

A Study on Market Potential For Cruise Tourism in India

Bharath .R
MBA, Department of Management Studies
Bharath Institute of Science and Technology,
Selaiyur, Chennai, Tamil Nadu 600 073
Bharath Institute of Higher Education and Research

ABSTRACT

The Indian tourism sector is one of the largest service industries in the country in terms of its Contribution to the gross domestic product (GDP) and foreign exchange earnings (FEE), as well as for providing employment to millions. Ministry of tourism in India is already promoting new concepts like rural, golf, wellness, adventure, medical, heliport, and sustainable / ecotourism in order to make it a major global tourist destination. With cruise tourism emerging as one of the most dynamic segments of the leisure industry globally, India believes to add this to its kitty. In this paper, efforts are made to explore the potential for cruise tourism in India and strategies that are employed by the government to attract investment.

KEYWORDS: cruise tourism, market potential, India

1. INTRODUCTION

Cruise Shipping is an important and growing component of the leisure industry worldwide. It contributes directly and indirectly to the economy of the country concerned. This sector has a number of spin-off effects in service sector. Besides generating revenue in the form of passenger fares, port charges, etc., it also promotes many industries like handicraft, guide service and catering, etc., and earns valuable foreign exchange for the country. Cruise lines have a dual character; they are partly in the transportation business, and partly in the leisure entertainment business, a duality that carries down into the ships themselves, which have both a crew headed by the ship's captain, and a hospitality staff headed by the equivalent of a hotel manager. A "Cruise is a tour by ship." Cruise lines are popularly known as floating resorts which runs through the oceans and seas from different home ports to various destinations. Cruise line offers various packages of tour to different beautiful parts of the world in different countries to their clients or guest, sold through the travel agents. Package tour includes all food and accommodation facilities inside the ship or on board. With various entertainment facilities such as casino, swimming pools, sauna, Jacuzzi, sports facilities, theater, movies, cafe, live concerts and shows, shopping complex, library, internet cafe, child care center, discotheque, bar, pubs, lounges and many more. Cruise line is like a small city inside the ship. They have a capacity to carry more than two thousand passengers or guest and hundreds of crew members, depending upon how size of the cruise line. Carnival cruise line is the largest and the most popular cruise line in the world with twenty-four cruise ships or vessel, which operates from different ports of United States. "Freedom of the sea" under the company "Royal Caribbean" Cruise Line is the biggest cruise line in the world. Other famous cruise lines in the world are Norwegian cruise, Cunard cruise, Star cruise etc. Currently the five largest cruise line operators in the world are Carnival Corporation &p/o., Royal Caribbean Cruises Ltd., Star Cruises, MSC Cruises and Louis Cruise Lines.

TARGET TOURISM SEGMENTS FOR THE INDIAN CRUISE SECTOR

Four distinct tourism segments can be identified as presenting distinct potential for the Indian cruise tourism sector.

Foreign tourists comprising International Arrivals in India would form an immediate and most certain target. Cruise tourism would not only benefit from the existing foreign tourists but by itself would lead to an augmentation in this tourism segment because we would have foreign tourist ‘flying into India’ to take the cruises. Cruise tourism would also enable the country to extend the stay of foreign tourist in the country by offering a value added tourism platter.

Indian tourists comprising Outbound Travelers would form the second and natural target, especially if the Cruises from India also offer the chance of touching foreign shores. Indians who today fly to Singapore to take a cruise would naturally opt to take a cruise from India and reach Singapore.

Indian tourist who today form the Domestic Travelers would form the third important segment because it is only circumstance which constrains them to travel within the country and if availability, accessibility and affordability were addressed the high value domestic tourists would happily added cruises to their tourism itinerary choice.

Cruise Tourist arrivals in India representing dedicated cruise travelers who have been coming into India through various ports till date. It is expected that as India offers better infrastructure and destinations, other cruise liners will come to India bringing enhanced levels of cruise tourist.

POTENTIAL ARISING FROM CRUISE TOURIST ARRIVALS IN INDIA

Although lacking even basic Cruise-related Infrastructure, Indian ports have been able to attract Substantial number of cruise vessels and tourists in recent years. In the Tourism 2020 Vision document, WTO forecasts for India that India has the potential to reach nearly 8.9 million by 2020.

FORECAST OF INTERNATIONAL TOURIST ARRIVALS

Description	2002-03	2005-06	2010-11	2015-16	2020-21	2025-26	2030-31
Arrivals Worldwide	694	799	1010	1277	1614	2040	2579
Arrivals in India	2.73	3.32	4.61	6.41	8.91	12.38	17.20

A WTO study indicates averages of 1.4% of all international arrivals across the world are cruise tourists. Considering that, once cruise facilities are developed in India the same % would be applicable, we have arrived at the potential market for cruise tourism.

FORECAST OF INDIAN OUTBOUND TOURISTS TAKING CRUISES FROM INDIAN PORTS

Description	2002-03	2005-06	2010-11	2015-16	2020-21	2025-26	2030-31
Outbound tourists enjoying leisure facilities abroad (in million)	1.69	2.06	2.85	3.96	5.51	7.64	10.62
Potential market for Cruise Tourism (10%)	0.17	0.21	0.29	0.40	0.55	0.76	1.06
Projected no. of outbound tourists opting for Indian cruises (1/5 th)	33,764	41,116	57,096	79,287	110,102	152,894	212,317

Source: Ministry of Tourism, Government of India

Thus from the analysis, it can be concluded that there will be about 33.65 million Outbound tourists by the year 2030-31, of which 212,317 will undertake cruise activity from Indian ports

TOTAL CRUISE TOURISM POTENTIAL

Years	2010-11	2015-16	2020-21	2025-26	2030-31
Foreign Tourists	64,599	89,759	124,720	173,298	240,796
Cruise Tourists	45,510	86,935	166,068	317,231	605,990
Domestic Tourists	18000	28000	64000	100000	158000
Outbound Tourists	57,096	79,287	110,102	152,894	212,317
Total	185,205	283,981	464,890	743,423	1,217,103

Source: Ministry of Tourism, Government of India

UPSIDE OF THE ANALYSIS

It may be noted that the above analysis represents the base minimum number of cruise tourists that would embark / disembark from Indian Ports. The actual movements may be higher depending on the infrastructure developed and the marketing efforts undertaken to promote cruise tourism in India.

DOWNSIDE OF THE ANALYSIS

The analysis has been undertaken as a standalone exercise without considering the effects of technological, social and economic developments on tourism globally. For example, falling prices of international air travel may completely change the way tourism and cruise tourism is undertaken. Incidents similar to terrorist attack on World Trade Centre can never be foreseen. Their positive / negative impact and the extent of the same too remain unknown and cannot form a part of the above forecasting exercise.

AREAS FOR IMPROVEMENTS

- **Develop good infrastructure at identified Ports:** Create dedicated cruise terminals at Mumbai, Cochin and Goa, Upgrade port facilities at exotic locales like Lakshadweep & Andaman's and Chennai, create dedicated cruise terminals at Chennai, Mangalore and Tuticorin, explore potential of other ports like Porbandar & Kandla in the West Coast: and Vishakhapatnam, Calcutta & Paradeep in the East Coast
- **Dedicated terminals would need to address security concerns and facilitation:** Cruise Terminals located within Cargo Port area create security issues. In creating dedicated terminals, this aspect has to be addressed and resolved. Also hospitality related aspects to enable the necessary facilitation services to the cruise tourists would have to be built into the cruise terminal development plans.
- **Terminal Plans would need to be developed in consultation with key players:** In finalizing the cruise terminal development plan, inputs from cruise lines, tour agents, and developers would ensure that the concerns of the key stakeholders are adequately addressed. This would ensure the long term success of the terminal.
- **Initiate Feasibility Studies:** Feasibility studies for individual cruise terminals would need to take into account the port specific developmental aspects duly incorporating capital cost towards dredging based on geographical features of the concerned port, land acquisition costs etc. Such feasibility studies would cover the technical and financial aspects of the terminal development and identify viability and sustainability aspects of the development.
- **Focus on home porting in the long term:** Significant benefits can be derived from home porting. These benefits include pre-and post-cruise transport and accommodation, increased visitor expenditure, and stores for cruise ships. India should, as a long-term objective, emphasize in developing the Indian cruise ports as 'home ports' rather than only ports of call.
- **Develop an effective media campaign:** The positioning and promotion efforts would have to be supported through a proactive media plan which would cover both domestic as well international markets. The Media Plan will cover audio-visual presentations and films outdoor advertising, organizing events & exhibitions, preparing attractive brochures, leaflets, posters, hand-outs, TV inserts etc. The department of tourism would need to identify the media requirements and provide for a suitable yearly budget for this activity. Effective promotion would demand representation in international forums including road shows, trade fairs, exhibitions, seminars etc. and entering into tie-ups with proper bodies. Participation in International Sea trade Shipping conferences, conventions, trade shows, promotional fares would also be relevant. The objective would be to create visibility and reinforce the brand name overseas.

2. CONCLUSION

India being is one of the top most destinations for travel sport for domestic and international cruise tourists. Cruise Tourism is becoming an increasingly popular leisure choice in India. Cruises, which were at one time considered the prerogative of the rich, are today fast reaching to all class of travelers. India's virgin forests, undisturbed idyllic islands, long historical and cultural tradition of architecture, theatre and performing arts, 7,517 kms long beautiful coastline and strong port

positioning imparts a natural advantage to the country to attract international cruise line. India's positioning in South East Asia and its proximity to already popular cruise destinations would enable strong cruise circuits to be created over a period of time.

3. REFERENCES

- [1] Annual Report 2011-2012, Ministry of Tourism, Government of India, February, 2013
- [2] Cruise Tourism – why is India not sailing through? India Tourism Review, May 25, 2011
- [3] Cruise tourism has tremendous potential in India, India Infoline News Service, November 04, 2011
- [4] Cruise tourism policy to focus on infrastructure, The Hindu Business Line, June 2012
- [5] Foreign Tourist Arrivals and Foreign Exchange Earnings in February 2012, Incredible India,
- [6] March 2012
- [7] Gujarat plans to unveil Cruise Tourism Policy by October 2011, Hospitality Biz India, August 17, 2011
- [8] India has missed the bus for cruise tourism, Express Travel World, March 2010
- [9] India Tourism market and future forecast (2009-2015), Renub research, April 2010
- [10] India tries cruise tourism, Sify News, August 12, 2011
- [11] Report on working for port sector for the 12th five year plan (2012-2017), Government of India, Ministry of Shipping, and October 2011
- [12] <http://mumbaiport.gov.in/index.asp?langid=1>
- [13] <http://www.cochinport.com/index.php?opt=aboutus&sub=31&tab=0>
- [14] <http://www.mptgoa.com/>
- [15] <http://www.newmangalore-port.com>
- [16] <http://www.indiastat.com/tourism/29/stats.aspx>