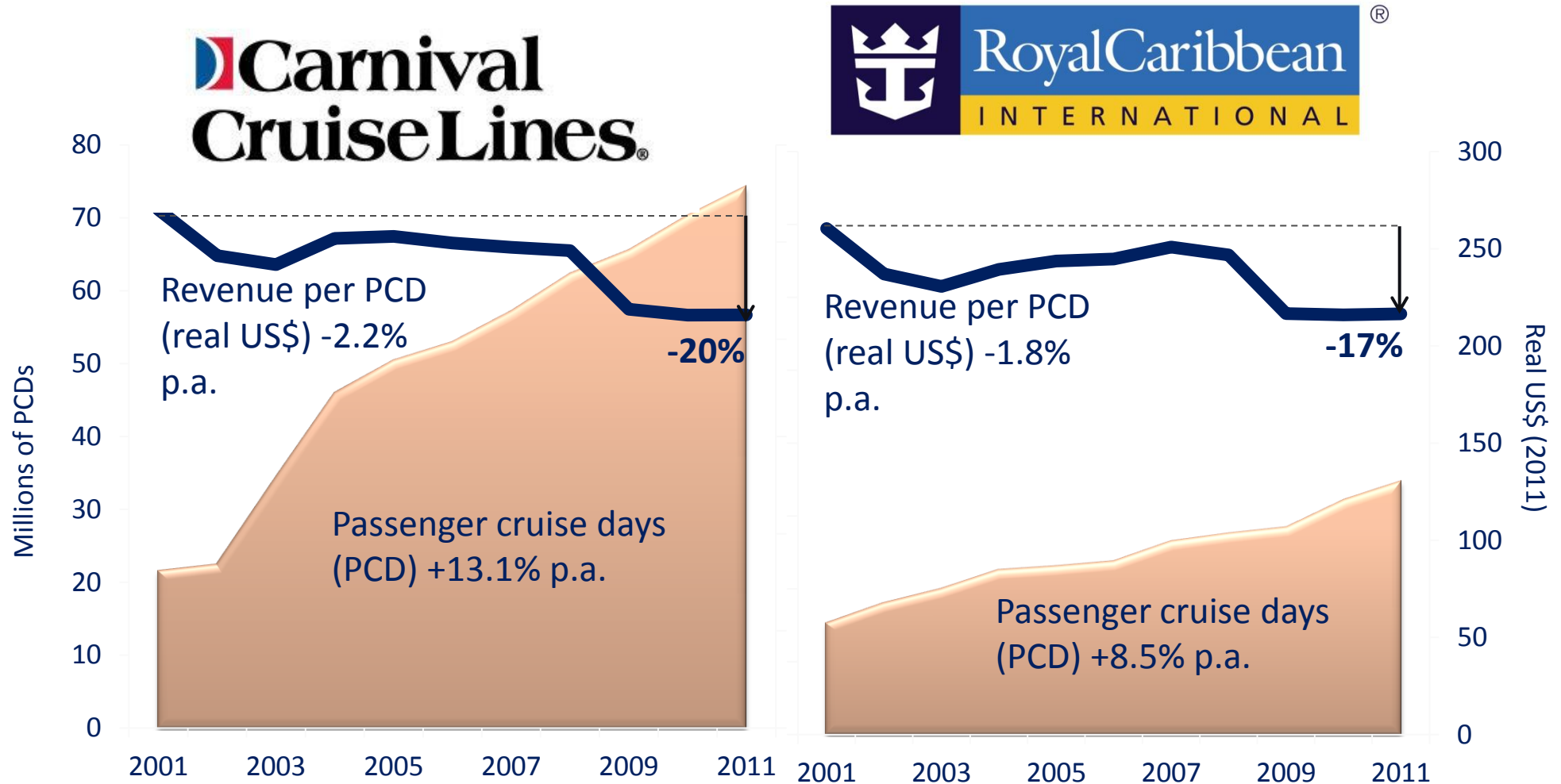
Cost-Saving Pressures?!



Costs per PCD 2001 vs. 2011 excluding cost of onboard sales

Balance Sheet Analyses (RCL & Carnival) 2011*

Dependence on Onboard Revenue



Profit margins have decreased by approx. **4%** over the last decade and are following a downward trend...
Could it be that too many options onboard **cannibalise shore-side** cruise operator income?

The Implications of Growth

The Price of Cost-Cutting & Profitability

Environment

- Image issue ('From Paper to Practice')
 - Friends of the Earth Scorecard
 - Cruise Operators' sustainability reports
- Integration of new technologies on existing fleets

Overcrowding & Itineraries

- Customer satisfaction deterioration
- Relationship between locals & tourists (Antagonism)
- Destination limitations (Seasonal, infrastructural)

Cost Pressures & Competition

- Rising fuel prices
- Safety & security regulations
- Personnel costs
- Fusion packaged tourism – cruise tourism (extended competitive scope)

Social Responsibility

- Tax avoidance – Flags of convenience
- Image issue ('Sweatships')
 - Intl Transport Workers' Federation (ITF)
 - International Labour Organisation (ILO)
- Crew living & employment conditions
- Criminality on board (Balancing security with recreation)

CRUISE TOURISM UTILITY SIDE: CORPORATE SOCIAL RESPONSIBILITY

A Media Soap Opera... Or a Scandal Below Deck?



'Too Big to Sail'*

The Costa Concordia Aftermath and Questions Raised

'Given the size of today's ships, any problem immediately becomes a very big problem,'

The New York Times

"The simple problem is they are building them too big and putting too many people aboard,"

October 27, 2013

"My answer is they probably exceeded the point of manageability."

Too Big to Sail? Cruise Ships Face Scrutiny

A recent report by the Coast Guard on the Splendor fire revealed glaring problems with the crew's firefighting abilities as well as failures in fire safety equipment.

The investigation did not address the size of the ship, which carried 3,299 passengers. But it showed that big vessels can quickly become crippled by small fires that disable complex systems. No passengers were hurt, but the damage to the engine room was severe, disabling the ship's power and forcing it to be towed to port in San Diego.

Carnival Triumph Incident

'Poop Cruise' goes Viral...



Image Source: <http://www.nytimes.com/imagepages/2013/02/15/us/jp-cruise.html>

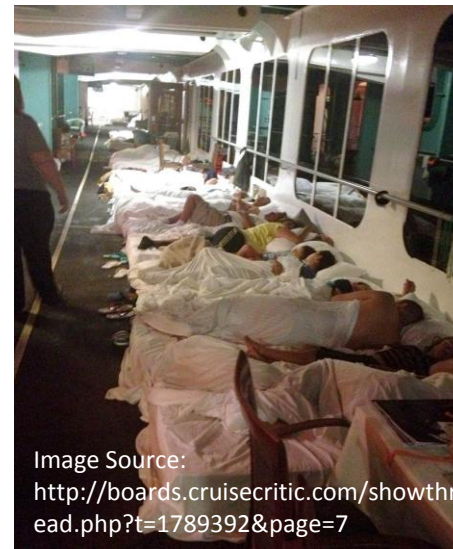


Image Source:
<http://boards.cruisecritic.com/showthread.php?t=1789392&page=7>



Image Source:
http://photoblog.nbcnews.com/_news/2013/02/14/16968298-passengers-begin-disembarking-from-carnival-triumph-cruise-ship?lite



Image Source: <http://www.nytimes.com/imagepages/2013/02/15/us/CRUISE.html>

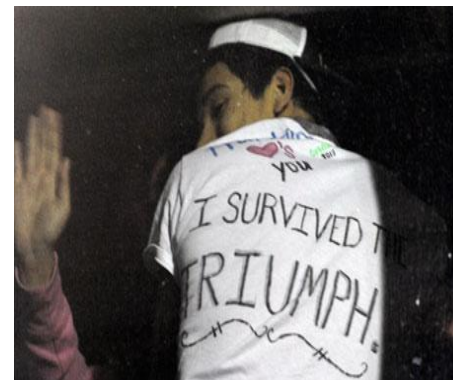


Image Source:
<http://www.theguardian.com/world/shortcuts/2013/feb/15/carnival-triumph-six-cruises-from-hell>



Image Source:
<http://boards.cruisecritic.com/showthread.php?t=1789392&page=7>

Incidents at Sea...

Beyond the Titanic and Concordia!



Image Source: <http://www.cruiselawnews.com/tags/hearing/>

Reported Incidents of Ships Sinking 1990-2013*:

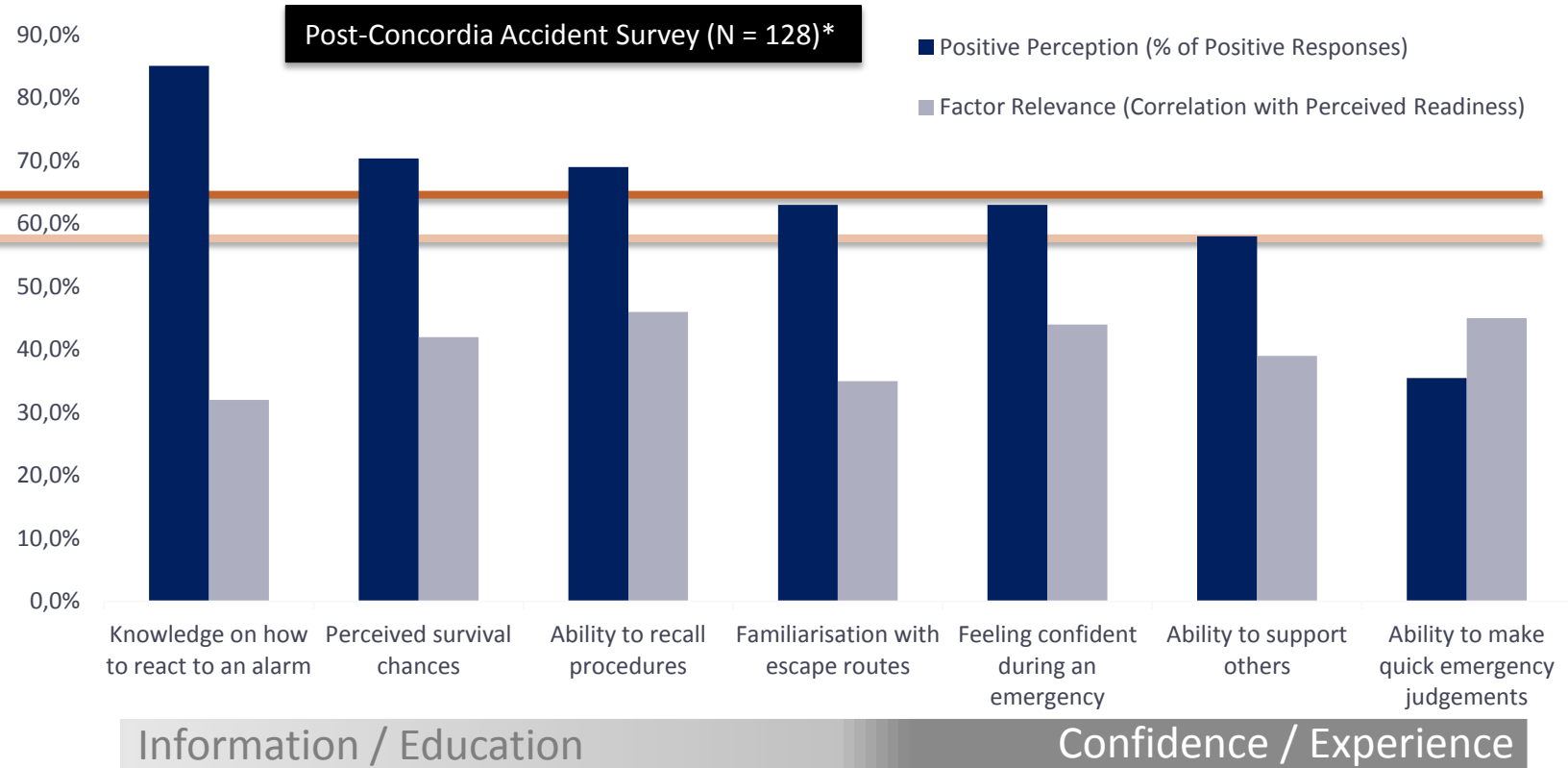
- 48 in Total

Disabling and major events 1990-2013*:

- 448 in Total
 - 139 Shipboard Fires
 - 106 Ship Collisions
 - **203 Other *Disabling Events***
(Power loss, Propulsion problems, Engine Damage, etc.)

Cruises & Safety Perceptions

Do Cruisers feel able to deal with an onboard emergency?



Est. Readiness >
Exp. Readiness
indicates a
**slight
insecurity?**

54% of respondents view safety as
their **own responsibility**
especially when travelling with their
family?

53% of respondents do **not trust (or cannot assess)**
the **crew's ability** to deal with an emergency... Staff
perceived as highly motivated and willing to help, but less highly as
able to provide information and communicate emergency info...

Crime at Sea... Sexual Assault*!

Not Mentioning Theft, Missing Persons, etc.

“In fact, the risk of sexual assault on a cruise ship is almost twice that of forcible rape in the US, and calculated as 48.065 per 100,000”

(Klein, 2007:68)**

Location of Incident (Where Known)

Location of Incident	RCI, 1998–2005 (n = 316)	Celebrity, 1998–2002 (n = 37)
Passenger cabin	36.4%	40.5%
Crew cabin/crew area	7.3%	27.0%
Bar	7.3%	5.4%
Dining room	6.6%	13.5%
Spa	5.7%	2.7%
Corridor	5.7%	2.7%
Deck	5.4%	2.7%
Public area	5.4%	—
Disco	5.1%	—
Public bathroom	4.4%	2.7%
Ashore	4.1%	2.7%
Youth program	3.2%	—
Elevator	1.9%	—
Pool	1.6%	—
Total	100.1%	100.1%

Work Role of Perpetrator

Work Role	RCI, 1998–2005 (n = 136) ^a	Celebrity, 1998–2002 (n = 33) ^a
Room steward ^b	34.8%	18.2%
Waiter ^b	25.0%	21.2%
Bar worker ^b	13.2%	24.2%
Officer	8.1%	18.2%
Musician/entertainer	5.1%	6.1%
Cleaner	2.9%	3.0%
Youth staff	2.9%	—
Security officer	2.2%	3.0%
Casino worker ^b	2.2%	—
Galley worker	1.5%	—
Other	2.9%	6.1%
	100.8%	100.0%

Employment Conditions on board... Media Dramatisation?

theguardian

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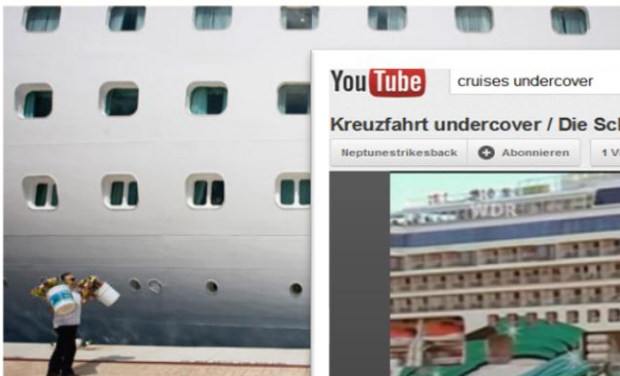
Comment is free

Cruise ships are a floating microcosm of our global economic hierarchy

Titanic-style divisions below deck on luxury cruises are still evident 100 years on, exploiting an international workforce



Paul Mills
guardian.co.uk, Monday 1 October 2012 14.53 BST
Jump to comments (92)



A vendor offers flowers for sale outside Royal Caribbean's ship of the Seas. Photograph: Reuters

The Titanic, and its striking imagery of luxury and opulence, champagne and chandeliers, Italian waiters, the toil and trouble of the industry, the luxury is no longer so exclusive. Certainly aren't European – but not a

YouTube

cruises undercover

Kategorien Video hochladen

alexis.papathanas...

Dispatches | Cruises Undercover | Channel 4

channel4 Abonnieren 2.226 Videos



I didn't do the contract earlier on

YouTube

cruises undercover

Kategorien

Video hochladen

alexis.papathanas...

Kreuzfahrt undercover / Die Schattenseite der Luxusdamper

Neptunestrikesback Abonnieren 1 Video



Perhaps, maybe for a number of crew, the **wages and life on board are better than at home...** But are they fair? For how long? With what implications?

The age of online
transparency has
arrived...What happens
at sea does not stay at
sea anymore!

CRUISE TOURISM UTILITY SIDE: WIDER SOCIO-ECONOMIC IMPACTS

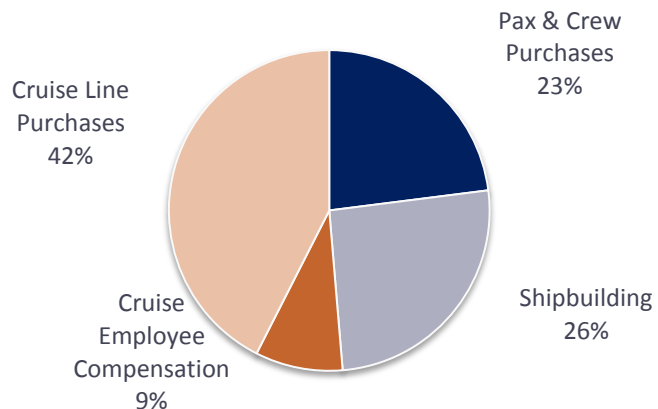
Cruise as a Driver of Development... Or Post-Modern Economic Colonialism?



The Cruise Economy 2012:

Direct Economic Impact of Cruise Tourism in Europe

Direct Economic Impact of Cruise Tourism in Europe 2012
(Total € 15 Billion)



Total Economic Output

- Indirect: € 22.2 Billion
- Direct: € 16.2 Billion

Employment

- Direct: 164.804 Jobs (48%)
- Induced: 50.415 Jobs (15%)
- Indirect: 124.198 Jobs (37%)
- Total: 339.417 Jobs
- 62.400 of those jobs were European (5.600 on Land)
- € 10.5 Billion in Employee Compensation
- Average salary = € 31.000

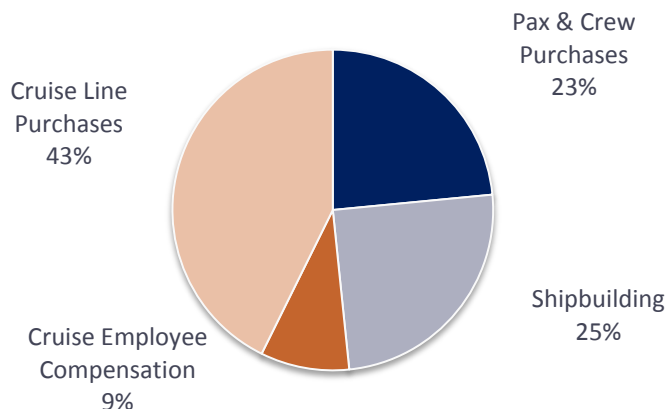
Incoming

- 31.2 Million visitors in European Ports
- Average expenditure per visitor € 62

The Economic 'Winners'

- 3 European countries comprise 45% of the total direct economic benefits of European cruising
- Italy (€ 3.1 Billion Income): Manufacturing (29%), Employment (16%), Tourism (25%)
- UK (€ 2.58 Billion): Business & Financial services (25%), Tourism (19%) Employment (22%)
- Germany (€ 1.7 Billion): Manufacturing (40%), Tourism (18%), Employment (6.5%)

Direct Economic Impact of Cruise Tourism in Europe 2013 (Total € 16.2 Billion)



A couple Cruise Press Extracts...

A US Cruise Line Exodus from Europe?



“Therefore we (Carnival) have decided to **keep ships in North America** during this period rather than place capacity in Europe in 2014.”*

“Industry giant Royal Caribbean only will have seven ships in Europe in 2014, not eight as originally planned, as **soft demand in the region** prompts the company to cut back.” **



“Both Royal Caribbean Cruises and Princess Cruises are reducing capacity in the Mediterranean. Royal Caribbean said it plans to **reduce 2014 year-on-year capacity in Europe** by a further 10 per cent.” **

Understanding US Cruise Line Strategic Actions

The 'Engine' of EU Cruise Sector Growth?

"The majority of the major cruise lines that are active in North America, like Carnival and Royal Caribbean, were **drawing** a significant amount of their passenger boardings from the **European source market...**"*

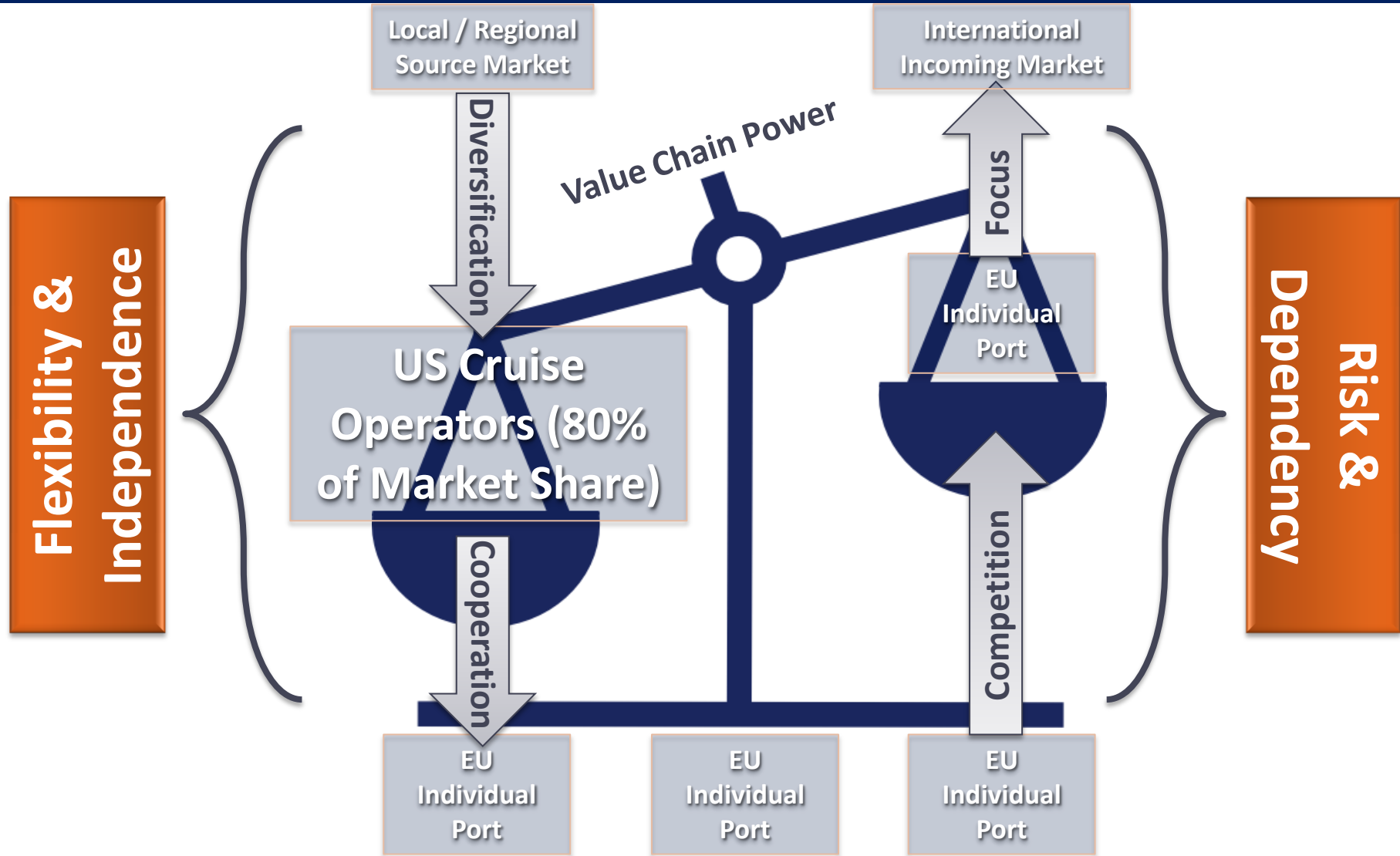


"The bigger lines are taking advantage of the **reality** that cruise line management can make **prudent** moves and **shift vessels around...**"*



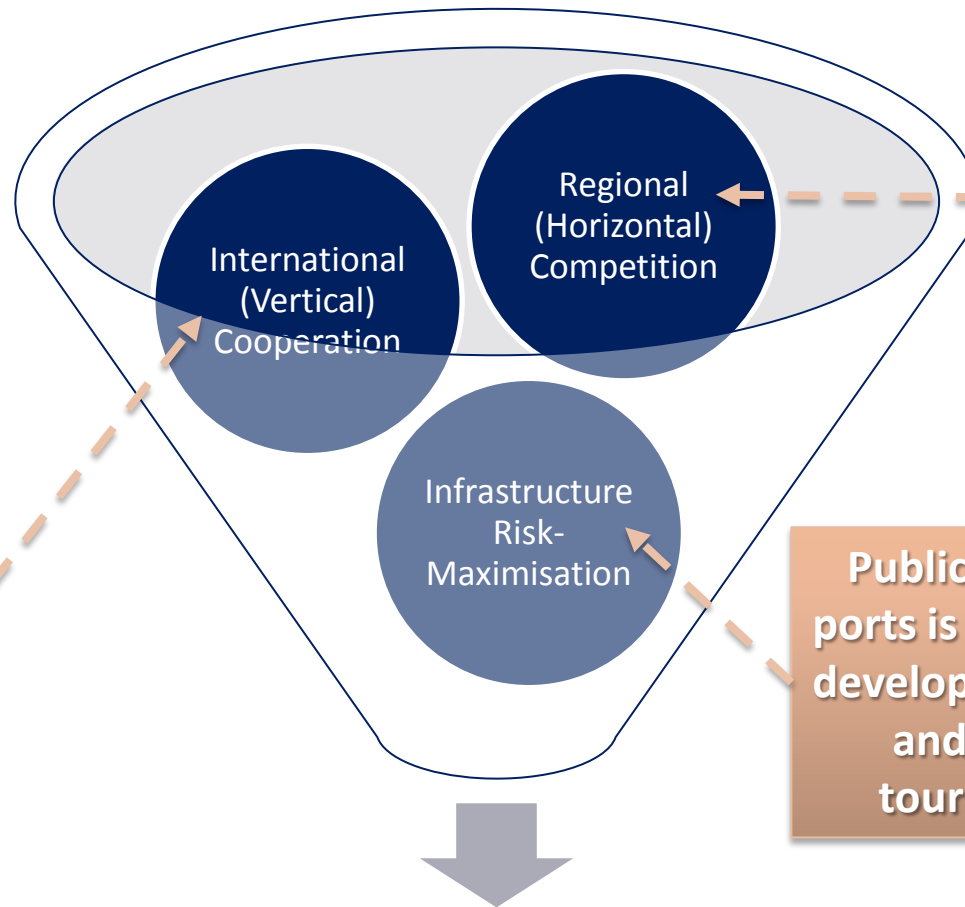
**US Cruise
Operator Risk
Man/t &
Opportunism**

The As-Is Situation Simplified...



Emergent Port Strategies

... Are we really talking about a long-term strategy ?!?!



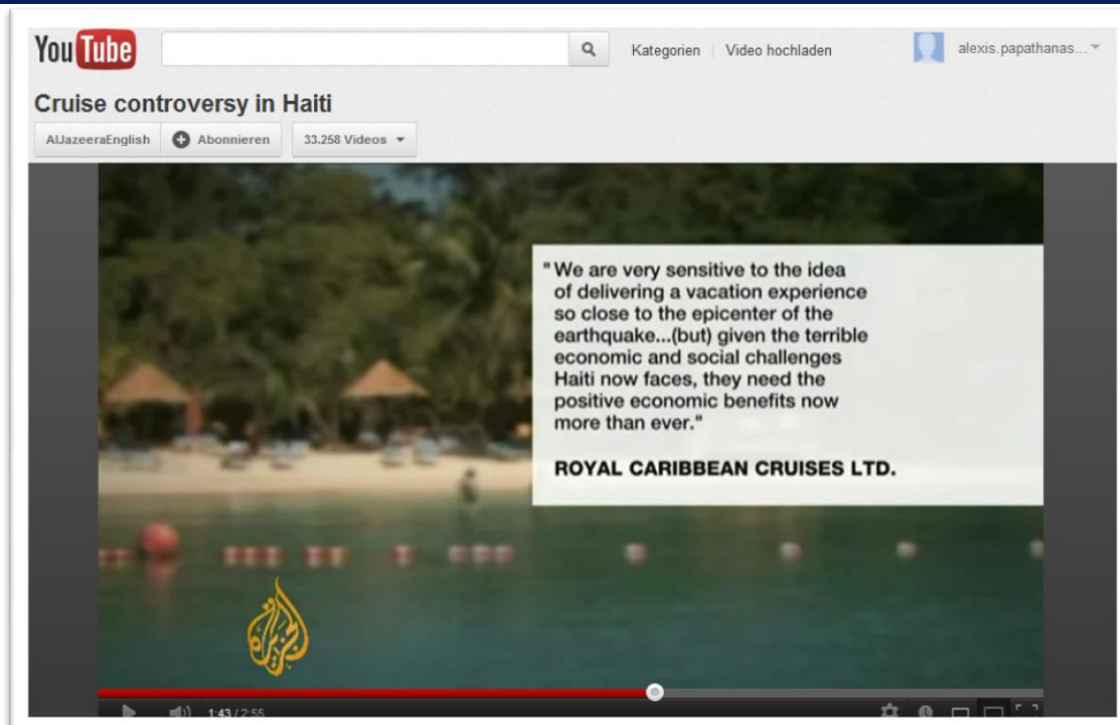
Ports negotiate as separate units with cruise operators and compete with each other for the same cruise segments

Alliances focus on attracting foreign cruisers and cruise operators – mainly common promotional material

Public investment in ports is not the same as developing a diversified and sustainable tourism portfolio

EU Port Reduced Vertical Power and Increased Upstream Dependency in the Cruise Value Chain

Cruise Contribution to Local Communities?



Cruisers may spend an average of **70 Euros** at the ports of call. Question is if the money spent at port covers the **indirect costs** and if it goes into the **wallet of the locals**

The Telegraph

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The crowd of cruise ships will damage Venice

Protecting Venice's historic buildings



Transporting tourists: gondolas are better suited to the Venetian lagoon than cruise ships
Photo: All Canada Photos / Alamy

6:58AM BST 16 Oct 2012

28 Comments

SIR – We have just returned from a trip to Venice, a city that we love, and after only a three-year gap we noticed many changes for the worse ("Venice is cracking up, say gondoliers", report, October 12).

We felt that there were far too many cruise ships. Every day during our stay there were at least six cruise ships docked in the lagoon, four of which were so-called super vessels. Although the passengers do bring welcome income, the motion of the water dispersed by these liners must be having an adverse effect on the area.

By allowing such a vast influx of tourists from these liners, the Venice authorities may find that rather than keeping the city alive, they are helping to dig a watery grave. We hope campaigners are successful in limiting the number of cruise ships. They have our support.

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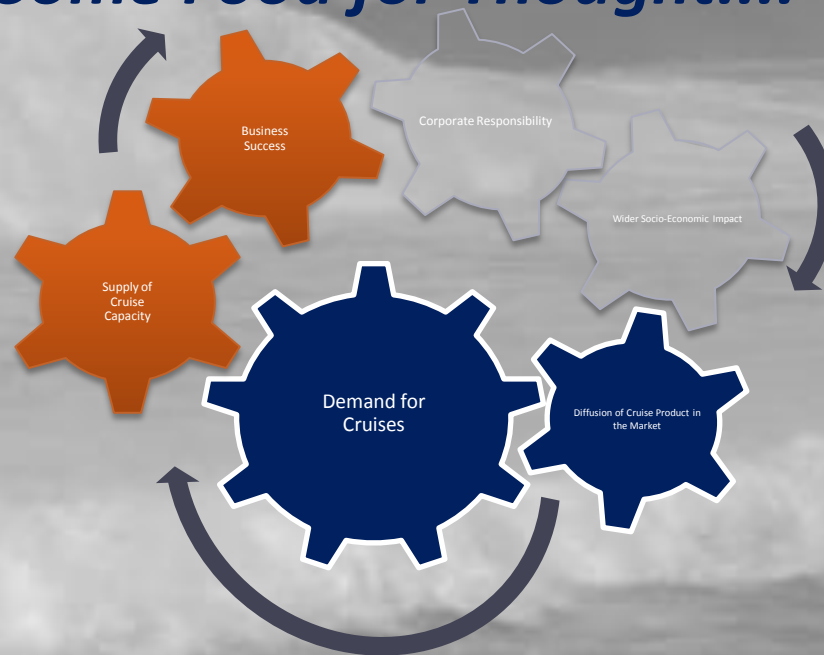


Latest Letters

What is the true value
of cruise tourism for
the wider community?

SYNTHESIS: BRINGING IT ALL TOGETHER

Some Food for Thought....



Summary of Key Points

Cruise Demand Side

- Passenger growth is not indefinite
- Continuous ticket price decrease
- Transformation of cruise image
- Web 2.0 communications
- The first signs of maturity are beginning to show

Cruise Supply Side

- Industry Concentration
- Mega-liners
- Standardisation & Cost-savings
- Differentiation Challenges
- Operational Complexity
- Declining profitability

Utility Side

- Negative Publicity
- Questionable benefits local communities
- Destination vs. Cruise Operator (Power Imbalance)
- Risk of Spill-over Effects in Demand:
 - Flags of convenience & tax evasion
 - 'Sweatships'
 - Pollution & Overcrowding

Diffusion / Marketing

Growth Side Effects

Product Development & Innovation

Impact on Internal / External Diffusion Effects

Food For Thought...

Cruise Demand Development

- What options do cruise operators have to revive the cruise product life-cycle?
- Do you see promising niches or innovations within the boundaries of the cruise industry?
- Who is the future cruiser? What are the implications for cruise tourism distribution?

Cruise Supply Side

- Where do you see the product philosophy of cruises going?
- What do you think will be the next trend in cruise vessels?
- How do you see the future development of the interface between cruise tourism and other tourism forms

Cruise Tourism Utility

- How can destinations deal with the power imbalance in the supply chain?
- Under which conditions can destinations benefit from cruise tourism, given its externalities?
- How are cruise operators to deal with the new age of online transparency, rapid diffusion of information, and negative publicity?

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)**
(<http://www.imt.hs-bremerhaven.de/>)
- Editorial Board Member of the Journal of the European Journal of Tourism, Hospitality and Recreation (EJTHR) –
(<http://www.ejthr.com/>)
- Reviewer of the Tourism Management Journal
(<http://journals.elsevier.com/02615177/tourism-management/>)

► Administrative Functions:

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