

**INNOVATIONS IN CRUISE TOURISM**

**ИННОВАЦИИ В КРУИЗНОМ ТУРИЗМЕ**

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*У статті були розглянуті інновації круїзного туризму, проаналізовано їх вплив на круїзну галузь в цілому. Були дані характеристики основним нововведенням круїзної галузі, виявлено тенденції їх розвитку, а також обґрунтована подальша необхідність їх впровадження.*

**Key words:** cruise industry, innovations, cruise ship, cruise tourists, new destinations

**Formulation of the problem.** The cruise industry, which modern version dates from the 1970s with the development of the North American industry, has experienced an increasing process of popularization, becoming a major part of the tourism sector, and reaching a level of enormous significance world-wide as an economic factor.

The modern cruise industry is also one of the most outstanding examples of globalization, with an increasing number of ports of call and destinations around the globe, a multinational clientele and onboard personnel from every continent, with important economic, legal, environmental and social implications.

This dynamic sector is continuously expanding its offer of products and services, and developing new markets, with an average 8.5% annual growth in the last 20 years, in a tendency that shows no sign of slowing, and that 20 million cruise tourists are expected in 2012.

A multimillion investment into new, more innovative and ever-bigger vessels capable of carrying up more than 3,000 passengers, offering lower fares and shorter cruises to benefit from economy of scale and onboard activities such as multi-story shopping centers, restaurants, cafés and pubs, nightclubs, discos, casinos, art galleries and museums, theatres and cinemas, libraries, personal care areas and spas, gyms, swimming pools, tennis courts, ice skating rings, and a long etcetera of amenities to meet the changing vacation patterns of today's market and exceed the expectations of its customers with practically a cruise option for everyone.

A fleet composed of several hundred large cruise ships carrying millions of passengers plies routes in all geographical areas in an expanding range of more than 500 destinations worldwide, with the Caribbean cruises as the favourite ones, followed by Mediterranean cruises, including also the opportunity to enjoy places not included in the usual offer presented by other travel and tourism service providers, such as Artic and Antarctic regions.

This phenomenal growth has also created the need for more efficient managerial, organizational and planning structures to best the increasing competition and deal with the many changing factors in an also evolving market that generates

over \$30 billion every year – 79% of which corresponds to the North American and British markets – and hundreds of thousands of direct and indirect jobs around the world, yielding an indirect multi-billion dollar annual benefit in diverse industrial sectors in all the world (nondurable and durable goods manufacturing, professional and technical services, travel services, financial services, airline and transportation, and wholesale trade) [4;7].

The relevance of this article is that cruises are popular, so it's necessary to implement innovations, but in doing so it's important to preserve the traditions, uniqueness, which are peculiar only to this area. The fact that the cruise industry is expanding - is the result of innovation.

**Analysis of research and publications.** Unfortunately, in domestic literature the problems of cruise business are considered in a small extent. The problems are mainly analyzed in works of such foreign authors as Dzh.K.Hollovey, Christine BN Chin, Michael Vogel, Artur Asa Berger [1-3].

Also, a significant amount of data about the dynamics of the cruise market, passenger traffic, cruise fleet, investment flows and innovation, preferences of cruise tourists are provided by the International Association of cruise companies (CLIA), the organization Cruise Market Watch and other independent experts of the cruise industry.

**Purpose of the research.** The purpose of this article is to consider the innovations of cruise industry and analyze their impact on the development of the industry.

**Main material.** The global cruise industry is known for its peculiarities such as supply which establishes the demand. From the demand point of view, it arrives as soon as new cruise vessels are built and more berths are supplied to the market.

The newer and bigger cruise vessels propose the great shore activities and onboard entertainment, value for money, high quality service, and all it makes the cruise tourism superior to a land based tourism activities.

From the supply point of view, the major trends of the industry are mainly the following:

- new strategies – joint ventures, alliances, takeovers;
- larger cruise ships;
- globally the demand on cruises continues to rise due to increasing number of cruise ships worldwide and growing popularity cruise as a vacation option;
- there are more cruise vacation departures and more cruise ships and itineraries than ever before;
- a total of 118 new cruise vessels debuted between 2000 and 2011;
- there are 22 new cruise vessels on the orderbook of 2012-2016 [8];
- cruise lines are branding individual vessels as well as the whole fleet – certain ships are known for their “own face”, e.g. special interest cruises etc.;
- not only mega-ships (table 1) are built, but midsize cruise vessels are just as well ordered or refurbished for luxury and ultra luxury cruises, since luxury in some way means “limited” [3;5].

Table 1

*The largest cruise vessels 2009-2015*

Vessel	Lower berths	Price mill.usd	Year
Costa Pacifica	3 780	579	2009
Oasis of the Seas	5 400	1 242	2009
Allure of the Seas	5 400	1 400	2010
Norwegian Epic	4 200	1 200	2010
Carnival Magic	3 652	859	2011
Carnival Breeze	3 690	738	2012
Norwegian Breakaway	4 000	840	2013
Norwegian Getaway	4 000	840	2014
Project Sunshine	4 100	780	2014
Project Sunshine	4 100	780	2015

Cruise ships are typically built in European shipyards. Major builders include Aker Yards (now STX Europe) in Finland and France, Meyer Werft in Germany, and Fincantieri in Italy. Together, these three yards constitute an estimated 80 percent of global cruise shipbuilding [8].

It should be noted that UNESCO has declared cruises the safest form of recreation in the world. On the basis of the multi-year study, conducted by the organization was found that during the construction of modern cruise ships all of the most innovative technologies and recent achievements in science and technology are used.

First of all, it's pitching stabilization system. It provides the stability of cruise liners and smooth running, so the passengers are in a comfortable environment and do not experience motion sickness. Stabilization pitching for cruise ships is a complex and high-tech system that is comparable in functionality with the systems that control the position of the spacecraft. The larger and more modern ship has the more complex and advanced stabilization system.

An important component of security is super technological satellite navigation system installed on cruise ships. This allows the crew and captain to have full control of any situation and make timely decisions. For example, in the event of a storm warning, cruise ship just wait till it over in a quiet environment, or vice versa, increases speed and moves away to the more peaceful waters.

In addition, in comparison with the ground journey, the liners can change route in the case of an unfavorable situation in the host country or the route. So, instead of such troubled countries of North Africa, the ship is able to quickly move to a safe distance and go to alternative ports, such as in Italy.

Energy-saving technology in the cruise industry include:

LED and compact fluorescent lighting – Several cruise lines are making the switch, including Carnival Cruise Lines. Compact fluorescent and LED bulbs installed across the fleet will potentially save about \$100,000 annually in energy costs per ship.

Shore power installations – More ships are now plugging into shore-side electricity, which allows them to shut down diesel engines to reduce air pollution.

Solar panels – Celebrity and Royal Caribbean are installing solar panels on its newest ships for powering onboard components such as LED lights and elevators

Reverse Osmosis for fresh water – In May 2012, MSC Cruises' Divina will introduce a revolutionary reverse osmosis system for fresh water production that consumes 40% less power.

Cruise lines are not only deploying new ships, but also repositioning ships, changing their itineraries to appeal to a broad market of passengers.

The number of people looking for cruise offers has reached record levels for cruise trips. According to the Cruise Lines International Association (CLIA) every year is a new record for cruise vacations.

From the demand point of view, the new trends of industry are the following:

- globally the demand on cruises continues to rise and cruisers are looking to further destinations like Europe and the Asia;

- demand for new itineraries is increasing;

- growing passenger markets – most of the cruisers are from North America, but the numbers of Europe originating cruise passengers are significantly increasing; the 2<sup>nd</sup> biggest cruise passenger market in the world is UK, closely followed by Germany, Italy, France and Spain; the German market is one of fastest growing in Europe;

- the age profile of a typical cruise passenger has fallen;

- special interest cruises are growing in popularity;

- luxury and ultra luxury cruises are gaining popularity.

In global aspect, the main cruise destinations are the following: Caribbean, Mediterranean, North (including Baltic) and Western Europe, Asia/South Pacific, and Alaska.

Other cruise destinations mainly cover regions such as Africa, Antarctica, Australia/ New Zealand, Bahamas/ Bermuda, Britain, Ireland, Canada, Central America, Florida, Hawaii, Mexico, Middle East, Panama Canal, Polynesia, South America, USA. Transatlantic cruises are also among cruise proposals.

Asia and South Pacific are still considered rather new cruise markets. The cruise market is still young in Asia. Since the demand for new destinations is strong, these markets are step by step gaining their popularity.

As well as Asia, Middle East is considered rather new destination attracting more and more tourists' attention [5;7].

While planning new itineraries many related aspects are considered.

A cruise region should firstly have marketable ports close to each other. They should be stable in terms of socio-political situation. The variety of ports should offer a mixture of cultural, historical and leisure experience. Also, good climate is always an advantage.

Since the cruise vessels are getting bigger in capacity, the port information and technical characteristics are of high importance while considering it.

Additionally, passenger handling services such as quick immigration procedures and baggage handling (if necessary), security, distance between the berth and downtown and other tourist destinations, professional tour operator's services, local hospitality and facilities (e.g. telephones etc.), comfortable local passenger transport and parking facilities, high standard hotel industry (for home/ turnaround ports), airport.

When forming new itineraries for each season, cruise lines evaluate their passengers' opinion for guidance. They survey passengers to find out their likes and dislikes when spending time in destinations visited. Passenger ratings very often determine which ports are added and dropped from the cruise itineraries. Cruise passengers are also attracted by new ports of call offered by cruise lines.

According to Cruise Lines International Association (CLIA), many cruise operators are choosing Europe. Cruise lines are also increasing their tour infrastructure in Europe. The focus from the Caribbean to Europe is changing due to the large market with high potential.

With the increased competition between cruise lines and increasing demands of passengers, operators of cruise ships offshore compete with each other in providing unique services related to recreation and entertainment [2;5;9].

According to experts, the true lovers of sea voyages pursue the cruise companies, which are primarily concerned about staying comfortable and cheerful passengers stay on board of their vessels and try to adapt the entertainment services to the growing needs of our time (Fig. 1).

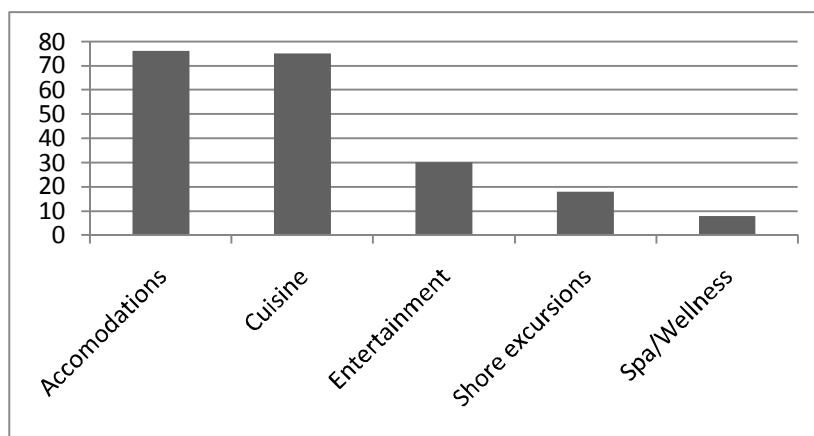


Figure 1. Gaining importance among today's cruisers

As we can see, accommodations (76%) and cuisine (75%) are gaining importance for consumers when they are selecting their cruise vacation.

Price (50%) is the top consideration when cruisers are choosing shipboard accommodations. And followed in order by: in-cabin amenities (45%), Wi-Fi (40%), adjoining Rooms (30%), branded bedding (30%).

90% of Agents indicated that their Clients believe accommodations have improved somewhat or greatly in the last 3 years.

The most recent onboard cruise innovations include:

NCL understands the need for the socialization and entertainment associated with solo cruising. With their new singles cabins and numerous lounges for interaction with other guests, singles cruising has been taken to a new level. P&O and Holland America Line also have cabins dedicated to solo cruisers with no extra supplements and Silversea Cruises offer special fare deals for solo travelers.

iPads in Cabins – Royal Caribbean’s newly revitalized Splendour of the Seas is the first cruise ship to offer Apple iPads in every cabin for use throughout the ship. With a touch of the screen, cruisers can access daily events and activities, review personal itineraries, monitor their onboard accounts, view restaurant menus, and access the internet. The iPads will be added to five more Royal Caribbean ships over the next two years. (Regent Seven Seas Cruise Line also provides iPads on Seven Seas Voyager – but only in top suites.)

Cruise operators have taken the step to provide passengers with the opportunity watch their favorite film in 3D on board. However, Costa Cruises have gone that extra mile – installing a 4D cinema on board their Costa Deliziosa. Now Carnival offers a sensational new experience on Carnival Breeze – “Thrill 5D Theater”.

Facial Recognition Technology – High-resolution passenger photos taken at embarkation are used for security and linked to cabins keys.

So, and many other innovations.

One of the main innovations of modern cruises is themed cruises.

Themed Cruises are a developing market with many different categories being implemented into a passenger’s voyage. They combine general ship facilities with the cruiser’s personal interests and hobbies to provide the ultimate experience. Themed Cruises tend to have little to no impact on the daily running of the ship, with specific rooms and areas being designated. Cruise lines offer around 30 different Themes, ranging from Archaeology to Comedy, with many hands-on activities and experiences available on board. In 2011 such new themes, as Climate change cruise, Impressionism cruise, Nickelodeon cruise, Photography cruise were introduced [3; 6].

According to International Council of Cruise Lines, approximately 98 percent of cruise passengers disembark their cruise vessel to visit a port of call. Approximately 45-50 percent of those that leave the ship, participate in organized shore excursions offered by the cruise line in conjunction with local operators.

Shore excursions are generally regarded as an integral part of the cruise experience, helping passengers to better understand the destination visited. In majority of cases, the tour operators, functioning as independent contractors, including local customs and personnel and are able to offer a better program than a cruise line itself.

The innovative shore excursions are fundamental in continuing the success to attract cruise lines and cruise passengers.

The shore excursions have been expanded to keep pace with active lifestyles, with adventure type tours, as well as more traditional activities as nature walks and city tours.

With the dramatic increase in family cruising, cruise lines continue to expand the myriad activities and facilities, e.g. teen shore excursions etc. Special arrangements for VIPs or cruise lines’ return clients are offered by tour operators.

Variety of unique and exclusive programs to suit the needs and wants of the cruise passengers is offered by tour operators. They cover personalised service and a range of innovative and comprehensive tours coordinated by dedicated experienced staff in local port.

What is also getting more and more important, it is the shore excursions designed specifically for passengers who desire the flexibility and freedom of

designing their own itinerary while in port. It allows them to take advantage of their time ashore and visit destinations that spark their interest the most.

Today is more and more important to offer shore excursions designed specially for experienced travelers and return cruise passengers [1; 5].

**Conclusion.** Over the last decades, the modern cruise industry has responded to extensive market and consumer research with the presentation of innovative naval design concepts, new ship lengths, ever more exotic destinations around the globe, and new on-board and on-shore activities and themes, developed to offer a vacation alternative that satisfies the expectations of everyone.

Today cruising is a major part of the tourism and holiday industry and the ships have grown hugely in size as more luxurious and innovative amenities are provided on board as they become floating resorts at sea. The benefits of larger cruise vessels are concentrated in giving passengers a more impressive and exciting onboard experience.

The future challenges for the cruise lines will be to provide services that differentiate their brands, from other cruise lines, and to keep up those differentiators compelling.

The development and condition of the world regions will be definitely influenced by increasing capacity of cruise vessels. The bigger capacity is directly related to changing requirements for draught, length and other characteristics of the ports.

Providing new experiences by creative and innovative shore programs, special interest tours or diversified shore tours for large passenger ship visits translates into continued bookings.

The popularity of cruises on the market directly depends on innovations.

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#### *Аннотация*

Інноваційна діяльність в сфері туризму направлена на створення нового або зміну існуючого продукту, на вдосконалення

транспортных, услуг, освоение новых рынков, внедрение передовых информационных и телекоммуникационных технологий и современных форм организационно-управленческой деятельности.

В развитии круизной индустрии немалую роль сыграло внедрение инноваций: новые лайнеры, которые вмещают в себя несколько десятков тысяч человек, изменения в обслуживании, новые развлекательные программы, разработка новых маршрутов. Всё это улучшает качество обслуживания, увеличивает предложение и спрос.

Ежегодно около 15 млн. человек отправляются в морские круизы. Предпочтения людей распределяются по-разному. Одни хотят провести время на самом современном и роскошном судне, другие желают испробовать тот или иной маршрут круиза, а третьи – путешествуют к заранее определенному пункту назначения. Немаловажными факторами при выборе круиза является его стоимость и продолжительность.

По мере ужесточения конкуренции между круизными линиями и возрастания требований пассажиров, операторы круизных морских лайнеров соревнуются друг с другом в предоставлении уникальных услуг, связанных с отдыхом и развлечениями. В настоящее время, когда круизы оказываются все более популярным видом отдыха, для судовладельцев главными факторами в борьбе за пассажиров оказываются безопасность и комфорт.

На сегодняшний день наиболее важное значение имеют не технические характеристики круизного судна, а тот комплекс услуг, который предоставляет своим клиентам туристическая компания во время морского круиза

Каждая круизная компания старается заинтересовать потенциального клиента и привлечь его именно в свой круиз. Для этих целей используются различные маркетинговые инструменты, но в целом существует три основные тенденции, которые свойственны для современной круизной индустрии.

Одной из них является постоянное увеличение размеров круизных судов, растущее количество лайнеров класса «Post-Panamax». Для строительства круизных лайнеров нового поколения постоянно ведутся инновационные разработки. Современные инновационные лайнеры представляют собой образцы передовых достижений инженерной мысли и архитектуры. Все современные лайнеры оборудованы сложнейшими и надежнейшими системами навигации и стабилизации, благодаря которым обеспечивают комфортное и безопасное путешествие в любых погодных условиях.

Меняются не только размеры судов, но и их содержание. На борту современных лайнеров располагаются галереи магазинов, казино, бассейны и многое другое. В связи с ростом количества услуг меняется концепция такого вида судов: круизный лайнер постепенно переходит в «судно-отель».

При строительстве современных круизных лайнеров используются все самые инновационные технологии и последние достижения науки и техники.

В контексте экономической целесообразности, круизные линии могут одновременно размещать заказы на строительство от трех до шести практически одинаковых лайнеров по единому проекту с незначительными различиями, которые довольно часто сводятся лишь к изменению названия.



Суть одновременного строительства однотипных круизных судов сводится к тому, чтобы удовлетворить огромный спрос на рынке морского туризма.

Для привлечения морских туристов круизные компании стараются активно разрабатывать и предлагать своим клиентам новые направления круизов. Ведь по одному и тому же маршруту клиент не будет путешествовать несколько раз. Поэтому для того, чтобы клиент стал постоянным и оставался таковым на протяжении длительного времени, ему нужно предлагать новые маршруты.

В принципе, все более или менее крупные круизные компании имеют в наличии стандартный набор маршрутов для круизов. Редкие круизные операторы предлагают уникальный маршрут круиза, которого нет в арсенале других круизных компаний.

Еще одной тенденцией в мире круизного отдыха является стремление повысить обслуживание пассажиров на круизных кораблях, а также во время высадок в портах. Круизные компании все больше средств вкладывают в организацию экскурсий и создание максимально комфортных условий для пассажиров во время пребывания в портовых городах или во время экспедиционных круизов.

Наблюдается также ориентация на вкусы путешественника, то есть во время экскурсии по портовому городу, пассажир может присоединиться к одной из групп по интересам, для которых разрабатываются специальные экскурсии, исключаящие, например, архитектурные памятники и галереи живописи.

Инновации в индустрии туризма больше не рассматриваются как просто желательные. Своевременное реагирование туристских компаний на новые технологические изменения в различных областях деятельности, смежных с туризмом, способность к созданию новых методов работы и совершенствованию результатов деятельности была признана необходимым условием выживания компаний.