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DESTINATION DEVELOPMENT FOR CRUISING TOURISM

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Abstract

Cruising tourism is the largest growing tourism sub-system. The importance of cruising tourism should be viewed in a far wider context than tourism itself. Namely, cruising tourism is maintained by numerous shareholders whose interests need to be reassured for the purpose of sustainable destination development. Tourism's sub-system, cruise ships, in comparison to the sub-system of coastal tourism, has its own specifics which may easily prove contradictory in itself and thus compromise sustainability. Due to the specificity of cruising tourism, it is necessary to identify factors relating to potential cruising controversy among the local population; namely, to destination development. Thus, this paper will show and analyse the system of shareholder relations which may yield good results, but also poor and so compromise destination development. The goal is to valorise these factors in relation to the shareholders who maintain this system efficient and/or inefficient. The basic hypothesis of this study indicates the system of relations among the shareholders which should be governed through management represented by all major shareholders. Namely, without sustainable management destination programs, large cruiser ports and, of course, cruise companies would encounter sustainability significantly compromised. Given we live in times *of constantly growing cruising tourism, on the one hand, and also the interest of elite destinations to achieve favourable results; this phenomenon should be explored in terms of creating effective partnership managements. Numerous questions arise to which this study shall present relevant answers.*

Key words: cruising tourism, destination management, sustainability, partnership management, shareholders

1. INTRODUCTION TO CRUISING TOURISM AND DEVELOPMENT TRENDS

Cruising tourism, or so-called cruising, is a subgroup of nautical tourism rapidly progressing over the last 30 years, 11% in annual average. (TOMAS, 2006) Cruising represents a combination of sea transport, travel, tourism and vacation, (Lekakou,2004)and is defined as a sea vacation activity for passengers who pay for an itinerary (and other ship services) for minimum stay of one night on board a ship of at least 100 passengers. The Croatian Bureau of Statics define cruising as: "cruising is a tourist journey of several days according to a specific cruise itinerary (detailed travel plan)". (DZS, 2013)

In global relations, cruising is divided into the following periods: (Duval, 2007)

- Initial return voyage offer from England to the Mediterranean with P&O vessels in 1844;
- The first cruising yacht was initiated in 1881 by ship-owner Oceanic Yachting Company in response to an article issued by the British Medical Journal which suggested sea voyages contribute to significant health wellbeing;
- The first purpose cruising ship, luxurious and adorned, was launched in 1900 for German ship-owner Hamburg-America;
- The popular "booze cruise" (also called: "cruise to nowhere" or "party cruise") during the '30-ties prohibition era in the United States;
- The conversion of migrant ships to cruise ships in response to cruising demand after World War II;
- The reduction of many liner cruise companies during the '50-ties and '60-ties when air travel became more convenient and accessible although this gave rise to very popular tourist packages "fly and sail".

In review issued in 2011, CLIA, among else, indicates the following features of the cruise industry:

- *The cruise industry has the most significant increase on the overall tourist market.* Since 1980, the average annual passenger growth in the cruise industry was 7,6%.

- *The cruise industry is still young.* From 1980 to 2010, over 191 million passengers booked cruise journeys (two or more days). Of this number, an overall passenger index generated 67% in the last 10, while 39% only in the last five years.
- *The potential cruise market is quite strong.* In the next three years (from 2010, op AA), over 50 million North Americans have shown an interest in cruise voyages. To date, approximately 24% of the population of the United States of America has taken a cruise voyage.
- *The product of cruising is incredibly diversified with, practically, a vacation for everyone on board a cruise voyage.* In the last 10 years (prior to 2010, op AA), the industry responded to the extensive market and consumer demand which lead to additional new destinations, new ship concepts, new activities on board and ashore, new themes and longer voyages to satisfy the demanding changes of vacationers on the present market.
- expectations in the wide spectra of significant vacation features. Compared to other vacation categories, cruising consistently receives top ratings. The constant challenge of cruising is converting the imagined to new cruising possibilities.
- *Cruising is an important promoter for exploring destinations for the returning passenger.* 82% of cruise passengers agree a cruise vacation is a good way of sampling destinations they may wish to visit as tourists. Nearly 40% cruise passengers return for a vacation to a destination they first encountered on a cruise voyage. Tourists are no exclusively cruise passengers; rather they are often frequent tourists who use cruising as a resort mix.

Large cruiser cruising is organised through four corporations who intently process the global demand market and thus customise their supply.

Table 1

World Cruise Fleets

Description	Number of Ships	GT	Crew	Passenger Capacity
Total	298	17.319.825	187.054	461.275
• Carnival Corporation & PLC	102	8.075.165	85.838	215.791
• Royal Caribbean Cruises Ltd	41	3.996.286	39.585	98.769
• Mediterranean Cruise Line	12	1.153.977	12.465	31.209
• Norwegian Cruise Line	12	1.171.333	12.500	26.698
Total World Fleet Percentage	*56%*	*83%*	*80%*	*81%*
• Other	131	2.923.063	36.665	85.807
Percentage Total	*44%*	*17%*	*20%*	*19%*

Source: Seatrade Cruise Review, September 2012, 95-104

The cruising demand market is oligopolistic whereby four corporations hold 56% of the cruiser market and a total of 80% of the world's cruiser passenger capacities comprising 83% of total gross tonnage. The two most prominent corporations, Carnival Corporation & PLC and Royal Caribbean Cruises Ltd, manage a variety of cruiser brands on the market within their corporations while the remaining two, Mediterranean Shipping Company (MSC) and Norwegian Cruise Line (NCL), manage a singular cruiser brand for their entire company; whereby their markets are segmented according to cruising regions such as NCL or according to ship size and venues on board like MSC.

When considering cruising trend development, it is estimated that in 2013 there were 21,3 million passengers; whereas, in 2014, the expected figures are anticipated at 21,7 million passengers. (CLIA, 2014) The most developed markets are in Central and North America which have gradually reached saturation level and are now creating new rapidly growing markets. (Luković,Asić,Kiziliewicz, 2015). On the European market, especially in the Mediterranean, quality and attention catching destinations are on the rise.

Table 2

Global market capacity 2003 – 2013 (available days/beds in millions)

Region	2003	2008	2009	2010	2011	2012	2013	Increase w/i a 10 year period (%)
Caribbean	35,1	36,9	39,1	46,2	45,5	48,0	48,1	37,0
Rest of North America	14,4	20,0	17,7	16,5	16,6	16,0	15,0	-4,4
North America	**49,5**	**56,9**	**56,8**	**62,7**	**62,1**	**64,0**	**63,1**	**27,4**
North Europe	4,5	8,0	10,2	9,7	11,4	13,2	13,9	209,0
Mediterranean	13,7	27,8	29,4	31,7	38,1	35,5	35,7	160,6
Europe	**18,2**	**35,8**	**39,6**	**41,4**	**49,5**	**48,7**	**49,6**	**172,5**
N. America + Europe	**67,7**	**92,7**	**96,4**	**104,1**	**111,6**	**112,7**	**112,7**	**66,5**
Rest of the World	5,3	11,3	13,2	13,8	15,1	20,7	21,8	296,4
Total	**73,0**	**104,0**	**109,6**	**117,9**	**126,7**	**133,4**	**134,5**	**84,2**

Source: CLIA and G.P. Wild (International Ltd, stated in CLIA) 2014

The total increase of available days/beds on global level during the period of 2003 to 2013 was 84,2% with a significant increase of 296,4% in the rest of the world; while the most significant absolute increase was noted in the Mediterranean. Such a consequential increase in the rest of the world can be attributed to the region of the Far East including China as a strong tourist generating region as well as Australia as a region where vacation cruising is developing as a culture.

2. CRUISING IN CROATIA

The beginnings of cruising in the Republic of Croatia go as far back as 10th August 1844 when the steamship “Barone Stuermer” arrived in Dubrovnik from Trieste with 153 passengers on a “voyage of pleasure”. (Jerković, 2009) Large cruisers arrive at 22 ports/cities in Croatia of which Dubrovnik and Split are the most frequented.

Table 3

International cruise ships ports of call in the Republic of Croatia 2008 – 2012

Port of Call		2008	2009	2010	2011	2012
Dubrovnik	arrival	700	628	705	681	654
	passengers.000	851	846	916	985	951
	passenger/arrivals	*1.216*	*1.347*	*1.299*	*1.446*	*1.454*
Korčula	arrival	219	182	212	215	223
	passengers.000	34	56	73	75	79
	passenger/arrivals	*155*	*308*	*344*	*349*	*354*
Split	arrival	256	232	257	252	269
	passengers.000	121	132	172	182	245
	passenger/arrivals	*473*	*569*	*669*	*722*	*911*
Šibenik	arrival	45	90	62	95	92
	passengers.000	7	10	9	11	11
	passenger/arrivals	*156*	*111*	*145*	*116*	*120*
Zadar	arrival	97	72	80	98	57
	passengers.000	24	12	17	29	21
	passenger/arrivals	*247*	*167*	*213*	*296*	*368*
Rovinj	arrival	n/a	n/a	n/a	34	44
	passengers.000	n/a	n/a	n/a	7	6
	passenger/arrivals				*206*	*136*
Pula	arrival	75	17	20	13	28
	passengers.000	10	2	3	4	5
	passenger/arrivals	*133*	*118*	*150*	*308*	*179*
Croatia total[9]	arrival	820	769	855	830	802
	passengers.000	936	1.018	1.094	1.141	1.155
	passenger/arrivals	*1.141*	*1.324*	*1.280*	*1.375*	*1.440*

Sources: http://www.port-authority-zadar.hr/i_hr.html; 21.08.2013: http://www.portdubrovnik.hr/; 21.08.2013: http://portsplit.com/ 21.08.2013: http://www.dzs.hr/ 02.10.2013: data Port Authority Šibenik

According to ports of call, data on arrivals and number of passengers on cruise ships show variable trends except for the ports of Dubrovnik and Split where the upward trend is consistent. These two ports have already been profiled as cruiser ports of call and listed in annual itineraries of companies with regular arrivals of their ships. The number of arriving passengers in the Republic of Croatia, in the period 2009 – 2012, has increased by 9% thus indicating increased ship capacities.

Subsequently, the increase of arrivals and number of passengers visiting Croatian destinations reflects an increase on cruising income.

Table 4

Cruiser income in major Croatian Port Authorities in 2014

Port Authority	N°. of Passengers	Cruiser Income	HRK/passenger
Dubrovnik	942.909	24.157.000,00	25,62
Dubrovnik County Port Authority	144.016	4.000.000,00	27,78
Split	189.107	4.052.338,40	21,43
Šibenik	-	556.974,00	-
Zadar	53.000	1.300.000,00	24,53
Total	1.329.032	34.066.312,40	25,63

Source: Survey conducted by Antun Asić, PhD in 2015

In 2014, five major cruiser ports had an income turnover of approximately 4,5 million Euros whereby the Port of Dubrovnik alone participated with approximately 83%. It should be noted that Dubrovnik has two ports, national and county.

3. CRUISING AND DESTINATION

Destinations and its attractions is a primary motive for tourists taking cruises. Between the cruiser and the destination lies the port with the sole objective of ensuring safe reception of cruisers and passengers and also destination presentation for the tourist's first time at given port.

As regards to receptive conditions of a port, for passengers and ships, cruise operators perceive this as a close co-relation in respect to a harbour's superstructure and infrastructure guaranteeing a safe and longer stay in port. Harbour development plans can extend port limits and further improve access during winter. Parallel with port development, the authors recommend simultaneous development of hinterland tourist attractions, especially in bordering regions of the European Union (EU) as a means of prolonging the season. More shore activities during winter means reduction of navigation time and increasing cruising amenities. (Lekakou, 2004)

Croatian cities – ports with their historical, cultural and natural tourist attractions have, since the beginning of the cruise industry, been recognised as a destination and port of call. Among them, Dubrovnik is mentioned as being the first cruiser port of call by steamship "Barone Stuermer", on 10th October 1844, carrying 153 passengers.[11] (Moravec,1953) Development of cruising tourism, especially during the '70-ties, extended to the development of ports for such ships, not only in infrastructure but also in facilities servicing ships and passengers. A rapid development ensued at the beginning of the century after the political situation calmed down in the region.

Mediterranean cruise passengers are motivated primarily by historical landmarks, culture, lifestyle, art, shopping and gastronomy; whereas the Caribbean, on the other hand, for their favourable and mild climate during winter season, beaches and activities. The Croatian coastline and islands offer numerous *tourist attractions* which can be characterised as follows:-

- historical landmarks
- natural resources
- art and culture
- gastronomy
- beaches and activities

The Croatian coast, with remnants from the Greek and Roman culture period in the Middle Ages and more present history, is abundant with preserved monuments, locations and cities. Among the many, we can mention six cultural monuments under the protection of UNESCO: the Old Town of Dubrovnik and Trogir, the early Byzantine Episcopal complex of the Euphrasian Basilica in Poreč, the Cathedral of St. James in Šibenik, Diocletian Palace and mediaeval Split and the Stari Grad Plain in Hvar. Apart from the mentioned locations, there are many other historical landmarks from prehistoric times such as the *Vela Spila* in Vela Luka, island of Korčula, or the mediaeval Church of St. Donat in Zadar and the church of St. Euphemia in Rovinj of more recent times.

Of the eight national parks (NP) in the Republic of Croatia, seven of them are situated in coastal counties. National Park Brijuni is located near the port of Pula while NP Kornati, NP Paklenica and NP Krka are located near the ports of Šibenik and Zadar. NP North Velebit is located in the vicinity of the ports of Rijeka and Zadar while NP Plitvice Lakes falls under catchment region of Zadar. Our most southern NP Mljet is situated in the vicinity of the ports of Dubrovnik and Korčula. Apart from the above mentioned national parks, one may find other nature parks and landscapes which, together with cultural and adventure tourism, form numerous breathtaking tourist locations.

A variety of historical events, landscapes and influences in Croatia and its coastline have, in addition to construction of significant monuments and towns, resulted in cultural and artistic diversity in these regions. The most well-known form of cultural diversity is the diversity of folklore customs and music along the coastline as well as numerous cultural and artistic manifestations which, in most cases, are held in the open. Compared to intangible natural and historical heritage, the presentation of cultural and artistic attractions is not limited to the coastline itself as it can be presented in all regions of Croatia.

Although the Croatian coastline is not abound in Caribbean style beaches, individual ports like Dubrovnik offer cruise tourists swimming excursions. Adventure tourism, as one of the fast growing tourism forms, is rapidly developing along the entire coastline and some Croatian coastline features, such as the Canyon Paklenica and/or Cetina River rafting, are unique experiences. These adventures are usually combined with gastronomic and oenological offers of traditional delicacies, specialities and finest wine.

Communication elements of Croatian ports are categorised differently depending on the port. This differs depending on the location of ports. This communication category includes the element of mutual distance between Croatian ports (Table 5), and distance from ports of call and/or departures to other countries. Similarly, their communication element with the hinterland differs from port to port.

Table 5

Distance between Croatian cruise ports in nautical miles

Port	Dubrovnk	Korčula	Split	Šibenik	Zadar	Rab	Pula	Rijeka/Opatija	Rovinj
Dubrovnik		49	105	129	159	208	238	244	256
Korčula	49		56	80	110	159	189	195	207
Split	105	56		39	71	117	133	139	151
Šibenik	129	80	39		40	86	121	127	139
Zadar	159	110	71	40		47	81	87	99
Rab	208	159	117	86	47		69	44	87
Pula	238	189	133	121	81	69		52	18
Rijeka/Opatija	244	195	139	127	87	44	52		70
Rovinj	256	207	151	139	99	87	18	70	

Source: Croatian Association of Port Authorities, ed. M.Thomas, Croatian Cruise Ports

Croatian cities – cruise ports in respect to mutual distances and distances between the main ports of call and/or departure ports are quite favourable, but not equally beneficial for all market niches. A relatively short distance between ports is suitable for coastal cruising with smaller ships (about 200 passengers) or for adventure cruise /barefoot cruise. Apart from the size of the vessel, this niche is a characteristic for leisure sailing, shorter navigating time and longer stay in port and, mainly, higher priced cruising services. Due to shorter navigating time and limited events on board ship, these passengers are more oriented towards port amenities. These categories of ports highlight island ports which, due to their receptive possibilities, can accommodate less capacitated ships.

4. PARTNERSHIP MANAGEMENT AND DESTINATION SUCCESS

The port is the first and most prominent contact cruise passengers have with their destination. Its role is handling cruisers on arrival as well as passengers and also routing them to their destination. In this capacity, several important participants are involved who create port services in a unique and comprehensive port offer. Therefore, it is evident the port realises its role through a system of participants whereby the destination is not included.

Picture 1 Port and reception handling of cruiser tourists

Source:Papathanassis A.,Lukovic T.,Voge -l M.,Cruise Tourism and Society-Springer Verlag, Berlin, 2012.p.29.

This chart shows organisational steps to be taken in order to satisfy the ultimate goal of tourists/ cruiser passengers, destination; thus it is evident that the role of the port is complex and represents a support for destination management. Insofar as the destination, its beauty and cultural heritage is the tourist's ultimate goal; we are obliged to accommodate such demands. Former practice, which is slowly changing, indicates organised services for tourists in sea cruising where the destination was not a participating factor. Consequently, it is safe to say, the basic cruise tourist's request was neglected. Their interest was not fulfilled to quality implementation. There are many reasons for this situation, from destination management's mediocrity to lack of communication and disparity with cruiser venues and major cruise companies. Particularly during the season, a targeted destination is inaccessible for the tourist and the real pleasure soon subsides. All this undermined the basic factor for cruise travel and "value for money" motto. In 2009, stagnation was recorded in the number of passengers. This situation modified cruise companies perspective and responded with a port joint development offer; and also closer co-operation with destination management officials. This problem is especially prominent in the ports of Dubrovnik and Venice.

Can this be considered a new form of mutual development?

Surveys held in the more developed markets of Middle and Central America indicate that these regions initiated mutual investment projects between ports and cruise companies ten years ago. (Ross, 2006).Not only was co-operation between ports and cruise companies on Middle and Central America markets directed towards taking over struggling ports operating at favourable destinations, but also towards mutual investment plans to ensure success of ports and destinations. In this manner, this capitally powerful sea cruising industry grew and expanded by inter-connecting with each individual destination. This situation in Middle and Central America arose in the Mediterranean region as well. Yet, successful ports which are elite destinations such as Dubrovnik and Venice announce new forms of co-operation and mutual development. The main reason for this were conducted surveys showing a significant decrease in consumption (TOMAS,2006) as well as disgruntled tourists at destination. This is why all destinations should participate in the organisational system ***cruiser/cruise company>port>destination*** thus developing as a partnership factor within partnership management whose main goal, through contentment of tourists, is attaining higher profit at destinations. At the same time, one should not forget there are two destination groups; tourists arriving by cruiser and spending 4 to 5 hours at destination, and those non-cruiser tourists remaining several days for enjoyment and relaxation. Elite destinations, much like Venice and Dubrovnik, for the sake of concentration of tourists leave both groups dissatisfied and, subsequently, with next to none expenditure daily. Partnership management, together with destination participation, can solve this problem.

5. CONCLUSION

Situation specificity, referring to rare high quality tourist destinations along coastlines, indicates considerable stagnation in tourist consumption. The reason for this is over-capacitated destinations by both tourist groups; namely, perpetual hotel guests and temporary cruiser tourists. Over-capacitated destinations cause two negative effects: (1) daily decrease of tourist consumption, both for hotel guests and cruiser passengers; and (2) tourist dissatisfaction at destination. Surveys which are constantly being conducted show an upward trend of these negative effects.

A destination is the tourist’s focal point, whether hotel or cruiser guest; however, to arrive at ones destination three unassociated managements are involved (1) management of cruise companies and ships (2) managements of ports for handling cruisers and (3) destination management, if it exists. All three shareholders are eager to increase income; however, each participates in their own manner. Management of cruise companies and/or ships is not interested in tourist consumption at destination, but is for passengers' contentment. Management of ports for handling cruisers, as well as their owners, in most cases the country, is interested in accommodating as many cruisers as possible and, subsequently, cruiser passengers. Destination management aims to achieve substantial proceeds, primarily for filling the local city budget, thus focusing on overall financial results rather than the tourist. This is where the problem lies, in dissatisfaction and low daily consumption per tourist. Hence, interests differ, but should ultimately be reconciled. This inevitably points to the necessity of mutual linear management from arrival of tourists at destination. Namely, by constantly shaping partnership management in solving this problem in which the tourist is the focal point.

Dubrovnik and Venice are examples which illustrate the depth of this problem and the necessity of organising partnership management. One must be aware there is no unified model of action and/or organisation of partnership management as every destination is specific in itself. Venice is already notably working on this problem and Dubrovnik should join it in this endeavour.

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