

## THE CRUISE TOURISM - A MEGATREND OF THE INTERNATIONAL TOURISM

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**Abstract:** *The study on cruise tourism is necessary due to the increasing demand for this relatively new form of tourism, one of the megatrends of tourism development. This paper analyzes the main indicators of the global cruise tourism, highlighting the trends in cruises and the evolution of the cruise tourism market in Romania. The recent trends refer to cruises of shorter duration, combining air-sea arrangements - along with the liberalization of air transport, activity diversification on board, increased interest in theme cruises, and customized cruises.*

**Key words:** *cruise tourism, Cruise Lines International Association, economic impact, regional markets, international demand*

### INTRODUCTION

The market of cruise tourism has changed its image in recent years from a luxury one to a mass offer and market, aiming at a wider and younger audience. Choosing a cruise as a holiday destination has been restricted by some prejudices: very high cost, the risks of sea travel, the lack of free movement on the boat, the main type of cruise tourists (elder, rich, eccentric). In recent years, the cruise sector has developed (replacing the fleets with a new ship generation of greater comfort and safety, renovated interiors and new additional services) and ruined these suspicions one by one.

Now the cruise market experiences a period of expansion, the use of space ship is over 80%, despite the increasing number of cruise operator companies. The two largest markets of global cruises are the Caribbean Basin, which represents about 28% of the world market, and the Mediterranean Sea, with 15% of the offer.

Most in demand are the theme cruises, combining education with vacation. The essence of a theme cruise may be: culinary arts with a certain specific, history, photography, astronomy, or any other field that could attract a large number of people with common interests.

An innovation in terms of cruises is the introduction of ships with on-board garage that transport both the passengers-tourists and the vehicles for those interested (cars and coaches).

To attract new tourists and to meet their varied tastes, the cruise ships offer a wide range of special services:

- latest health treatments and fitness programs, healthy food options, all designed for the tourists to continue their healthy everyday lifestyles;
- communications systems based on the latest generation of information technology, traditional telecommunications methods, such as international dial phones, fax, satellite and closed circuit television;
- special facilities for meetings, conference and business meetings;
- special devices for people with disabilities;
- many cruise lines have casinos, offering gambling. Most cruise lines run their own casino operations, employing experienced managers and dealers who worked in casinos in Europe. Security is also high, using many of the security methods applied in Las Vegas, at the gambling tables;

- programs to celebrate special occasions: weddings, anniversaries etc. Some cruise lines employ professional organizers to take care of every detail, from the flowers and photographers, to food and the ceremony itself.

Although the concept of cruise business is still in early stages, the combination between relaxation and comfort a cruise offers, makes it a true reservoir of possibilities for business meetings and conferences.

## **MATERIALS AND METHODS**

The research consisted of data collection on the main indicators characterizing the global cruise tourism. We also consulted the information in a series of publications and documents of Cruise Lines International Association (CLIA), Seatrade Cruise Convention. The representative indicators are the number of passengers and the market share.

## **RESEARCH RESULTS**

Cruise Lines International Association is made up of 63 cruise lines, representing over 95% of global cruise capacity, having a significant impact on the economy. 21.7 million tourists are estimated for 2014. To meet the demand, these member lines will introduce 24 new ships in 2014-2015, adding a total capacity of 37,546 passengers, representing a capital investment of about \$ 8 billion.

Most cruises are carried on the Mediterranean and Caribbean basins. These two regions attract over 60% of all cruises, while the Scandinavian and Baltic regions about 10%. Most routes are seasonal, meaning that the cruise companies would be required to move ships from one region of the globe to another in order to gain benefits during periods of peak demand for cruises.

These moves are called positioning voyages and provide lines with the opportunity to sell these trips as long cruises or even lines involving transatlantic voyage. For examples, the cruises on the Baltic Sea and the North Cape are performed during the northern hemisphere summer. This also apply for cruises to Alaska, taking advantage of the political instability of some routes in the Mediterranean. The Caribbean also benefits from its position close to the American continent, its mild climate allowing cruises throughout the year, although the winter temperate climate accounts for the highest demand. Florida ports such as Fort Lauderdale, Miami Port / Everglades and Port Canaveral have become by far the most important basis of global cruise industry.

The search for new destinations and more adventurous cruises led to the opening of new routes on the east coast of Africa, including Madagascar, Seychelles and Mauritius, and the islands of Indonesia. Companies like Noble Caledonia or Jules Verne introduced for the first time cruises in the Pacific islands and voyages in the Arctic and Antarctic regions, often using smaller boats.

Long routes have also become very popular by adapting the concept of fly cruising. Singapore, in particular, is sought as an extending basis for the global market of cruises, directing now to Far East destinations.

The traditional customers of cruise tourism are people over 50 years, with high income (cruise prices are within 200-500 USD / day / tourist), aiming to attract new segments of consumers, especially young people, through affordable prices, diversification of destinations and service offers.

Table 1

## International demand for cruises, from 2003 to 2013

- million passengers -

Region	2003	2008	2009	2010	2011	2012	2013	10-year growth
North America	8.23	10.29	10.40	11.00	11.44	11.64	11.82	43.6%
Europe	2.71	4.47	5.04	5.67	6.15	6.23	6.40	136.2%
Subtotal	10.94	14.76	15.44	16.67	17.59	17.87	18.22	66.5%
Rest of the world	1.08	1.54	2.15	2.40	2.91	3.03	3.09	186.1%
Total	12.02	16.30	17.59	19.07	20.50	20.90	21.31	77.3%

Source: The Global Economic Contribution of Cruise Tourism 2013, CLIA, September 2014, p. 5

In the period 2003-2013, the demand for cruises worldwide increased from 12 million passengers to 21.3 million passengers, registering an increase of 77%. The North America ranked first in the cruise tourism market, with 11.82 million passengers and a market share of 55.5%. Meanwhile, Europe's market share increased from 22.5% in 2003 to 30.0% in 2013, while the rest of the world share increased from 9.0% to 14.5% during 2003-2013.

Table 2

## The origin of tourists by region

Pos.	Region of origin	Share of global % 2013	Change in 5 years %
1.	U.S.A.	51.7%	15.1%
2.	U.K. and Ireland	8.1%	16.4%
3.	Germany	7.7%	80.5%
4.	Italy	4.0%	26.1%
5.	Australia	3.6%	130.3%
6.	Brazil	3.4%	1.3%
7.	Canada	3.4%	1.3%
8.	Spain	2.8%	20.7%
9.	France	2.4%	67.7%
10.	Scandinavia and Finland	1.6%	184.6%

Source: CLIA State of Industry Overview, <http://www.cruising.org>

In the future, the prosperous regions in terms of cruise tourism will be: Germany with an increase of 80.5%, Australia / New Zealand with 130.3%, Canada with 84.8%, France with 67.7%, and the highest percentage for Scandinavia and Finland with 184.6%. The lowest ranked region for the next five years will be Brazil.

In recent years, the American cruise industry has recorded an increase of 66%, due to the large number of North American cruise ships sailing into the European and American seas. Another reason would be the increasing interest of US residents for this type of holiday, and their preference change for exotic areas and beyond.

The direct impact of cruise tourism is measured by the receipts of tour operators, cruise companies and all those involved directly in this industry, as a result of tourists' expenditures for a certain period of time, usually one year.

**Table 3**

**Direct economic contribution of cruise sector– global and regional markets – 2013**

Category	Global	Regional markets				
		United States	Rest of North America	Europe	Australia	Rest of world
<b>Output (\$ billion)</b>	52.31	20.10	4.73	21.20	1.72	4.56
<b>Share of global</b>		38.5%	9.0%	40.5%	3.3%	8.7%
<b>Income (\$ billion)</b>	\$16.47	6.63	1.08	6.60	0.56	\$1.60
<b>Share of global</b>		40.2%	6.6%	40.1%	3.4%	9.7%
<b>Employment</b>	417,979	147,898	51,188	164,804	8,378	45,711
<b>Share of global</b>		35.4%	12.2%	39.5%	2.0%	10.9%

Source: The Global Economic Contribution of Cruise Tourism 2013, CLIA, September 2014, p. 24

Europe has the largest direct economic contribution, approximately 40% of global direct contribution of the cruise industry, respectively \$ 21.2 billion, generating 164,804 jobs. The share of US direct contribution was lower, 38.5% and respectively \$ 20.1 billion direct expenditures, generating 147,898 jobs and \$ 6,630,000 revenue. In 2013, the cruise tourism generated 51,188 jobs for North America, 8,378 jobs for Australia, and 457,111 jobs for the rest of the world.

**Table 4**

**Indirect and induced economic impact of cruise sector– global and regional markets – 2013**

Category	Global	Regional markets				
		United States	Rest of North America	Europe	Australia	Rest of world
<b>Output (\$ billion)</b>	64.84	23.99	4.26	31.08	1.39	4.12
<b>Share of global</b>		37.1%	6.6%	47.9%	2.1%	6.3%
<b>Income (\$ billion)</b>	22.00	11.64	0.93	7.34	0.35	1.74
<b>Share of global</b>		52.9%	4.2%	33.4%	1.6%	7.9%
<b>Employment</b>	473,030	215,235	39,610	174,613	5,590	37,982
<b>Share of global</b>		45.5%	8.4%	36.9%	1.2%	8.0%

Source: The Global Economic Contribution of Cruise Tourism 2013, CLIA, September 2014, p. 25

Europe has the largest indirect and induced economic contribution, representing approximately 47.9% of total indirect contribution of the cruise industry: \$ 31.08 billion and 174,613 jobs. Australia has the lowest indirect and induced economic contribution, representing approximately 2.1% of total indirect contribution of the cruise industry: \$ 1.39 billion and 5,590 jobs.

According to the report Global Economic Contribution of Cruise Tourism 2013, the following indicators were recorded:

- 21.31 million passengers boarded in ports around the world.
- 55% of total passengers come from North America (11.82 million), of which 10.92 millions being US residents.
- 30% of passengers live in Europe (6.4 million), of which 1.73 million in the UK and Ireland, and 1.69 million in Germany.
- other cruise passengers come from Australia (833,000 passengers), Brazil (723,000) and China (727,000).
- the average length of a cruise is 7 days, with 3 or 4 stops.
- the cruise passengers and the crew spend an average of 100 euros each day.

The cruise tourism has recorded a remarkable growth in the last decade, the ships and boarding ports have been equipped with more advanced features, the destinations and itineraries have diversified, and even a cruising lifestyle had occurred.

Another interesting trend is the increasing importance of smaller, regional boarding ports. Tourists are taken to destinations they have not visited before, resulting in an increase in the variety of experiences that complement those on board.

The long term future cruises could be improved by the new marine technology, such as the ship traveling over the surface of water, or the water-jet propulsion ship, tested on a new type of vessel. The ships equipped with new technologies are significantly safer for those on board and they protect the natural resources, making the cruise vacations so attractive. Other trends reported by the cruise lines are:

- ✓ cruises on rivers represent alternatives to traditional cruise; they are offered mainly in Europe, China and on the Mississippi, on small vessels of 100-200 people;
- ✓ developing dining arrangements with more specialized restaurants;
- ✓ spas on board, including those of top brand partners;
- ✓ focusing on personalized cruise experiences both on board and on shore, with private tours and activities aimed at specific demographic segments: families, children, active tourists, athletes, etc;
- ✓ increasing the interest in themed cruises, especially gastronomy and wine, music, art and culture;
- ✓ increasing the number of young passengers traveling on a cruise for the first time, large families with more generations, or corporate groups.

Cruise tourism in Romania is still a segment of the specific industry, rediscovered by tour operators. Romania has the potential to develop river tourism, since it has the most spectacular sectors of the Danube – the Danube Defile and the Danube Delta (world heritage and biosphere reservation), but it lacks modern infrastructure and the docking ports are not used.

Though the natural conditions offer many opportunities for shipping, yet tourists show little interest: 195,871 foreign tourist arrivals and 23,470 Romanian tourist departures in 2013.

According to the statistics published by Seatrade Cruise Convention, Port of Constanța was crossed by 64,861 passengers in 2014, compared to 54,226 passengers in 2013. In 2010, 21,286 passengers arrived at Port of Constanța terminal. The number of passenger in 2014 was approximately 28% higher than in 2013, while the number of cruise ships that docked in Port of Constanța increased by 33% compared to 2013. The upward trend is to be kept in 2015, reinforcing the position of Constanța among the Black Sea ports.

Many specialists consider that this market has large reserves of growth. The demand is still not met, considering the programs affordable to middle income categories. Even if a cruise price is still the highest compared to other tourist programs, many people are willing to save money for such an adventure on the water. Moreover, there are still less valued tourist destinations, so that the cruise may extend geographically.

## CONCLUSIONS

Cruise tourism is a growing form of tourism and it tends to become accessible to wider market segment. Thought at first it was specific to the rich, now it turned into a form of mass tourism, accessible for middle-income or young people, providing different

comfort categories, appropriate services and voyages lasting from several days to several months.

Cruise tourism, a megatrend of tourism development, is expected to increase significantly. However, the lack of infrastructure in some ports, citizens' discontent in some destinations and the geopolitical tensions are three factors that must be taken into account. The popularity of cruises continues to grow, thanks to a wide range of entertainment possibilities and a great satisfaction of passengers experienced in travel. This industry growth has generated an increase in employment and receipts all over the world.

The following trends will characterize cruise tourism in the near future:

- ✓ Continuous development and technology availability to facilitate and reduce the cost of on-board communication and to provide more effective services for travelers;
- ✓ Increasing the number of passengers; relaxing in luxury cruises (luxury ships, novelty and improvements on board) based on an improved economy, and increasing the customers' confidence.
- ✓ Increasing the number of voyages for large families with many generations or for social / affinity groups traveling together.
- ✓ The cruise lines offer many all-inclusive choices for accommodation, services and facilities to increase the number of reservations and the pleasant experiences on the ship;
- ✓ Cruises attract more and more customers seeking active holidays with extreme trips, longer stays in ports for sightseeing and provide greater facilities on board.
- ✓ Market recovery in Spain;
- ✓ Redefining luxury. The luxury sector is growing worldwide: there is an ultra-luxury niche in the top of the pyramid, seconded by a segment of aspiring passengers.

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