

The **economic significance** of **cruise tourism**: An overview in the **Mediterranean market**

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Keywords | Cruise industry, Mediterranean market, Economic significance.

Objectives | The cruise industry is a market with significant investments worldwide and is characterized as the most exciting market of the maritime leisure sector. Cruise tourism combines elements of the tourism chain, such as transportation, tourism recreation and travel. The Mediterranean is the seventh largest body of water in the world, covering approximately 970,000 square miles. The Mediterranean cruise market can be divided into four regions, the Eastern Mediterranean, the Western Mediterranean, the Adriatic and the Southern Mediterranean. The Mediterranean Sea represents over 23% of the annual cruise capacity (Rodrigue and Notteboom, 2013). The objectives of this research are to analyse the Mediterranean cruise market based on the different itineraries and cruises, and to assess the economic contribution of cruise passengers to the Greek ports of call.

Methodology | Many studies and academic papers focus on the world cruise industry and its economic significance. Previous research has been made in the field of the cruise sector dealing with many aspects of cruising, namely the numerous cruise destinations and the competitiveness of the cruise market.

There are scientific papers dealing with the economic impacts (Haralambides, 1996; Douglas-Westwood, 2005) and others examining the cruise industry, focusing on the structure of the sector and the European policies (Wild and Dearing, 2000; Lekakou, Xideas & Stefanidaki, 2005). Andriotis and Agiomirgianakis (2010) provided a better understanding on the cruise travel experience by studying cruise ship passengers' motivation and satisfaction.

This research consists of two parts. The first one includes an analysis of the cruise industry, not only in a global basis but also in a smaller market, namely the Mediterranean cruise market. It is based on a literature review on the cruise industry. The second part includes results derived from primary research conducted in cruise passengers who started their journey at the Port of Piraeus in Greece, one of the most important ports in the Mediterranean Sea. In this research an effort was made to assess the amount of direct revenues that flow back to the Greek ports of call. The major tool for the data collection was questionnaires to cruise passengers. 507 passengers from all over the world participated in this research conducted in cruise ships, which departed from the Port of Piraeus in a 3 to 8 day trip.

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Main results and contributions | The cruise product has become highly diversified and the cruise companies develop new itineraries, new concepts and vessels for all kind of tastes. The increasing demand for cruises in the Mediterranean basin is a fact that the Mediterranean market has to deal with. The Mediterranean market holds the 75% of Europe's itineraries and is the most emerging cruise destination in Europe. The cruise industry generates direct, indirect and induced economic impacts in the hosting countries. Direct impacts have an immediate effect to those affected by the cruising activities, such as the expenditures of the cruise companies, expenditures for the maintenance and repair of the vessels, passengers' and crew expenditures. Indirect impacts affect the companies which are related to the cruise sector and the induced impacts refer to the generation of income and household consumption.

The contribution of this paper is to investigate the Mediterranean cruise market in terms of the economic significance. Moreover, it aims to explain the increase of the market and to analyse why people select the Mediterranean, and especially the Greek islands for cruising.

Limitations | While trying to explain the economic significance of the Mediterranean cruise market, some limitations were faced. There are not many statistical reports for all the ports, so this research focused on the major Mediterranean ports as a representative sample, given by the European Cruise Council. Moreover, the primary research was particularly difficult to be conducted as the permission from the company to conduct the research to their passengers had to be requested, which took a long time before starting the survey.

Conclusions | The Mediterranean area offers the ability to design cruise itineraries that are extremely varied and different depending of the period of the year. Since the early 2000s the number of ports of call has been increasing considerably. The cruise sector may become a development pillar and accelerate local economies in the Mediterranean. The Mediterranean area represents almost the 20% of the global cruise market and it emerged to be the world's second most popular cruising destination behind the Caribbean. The highest number and percentage shares, both for passengers and cruise calls, took place in the West Mediterranean (67% and 57%, respectively) for the year 2012 (MedCruise Yearbook, 2013/14).

Through the primary research made in cruise passengers who visited the Greek islands and started their journey from the Port of Piraeus – one of the major ports in the Mediterranean, although until 2010 the Greek cruise sector operated under cabotage conditions –, it was concluded that each passenger spent a minimum amount of €104.2 in the Greek ports of call (transit ports). The majority of the respondents traveled with their families and chose Greece because they want to visit destinations with historic significance. Their age category is between 46 and 65 years, the annual income of the majority is over €50,000 and the majority of cruise passengers are married. From the results of the survey it was found out that most of Europeans spend up to €50 in the Greek ports of call comparatively to the Americans, who are willing to spend over €200 in the ports of call. This is explained due to the diversification of their annual income. The majority of Americans have an annual income over €50,000, comparatively to Europeans whose annual income is between €20,000 and €30,000, and this may explain, to some extent, why Europeans do not spend much money in the Greek ports of call as Americans do.

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