



CRUISE TOURISM IN THE BALTIC SEA REGION: LITHUANIAN CASE

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Annotation

Worldwide, the cruise industry has had a steady annual growth of passengers since 1990. Expansion strategies to date have been driven by larger capacity ships and their diversification, there are more local ports and a wider variety of destinations on offer, in addition, new on-board/on-shore activities are provided that are able to match customers' demands.

The article focuses on the cruise tourism situation in the Baltic Sea. Its aim is to reveal peculiarities of Lithuanian cruise tourism in the context of the Baltic Sea region. Statistical data of foreign associations and organisations is analysed and direction of development as well as trends of world cruising is discussed. Moreover, statistical data on cruise passengers in the region is examined. The research was performed using statistical reports and publications as well as other scientific evidence, including Lithuanian tourism law, Klaipėda city marketing and communication strategy and city development plan. The impact of cruise tourism on Lithuania is also discussed. To get a broader picture of cruise tourism in Lithuania, representatives of the agencies organising cruising services were interviewed. This enabled the researchers to learn about the supply of services available for the tourists and pointed out the main issues that cruising businesses might face developing cruising products in Lithuania.

The notion of cruise tourism is comparatively well developed in European tourism documents, however Lithuanian documents lack a targeted strategy that would aid the country's cruise tourism development. At present, products that are offered for cruising tourists on shore are saleable and receive good reviews, nevertheless there is still a gap in the market for more interesting excursions as well as specialised tourism products such as culinary and family packages or entertainment, spa or ecotourism products.

The interview revealed that there is not enough cooperation between the organisers of cruise tourism and the local authorities, this is a major hindrance for the successful development of cruise tourism in Lithuania. Sometimes, however, Lithuanian cruise tourism stands out in the European context where a decrease in the number of tourists is noticeable. In Lithuania, this number is steady and this proves the popularity of the region and it can be assumed that the region is in a stable position and will keep attracting a flow of cruise tourists. Nonetheless, world trends should be considered and it is essential to promote cooperation between businesses and public sector, new ways of satisfying growing needs of tourists have to be taken into account in order to maintain a stable position in the market.

KEY WORDS: cruise tourism, cruise tourist, Baltic Sea region, tourism product development, on board/on shore activities.

Introduction

Cruise tourism has an exceptional role in the maritime tourism sector as it is one of the fastest growing businesses that has a huge impact on the region's and the country's economy. According to Cruise Line International Association (hereinafter - CLIA) in 2015 the above mentioned sector created 360 000 work places in Europe (CLIA, 2015); it was accountable for 16.89 billion of direct revenues (40.95 billion of comprehensive income). 6.6 million Europeans chose cruise tourism as the most attractive form of holidays and leisure time. The website of the international organisation "Cruise Baltic" (hereinafter - CB) claims that the tourism sector of the Baltics includes 10 countries, 29 ports and 37 different marine companies that are involved in organising cruises in the Baltic sea (Cruise Baltic Market review, 2017). Passengers, who choose a Baltic cruise, are able to visit 35 objects that are included in the UNESCO culture heritage list and they can discover the local culture, traditions, customs and nature. Baltic cruising is suitable for elderly travellers as the area has cooler summers and it offers peaceful walks as well as attractive prices of tourism services.

Klaipėda is the only port in Lithuania and it received the first cruise ships in 1999. The statistical data of Klaipėda port (2017) indicates that the number of passengers has been fluctuating since 2000, but it has

been increasing since 2011. In 2014 Klaipėda received a record number of ships – 63, whereas in 2016 the port received 64 605 cruise tourists.

Despite major investment and high expectations regarding the construction of the Cruise Ship Terminal and the Central Klaipėda Terminal, Klaipėda has not become the leading port in the field of Baltic cruising and is overtaken by neighbouring Riga and Tallinn ports. Natural and cultural resources of the Lithuanian seaside as well as a UNESCO site – the Curonian Spit, and the proximity of Palanga and Neringa resorts placed the development of Lithuanian cruise tourism in an advantageous position. According to A. Serry (2014), the concept of cruising in the Baltic Sea is well developed but still leaving good opportunities for improvement, therefore it is important to research the situation of Lithuanian cruise tourism in the European context.

The aim of this article is to reveal the peculiarities of Lithuanian cruising in the context of the Baltic Sea region.

The following goals will aid to reach the goal:

1. To review cruising in the Baltic Sea region.
2. To discuss the situation of cruise tourism in Lithuania.

Methods of the research:

1. Scrutiny of documents that enabled to analyse cruise tourism in Lithuania in the European context.

- Interview with representatives of cruising agencies enabled us to learn the supply available for the visiting tourists and determine the main issues of the cruising business that hinder the successful development of cruising products in Lithuania. 6 interviewees were interviewed in May 2017. The interviewees represent 6 different companies and have a substantial experience in the cruising business.

The concept, tendencies and development of cruise tourism

The account of the European Commission (2009) describes cruise tourism as an entertaining voyage in the sea that is only meant for passengers and lasts not less than 60 hours, visiting at least two ports (excluding the port of embarkation and disembarkation). In the study “Cruise Baltic market review” (2017) a cruise tourist is defined as a person buying a cruise trip. A cruise includes visits to several cities/ports; each time the tourist is counted as a passenger in that city/port (a passenger visit). If the cruise tourist stays on the ship for 7 nights and visits 5 cities/ports, he or she is counted as 1 tourist, but as a passenger 5 times with 7 bed-days (on board the ship). The notion of cruise tourism adopted in official Lithuanian documents (Lithuanian tourism law, Lithuanian tourism marketing strategy for 2016-2020, Klaipėda city marketing and communication strategy and city development plan) is more or less the same as of marine tourism. There is no detailed analysis of the notion of Lithuanian cruise tourism in the current scientific work, however the existing research of Lithuanian researchers Valioniene E., Pletkauskaitė G. and Starodubcevaite V. (2013) suggests that there is a growing interest in this area.

Despite the variety of the concepts of cruise tourism, it always includes services of marine transport (accommodation, catering and entertainment on the ship) and the services of tourism on shore (excursions, sightseeing, purchase of souvenirs, etc.) In the centre of both services is the client/traveller, that has his own needs and expectations, one Baltic cruise offers the possibility of visiting 10 different countries and getting to know 10 different cultures. This provides an opportunity to experience several must-see European capitals on one trip. The Baltic region is not only home to some of the most vibrant European capitals, but also has many small hidden gems that offer a relaxing environment close to nature.

According to statistical data (CLIA 2017), 9 out of 10 guests are very satisfied or satisfied with their cruise in the Baltic Sea. 88% of all guests are very likely or likely to recommend a cruise in the Baltic Sea. More than a half of the guests are very likely or likely to return on another cruise.

The statistical data of CLIA (2017) shows that the sector of cruising has been growing steadily reaching 24.7 million passengers in 2016 (see figure 1).

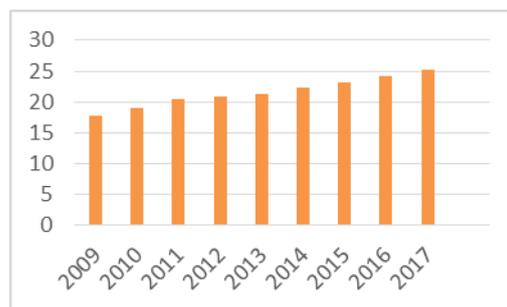


Fig. 1. The dynamics of the growth of the cruising passengers in the world in 2009-2017 (in millions)

The annual increase of the number of passengers was approximately 6.55%. CLIA (2017) claims that it was due to a few main reasons: construction of bigger ships, introduction of new routes that include a higher number of sightseeing objects, the rise of new ports and a wider range of services available (both on the ship and on shore).

According to A. Serry (2014) the leader of the European cruising is the Mediterranean region, however the Baltic Sea region takes the leading role in the Northern Europe.

Cruise tourism in the Baltic Sea region

The Baltic cruise industry has grown very fast since 2000. The lowest cruise industry rates were recorded in 2000 after the end of the cruise shipping season (Valioniene E, Pletkauskaitė G. & Starodubcevaite V., 2013; Welnicki M., 2013). In 2011-2012, the Baltic sea region was still experiencing substantial growth, with 13% more cruise visitors in 2011. Despite the global economic slowdown in 2013 the Baltic Sea region remained a popular destination among tourists, with more than 70 ships operated by 42 companies making over 400 round trips (Serry 2014).

The data of “Cruise Baltic review” (2017) suggests that the total number of cruising passengers had the most rapid increase in 2011 (15,1%). In 2013 the biggest number of cruising tourists was recorded – 4 million. In 2014 a decrease by 2,1% was noted. The number of passengers in 2016 increased by 1.2% compared to the number of passengers in 2015. From 2000-2016 the number of passengers visiting the Cruise Baltic destinations increased by an average annual rate of 9.9% per year (from 1.1 mill. in 2000 to 4.3 mill. in 2016). In 2017 an increase of 13% of passengers (561,972 pax) compared to 2016 is expected (see figure 2 for details).

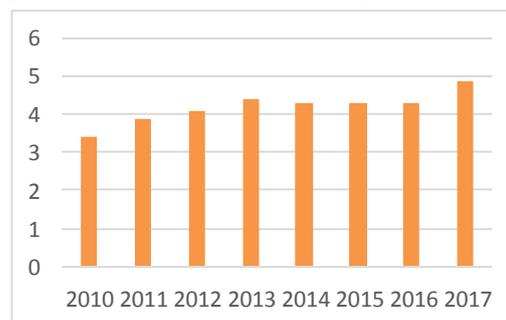


Fig. 2. The dynamics of the number of cruising tourists in the Baltic Sea region in 2010-2017

Considering the number of visiting cruise ships, ports of the Baltic Sea region are divided into four categories: small, medium, large and extra-large (see table 1 for details).

Table 1. Categories of ports of the Baltic Sea region, 2016.

Small 0 – 24 calls	Aalborg (21), Rønne (20), Lübeck-Travemünde (14), Skagen (13), Mariehamn (9), Helsingborg (8), Turku (8), Arendal (4), Kalmar (4), Fredericia (4), Saaremaa (2), Karlskrona (2), Malmö (2), Elsinore (2), Kalundborg (1), Kemi (1), Kalundborg (1), Kotka (0)
Medium 25 – 49 calls	Visby (43), Gothenburg (34), Gdansk (32), Aarhus (29)
Large 50 – 199 calls	Rostock (181), Kiel (147), Oslo (82), Kristiansand (66), Riga (63), Klaipėda (52)
X – Large 200 + calls	Copenhagen (306), St. Petersburg (272), Tallinn (271), Helsinki (240), Stockholm (230)

Dynamics of individual categories of port visit numbers is an important factor in determining the port’s place in the market and planning the prospects of its future development. The above indicated data suggests that Copenhagen, Tallinn, St. Petersburg, Stockholm and Helsinki have the leading position. This fact is not surprising considering that some of these ports are the places of embarkation/ disembarkation. It should be mentioned that according to CB data the number of cruise ship visits in these ports has declined in 2016. With the change of the number of visiting ships the status of the port also changes. 2016 had a positive change on Lithuanian port, as instead of being a medium visited port (2015) it received the status of a largely visited port (Cruise Baltic Market Review 2017).

Situation of cruise tourism in Lithuania

The only multimodal, universal and deep-water port in Lithuania – Klaipėda port – is able to receive ships that are up to 337 m. in length, up to 48 m. in width and have a draught up to 13.4 m. The main shipping lines to different European ports cross Klaipėda port. The construction of the the Cruise Ship Terminal (built in 2003) and the opening of the universal Central Klaipėda Terminal (built in 2014) enabled Klaipėda port to become a convenient transit stop for cruise ships. 2016 was the year of important positive change as instead of being an averagely visited port it received the status of an often-visited port (see table 2). During this year 52 cruise ships came to Klaipėda port.

Over 20 years the port received the investment of 2 billion euros, therefore at present Klaipėda port meets all technical requirements applicable to cruising ports (Cruise shipping in Klaipėda port 2017).

The first cruise ships came to Klaipėda port in 1999, however, the real beginning of cruise tourism is considered to be 2003 when the Cruise Ship Terminal was opened and 28 ships with 8786 passengers came to Klaipėda. Since then the number of cruise ships and tourists coming to Klaipėda port has been changing annually.

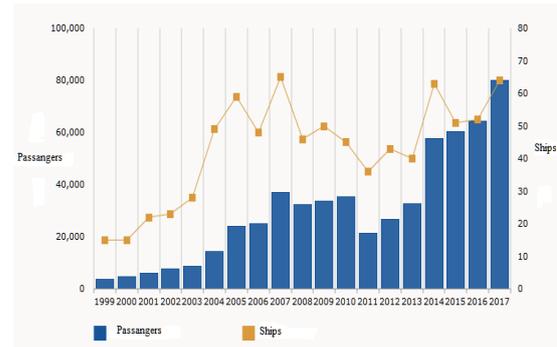


Fig. 3. The dynamics of the number of cruise ships and their passengers in Klaipėda: statistical data of Klaipėda port

According to the data of Klaipėda port (Cruise shipping in Klaipėda port 2017) 2007 was an exceptional year regarding the number of ships received to Klaipėda port – 65. In June 2014, the biggest cruise liner “Celebrity Eclipse”, that is 317 m. in length, 36.88 m. in width and has the draught of 8.3, came to Klaipėda port. The record number of cruise passengers (64 605) was received in 2016. The world economic crisis and its consequences as well as the increase in cruising pricing and the stricter environmental requirements imposed by the European Commission Directorate (since the 1st of January 2015 all ships navigating in the Baltic Sea region have to use marine fuel that has no more than 0.1% of sulphur dioxide (<http://ec.europa.eu>) conditioned the decline of cruising in Klaipėda port. The start of operation of the Central Klaipėda Terminal in 2014 didn’t have a major effect on the increase of cruise ships coming to Klaipėda port, however it provided better conditions for reception of cruise ships. It is forecasted that 63 ships will enter Klaipėda port in 2017. So far 31 ships have applied to come to Klaipėda in 2018 (Cruise shipping in Klaipėda port, 2017).

To satisfy the growing needs of a current consumer every region is trying to use all the natural, economic and human resources available. Cooperation of the business and public authorities is essential to run smooth provision of cruising services. Scrutiny of Lithuanian tourism documents indicated that there is no clear concept of cruise tourism as it is not discussed in Lithuanian tourism law (2015), only the notion of marine tourism is used. Cruise tourism is not marked as a priority in Lithuanian tourism development programme of 2014-2020, there is no indication of the foresight of its development possibilities.

Klaipėda council strategic development plan of 2013-2020 envisages attraction of cruising tourists by implementing targeted marine tourism marketing measures (2012). Klaipėda city tourism marketing and communication strategy of 2016-2020 states that the objects of cultural heritage as well as natural, cultural and historic objects are not sufficiently exploited and prepared; the potential of using cruise ship infrastructure to welcome the flow of passengers is not fully grasped; businesses are not involved enough in the development of tourism products. The creation of special cruising products that would attract a bigger number of cruise

ships and stronger international bond with tour operators and travel agencies are indicated as possible solutions.

According to the data of Klaipėda city tourism marketing and communication strategy of 2016-2020, in 2015 Klaipėda State Seaport Authority contributed 57.8 thousand euros to the marketing of cruising. 671 thousand euros were collected during the cruising season of 2015, that constitutes 1,5% of all the tolls of the port. In 2014 Klaipėda city council contributed 32 000 euros to the marketing of cruising and in 2015 the funds of 37 000 euros were allocated. The port plays an important role in attracting maritime tourism flows to Lithuania. Investment in the future development of tourism infrastructure is essential in order to fully exploit the potential of the Baltic Sea and Klaipėda port that would aid the growth of cruise tourism. Nevertheless, even though cruise ships that enter ports are economically advantageous for the port city and the itself country in many aspects, they are not beneficial for the port when it comes to direct revenues – i.e. the income that the port receives from the cruise ships and the passengers of these ships is small if compared to the investment in the development of cruise ship terminals. For instance, one cruise ship passenger spends approximately 50-75€ in Klaipėda (statistical data of Klaipėda port, 2017). The spending figure also depends on the nationalities of tourist. If there are no American passengers at the cruise ship, the average spending in Kalmar will be only about €15 against €75 in case of presence of American passengers (Andersson T. & Rehnberg L. 2013).

In Europe a tourist normally spends about 75-100 euros and a crew member spends about 25 euros during a visit in a port (Serry 2014). The income received from cruising constitutes only 1 – 2 % of all port's comprehensive income received by Klaipėda State Seaport Authority, however the investment in infrastructure and marketing reaches millions. The sector of cruising creates 51-114 work places, this expands the limits of tourism sector and has a positive impact on the life of the local community.

Results of the interviews

In order to discover the situation of cruise tourism in Lithuania, employees of cruising agencies were interviewed. The research pointed out that Lithuania has a sufficient number of natural and cultural resources and facilitates them well creating main tourism products on shore: excursions to the Curonian Spit, Palanga, Plateliai, the old town of Klaipėda and Ventės ragas (this has been stated by 6 interviewees). 2 interviewees, however, claim that tourists of cruise ships have more varied interests, for example, „special transport (limousines, antique cars, horses), excursions to the Hill of Crosses, Trakai, Vilnius and excursions in hot-air balloons“ or „tourists want to travel from Klaipėda to Tallinn on shore“. All respondents were in unanimous agreement that additional specialised excursions or other packages of tourism services on shore could attract and interest tourists of cruise ships. Among these products the following were mentioned: culinary, spa or ecotourism packages, water entertainment and products that focus on family time. The interviewees said: „Klaipėda could offer culinary,

ecotourism and family orientated packages“, „The city could offer water, culinary, ecotourism, spa and family orientated packages“. In order to find out that cruise ship tourists are satisfied with the quality of the service provided, the interviewees were asked what complaints tourists of cruise ships usually have. It was revealed that „cruise ship tourists do not find tourism objects attractive and feel that there is a shortage of them“, „we received complaints regarding transport, lack of attractiveness of tourism objects and public infrastructure in the city (mainly the shortage of WCs)“, „Klaipėda old town is poorly suited for disabled tourists, there is a shortage of WCs“.

Respondents think that the main problems they encounter with organising cruising is the shortage of service providers (guides and buses) and their inflexibility (transport and catering sector) as well as lack of cooperation with the council: „City events and other events that take place in the Cruise Ship Terminal hinder smooth and orderly parking of buses, departure for excursions and return after them. There is a shortage of quality buses as well as lack of German, Italian and French speaking guides“, „cooperation with the city authorities – regarding unplanned or unnotified roadworks and different events (hinder smooth transportation of tourists, the quality of excursions suffers)“, „Shortage of transport and guides on cruise days, bus owners' common agreement regarding transport prices, prices of tours are increased, caterers outside the city are inflexible“, „There is a shortage of guides and buses when big cruise ships come“.

When asked about potentials, the respondents were in an unanimous agreement that limited cruise ship's time in the port restricts the options in provision more varied services and does not allow to organise longer excursions. Moreover, another issue is pointed out: „shortage of quays, there is no possibility to receive a few ships at once“. One respondent points out the problem of limited information: „Substantial amount of information is essential for the guests of the city. When they come to a new place, people want to know the main information: the city centre, coffee bars, museums, shops, banks, etc. Sadly, after guests disembark the ship, they do not see informational signs or references“.

Respondents also shared the following insights: „We may talk about the prospects of cruise tourism in the region only if we promote development of tourism in Western Lithuania: we need to improve tourism infrastructure, increase the number of activities and promote their quality, Western Lithuania tourism companies should work more closely with local and foreign businesses, net principles should be implemented in practice, current resources should reach international level, motivation of clusters would enable us to expect more tourists and this would increase the number of providers and competition among them, consequently, the quality of services would rise, we should also promote flexibility, internationality and competition of the companies that provide tourism service. Positive tendencies will appear after creation of good marketing, and this is only possible if cruise tourism becomes a priority on the national level“.

The research also revealed that so far Klaipėda city has limited development possibilities due to the lack of some infrastructure, insufficient cooperation between businesses and public authorities. It is necessary to consider world tourism development trends; offer specialised, unusual and non-standard packages. Successful development of cruise tourism requires close cooperation of all parties involved: port authority, city council, providers of tourism services and cruising agencies.

Conclusions

Worldwide, the cruise industry has demonstrated annual passenger growth since 1990. Growth strategies to date have been driven by larger capacity ships and their diversification, more local ports available, more destinations that are offered and new on-board/on-shore activities that match consumers' needs.

The notion of cruise tourism is comparatively well developed in European tourism documents, however Lithuanian documents lack a targeted strategy that would aid the country's cruise tourism development. At present, products that are offered for cruising tourists on shore are saleable and receive good reviews, nevertheless there is still a gap in the market for more interesting excursions as well as specialised tourism products such as culinary and family packages or entertainment, spa or ecotourism products.

The interview revealed that there is a lack of cooperation between organisers of cruise tourism and local authorities which hinders successful development of cruise tourism in Lithuania. However, in some cases Lithuanian tourism stands out in European context, where the number of tourists is decreasing; in Lithuania it remains stable and this proves the popularity of the region and suggests that this region is in a rather stable position and will remain attractive for tourists.

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