

THE CRUISE SECTOR. EVOLUTIONARY GEOGRAPHIES AND ECONOMIC IMPACT

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Abstract

Market developments in recent years has led to a series of profound changes in the perception of the cruise product, of its meaning and its accessibility than in the past, and this about the national and international context. The demand is thus strongly changed, becoming more and more conscious and differentiated and influencing, overwhelmingly, the offer of the cruise product introduced on the market. In the first place from a luxury product, restricted to a small segment of the market, it is then passed to a new product concept, aimed at a wider audience and mass. This resulted in a strong development of the cruise demand that, from the seventies to today, has experienced an unstoppable growth. The paper attempts to analyze the salient aspects of the cruise sector with attention to the geographical dimension of operators and markets bringing finally, some evaluations on its economic impacts.

1. Introduction

The world's main production areas of the cruise business are identifiable with the Caribbean, North America (as well as South America is looking to enter the industry), Alaska, the Mediterranean, Northern Europe and South East Asia. Of these areas, the American ones are certainly the most developed market, both with respect to the geographical origin of the cruise demand, and in terms of number of cruises, deployed ships and passengers carried during the year. The reason for this success is to be found, primarily, in favourable weather conditions - that deliver cruises every day of the year - but also in the fact that North America is the largest catchment area in the world.

In relation to the foregoing, it can therefore be said that there are different life cycles of the cruise business in the world:

- in the first place is certainly the North American market, the one in which originated the cruise product, which is, however, experiencing a phase of maturity, although the interest in the product is still strong;
- follows the cruise market that has developed in the Mediterranean, since the eighties and nineties, which is instead experiencing a period of strong growth, also pushed by the numerous and huge investments made by cruise operators. Just in recent years the sector also seems the only one immune to the repercussions of the economic crisis;

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- the Asian market, finally, is turning its interest in this particular tourism sector but compared to the other two, it still is in a phase of introduction.

The Mediterranean can be therefore considered as an area where the cruise market is still developing and this is also confirmed by the fact that more and more cruise operators show interest in the routes that touch its main ports. The Mediterranean is, in fact, an area with many home port and port of call that are located in tourist destinations of particular historic and artistic interest and, therefore, already already by themselves with a strong national and international appeal. In addition, the interest held by the cruise industry in the Mediterranean, mainly by cruise operators who decide to turn their investments to this area, is motivated by the fact that, compared to others, it offers the possibility to program different cruises, able to satisfy multiple and diverse needs.

The Caribbean, on the contrary, offer a cruise product based primarily on the offer of two different types of cruise: the first, the “gambling”, is a type of tourism product built and designed exclusively for fans of gambling; the second, what is commonly referred to as cruise “sun & beach”, is a cruise addressed mainly to an audience that chooses to live this experience just because seeking relaxation. Ultimately, you can sense that, over the past few years, the cruise companies have realized the need to change their strategies in favour of both a greater geographical differentiation and a transformation of the product, able to attract a wider and differentiated audience and generate ever higher profits.

2. The cruise demand

2.1 The quantitative aspects

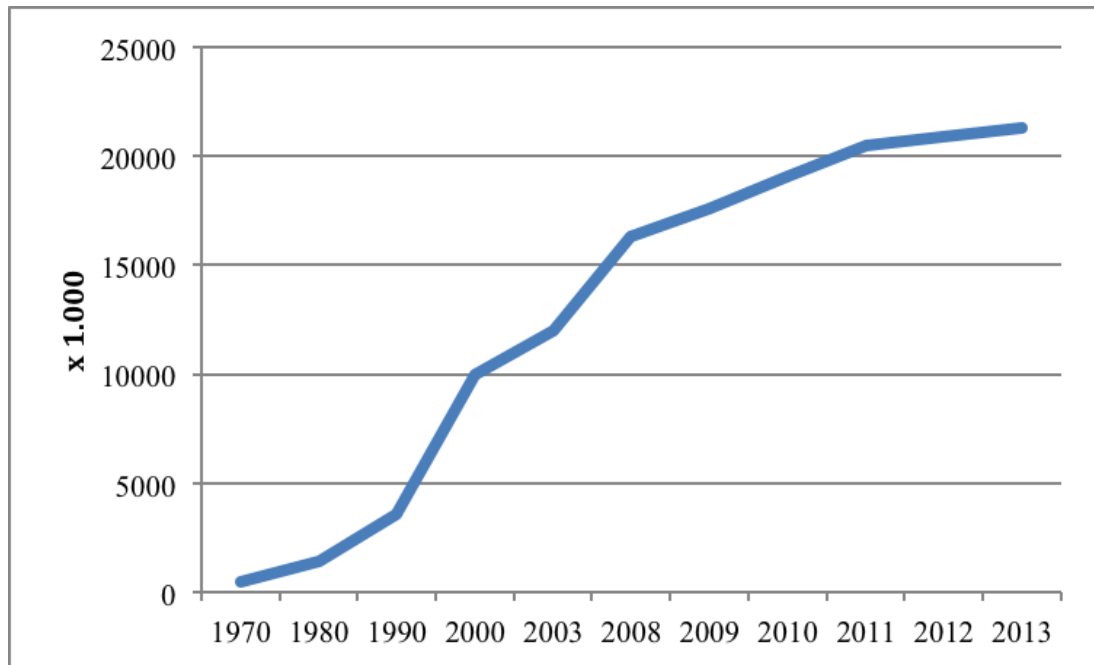
Market developments in recent years has led to a series of profound changes in the perception of the cruise product, of its meaning and its accessibility, then in the past and this about the national and international context. The demand is thus strongly changed, becoming more and more conscious and differentiated and influencing, overwhelmingly, the offer of the cruise product introduced on the market. In the first place from a luxury product, restricted to a small segment of the market, it is then passed to a new product concept, aimed at a wider audience and mass. This resulted in a strong development of the cruise demand that, from the seventies to today, has experienced an unstoppable growth.

Data presented in Figure 1 show the impressive increase in the number of users of this particular tourism product: from just 500,000 cruise passengers worldwide in the seventies, has increased almost tenfold the number of flows in less than two decades, rising to 4.5 million passengers in the nineties, up to 10 million passengers in 2000 and to 21.3 in 2013.

The analysis of the sector, so highly competitive from the supply side, requires, on the part of the cruise companies, a detailed knowledge of the market to which propose

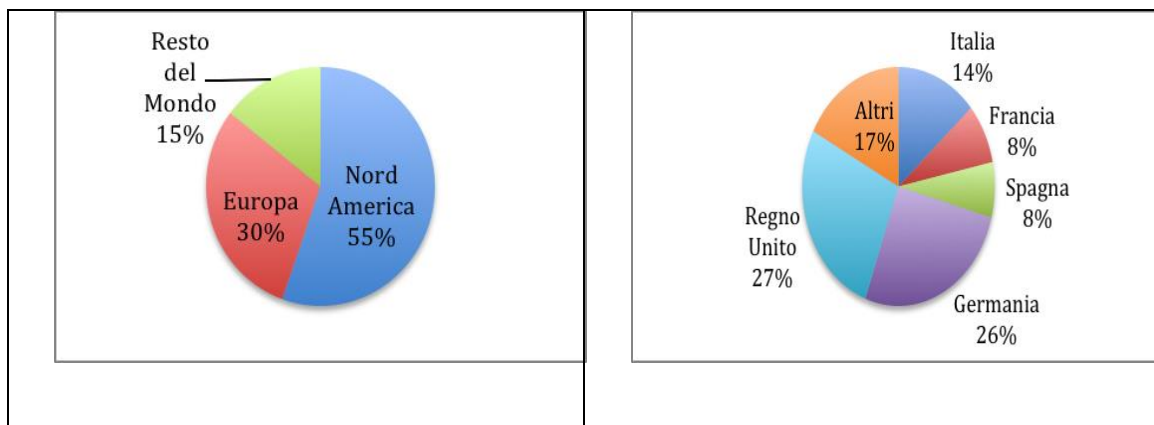
their product. This is done through a careful analysis of users both with respect to the different geographical origins and in reference to more properly qualitative aspects. Regarding the first point, although North America remains the largest world market by region of origin of cruise passengers (about 55%), it must be said that Europe continues to record significant growth rates which led her to weigh for 30%, mainly thanks to the performances of five countries: UK, Germany, Italy, France and Spain (Figure 2).

Figure 1. Dynamics of global cruise passengers



Source: CLIA (2014)

Figure 2. Composition of the global and European demand



Source: CLIA (2014)

The number of European citizens, who decided to direct their holiday choices to the cruise product was in 2013 of about 6.4 million, one third of the world total. This cruise movement has, of course, determined large flows of cruise passengers within the major home port of the Mediterranean, the Baltic and other regions of Europe, reaching 16.5 million visits/transits in port cities. The motivation of this increase must be sought, above all, in the greater number of US presence in European ports, due to the rise of American ships deployed in Europe and, even more, to the inclusion in the market of new generation of elegant ships, with greater passenger carrying capacity.

Table 1. Cruisers in transit in major European home port

Home Port	Cruisers
<i>Mediterranean</i>	
Barcelona	2.599.232
Civitavecchia	2.538.259
Venezia	1.815.823
Pireo	1.302.581
Palma Majorca	1.245.856
Napoli	1.175.031
Genova	1.051.015
Savona	939.038
<i>Northern Europe</i>	
Southampton	1.646.000
Copenhagen	800.500
Kiel	363.476
Dover	255.137
Hamburg	552.359
Amsterdam	276.912

Source: CLIA, 2014

Although Europe is increasing cruise business so as not to lose its market position, in America the industry continues to experience extremely high numbers, with a turnover of \$ 44 billion in 2013. Think about the fact that 17% of the American population (approximately 51 million) has been on a cruise, while 38 million are the visitors of Las Vegas. Based on the data, it appears that, in 2013, the cruise industry in North America has generated for the US economy about 44 billion dollars and 20.1 billion dollars in direct costs. In addition, from 2005 to 2013, the number of passengers who boarded at

US ports increased by 27.5% and the shipping companies purchased products on the US market for a value of \$ 20 billion.

With respect to the American cruise industry, for Europe is to be considered also the privileged position of the multiple ports and, therefore, the high economic impact that this generates for the destination in which the cruise port is situated. Therefore, for Europe are estimated at 16.2 billion euro the direct expenses with 164.800 jobs which rise to 339.400 considering all direct jobs, indirect and induced. From the analysis of ShipPax, arise other interesting data in relation to the average age of the passengers who seems to vary depending on the geographic origin of the cruise. Of “middle age” (about 49 years) are the cruise passengers who come from the USA while, in many European countries, the cruise product has long been understood as a kind of travel for people over 65, who choose the cruise for a relaxing holiday. Today the situation has definitely changed, in fact some of the latest generation brands such Easycruise directs its strategic choices for the acquisition of younger customers (about 32 years). Even in Germany the average age of cruise passengers has fallen to 48.3 years while the average age of the passengers in the UK was estimated to be of 53.5 years that is about 3 years less than in the nineties.

In Italy, the cruise industry is going through a very good season, being classified as the first destination in the Mediterranean, followed by Spain as for the total number of passengers handled. Italy appears to be a highly competitive area, with its 68 ports touched by 148 different ships of the 64 shipping companies that sail in these seas, for a total of 8.7 million cruise vacationers and approximately 5,000 dockings ship. The port of Civitavecchia furthermore contends supremacy with that of Barcelona, with a volume of about 2.5 million cruise passengers.

2.2. The qualitative aspects

Today the cruise demand is strongly changed becoming certainly more diverse and exigent than in the past. In the first place, it is not composed of a homogeneous set of customers but, on the contrary, appears constituted by multiple and diversified market segments, more or less large groups of users, each with its own characteristics. The cruise, in fact, is a tourism product that is intended to meet different needs (to spend a relaxing holiday on board a ship of quality, with all the comforts, easily visit numerous tourist and cultural sites). If consumers of the cruise service have many motivations, even the port where the cruise operators choose to embark and disembark its passengers plays a decisive role in the overall satisfaction of vacation experience. All this involves a considerable effort, aimed at creating offerings that can meet the diverse needs of the cruise demand. To do this it is important to in depth know the client, making a careful preliminary analysis of the potential demand through effective and detailed segmentation of the same.

There have been numerous studies on the subject, but for simplicity we chose to investigate the quality issue of demand regard to some basic criteria:

The first criterion of segmentation appears to be motivation: that is why it was decided to take a cruise. The cruise demand is, in fact, motivated by different needs/desires: entertainment, relaxation and cultural needs are the most usual, but in recent times, many requests come from companies that choose the cruise ship as a location for meetings and conferences or in most cases, as a premium holiday destination for the most deserving corporate employees (incentive travel). In this case, in fact, the cruise has the advantage of grouping persons of homogeneous social level and with the same professional interests, condition which results in a high level of customer satisfaction. On the other hand, the cruise sector companies see this as a great opportunity, especially for the fact that it is possible to organize such cruises in the low season to use the ships as “floating congress halls” instead of the meeting facilities of hotels.

A second criterion for segmentation is represented by the knowledge of the geographical origin of the customers who choose a cruise. This factor is a key point in the construction of the offer, it is important to know the history, culture, religions, habits and customs of a given market segment to develop a tourism product that meets, increasingly, the needs of customers. Regarding this point, it has already been brought to light the deep differences between the American and European markets: the first, far more homogeneous, chooses the cruise vacation to live moments of relaxation and fun (i.e. gambling) the second, more heterogeneous, has a very different composition by history, language, culture and traditions. In fact, within the European market, it is possible to find profound differences between the various customers. Those who choose a cruise in the Mediterranean prefers the cultural and historical aspects of the trip to enrich their culture and are very interested in the route selection and shore excursions proposed by the company. Cruise passengers on routes of northern Europe, on the contrary, give more importance to the various proposals suggested for life on board the ship.

A third criteria is the duration of the trip and the time of the year in which it takes place. About there are several variables that affect the choice: not only the time that is available for the tourist to make his holiday but also, and above all, the budget for his trip. This last point is crucial when choosing the cruise because the tourist who does not have high spending power will opt for a cruise lasting less than 15 days to be made in a period of low season. Other segmentation criterion is the analysis of the groups, and more specifically the composition of the group itself: in fact, the cruisers can choose to spend their holiday alone, with his partner, with family, with a group of friends or of business colleagues.

Finally, as the ultimate criterion useful to the segmentation of the cruise market, we find the one that analyzes the relationship between quality and price. This factor examines the propensity to spend, both in terms of the journey as a whole and with respect to what it intends to spend each day on the ship (excursions, spa, shopping, activities on board, etc.).

3. The supply of cruises.

3.1 The global context

The cruise industry shows a supply in constant evolution, characterized by the inclusion of products on the market more and more diversified and far from standardized.

In terms of total passenger seating capacity offered by companies in this sector, as can be seen from Table 2, we are on a value slightly less than 490,000. When we consider the number of new ships ordered from various companies for the coming years, it is easy to imagine that the threshold of half a million in terms of passenger capacity will soon be exceeded (Table 4). Completely different values are those that characterize the deployed capacity (i.e. the indicator obtained by multiplying the number of beds for the number of days spent in an area that companies have offered to the market over the years). Considering this value, reported in Table 3 it appears that in the last decade it has gone from 73 million seats in 2003 to over 134 million in 2013 with an 84% increase.

Still regarding this period, it is also possible to detect the deployed capacity for macro-areas. In particular, the American cruise offer is characterized by a deployed capacity of bed days significantly higher compared to other macro areas engaged in this field. Even if America maintains the record with as many as 63 million persons, the cruising offer for the Mediterranean over the past decade has nearly tripled its presence in the global market from 18 to about 50 million beds.

The increase in the deployed capacity is also closely related to the size of the ships. The first ship to overcome the barrier of the 2,000 passengers was Norway, put into service by NCL since 1980 and the first ship to cross the barrier of 100,000 gross tons was the Carnival Destiny in 1996 while in 1999 the first ship was built with more than 3,000 beds. In 2010 came into service a ship that exceeds 200,000 gross tons and 6,000 beds: the class "Genesis" of Royal Caribbean. With it, is clearly established a new benchmark: most of the ships built today are post-Panama size, in fact many of the new constructions currently under order are wider than 32.2 meters (maximum size for passing through Panama Canal).

Table 2. Fleet and overall passenger capacity in 2014

Company	Brand	Ships	Passenger Capacity
CCL	Carnival	24	62.368
	Princess	18	40.996
	Costa Cruises	15	37.220
	Holland America	15	23.126
	AIDA	11	21.886
	P&O Cruises	8	18.557
	P&O Cruises Australia	4	13.810
	Ibero Cruises	3	9.210
	Cunard	3	6.694
	Seabourn	5	1.766
	Total	106	235.653
NCL	Norwegian	14	38.546
	Oceania Cruises	5	4.554
	Regent Seven Seas	3	1.890
	Total	22	44.990
RCL	Royal Caribbean	23	68.478
	Celebrity	11	24.320
	Pullmantur	4	7.818
	Croisières de France (CDF)	2	2.862
	Azamara	2	1.420
	Grand Total	42	104.894
MSC	MSC Cruises	12	30.174
Others	Others Total	116	70.670
Grand Total		298	486.385

Source: Cruise Market Watch

An analysis of the sources shows that the overall size of the cruise fleet currently sailing should be around 300 units. To get an idea of the scale of the phenomenon, and therefore the fleet that forms the backbone of the cruise sector, just think about the total number of beds available on the ships of the first four companies: their total amounts to 415,000. This value is higher by around 100,000 to that present in all accommodation facilities in the Lazio region (310,000 people).

Table 3. Total capacity deployed from 2003 to 2013 (millions of beds) - Source: CLIA, 2014

Region	2003	2008	2009	2010	2011	2012	2013	Growth 03-13
Caribbean	35,1	36,9	39,1	46,2	45,5	48,0	48,1	37,0
Others North America	14,4	20,0	17,7	16,5	16,6	16,0	15,0	4,2
Total North America	49,5	56,9	56,8	62,7	62,1	64,0	63,1	27,5
Northern Europe	4,5	8,0	10,2	9,7	11,4	13,2	13,9	208,9
Mediterranean	13,7	27,8	29,4	31,7	38,1	35,5	35,7	160,6
Total Europe	18,2	35,8	39,6	41,4	49,5	48,7	49,6	172,5
North 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	311,3
Grand Total	73,0	104,0	109,6	117,9	126,7	133,4	134,5	84,2

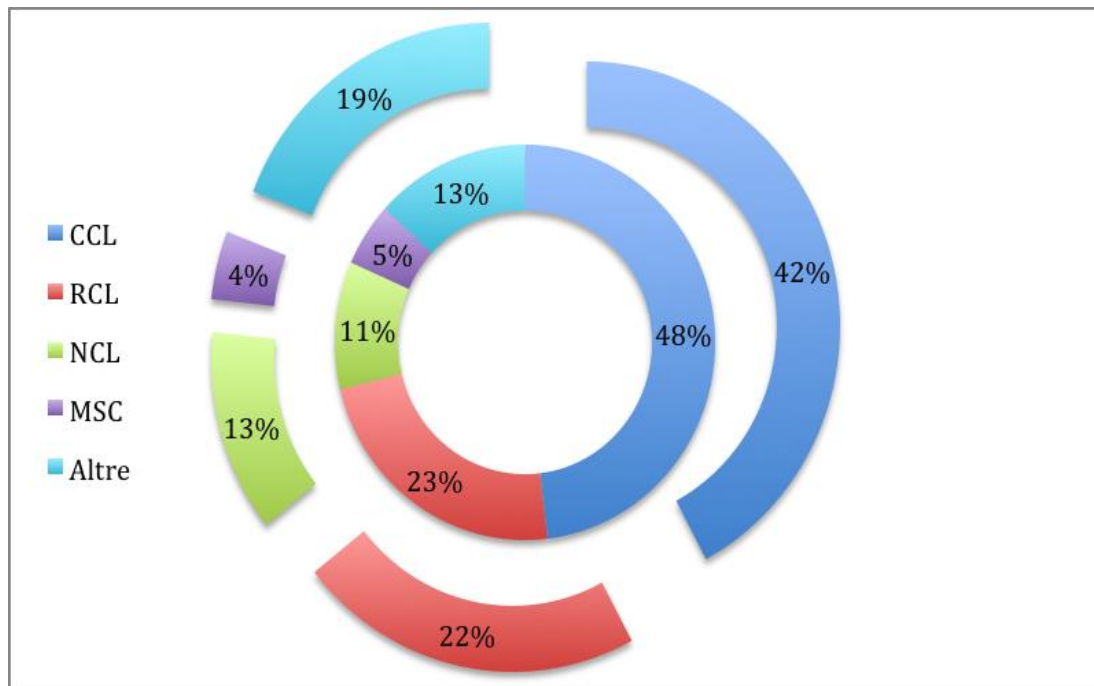
Table 4. Top 10 cruise ships in service and under construction by size.

Rank	Ship	Cruise Company	Year*	Gross Tonnage (x 000 t)	Length	Max passengers
1	Allure of the Seas	Royal Caribbean International	2010	225.282	1.187 ft (362 m)	6.296
2	Oasis of The Seas	Royal Caribbean International	2009	225.282	1.187 ft (362 m)	6.296
3	Quantum of the Seas	Royal Caribbean International	2014	168.666	1.139 ft (347 m)	4.905
4	Norwegian Epic	Norwegian Cruise Line	2010	155.873	1.081 ft (329 m)	5.183
5	Freedom of the Seas	Royal Caribbean International	2006	154.407	1.112 ft (339 m)	4.375
6	Liberty of the Seas	Royal Caribbean International	2007	154.407	1.112 ft (339 m)	4.375
7	Independence of the Seas	Royal Caribbean International	2008	154.407	1.112 ft (339 m)	4.375
8	Queen Mary 2	Cunard	2004	148.528	1.132 ft (345 m)	3.090
9	Norwegian Breakaway	Norwegian Cruise Line	2013	146.600	1.068 ft (326 m)	3.000
10	Norwegian Getaway	Norwegian Cruise Line	2014	145.655	1.068 ft (326 m)	3.000
Under Construction						
1	n.d.	Royal Caribbean International	2016	227.700	1.188 ft (362 m)	6.360
2	Anthem of the Seas	Royal Caribbean International	2015	168.666	1.141 ft (348 m)	4.905
3	Ovation of the Seas	Royal Caribbean International	2016	168.666	1.141 ft (348 m)	4.905
4	n.d.	MSC Cruises	2017	167.600	1.033 ft (315 m)	5.700
5	n.d.	MSC Cruises	2019	167.600	1.033 ft (315 m)	5.700
6	Norwegian Escape	Norwegian Cruise Line	2015	164.600	1.098 ft (334 m)	5.700
7	Norwegian Bliss	Norwegian Cruise Line	2017	164.600	1.098 ft (334 m)	5.700
8	n.d.	Norwegian Cruise Line	2018	164.600	1.098 ft (334 m)	5.700
9	n.d.	Norwegian Cruise Line	2019	164.600	1.098 ft (334 m)	5.700
10	n.d.	MSC Cruises	2017	154.000	1.060 ft (320 m)	5.300
	n.d.	MSC Cruises	2018	154.000	1.060 ft (320 m)	5.300

Note: * for ships under construction the year refers to that of the planned entry into service.

Compared to these numbers it is worth pointing out that, in reality, there are very few companies that actually drive the market, so definable as “first mover”. Many, in fact, as can be seen from the list of companies and brands presented in Table 2, to be more competitive chose to merge with larger companies. That’s why, when talking about of the world’s three leading companies, we refer to the Carnival Corporation (CCL) (which owns 42% of the worldwide turnover and 48% share of the passenger and in 2001 acquired, within its fleet, also the Italian Costa cruises), the Royal Caribbean (RLC) (with 22% in turnover and 23% of passengers) and Norwegian Cruise (NCL) (with 13% of turnover and 11% of passengers) (Figure 3).

Figure 3. Share of world passengers (inner ring) and turnover (outer ring) of the cruise companies.



Source: Cruise Market Watch

To achieve economies of scale, the three major cruise operators worldwide have adopted all post-Panama ships. Due to the size of the ships, the average investment cost in dollars was in last years about \$ 200,000 US per cabin. For 5,400 cabins of the class “Genesis” of Royal Caribbean, the cost for each was \$ 218,890. These international brands, which are leaders in the national and international cruise market, aim to gain more and more market segments with highly competitive prices and with a range of standard products but at the same time, quality.

During these years, as well as profound changes have taken place in the demand for cruises, even the offer of the cruise product was characterized by major changes. From all-inclusive holidays, to holidays where many options (excursions, dining in the most exclusive halls, the consumption of particular drinks, treatments for the welfare of the body, the exclusive on-board activities, etc.) are paid separately. In this way, the cruise

industry has been facing a series of problems related to the excessive costs without giving up entirely the all-inclusive Formula, which still remains one of the main reasons for choosing this particular touristic product.

Compared to this point must be made, however, a further distinction between the luxury segment, the mass and the budget. In the first, for example, everything is still included in the price, in fact, the cruise tickets are much higher. In the American market, in the segment “luxury” should be mentioned in particular some ships such as Crystal Cruises, the Regent Seven, the Sea Dream Yacht Club, the Seabourn Cruise Line and Silversea. Only one of these, Seabourn, is within the Big Three, being owned by Carnival. In recent years, its order to build other ships of this type marked a renewed confidence even to this niche market. The average price of ticket for this sector is around \$ 700 a day. The second sector, the mass one, includes the so-called market “bite and run”, and is the most competitive segment as well as the one in which the three major cruise operators worldwide are represented by their central trademarks. The average ticket price for this sector is, in most regions, lower than \$ 100 dollars per person per day. The third and final segment, the budget, refers to the older ships, which are generally suspended during the dead seasons, and that offer shorter cruises or up to seven days at very competitive prices. The big three are developing alternative brands in this sector, often to use ships that are about to be abandoned.

3.2 The European context

The Mediterranean basin, in the last decade, has attracted great interest from world cruise operators who have identified it as a highly productive area. Already since the early years of the millennium, many cruise operators have placed their ships in the Mediterranean, reaching a total capacity deployed of approximately 40% of the world total. This process of innovation of supply has also generated several implications on the ports side, so that the ports of the Mediterranean, thanks to the structural interventions made, and even more to the artistic heritage in which they are located, have become highly competitive. The ports, in fact, play a decisive role in the cruise supply because the passenger sees in its offer an important element that affects the overall satisfaction of the cruise vacation. This factor therefore, suggests that the perception of the quality of the service received from the port is, in some way, linked to the attractiveness of the regional context in which it is located. In the Mediterranean, there are about 60 major existing ports, most of which are home port, while others are transit ports called port of call. For the Mediterranean, a distinction is made between “mostly transit port” (port of call), “mainly departure port” (home port) and, finally, ports that perform both functions.

The Mediterranean cruise market, as already mentioned, is experiencing strong growth, so that are increasing orders for new, larger and more luxurious ships. With respect to this trend it seems to have slightly decreased the number of ports of call and this clearly indicates the tendency to introduce more and more capacious ships. This is the case of some cruise operators such as MSC Cruises (MSC Poesia and MSC Fantasia), Carnival Cruises (with Carnival Splendor) and Royal Caribbean (with

Independence of the Seas). The number of ships in the Mediterranean is increasing and, in particular, those of the great American groups, so that the Carnival Group and the RCL Group together cover almost 70% of the traffic that is handled in Italian ports. Compared to this point, the data tell us that the Carnival Group handles about 3.6 million passengers in Italy (42%), the RCL Group about 2 million passengers (24%) and MSC 1.4 million passengers (16%). The two American giants, then, along with European-MSL cover about 82% of the entire Italian traffic. Other European ports, are moving in this direction, a recent example is the port of St. Petersburg, which opened with the commissioning of a brand new maxi sea port designed exclusively for passengers (the latter until a few years ago were forced to use a cargo port terminal for landing). With this new structure, the port of St. Petersburg intends to compete in domestic and international markets, providing an increase in tourist flows, not only from St. Petersburg, but also from the regions of north-west of the country.

In qualitative terms, the proposals of the cruise operators are profoundly changing, addressing strategies no longer on the standardization of the product and price reduction (as was done in the nineties) but towards the offer of diversified products, which can make the difference compared to competitors. Even the Port Authorities of the Mediterranean countries are moving in this direction, trying not to remain extraneous to the different development opportunities and profitability related to the cruise industry.

In conclusion, the cruise offer may appear highly differentiated and, above all, able to achieve different and multiple product configurations according to some items:

- the ratio quality / price;
- the structural features of the ship;
- the type of body of water chosen for cruises to be made;
- itineraries and excursions offered for the stay of the passengers;
- the duration of the trip;
- life on board and the time available for land tours;
- the services and entertainment on board.

All the elements just mentioned are determining factors in the cruising offer that, if well developed, can meet the needs of a growing number of potential customers and contribute in different measure to the economy of the involved territories.

4. The economic impact of the cruise industry

The attention of operators and analysts about the dynamics of the various sectors of the macro tourism industry focuses mainly on data relating to arrivals, attendance, visitors, passengers, giving a certainly essential framework for understanding the phenomenon, but not enough to document the different characteristics, consequences and repercussions.

In the specific case of the cruise industry, studies often show mostly traffic data in ports and data related to the final demand captured by the cruise lines risking to lead to misconception of a sector as held up only by the two mentioned types of company. Indeed, as it's well known, the production process consists of a long chain of subjects that, through their contribution and specific commitment, dedicated and constant, allow the final product to be made up, distributed, sold and managed.

One way to get an image of the entire cruise industry, to weigh the relevance and grasp its complex structure, is represented by the economic and employment impact studies that the industry generates in the territories concerned. In this direction, have moved in recent years several professional associations or individual cruise companies realizing directly or commissioning, studies able to shed light on the relations - primarily of an economic nature - between the cruise industry production and the involved territorial systems.

CLIA, has presented the results of the study "The Contribution of the North American Cruise Industry to the US Economy" which states that the North American cruise industry generated nearly 330,000 jobs equivalents to 15.2 billions of dollars in wages: an increase respectively of 5.1% and 7% on the previous year. The total impact touch on the threshold of 38 billion dollars, also in this case with a considerable increase over the previous year. To note that, on the whole US economy, 10 States retain nearly 80% of the benefits, and this indicates the importance of territorial capacity in acquiring and retaining them.

The report "Contribution of Cruise Tourism to the Economies of Europe" of the European Cruise Council declares that the total value of direct, indirect and induced impact of the cruise industry in the old continent is estimated at 16.2 billion euro. Of these, 41% are related to the costs incurred by companies for managing of their business, 29% is determined by the construction of ships, 21% is related to expenses incurred by passengers and crew members and 9% from wages to workers. Regarding single countries, the expenses generated in the first three drive the European economy. Italy, the UK and Germany are worth, in fact, approximately 66.5% of the direct expenses of the cruise industry in Europe. These effects involve countries both as tourism destinations and as a home to offices and business centers of the companies, and, finally, as a site of important shipyards.

Referred to other specific territories is, for example, the study conducted by BREA for the FCCA (Florida-Caribbean Cruise Association) which, starting from a survey on consumer spending, has involved 29 destinations located in the Caribbean, Central America, South America and Mexico. According to these estimates, based on the interviews of more than 47,000 cruise passengers and 16,000 crew members, cruise tourism has generated over \$ 2.2 billion in direct expenditures, some 56,000 jobs and \$ 720 million in related salaries.

Other single destinations, also Italian, have been the subject of several studies, however, generally they discount the lack of application of models (including the input-output) that would make it possible to fully grasp the economic impact of the industry, limiting itself only to the acquisition of data on the direct expenses of the passengers.

Even cruise lines have helped to shed light on this dimension of the phenomenon by commissioning research in order to grasp the significance of direct impacts, indirect and induced effects of their activities on the involved territories. MIP Politecnico di Milano has made, on several occasions on behalf of Costa Crociere, a study to determine the impact on Italian territory to the presence and activities of the group (with Costa brands, Iberocruceros and Aida). According to the latest results, the value amounts to 2.2 billion euro as a sum of 880 millions of direct expenditure (including general expenses for supplies, the costs for the construction and maintenance of the ships of the fleet, commissions to travel agents and the port services) and 70 million euro of additional expenditure incurred by passengers on the national territory, capable to generate, according to the MIP estimates, effects for another 1.2 billion euro.

MSC Cruises has chosen to investigate in detail the economic consequences of their activity in Italy. From the study, conducted by the University Ca 'Foscari in collaboration with Tourism Answers, emerges as it is estimated at approximately 1.5 billion euro the fallout of the activity of the company (sum of direct economic impact, indirect and induced calculated by applying input-output models on the national system).

The main element that activates economy is, also in this case, the direct expenditure (equal to 628 million Euros), which is in turn constituted by two components: direct expenditure of the company attributable to Italy (510 million Euros) and the direct expense of the more than 2 million cruise passengers embarked, disembarked or passed through Italian ports (118 million euro).

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