

Cruise shipping

[Business](#), [Industries](#)



This industry can be traced back to around the 1400s when the first transatlantic voyage took place (Destination Yacht Charters). The speed of these cruise ships was very low during these years, but this was changed when the steam engine was invented in 1712 by a scientist named Thomas Newcomen (Briggs, 2009). The evolution of the steam engine led to the formation of the first shipping firm, the Black Ball Line, in 1818, which offered scheduled services to its passengers (Lyttyson, 2009).

With the steam engine, the cruise shipping continued to flourish in the 1800s and the early 1900s as the number of passengers traveling for business or leisure grew. However, with the arrival of passenger airplane from the Boeing Company in 1960s, the industry started to decline and this was attributed to the speed of these airplanes (Cruise lines, 2009). With the airplanes people could travel to more destinations within a short time in comparison to the cruise ships. This made the shipping companies to change their goals and to focus on tourism instead of passenger services.

Furthermore, with the stiff competition from the airplanes, the industry still managed to flourish since they concentrated on improving the voyage itself. These companies concentrated on making their ships more comfortable and even provided extensive entertainment inside the cruise ships for the passengers. In addition, with "The Love Boat" television show in 1977 to 1986, the image of cruise shipping was improved and made better (Boyd, 2008). Recently, with the luxurious and superior entertainment provided on-board, the voyage has become the center of attraction and not the geographic destinations (Cruise working, 2009).

This has made the cruise shipping industry to become one of the fastest growing industries in the transportation sector. Factors contributing to Cruise industry growth The economy in many countries is stable and growing and this has led to increased wealth amongst the people in those countries. With increased wealth many people can afford to travel for leisure. To a large extent, this is contributing to the continued growth in number of passengers experienced by the industry. For instance, between 1980 and 2003, the North American market grew at a rate of about 8.4% per annum (Dowling, 2006).

Globalisation is stimulating the market of container transport. The increase in the market of container transport is contributing to cruise shipping growth. In the Trans Pacific the number of containers transported in 2004, increased by about 15.3% to more than 622,000 standard containers (Hapag-Lloyd, 2005). With the increase in the market, more ships are being built with even large capacity in order to tap the profits incurred in this transport industry. The peaceful environment experienced in most parts of the world is contributing to cruise shipping industry growth.

For instance, in Iraq when peace was restored, tonnage at Aqaba port increased by about 28% to about 6.5 million tons, in the first four months of 2003 (Stensgaard, 2007). The war in Iraq led to many ports being closed and people could not visit the country. However, when the war ended, materials for reconstructing the country entered the country through port Aqaba and this has led to its growth. With peace in many nations cruise ships can move freely in the waters as the number of safe ports increase leading to more destinations where people can visit.

The tourism sector is growing at a fast pace and this can be attributed to many countries especially African countries investing more money in marketing their country's heritage. In many African countries the tourism industry is one of the major sources of income. In a country like Kenya, in 2006, revenue from tourism reached \$800 million, thereby making it the largest foreign currency earner followed by horticulture and tea (Wallis, 2007). The fast growth in the tourism industry is facilitating the growth in the cruise industry as both industries depend on each other mutually.

The advancement in technology has enabled cruise ships to communicate with the loading and the off-loading ports and even with other ships. With modern communication, the ships can easily request for assistance when facing problems in the waters such as engine failure, explosions, among others, from other ships or nearby harbours. Furthermore, with the technological advancements, faster ships are being built thereby reducing the time spent in waters. The passengers can therefore reach their destinations in shorter time periods.

In 2007, the world fuel price was more than \$100 per barrel (Mati, 2008) but in 2009, prices have reduced to about \$59 per barrel (Associated Press, 2009). The reduction in the fuel prices is a boost to the cruise shipping industry as it helps in reducing the package prices thereby enticing more passengers to cruising. Some people might find cruising expensive but with the reduction in package prices cruising will be made more affordable to them. To some extent, this is contributing to the increase in the number of cruise passengers. Strengths Cruise itineraries

They provide the cruise passengers with a wide variety of services to choose from. There is a wide variety of cruise ships which offer different services. For instance, there is the Disney Cruise which offers exquisite activities for children and adult flair, the Royal Caribbean which offers magnificent sporting activities, the Costa cruises, which has put more emphasis in providing dining and entertainment in accordance with the Italian heritage, and many others (Lovetoknowcruises, 2007) Capacity The magnitude in size allows the cruise ships to carry a very large number of passengers at a go.

The largest cruise ship can carry more than 6000 passengers (Wise, 2007), while the largest plane can carry more than 850 passengers at a go (Lewin, 2009). In terms of space, the cruise ships are more comfortable than the airplane and vehicles. Because of the large space in cruise ships, movement is not restricted and people can move around freely while in airplanes, vehicles and trains there is limited space and movement is restricted. Privacy and value In cruise ships privacy is ensured and respected. Because of its large capacity, it is designed like a hotel with rooms for the passengers.

In cruise ships, the voyage is package priced and this usually includes food, room, and entertainment, among others. In most cases the passengers would spend more money on a vacation of same quality on land than on voyage (Hillman, 2009). This therefore shows that cruising is cost efficient than land vacation. More relaxation Land tourism is tiring than cruise shipping. In land tourism, the vehicle may encounter problems like engine problems, tire puncture, and many more, but in cruise shipping the problems are almost negligible.

Furthermore, the hotel personnel pamper their visitors at a lower level in comparison with the cruise shipping personnel (Hillman, 2009). In cruise ships the passengers are treated with much respect and their requests are usually met in time. In addition, food is provided and the passengers do not have to carry their own food, while in land vacation you either carry your own food or look for restaurants that provide quality food and these restaurants are usually hard to come by.

The problem of packing and unpacking your belongings is not experienced in cruise shipping (Hillman, 2009). The passengers will only unpack once throughout their cruising as they move from one place to another and will only pack once when they are back to their homes. Weaknesses Diseases infections The passengers in cruise ship are exposed to a high risk of disease infections such as norovirus, malady, among others. In 2004, about 300 passengers of the Carnival cruise line ship were infected with stomach malady while they were on-board (Water quality and health council, 2009).

Consequently, in 2007, about 7 crew members of the Majestic America Line cruise ship and 26 passengers were infected with norovirus while on-board (Baldwin, 2007). The norovirus has no cure but is controlled by antibiotics. The closed environment in the cruise ship provides suitable conditions for disease infections to spread swiftly since there is much human contact and food contact. Some of the reasons leading to disease infections include neglecting to disinfect restrooms and kitchens, washing hands among others (Paddock, 2009).

The rate of disease infections in the cruise ships is reported to be on the rise and this could affect this industry adversely. Maintaining sanitation in cruise

ships is becoming a problem for many shipping companies since it requires more funds and some companies are reluctant. Environmental pollution The cruise ships produce significant amounts of wastes which are mainly disposed with minimum regulation since they are not subjected to the same environmental policies as the industries on land (Commoy et al, 2005).

Researches done have shown that cruise ships produce carbon dioxide three times more than airplanes (Environmental Leader, 2008). Furthermore, in cases of accidents as was observed at the coastline of the Antarctic island, the Norwegian ship spilled fuel as it ran aground (Reuters, 2007). Spilling fuel in the waters is harmful to aquatic life as it deprives them oxygen (Smith, 2009). In addition, in many cruise ships there is no energy conservation mechanism, a lot of energy is used in moving, in the restaurants, for laundry and in the movie theaters.

There is significant wastage of energy in the cruise ships. Terrorism Historically, terrorist mainly target the transport industry since the security in the maritime borders is lower in comparison to land borders (Loy, 2001) . For instance, in 1985, Palestinian terrorists attacked the Italian cruise ship killing at least one American (Ensor, 2003). The perception by people of a terrorist threat can restrict the cruise industry growth. Some people may not prefer cruise shipping because of increased terrorist activities thereby reducing its market as people fear for their lives.

Terrorist activities may instill fear in some people thereby restricting them from traveling as they prefer staying in one place or going for land vacation which is much safer. Speed and price When compared to airplanes the cruise ship are expensive and consume a lot of fuel. In terms of fuel efficiency,

studies carried out have shown that cruise ships are the worst in fuel efficiency when compared to airplane (Davison, 2009). Furthermore, in terms of speed cruise ships are very slow.

For instance, the world's fastest ship, Olympic voyager took seven days to visit three continents while an airplane can take only several hours at most (Hammond, 2000). The aviation sector is providing stiff competition as they try to improve the speed, the comfort and even the services provided to its customers. In addition, the aviation sector building big planes with larger capacity to cater for the increasing number of passengers. Limited port facilities The modern technology is enabling ports to become more efficient and effective in the services they provide to the shipping industry.

However, the rate at which new technology is being adopted by ports is very slow and this can be attributed to high cost as upgrading requires much capital. Majority of the ports have not upgraded into using the modern technology and this has become a hindrance since few cruise ships can dock at that port in a day. It takes a lot of time to clear a cruise ship to dock. In addition, there are ports which have upgraded their facilities into using modern technology, but have limited loading capacity and therefore cannot accommodate large ships.

This is negatively affecting the cruise shipping industry as it continues to build larger ships. Availability of the cruise itineraries Cruise itineraries are not available throughout the year they are restricted by seasons, some itineraries are available during the summer while others during the winter. This therefore restricts passengers from traveling to some destinations during a particular season. For instance, the Alaska cruise operates during

summer only while during winter it is off-season, this restricts people who want to travel amongst the Alaskan glaciers (lovetoknowcruises, 2007).

Furthermore, there are some itineraries which are not available in many ports such as the Caribbean and Mediterranean voyages which are usually available throughout the year but are limited by the number of cruise ships that provide them (MacCalla, 1994). Limited exploration time and destinations In cruise shipping there is limited time spent on land, a lot of time is spent on-board. This gives the cruise passengers little time to absorb the cultures of local communities when visiting a place. In addition, the voyage is restricted to the coastal areas, only the airplanes, trains among others can go inland.

This therefore makes people who want to visit inland places to prefer using airplanes over cruise ships. Future of cruise shipping industry The number of passengers has been increasing annually and this is a big boost to this shipping industry. However, with economic downturn in the world, the cruise shipping industry will be affected adversely. In 2009, the number of passengers in cruise ships is expected to grow by about 3% which is a significant reduction from the growth observed from 2006 to 2007 of about 11% (Berman, 2008).

With this significant reduction in passenger growth, the cruise shipping industry is still better placed than most sectors. The passenger number especially that of British cruise passengers is anticipated to grow by 2010 as new cruise ships providing better services will be in the market. From the trend observed in 1995 to 2005, whereby the number of European passengers tripled from about 1 million to about 3.3 million, this growth rate

is anticipated to reach 4 million annually by 2010 and to about 5 million by 2015 (Seatrade Cruise connection, 2007).

The new ships are expected to provide better itineraries thereby attracting more passengers to cruising. Even though, the cruise shipping industry is facing some serious challenges, the future looks bright. Furthermore, with the advancement in technology, the efficiency and effectiveness in ship building will be greatly improved and ships will be build much faster thereby meeting the increasing passenger demands. From the current trends observed, in 10 to 15 years the cruise shipping industry will expand greatly and become one of the largest industries contributing to the world economy.

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