

Impacts of cruise tourism



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This business report addresses the impacts of cruise tourism offered by Royal Caribbean Cruises Ltd. on the environment and its related issues. It aims to attend the necessity of Ecotourism as a sustainable business for the company.

Although Royal Caribbean (the world's second largest cruise with 23.8% of world's market share) has contributed positively to regional growth by diversification, creating job opportunity, earning foreign reserves but it has diverse issues related to economic, socio cultural and the environment.

However the main focus will be on environment which is strongly affected by the increase in cruise lines and there is a need to protect the ecosystem.

The issues of cruise tourism pertaining to the environment arises because of three important reasons; lack of proper waste management, selection of improper tourists destinations, and lastly because cruises doesn't restrict to the number of visitor carrying capacity of the tourism destinations, resulting in site congestion, gathering of wastes, deterioration of archaeological and historical sites. Tourist destinations should be national parks, flora and fauna instead of fragile destinations. Due to ocean pollution the company has to pay penalty which raises its expenses, incur losses and also social impact.

Even if cruise tourism is the fastest growing business of the travel industry however if the growth is not planned properly it may cause economic, environment and socio-cultural impacts on tourist destinations. Thus, the need for responsible tourism is highly recommended for the sustainability of the business, which can be achieved by ecotourism. Ecotourism is one form of tourism, which addresses the negative impacts associated with mass

tourism through the implementation of sustainable practices. Its impacts and benefits are critically analysed and it was recommended for the company to implement it.

Necessity of Ecotourism as a sustainable measure for Royal Caribbean

1. Introduction

Royal Caribbean Cruises Ltd. is the world's second largest cruise company founded in 1969 and it. The company is responsible for giving a new dimension to the cruise industry transforming a simple ocean carrier service into a mega vacation option. It sails in more than 160 destinations with a variety of travel options. The two brands are “ Royal Caribbean International” and “ Celebrity Cruises”. It operates globally, however majority of its passengers are from North America. Main competitors are Carnival Corporation, NCL Corporation, and Star Cruises Ltd. (Royal Caribbean International, n. d.)

The main objective of this report is to identify the issues, analyze the impacts of the issue on the sustainability, recommend a solution to fix the issue, find out its benefit, and its implementation by the company making it a sustainable business.

The issues and challenges faced by Royal Caribbean cruises in terms of social, economical and environmental factors are discussed in this report. The problem that was identified with the cruise tourism of RCCL was the improper waste management which lead to ocean pollution thus affecting the marine as well as terrestrial environment. The poisonous oil leakage from

the vessels killed people and also had harmful effects causing deadly diseases. This impacted the environment as well as society. The economy of the company was negatively impacted because Royal Caribbean had to pay heavy penalty for polluting the environment. This raises the issue of sustainability because for the company's long term business, it is essential to have a balance between these three factors. Ecotourism is suggested as a tool for sustainability. However it is important to critically analyze the potential of ecotourism as a strategy for development, evaluate the impacts and benefits of ecotourism, and the ways to improve ecotourism practices and policies for Royal Caribbean Cruises Ltd.

2. Issues

With the increase in popularity of leisure tourism, the company focuses on providing adventure, relaxation and entertainment to passengers from across the globe and tourist destinations as a part of the cruise package deals. However it is also necessary to maintain the glory of such destinations as it is linked to the environmental performance and the future of tourism also depends on it. Marine life should be protected which is the base of shipping industry. Cruises generate a high volume of wastes, pollutants into the water body which affects the marine environment. Royal Caribbean was found guilty of illegal waste-handling by disposing the toxic waste into the Alaska's Inland Passage waters thereby polluting the marine environment and for which it has to pay a fine of \$18 M. But the company was convicted by the U. S Federal for 11 times in charge of ocean pollution. The \$9M and \$18M fines each were the highest record set for the largest pollution penalty for a cruise-ship company (Fishman, 2000). These pollution scandals not only

increased the expenses but also affected the company's gracious public image. The socio-cultural issue in Haiti has also put Royal Caribbean under a heavy media fire. The company brings the vacationers to a private resort maintained by it in Labadee, Haiti, which is 60 miles away from the earthquake-ravaged Port-au-Prince (Bennett, 2010). Ms. Martinez, Manager Corporate Communications said, "the company is very sensitive to the idea of delivering a vacation experience so close to the epicentre of the earthquake," but given the financial and social challenges the country is now facing, it needs the positive economic benefits Royal Caribbean's cruises provide. Despite Royal Caribbean's help to the Haiti relief effort, \$1 M donation as relief fund, the company is charged for bringing cruisers to this place. It is criticized saying that the cruise line should never have tried to mix its commerce and humanitarian efforts in telling its side of the story (Bush, 2010).

In a nutshell, the main issue figured out was cruise tourism which had the serious problems like lack of provision for waste disposal leading to environment and economic crisis, destination selection raising social issues. We will further analyse the effects of cruise tourism in this report.

Impacts of Cruise Tourism on the Environment

The cruise tourism is likely to have effects on various aspects of the maritime and terrestrial environments. There is always a high possibility of oil spills by the ships in the sea which is very difficult to clean up in the cold remote locations. The impact of vessel activity in the breeding ground and feeding areas of marine mammals risks the wild life and is an area of concern.

Whereas the terrestrial environment is affected by the numerous passengers

who often make shore visit to places of natural and historical interests as a part of their cruise holiday package, either by speed boats, zodiac or helicopters thereby creating noise pollution and destroying the archaeological sites. Another potential threat is there to the flora and fauna of the place because these species have low tolerance capacity which leads to the destruction of the ecosystem. Not only this, there is a social and cultural disruption among indigenous people whose communities play host to cruise visitors on an increasingly regular basis.

While cruise tourism has the potential to disrupt local communities it also has the capacity to enrich them. It can contribute positively to the economies of remote communities and also can be viewed as an environmentally sustainable option.

Aspects of global environmental change with relevance to cruise tourism

The effects are on three sectors: Infrastructure, Access, and Attractions. Cruise tourism increases the open water which leads to storm surges and shoreline erosions. This creates structural damage and raises construction and engineering problems. An effect on Access is because of declination in sea-ice extent causing extended shipping season and melting of glaciers also causes iceberg hazards. Effect on the attractions is because environmental changes alter local activity possibilities, changes scenic values locally and variations in ecosystem lead to alterations in distribution and abundance of existing animal species (Gissling & Hall, 2005, p. 44).

3. Recommendations

Royal Caribbean should adapt Ecotourism business to address the sustainability dimensions which will provide a diversity of economic benefits to the company, environment and the community. The benefits of implementing this sustainability practice will reduce operating costs, protect the brand image, provide credible marketing advantage, increase client base, and improve the business efficiency.

It is recommended for Royal Caribbean to discourage mass tourism because travelling in small groups helps to conserve energy and the waste needs of passengers are managed in a better way, thereby having low impact on the environment (Paul F. J. Eagles, 2002, p. 20). The travellers should be educated on practices respectful to the local environment and the benefits of small-group responsible tourism. So limit in cruisers number will help to protect the local tourism infrastructure for future generations.

Cruise destination should be selected wisely because travel to unspoiled virgin areas is harmful and may damage areas of the environment that are exceedingly rare and fragile. It should sail to nature based places like national parks, areas of conservations where flora, fauna, and cultural heritage are the primary attractions.

Reduce, Reuse, Recycle should be the strategy for waste management. It should recycle all materials like glass, plastic, paper etc. Water bottles can be reused; special processing of wastes such as toner cartridges, wooden pallets and cooking oil should be done by approved shore side vendors. The outstanding garbage can be reused in some countries as road fill, or can be

treated as special waste for further processing or disposed of in a landfill. The unconsumed foodstuffs by the guests can be sent to the crew galleys; remaining food scraps can be treated inside the vacuum system of the ship and can be discharged to the sea. Similarly water waste is filtered and purified into potable water.

Tour can contribute financially toward the local economy and nature conservation (WTO & UNEP, 2005, pp. 9-10). It should contact the local guides, local activity providers for the travel guide to the local places; the cruisers can purchase from the local buyers thereby promoting the local business, visit the national parks.

Support the integrity of local cultures by integrating tours within the cultural fabric of the sites. The passengers should be encouraged to stay in local hotels, visit places, and participate in activities that foster meaningful interactions with them. It helps in providing employment, encourages cultural exchange and strengthening of intercultural understanding and tolerance for both guests and hosts.

Ecotourism

Martha Honey defines as “ Travel to fragile, pristine, and usually protected areas that strive to be low impact and (usually) small scale. It helps educate the traveller, provides funds for conservation; directly benefits the economic development and political empowerment of local communities, and fosters respect for different cultures and for human rights.” (Honey, 1999, p. 25)

Advantages of Ecotourism

It can help in protecting the ecosystems, preserving natural areas and increase the tourism.

Increase the awareness on environment; educate people about the consequences of exploiting natural resources.

Help in providing employment to the local and regional people, e. g. selling of handicrafts, local food items etc.; this also creates some entrepreneurial skills (Leader-Williams, Hashimova, & Guliyeva, 2004, p. 45).

Increases foreign reserves of the region, enhances economic growth.

Raises the warmth to multitude country's political, environmental and social climate

Cultivate a feeling of pride and community through a revival or safeguarding of customary beliefs, practices and enriching techniques.

Untouched destinations and natural activities may become a craze for tourists creating scope for ecotourism.

Diversifying the tourism package into interesting events such as halt in country boats, trail walks etc. will help retaining the revenue generated with the local people and promote local economy.

Figure 1: Sustainable Development Triangle (World Conservation Union, 2003)

Utilizing the above figure of sustainable development triangle we can say that ecotourism puts a balance between these three sides i. e. economy, environment, and the society. For the long term development of a company it is necessary to be sustainable; Ecotourism will bring future and current benefits as well as work as a form of sustainable development. SWOT Analysis of Ecotourism can be referred in the Appendix attached at the last.

4. Implementation

The company should get the new criteria for selecting destinations in a cruise ship port of call from the tourism council. It should follow the guidelines on ecotourism destinations set by the Global Sustainable Tourism Council. After that a third party verification of its land excursions adhering to Global Sustainable Tourism Council-recognized standard by 2015 should be done. Once final GSTC Criteria for Destinations are in place, they will provide another standard by which Royal Caribbean can judge ports of call.

(Wilkinson, Global Sustainable Tourism Council, 2012)

Timeline: An approval from the CEO has to be obtained and then the company should follow GSTC for obtaining the criteria. This process of implementation will take around 3 years which is the timeline.

Instead of activities like snorkelling, scuba diving etc. which has impact on the marine life there can be other attractions like visiting conservation area, Plantation house, lush forest trekking, catamaran ride to beaches where the guests can have beach barbeque. Maintaining the quality of these experiences means integrating the guidelines of sustainability, with the help of a GSTC consultant.

Timeline: There should be an approval received from the strategic planning department and It can be implemented within 6 months from now.

There should be proper waste disposal system in the cruises. Modern equipment like exhaust gas scrubbers should installed on smokestacks, superior wastewater purification should be on the vessels. RCCL can implement these systems on the newer ships as a measure to treat all kind of wastes like solid waste, water waste and air waste. It can also have highly developed systems like reverse Osmosis system that uses only 35 percent of the electricity consumed as compared to older units for converting sea water into drinkable ship water.

Timeline: Approval from the corporate governance department should be obtained and this can be implemented within 6 months from now.

In order to preserve the environment from dumping things overboard RCCL can initiate programs for educating the cruisers, travellers, crews for recycling all the wastes like aluminium canes, water bottles, food stuffs etc. It can also purchase more than one million pounds of recycled products each year. An approval from the CEO can be obtained for immediately implementing the plan and the sanction for purchasing recycled products can also be got from finance department.

Timeline: This can be implemented within 2 month.

5. Conclusion

Ecotourism is a win-win solution for destinations where the conservation efforts for the environment are also associated with the livelihood

opportunities of the local people. For ecotourism to be effective in its true sense there is a need to develop a proper ecotourism package which should be different from the existing mass tourism packages.

Royal Caribbean's plan to implement Ecotourism as a sustainability measure is indeed a commendable decision. The company's initiative to sponsor programs such as setting new criteria for selecting holiday destinations, running programs like " Save the Waves" with mission as reduce, reuse, recycle will certainly help it for a long term development and overcome the challenges to sustain its business. Although RCCL's investment will be more on these sustainable measures but it will not have a negative impact on the environment, social image and the economy as well because there will be no threat for hefty fines for creating pollution.