



***White paper on Worldwide Cruising***

***Prepared by: Student team of Amity Institute of Travel & Tourism, AUUP***

**CRUISES... AS GO BY THE HISTORY...**

A Cruise ship or a cruise liner is a passenger ship used for pleasure voyages, where the voyage itself and ship's amenities are part of the experience. The first shipping company to offer scheduled service of passenger cruising goes date back in 1818 by Black Ball in New York. In the 1920's, cruise tourism was the preserve of the social and economic elite. After World War II, the development of air travel dented the growth of cruising, as it became more fashionable to use passenger aircraft.

By the years 1850s and 1860s ships began to cater solely to passengers. In 1867, Mark Twain was a passenger on the first cruise originating in America, documenting his adventures of the six month trip in the book *Innocents Abroad*.

The concept of *FLOATELS* was developed in Germany in 20<sup>th</sup> century. An American J. P. Morgan, is credited with the introduction of the concept of luxurious passenger ships with facilities like swimming pool and tennis court. "Olympic" and "Titanic" were unprecedented of the time then. After 1912 –Titanic sinking and World War I, the manufacturing of new cruise ships got interrupted and with World War II the cruise liner were converted to troop carriers. Increasing air travel and introduction of transatlantic flights in 1958 further damaged this market.

The modern cruise industry has seen a revival in 1960s when cruise liners started providing extensive on –board entertainment. This was the time when ships evolved from transporter to a voyager the way in which we perceive cruises of today.

A WTO study indicates an average of 1.4% of all international arrivals across the world is cruise tourists

Approximately 2,00,000 Indians go abroad every year to board cruises. They travel to Malaysia, Thailand, Singapore, Mediterranean, Alaska, and to Australia and New Zealand. The big question is can we cater to this market in India if yes then the net prices of such packages can be cut down resulting in the increase in the market size which is what industry is waiting for.

**ME CRUISING!!! BUT WHY???**

Deciding whether or not a cruise will work for you is a very personal decision, but overall travelers have reported that taking a cruise is an excellent vacation option. Why travelers should go for cruises... the reasons may be many, out of which some we are exploring here:

- Value for money –It is easy to budget for cruises as to budget for a cruise vacation because almost all of expenses are included in the total price that is paid up front (except or some shore excursions and off ship activities). Today an Indian can purchase a cruising experience for as low as Rs. 30,000/- pp. which had never been possible earlier.
- Luxury – New ships are being introduced every year offering the public the latest and greatest in luxury cruising.
- Accessibility of information – Access to information has also improved. One can easily research all of the ships' amenities and get contact information for their special services departments'. All the cruise liners are offering B2B sales facilities.
- No "Packing –Unpacking –Repacking" –One has to pack the bag once only and then can visit lot of places during one journey only.
- Hassle free transportation –If one wishes an accessible vacation then transportation is a big issue. While most of the major cruise lines offer ground transfers and most of them have strategic tie ups with airlines too, making the flight landing and cruise sailing time compatible.
- Range of on board activities –There is a variety of on board activities available with a traveler. He can be over occupied to simply idle during his vacation depending on his choice. Culinary classes, workout rooms, spa facility, in door and our door and adventure activities, disc, Casinos are just to name few.
- Specialized travel agents –Specialized travel agents have inspected the cruises personally are the best for firsthand experience and feedback. They are good advisors to traveler and if one uses their services for booking voyages and shore excursions then one can make the best out of one's trip.

- Over all sea experience –No matter what is the season, there is always a ship for everybody, somewhere, in some part of the world. Sun in the Caribbean during the winter and wilderness of ice in the vast Alaska in the summer, are just to name a few.
- Buoyant economy has contributed to larger disposable incomes among Indians.
- Positive social & demographic factors are creating an avid travel segment in India beside this Leisure Travel is becoming an increasing preference among Indians.

## **WHAT WILL WORK IN FAVOUR**

- Indian Coastline –Departure ports can be found pretty much wherever land meets the sea and India with 7,517 km coast line can be a good point to board a cruise. This coast line is as of now better suitable for cargo ships, we need to develop it to make it suitable for passenger cruises.
- Untapped market in India –It is a comparatively new market, so any company which will enter in to it can reap higher benefits without much competition and advertising cost.
- Indian tourists comprising Outbound Travelers would be a good target market as instead of flying they might want to go to Singapore or Thailand or Malaysia on cruise and then explore these countries.
- Shore excursions –If cruise liners can work on improving the services provided for shore excursion then there would be no reason for a tourist to stop any where if he wishes to purchase a cruise with several shore excursions in different places and countries.
- Increasing exposure and Indians becoming more adventurous –these changing behaviors of Indians makes them explorer and to take sea trips.
- Trend towards domestic tourism –India has a trend of having more of domestic and lesser of outbound tourism. So if domestic tourist gets a chance to take a cruise from their homeland itself then this untapped market will suddenly increase the size of cruise market by many folds.
- Foreign Tourist coming to India –This segment would certainly like to explore the cruises which will sail as Indian beaches and coastline cities are very different than what they usually find in their countries.

## **POTENTIAL CRUISE CIRCUITS**

### **1. For Domestic Visitors:**

1. Mumbai –Colombo –Singapore
2. Mumbai –Cochin –Goa –Gujarat
3. Cochin –Goa –Lakshadweep –Male

### **2. For foreign visitors:**

4. Cochin –Kerala Backwaters –Goa –Mangalore
5. Cochin –Goa –Lakshadweep –Male
6. Mumbai –Colombo –Cochin –Maldives

3. River cruise tourism is also another area which can be explored by the cruise companies as this will open up all together a new market.

4. Developing Cochin and Andaman and Nicobar Islands as international cruise destinations.

5. Developing cruise circuits from six ports viz. Mumbai, Mormugoa, New Mangalore, Cochin, Tuticorin and Chennai.

## **WHAT STOPS US:**

- 1. Infrastructure:** We are handling the Cruises on a make shift basis. Even of the major ports lack the minimum facilities like Cruise Berths, Terminal buildings, gangways, passenger and Luggage handling areas.
- 2. Tax challenges:** & tax requirements at times are too high as cruise ships have been registered in different countries with tax requirements. This makes operations at certain routes unviable.
- 3. Safety and Security:** Indian Ports still do not convey the safety measures for the various vessels operating. In concerns at Indian Port spite the Ministry of shipping interference the safety measure taken by them are poor.

- 4. Reduced profit margins due to high energy costs:** Increased energy costs lead to reduced profit margins.
- 5. Absence of International operators:** from vast Indian Coast Line even brands like Royal Caribbean Cruises Ltd. (Miami, Florida)Star Cruises (Kowloon, Hongkong)TUI (Hannover, Germany) are to be encouraged to touch Indian Ports.
- 6. Lack of trained man power** in the field of cruise tourism..
- 7. Lack of Awareness :** about the concept of Cruise tourism. It has to intergrated with the overall tourism development plan to promote Cruise Tourism at various level.

#### **8. Restricted Immigration facilities at Indian Ports:**

The visa on arrival procedures vary from country to country and is available at 05 ports. The relevant documents required are many. This make applicants to reconsider to apply for visa. We many increase the number of entry points by sea to promote the cruise Tourism in India.

#### **Conclusion :**

To conclude we may say that though India has great potential for Cruise Tourism but it has not yet been capitalized or thoughtful strategic thinking has not gone in to making this an attractive tourism product for India. Taking 2001 as the base year as per WTO reports, India may have 0.6 million dedicated cruise tourists arrivals on its ports by the year 2030-31 but this figure seems to be quite modest and insignificant keeping in view the rich coast line of India. What really matter is how well we plan & execute its expansion as well as how logically we integrate it with the overall national Tourism Plan & Policies for tourism development.

*Prepared by: Student team of Amity Institute of Travel & Tourism, AUUP*