CRUISING AND LAND-BASED TOURISM:
A CASE STUDY OF MADEIRA

Creating a Synergy between Cruising and Land-based Tourism

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DECLARATION

"I certify that the work contained in this thesis, or any part of it, has not been accepted in substance for any previous degree awarded to me, and is not concurrently being submitted for any degree other than that of Doctor of Philosophy (PhD) being studied at the University of Greenwich. I also declare that this work is the result of my own investigations, except where otherwise identified by references and that the contents are not the outcome of any form of research misconduct."

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ABSTRACT

This study examines the impact that the cruise industry has had on the island of Madeira, which is considered a destination of excellence and a repositioning hub between the two most important markets in the cruise tourism: the Caribbean and Europe. The research undertaken examines the relationship between the two subsectors, cruise tourism and land-based tourism, and the role played by the Autonomous Region of Madeira government. The original contribution of the research lies in its presentation of an in-depth case study of Madeira as a cruise destination within the wider context of the global cruise industry. The study has the potential to identify ways forward for island governance, offering potential strategies involving public, private and mixed partnerships in order to develop a tourism strategy that supports regional development and sustainability. The literature review examines the historical context and the tourism industry, focusing on the key trends of its most dynamic sector – the cruise industry and, within that, Madeira Island is introduced with its history and brand as a mature tourist destination. The research methodology comprises a case study using a mixed-methods approach, which includes qualitative and quantitative phases to support a triangulation process. Data were collected during March and April 2012, a peak-season period when ninety-three vessels entered the port of call of Funchal. A further survey took place during December 2013 and January 2014, when seventy-six ships called at Funchal. Out of 2,564 questionnaires distributed, 2,440 were returned, a 95% completion rate. More than half of the respondents viewed the Madeira Archipelago as a land-based destination and stated an intention to revisit the island. The percentage of tourists intending to return was higher (75%) among the tourists who considered the Madeira Archipelago to be a mixed destination. Secondary data collections were presented in connection with Madeira's GDP, income in hotel establishments and employment rate, and indirect and induced impacts of the cruise industry in Europe and worldwide. In addition to cumulative conclusions, a governance strategy is proposed that implements a tourism policy that supports regional development as well as economic sustainability ensuring best practice. Madeira Island offers a mature destination with opportunities for beneficial integration between cruise tourism and land-based tourism.

’’Das Ilhas as Mais Belas e Livres’’

The Autonomous Region of Madeira’s Coat of Arms with the motto:

‘Of all islands, the most beautiful and free’

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ABBREVIATIONS AND ACRONYMS

ANAM:	Aeroportos da Madeira
APRAM:	Administração dos Portos da Região Autónoma da Madeira
ARC:	Airline Reporting Corporation
ASTA:	American Society of Travel Agents
CAFTA:	Central American Free Trade Agreement
CAST:	Caribbean Alliance for Sustainable Tourism
CELB:	Centre for Environmental Leadership in Business, a program of Conservation International
CESD:	Centre on Ecotourism and Sustainable Development
CHA:	Caribbean Hotel Association
CI:	Conservation International
CLIA:	Cruise Lines International Association
CST:	Certification for Sustainable Tourism
DRAM:	Department of the Autonomous Region of Madeira
DOT:	State Department of Transportation (Hawai'i)
EMS:	Environment Management System
FDI:	Foreign Direct Investment
FONATUR:	Fundo Nacional de Fomento al Turismo or National Trust Fund for Tourism Development Trust, Mexico
GDP:	Gross Domestic Product
GEF:	Global Environment Facility
GHI:	Green Hotel Initiative
HTA:	Hawai'i Tourism Authority
IATAN:	International Airlines Travel Agent Network
ICCL:	International Council of Cruise Lines
IDB:	Inter-American Development Bank
CESD:	Global Trends in Coastal Tourism
IFC:	International Finance Corporation
ILO:	International Labour Organization
IMO:	International Maritime Organization
ISO:	International Organization for Standardization
ITB Berlin:	International Tourism Bourse Berlin
IUCN:	International Union for Conservation of Nature or
IMF:	International Monetary Fund
IUCN:	International Union for the Conservation of Nature

LDCs:	Least Developed Countries
LOHAS:	Lifestyles of Health and Sustainability
MIF:	Multilateral Investment Fund
MIGA:	Multilateral Investment Guarantee Agency
NGO:	Non-governmental organization
NTA:	National Tour Association
OAS:	Organization of American States
PNG:	Papua New Guinea
REITs:	Real Estate Investment Trusts
ROI:	Return on Investment
SMEs:	Small and medium enterprises
STSC:	Sustainable Tourism Stewardship Council
TIA:	Travel Industry Association of America
TIES:	The International Ecotourism Society
TNC:	The Nature Conservancy
TOI:	Tour Operators Initiative for Sustainable Tourism Development
UNCED:	United Nations Conference on Environment and Development
UNDP:	United Nations Development Program
UNESCO:	United Nations Educational, Scientific and Cultural Organization
UNEP:	United Nations Environmental Programme
UNWTO:	United Nations World Tourism Organization
USAID:	United States Agency for International Development
USTOA:	United States Tour Operators Association
WCPA:	World Commission on Protected Areas
WTTC:	World Travel and Tourism Council
WWII:	World War Two
WWF:	World Wildlife Fund or World Wide Fund for Nature

CHAPTER 1: INTRODUCTION

1.1 Background

In spite of the challenging economic period and the headwinds that all industries face these days, the cruise industry has become an unprecedented example of success in the global tourism industry. In addition to selling the concept of 'floating accommodation' cruise ships also sell itineraries and destinations. The first chapter of this study examines the selection of the topic and the originality and contribution. The key research question and three secondary critical research questions are going to be presented, with the aims and the objectives of the thesis and a description of its structure.

This study examines the impact that the cruise industry has had on the island of Madeira, considered a destination of excellence and a repositioning hub between the two most important markets in the cruise tourism, the Caribbean Islands and Europe.

The rapidly evolving cruise industry is seen by many academic researchers, as will be detailed in Chapter Two, as an economic tale focused on the impact of the industry on the land-based hotel industry and on the environmental menace that it poses to more vulnerable areas such as islands. The mainstream consensus was, and in many perceptions still is, that the cruise industry damages the local hotel industry and creates strains and challenges in environmental and socio-cultural habitats.

Few studies, as seen in Chapter Two, focus on the potential synergy between the cruise sector and the land-based tourism and none mentions Madeira. It is this gap that the research study aims to address, providing a case for change in the way in which the industry is seen, and one where the potential for collaboration and working in synergy between the destination and the cruise industry can work to the advantage of both, resulting in a positive long-term legacy. This research study presents an in-depth case study of Madeira as a cruise destination within the wider context of the global cruise industry; it examines the relationship between the two sub-sectors, cruise tourism and land-based tourism, and the role played by the island governance.

1.2 Aims and objectives

Whilst the cruise industry sells the concept of luxury floating accommodation and has the potential to bring economic benefits to the destination, the impact of large cruise vessels on the ports-of-call are not always beneficial. This research study presents an in-depth case study of Madeira as a cruise destination within the wider context of the global cruise industry, examining the relationship between the two sub-sectors, cruise tourism and land-based tourism, and the role played by the island governance.

The Primary Research Question that frames the study is: **Is there potential for synergy between cruise and land-based tourism in the case of Madeira, located as it is on the cruise crossroads of the Atlantic?** This gives rise to three secondary critical research questions:

- **i.** What, if any, are contributory factors for the cruise and land-based tourism in Madeira?
- **ii.** What is the impact on the cruise passengers in terms of visitor satisfaction and willingness to return as a sojourn tourist?
- **iii.** What is the degree of engagement of the stakeholders?

The selection of the research topic was influenced by three key factors comprising, my long-held interest in the sea and the sustainable development in the coastal areas; the value that I place on good governance and responsible stewardship of our resources and environmental responsibilities, and my personal experience, contacts and knowledge that can contribute to enhancing the tourism industry in Madeira. The research study makes an original contribution to the field in that, until this proposed research study, the examination of Madeira in relation to the global cruise ship industry has never been carried out in a systematic way and no in-depth analyses exist that bring together the tourist, shipping, financial and social impacts on the island. Further, the researcher is uniquely placed to gain access to unpublished and local data, to key policymakers and to information – all factors that enable the carrying out of an in-depth analysis of the experience of Madeira within this context. These key elements contribute to the originality of the study.

The research design is presented in the form of a case study that draws on both qualitative and quantitative methods of data collection in order to gain a deep understanding of the complex relationship between cruise and land-based tourism. Data were collected during March and April 2012, the peak months for cruise ships entering the Funchal Port of Madeira Archipelago, with ninety-three vessels using Funchal as port of call in this period. The survey, comprising 1,500 distributed questionnaires, of which 1,440 were returned and used, was followed by a further survey and data collection during December 2013 and January 2014, with 1,000 questionnaires returned and used from a total of 1,064 distributed. The entire data collection from the surveys was analysed and triangulated with the quantitative collection of public data in order to detail the synergy and emergent issues related to the sustainability of resources and environment policies. In addition, qualitative data in the form of semi-structured interviews have been used in order to gather data from key policymakers and stakeholders and focus group interviews have been used to gather data from service users.

1.3 The structure of the thesis

Chapter Two examines the development of the global cruise industry and of land-based tourism, the role of key players and the effect of globalization using an analysis of the international literature. Case studies from around the world are described within the context of the literature review and are discussed in order to underpin methodological themes arising from comparison between cruising and land-based tourism. Chapter Three, the methodological chapter with mixed-methods approach and the triangulation of the data, outlines the author's position towards the research and how the quantitative and qualitative methodologies were applied in the thesis and what is the interrelationship between them. Chapter Four contributes to the sub-question i) of the research question (the contributory factors for cruise and land-based tourism in Madeira) with statistics from official websites. The focus is on Madeira as a land-based destination, on the direct impact of the cruise sector, and on the evolution of bed occupancy and of the numbers of cruise passengers. Also introduced and examined is the country of residence of the tourists, with further analysis throughout the whole chapter. Chapter Five focuses on the willingness of cruise tourists to return to Madeira and it reports and analyses the data from the two conducted surveys, looking especially at the correlation between tourists' perceptions of the destination and whether they intend to revisit the Madeira Islands. Chapter Six engages with the final sub-question of the research (the engagement of the stakeholders), considering the search for sustainable growth for Porto Santo island and the policy frameworks developed by the Madeira authority in the framework of Portugal's policies and in accordance with the European projects already in place. Chapter Seven outlines the synergy between land-based and cruise tourism in the case of Madeira. Chapter Eight has the final cumulative conclusions and outlines further research.

CHAPTER 2: THE DEVELOPMENT OF CRUISE AND LAND-BASED TOURISM

2.1 Introduction

Chapter Two examines the development of the global cruise industry and of land-based tourism, which are the key players and the role of globalization using an analysis of the international literature.

This literature review has been carried out using more than twenty databases and examining abstracts, papers and research studies in both English and Portuguese. Having Portuguese citizenship, the Portuguese language has been very useful giving me unlimited access to use Madeira's local library and other local sources. In addition, keywords were used to search a range of databases including: SwetsWise, SciSearch, ERIC, ScienceDirect. The following keywords were used, either singly or in combinations: Madeira, cruise, tourism, sustainability, development, economic impact, environment, governance, synergy, vulnerability, outermost regions, cruise lines, global deployment, future trends, cruise industry, cumulative conclusions, destination ambassadors, economic impact analysis, environmental aspects, global trends, governance and sustainable development, mixed methods, synergy, tourism active life cycle (TALC).

The chosen approach was phased and twofold:

a. First phase – initial literature research as an overview for the whole thesis/work regarding tourism, tourism sectors, geographical cruise sectors, sustainability of destinations and the impacts of the cruise industry on the economic, social and environmental systems of ports of call and of the destination itself.
b. Second phase – in-depth literature research for the main subjects: cruise and tourism cost-benefit analysis, logistical factors and tourist infrastructure, cruise-vessel deployment strategies, environmental issues and governance, and many other influential aspects.

Four search themes were used to identify relevant literature; these were:

1. Geographical location of ocean islands – with climate a major determining factor in cruise ship deployment;
2. Political organization – related to governance and the desirability of a safe and secure environment;
3. Logistical factors – cruise itineraries, port facilities, international airports, road and tourist infrastructures; and
4. Case studies of key geographical cruise sectors, namely: West Atlantic Islands (Islands of the Caribbean); East Atlantic Islands (Madeira, Canary Islands);

Hawai'i; and Oceania (defining Oceania as including Australia, New Zealand and proximate islands).

Due to the complexity of the subject, the research themes often draw on the two phases (a) and (b). The purpose of this review is to identify and examine the literature on the possible synergy between land-based tourism and the cruise industry as the main export service for any tourist island and, in particular, for Madeira Island.

The global travel and tourism industry grew in 2012 by 2.8 per cent, marginally faster than the global rate of economic growth, which had been predicted by the World Travel and Tourism Council to be 2.5 per cent (WTTC, 2012). 'In 2012, when international travellers are expected to surpass one billion for the first time, the industry will pass two other major milestones: a direct contribution of $2 trillion to the world economy and 100 million jobs. But these numbers are dwarfed by the total forecast contribution of our industry – $6.5 trillion to the global economy and 260 million jobs' (Scowsill, 2013). In its turn, 'tourism is the world's largest industry and studies predict its increasing growth. As the largest business sector in the world economy, tourism employs 200 million people, generates $3.6 trillion in economic activity and accounts for one in every twelve jobs worldwide. The World Trade Organization (WTO) estimates that, between 1950 and 2002, the number of international tourist arrivals grew from 25 million to 715 million, corresponding to an average annual growth rate of seven percent' (WTO, 2003: 1). Since then, the scale of growth has steadied and, in spite of setbacks in the global economy, the pace has been significantly higher than the global rate of economic growth by a margin of more than 10 per cent.

2.2 The development of land-based tourism

The basis of much long-standing research in tourism is the evaluation of different characteristics of tourism destinations (Oliveira and Pereira, 2008). This began with the study of tourism destinations and a review of the literature (Gallarza *et al*, 2002; Son, 2005). In contrast, other researchers, including Deng *et al* (2002), González and Falcón (2003), Gios *et al* (2006), and Kim *et al* (2006) have been more interested in evaluating the importance of natural attractions to tourism and also the importance of tourism-development sustainability and management (Garcia and Muñoz, 1999; Priskin, 2003; Petrosillo *et al*, 2007). The sea has a strong attraction for people (Orams, 1999) given its importance as a source for food and transport. This importance is reflected in the fact that the great majority of the population resides along the coasts (Miller, 1990).

Coastal and marine tourism is a growing and increasingly important component of the wider tourism industry. Its influences are global (Orams and Lueck, 2014) and there are now no destinations, ecosystems, or human communities inaccessible for recreation and tourism. Trauer (2006: 198) presents a view of 'Conceptualizing special interest tourism – frameworks for analysis' and concludes that 'further research directions incorporating the involvement concept are suggested to also investigate gender, cultural differences and age differences for international marketing.' This is of particular importance to mature tourism destinations, which in order to sustain their offer, need to acknowledge the value placed on different aspects of the destination (Litvin, 2007).

In considering the influence of the socio-demographic characteristics of individuals on their perception of the tourism experience, it appears that 'no significant differences were found on any of the demographic variables tested except for age' and 'likewise, no differences were noted among trip characteristics such as length of stay, total trip duration, or repeat visitation' (McKercher and Cross, 2007). It is stressed that gender is important for the tourism process (Kinnaird and Hall, 1996) and that awareness of being in a marine-protected area is largely dependent on education, 'with aware people showing a significantly higher education background' (Petrosillo *et al*, 2007).

A study carried out by Carolina and Pau (2010) indicates that several important variables have an impact on taking a land-based vacation: the first time of visit, the amount of time spent ashore, information upon arrival, employment status, and level of education, annual household income, and personal activities. Some important conclusions derived from the study are: the number of hours spent on Curaçao has a positive impact on the likelihood of cruise passengers returning to the island; Curaçao's restaurants and bars are good marketing tools for the island; being employed is a crucial factor for the cruise visitor to return to Curaçao for a land-based trip; recurring cruise passengers are more likely to return as land-based visitors; cruise tourists who received information onshore are more likely to return; high-income cruise tourists are unlikely to return; cruise passengers with a higher level of education are less likely to return; cruise tourists who have taken the overall sightseeing excursion are not inclined to come back for a land-based vacation (Carolina and Pau, 2010: 12).

At the end of 2012, tourism overtook an important milestone with the billionth tourist who arrived on 13 December somewhere in the world and was reported by Reuters Agency. According to Mr Taleb Rifai, Secretary-General of the United Nations World Tourism Organization (UNWTO), the tourism industry grew between 3.5 per cent and 4 per cent in 2012. Since 1990, when international arrivals were 435 million, the numbers have more than doubled. The tourism industry is in the leading group of the world's largest industries with 9 per cent of the global gross domestic product, overtaking the automotive industry, which accounts for 8.5 per cent, and just two percentage points below the banking sector, which accounts for 11 per cent (WTTC, 2011). By 2020, the UNWTO estimates that the number of international travel units will reach 1.8 billion and that one in ten people will be employed in the travel and tourism industry (Scowsill, 2013). UNWTOs study, *Tourism 2020 Vision*, projects that international arrivals are expected to reach nearly 1.6 billion by the year 2020 (Figure 2.1). Of these worldwide arrivals in 2020, 1.2 billion will be intraregional and 0.4 billion will be long-haul travellers.

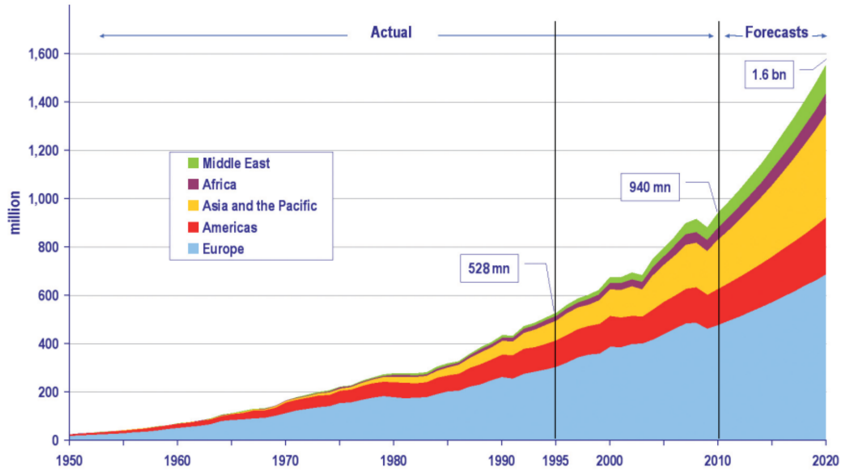


Figure 2.1: International tourist arrivals, by region (in millions)

Source: UNWTO's *Tourism 2020 Vision*

The international and European frameworks

According to UNWTO (IPK, 2013), international arrivals in Europe will reach 738 million by 2030, which means a rate of increase of 2.5 per cent from 2010. However, Europe's share of international arrivals will fall from 51 per cent in 2010 to 41 per cent in 2030. Currently, the eurozone is in turmoil, with governments seeking to establish stability and financial security. Demographic changes, including rapidly ageing populations, impact the growth of European tourism. Different crises, whatever their nature, posed challenges for Europe's tourism and will continue to do so. With the tourism industry becoming one of the biggest generators of employment and earnings in the European Union and being a key driver for economic growth and development, the implementation of a common visa policy will have an economic impact on the economy of the wider European Union and, in particular, on tourism. The total contribution of travel and tourism to employment is estimated at 18.8 million jobs in 2011 and is likely to rise to 20.4 million jobs by 2022 (EU Commission, 2012: 1). Foreign visitors' spending amounted to US$423 billion in 2011 and is expected to grow to US$547 billion in 2022 (World Travel and Tourism Council, 2012). There has been a significant rise in the number of tourists from the BRIC countries: Brazil and Russia have seen a doubling of the number of their tourists coming to Europe in recent years; for India, in 2011 (EU Commission, 2012: 2) the number of Schengen visas increased from around 340,000 to 460,000; and for China it rose from 560,000 visas in 2008 to 1,026,000 in 2011 (EU Commission, 2012: 2). The priorities and policy responses that are being laid out are linked to the deliberations of the Commission of the European Parliament Communication entitled *Europe, the World's No. 1 Tourist Destination – A New Political Framework for Tourism in Europe* (European Commission, 2010), which was issued by the Commission to set the strategic pathway for tourism in Europe. At a European level, Member States and the European Commission have agreed to strive to make Europe the most competitive tourism destination. A number of actions at an EU level have been identified and these focus mainly on:

- stimulating competitiveness in the European tourism sector;
- promoting the development of sustainable, responsible and high-quality tourism;
- consolidating the image and profile of Europe as a collection of sustainable and high-quality tourist destinations;
- maximising the potential of EU financial policies and instruments for developing tourism (European Commission, 2010).

These initiatives, undertaken at a European level, are opportunities supporting tourism activity, both at a national and at a commercial level.

2.3 The development of the global cruise industry

The most dynamic subsector of the tourism industry is cruise-and-leisure tourism activity, which has enjoyed the most constant and rapid growth since entering into its consolidation phase in the second half of the twentieth century. Cruise tourism is a highly globalized and competitive sector of tourism that has for the last twenty years shown a constant growth of more than 8 per cent per annum. In terms both of passenger demands and also cruise sale values, the cruise sector has been one of the fastest-growing sectors of travel and tourism over the past ten years. The average annual passenger growth rate for those involved has been more than 7.5 per cent, reaching 14.8 million in 2010, an increase of 10 per cent compared with 2009 (CLIA, 2011). This puts the total estimated cruise passenger count at more than 16 million worldwide (WTTC, 2012). The cruise tourism industry can be considered as one of the most innovative industries that appeared in the last decades of the twentieth century. It practically metamorphosed what was a dying activity, passenger transportation by sea, into one of the most dynamic and fastest-emerging tourism subsectors.

There has been exponential growth since the 1960s when the first modern cruise vessels began to visit the Caribbean and, with the developments in the 1980s, the sector has known an unprecedented and vigorous growth of 7.4 percent per annum (FCCA, 2011).

Table 2.1 illustrates the growth in number of worldwide passengers, as registered from accumulated databases uploaded to Cruise Market Watch (2013) by the cruise proprietors, who include Carnival Corporation (CCL), Royal Caribbean Cruises (RCL), Norwegian Cruise Line (NCLH), and Disney Cruise Line (DIS).

Table 2.1: Number of worldwide cruise passengers

Year	Passengers
2010	18,421,000
2011	19,377,000
2012	20,335,000
2013	20,976,000
2014 (projected)	21,556,000
2015 (projected)	22,247,000
2016 (projected)	22,935,000

Source: Cruise Market Watch, 2013

At the IGLTA Annual Convention on 2-4 May 2013, David Scowsill, the CEO and President of the World Travel & Tourism Council (WTTC), stated that the cruise industry was the fastest-growing sector of travel and tourism and that CLIA's industry position forecast was that 20.9 million passengers would take a cruise in 2013, an increase of 3.3 per cent on passenger numbers in 2012. A graph of consolidated data can be seen in Figure 2.2 below.

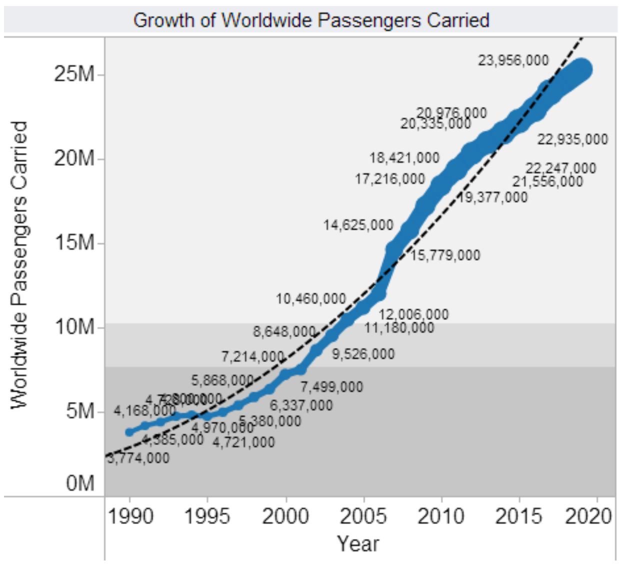


Figure 2.2: Passengers carried worldwide

Source: Cruise Market Watch, 2016

The worldwide cruise market for 2013 was estimated to be worth US$36 billion – an increase of 4.8 per cent over the previous year. Total worldwide cruise capacity in 2013 will be around 439,000 passengers - an increase of 3 per cent on 2012 (Scowsill, 2013).

The cruise industry has expanded, particularly for niche markets (Rodrigue and Notteboom, 2012); the Antarctic, the Hudson Bay and South Pacific command higher prices than in the competitive mass markets of the Caribbean and the Mediterranean.

2.4 Historical considerations

Historians of the shipping industry agree that the first shipping company that offered a regular passenger service was Black Ball Line in 1818 (Pickford, 1999). On 5 January 1818, the American ship *James Monroe* of Black Ball Line sailed with eight passengers and a general cargo from New York to Liverpool. The new policy of Black Ball Line of regular sailings, showing concern for comfort of their passengers and accepting part-cargo enabled the company to revolutionize shipping. Advancing into the nineteenth century, a number of important technological discoveries, specifically the mechanism of steam propulsion and the use of iron in the construction of ships, served to continue the shipping revolution. The first steamship in the world was the sailing ship *SS Savannah*, which crossed the Atlantic Ocean. She was an American-built hybrid sailing ship and side-wheel steamer built in 1818. In spite of her historic crossing one year later in 1819 that voyage was not considered a commercial success and, after returning from Europe, she was reconverted into a sailing ship. However, the *Savannah* pioneered the way for more advanced steamships and, by the 1830s, they were already dominating the transatlantic market, led by the British and North American Royal Mail Steam Packet (later the Cunard Line) (Pickford, 1999). Ten years later in 1840, a paddle wheeler, *SS Britannia*, the very first ship under the Cunard Line, sailed from England to America on a fourteen-day transatlantic crossing. As a curiosity and as a clear proof of the focus already on passengers' comfort, the *Britannia* had a cow on board for the purpose of providing fresh milk. Moreover, during this period, Cunard Line started advertising the romance of a cruise on the high seas, together with the tradition of dressing for dinner. They may today seem simple marketing exercises, but at the time they were great ideas setting the base for a customer-focused strategy in the industry.

The following decades saw a continuous development in technological advances and service focus. Vessels for the crossing were focusing more on the quality of the experience for passengers rather than on the part-cargo that they were shipping. Leisure expanded and luxuries such as more deck space, electric lights and entertainment were provided for the passengers in the elite customers' section. Both activities, trade and passenger transportation, continuously expanded during the nineteenth century, both creating the premises for, and giving rise to a growing demand for, larger, more luxurious vessels that would be seen not only as transportation means over long distances but as ‘excursions’, as the early cruise voyages were called.

Right at the end of the nineteenth century, in 1899, Albert Ballin, the general manager of the Hamburg-Amerikanische Paketfahrt Actien-Gesellschaft (HAPAG) had the brilliant idea to deploy the company’s largest vessel, *Augusta Victoria*, on a fifty–eight-day ‘pleasure voyage’ to the Mediterranean and the Orient. The idea emerged because during the winter’s inclement weather the vessel was lying largely unused and Ballin organized and personally participated in this voyage. Despite the success of this excursion in more southern climates, it became evident that the design of the vessels used should be especially dedicated to the purpose. Consequently, in 1900, Ballin designed and commissioned Blohm and Voss to construct the first vessel built exclusively for cruise activity, the *Prinzessin Victoria Luise*. Although of rather small size, 4,409 GRT (gross register tons), she served with HAPAG for six years, being accidentally grounded on 16 December 1906 off the Jamaican coast. Thus, the beginning of the twentieth century started the saga of the superliner concept as developed by Germany, which led the market until the end of the First World War. The concept of a design focused on making the voyage as smooth and enjoyable as possible, and vessels were already looking like massive lavishly ornate floating hotels. Even though speed was a key factor when crossing the ocean, size and amenities started to play an ever greater role.

In the competition for passengers, the shipping lines were in a race to build larger and more luxurious vessels, *Titanic* remaining the most famous example. The largest and most luxurious ocean liner of the time sank in 1912 on its maiden voyage from England to New York. The tales of pride and sorrow were maintained vividly in the public’s imagination for a hundred years by becoming ingrained in the collective consciousness. Whilst piously remembering the loss of human life that perished in the disaster, we need to focus on *Titanic*’s sister vessel, the *Olympic*. The Olympic Class ocean liner definitely deserves a place in the spotlight in any history of the cruise industry. The *RMS Olympic* was the first of the three Olympic Class ocean liners and the largest in the world (with the brief exception of the slightly larger *Titanic*). Olympic introduced amongst her amenities a swimming pool, a Turkish bath, a gymnasium and a promenade for the most luxurious cabins. She enjoyed a long twenty-four-year career, including as troop transport when, during the First World War, like most of the other ocean liners, she served in the war effort and so gained her nickname of ‘Old Reliable’.

The impact of the two World Wars redefined the ocean liners’ utility by their conversion into troop carriers, whilst the transatlantic cruises had to cease until the end of the wars. Following the end of each war, European shipping lines took advantage of refugees wanting transport to America and Canada and of business travellers and tourists wanting to go to Europe. The absence of American ocean liners at this time forced the American government to subsidise the building of cruise liners in order to compete. With the beginning of the new era of the Cold War, the American government helped the industry recover very quickly by heavily subsidising the building of cruise ships with the ulterior purpose of having ready possibly needed redeployment of equipment and troops in the event of future world conflicts.

However, the recovery of the passenger vessels industry now faced its strongest challenge ever – that of aviation. The period between the two World Wars, known as the 'Golden Age of Aviation', saw the appearance of amazing technical developments in the aircraft industry and the Second World War furthered this effort by drastically increasing the pace of the development and production of aircraft. This new, reliable and fast means of transport over long distances transformed forever the playground for many industries and seemed to have delivered a devastating blow to ocean liners and passenger transportation by sea. It is worth mentioning at this stage the interesting – even though rather isolated and short-lasting – episode of the redeployment of the flying boats used in the Berlin Airlift. One company, Aquila Airways founded in 1948, has chosen Madeira as its first holiday destination. This historical event of a destination with difficult logistic approach is worth development in more detail, as is done in the next sub-chapter, which treats Madeira.

Consolidation of cruise tourism industry was initiated in the 1960s and, after two decades, the industry has metamorphosed into one of the most dynamic activities with unparalleled growth in the second half of the twentieth century. During this transition period the demise of the ocean liner may considered as concluded by the appearance of much faster jet services, starting with the Boeing 707 in the 1960s. However, the real blow came in 1970 with the manufacture of the first commercial wide-bodied airplane, the Boeing 747. This newcomer held the passenger capacity record for the next thirty-seven years. The fast crossings of the Atlantic had an impact on the shipping companies, who realized that ocean liners which took about four days for a transatlantic trip could not compete with the approximately eight hours of a transatlantic flight from London or Paris to New York. Further, the shipping times did not include the necessary transfer times from these mentioned European capitals to the embarking ports of Southampton (serving London) and Le Havre (serving Paris). In addition to the evident transit time advantages, the capacity in the same unit of time was also superior: the earlier versions of the 747 were able to carry 498 passengers (which increased rather rapidly in the next few years to 550 passengers). Accompanying this transition and metamorphosis period of the ocean liners into cruise liners of the 1960s, it is important to review the economic scenario and to offer one very specific example, namely the *SS France*. As described, the process of the substitution of passenger transportation over long hauls from ocean liners to aircraft, spread during the immediate post-war period and throughout 1960s, reaching its apogee in 1970 with the introduction of the Boeing 747 Jumbo Jet. The time span involved was around two decades and, for a better understanding of the process, it is worthwhile mentioning that the lifespan of a ship – including an ocean liner – is twenty-five to thirty years (longer in exceptional cases).

The *SS France*, built in 1960 in Saint-Nazaire in France, operated mainly as an ocean liner from 1962 to 1974. During this period she was the French Line's flagship and combined transatlantic crossings with occasional winter cruises. For the record, *SS France* with her 316.1 metres LOA (length over all) held for forty-four years – from 1960 to 2004 - the record of the longest passenger vessel ever built. In 1974 *SS France* was mothballed, to be bought five years later in 1979 by the Norwegian Cruise Line (NCL) and renamed *SS Norway*. After the acquisition, NCL invested about US$80 million in complex renovations. Her new commercial life lasted approximately another twenty-four years, from 1980 to 2004, acting as NCL's flagship for more than twenty years. The success of *SS Norway*, with its luxurious amenities, her special shape and size revolutionized the cruise industry and created a race amongst competitors for larger and better-equipped cruise ships. *SS France*/*Norway* blended so much with the metamorphosis of passenger liners into cruise vessels that reputable naval historians have different opinions about the concept behind the vessel's building design. Miller (1987) thinks that *SS France* was the 'last purposely designed year-round transatlantic super-ship'. Others, like Maxtone-Graham (2000: 71), assert that *SS France* was built to fit the purposes of serving both as a liner and also as a cruise ship. Irrespective of whose theory or focal hypothesis we want to embrace, it becomes clear that a historical demarcation line was drawn and the demise of the passenger liner gave way to a new sector in the tourism industry.

As such, in 1966 was founded the Norwegian Cruise Line (NCL), two years later in 1968 the Royal Caribbean International (RCI), and in 1972 Carnival Cruise Lines (CCL), which remain through various and multiple acquisitions the three largest conglomerates in the industry, controlling about 80 per cent of the cruise market. The industry continuously evolved and naval architecture developed ever more suitable cruise vessels corresponding to increasing customers demand but as well as to the economies of scale needed for the growth of this business activity. In the 1970s appeared the first dedicated cruise ships that could take on board 1,000 passengers; one decade later, in the 1980s, with the economies of scale enhancing capacity, cruise ships could accommodate more than 2,000 passengers.

Whilst in 1980 the number of berths was about 45,000, over about two decades the number available increased to 200,000, practically more than doubling every decade.

This sub-chapter has covered almost two centuries of an industry re-engineering itself from being initially and mainly for transatlantic passenger 'crossing' into cruise leisure tourism and from eight passengers on the sailing ship of the Black Ball Line in 1818 to almost twenty million in 2011; this, it is an industry that today may be considered one of the most globalized and de-territorialized worldwide. Further, because the industry straddles two key international industries, those of tourism and of maritime transport, it should be considered a paradigmatic case of neoliberal globalization. It can be concluded that the maritime industry is one of the most international of all businesses, transporting 90 per cent of world trade in terms of volume and generating significant revenues and employment worldwide. Although the focus has been on transporting goods, the passenger operation, starting with the great emigration period before the Second World War, has been an important component of shipping. The real innovation brought to the industry has been in the evolution of cruise tourism, transforming pure transportation into a leisure and tourism activity with cruise ships becoming tourist destinations in their own right, creatively bringing the maritime industry, tourism and leisure to create 'floating hotels' (Dowling, 2006: 3).

2.5 The cruise industry and globalization

Maritime transport and shipping activities have historically inherently spread across borders and the globalization process and neoliberalism enhanced and furthered the shipowners' capability fundamentally to minimize costs with the process of the internationalization of ship registries, i.e., the appearance of the Flag of Convenience (FOC). For a better understanding of the created synergies between the cruise industry and globalization, it is important to observe that, starting in the second half of the twentieth century when the 'golden age' of post-war economic growth acted as a catalyst for globalization, the real emergence and consolidation of the cruise activity started to grow and to thrive.

Globalization is defined by Ohmae (1992) in terms of a borderless world and by Oman (1996) as the growth, or more precisely the accelerated growth, of economic activity across national and regional political boundaries. In *Globalization and Culture* Tomlinson (1997), in a broader sense, equates globalization with a multidimensional process taking place simultaneously within the spheres of the economy, of politics, of technological developments – particularly media and communications technologies – of environmental change and of culture. Tomlinson (1997: 173) refocused the definition of the concept by identifying the fundamental characteristic of contemporary globalization as deterritorialization. However, globalization as a project and its resulting deterritorialization act within the complex process of neoliberalism. They act in conjunction, as Puttaswamaiah (2001) wrote in *John Hicks: His Contributions to Economic Theory and Application*: ‘globalisation and neoliberalism are used to open Southern economies to Northern interests’. Present policies are tailored to suit the wishes of industrialized countries and to increase the profit possibilities of their transnational firms (Puttaswamaiah, 2001).

There is a growing complexity between the interconnectedness and interdependence between ships and destinations that needs to be addressed if the relationship is to evolve in a collaborative manner. The cruise industry has become a major part of the tourism sector, and has reached a level of enormous significance worldwide as an economic factor. The modern cruise industry is also one of the most outstanding examples of globalization, with an increasing number of ports of call and destinations around the globe, a multinational clientele and on-board personnel from every continent, and a level of detachment from communities and nations never seen before in history; all this has important economic, legal, environmental and social implications.

Wood (2006) writes in the introduction of his paper ‘Neoliberal globalization: the cruise ship industry as a paradigmatic case’: ‘The intimate and deep relationship between globalization and tourism has been widely noted in the literatures of both fields. No other form of tourism – or arguably just about any other industry – is more deeply rooted in globalization processes than cruise tourism’. The activities connected with the industry: shipping finance, vessels’ construction, shipyards and dry-docking installations, technical management, operation management, ship registration, ship crewing, ship chartering and brokering, maritime insurance, and practically everything else (including marketing, sales and customers), are completely deterritorialized. In conclusion, the cruise industry is a uniquely deterritorialized industry and cruise ships constitute uniquely deterritorialized destinations (Wood, 2004a). The common denominator in the industry and the fundamental factor that gives the shipping industry its razor-sharp competitive edge is based on the flag of convenience’s economic advantages, i.e., extremely low – or non-existent – taxation. Amongst others, Hobson (1993), Wood (2004a), and Dickinson and Vladimir (2007) recognize the differences between a cruise vessel and the land-based resorts in terms of cost structure and legal and tax compliance and their intricacies. Carnival Lines’ legendary president, Bob Dickinson, correctly observed in *Selling the Sea* that these tax and labour advantages of the flag of convenience are what makes it possible to offer cruises at a much lower cost than would be otherwise the case (Dickinson and Vladimir, 1997). Table 2.2 sets out key aspects of the global shipping industry’s flag-of-convenience arrangements (UNCTAD, 2006). The statistics in the above table show that these six countries, which control together more than 50 per cent of the global ship tonnage, have on average almost 75 per cent (74.9 per cent) of their ships under a foreign flag. The cruise industry without any doubt exceeds the above mentioned percentage. The first two largest conglomerates, Carnival Cruise Lines (CCL) and Royal Caribbean Lines (RCL), in spite of having their head offices in Florida, can be technically considered respectively a Panamanian company and a Liberian company (Wood, 2004a).

Table 2.2: The extent of foreign-flag registrations by ship owners from selected countries

Country of shipowner's domicile	Percentage share of total world ship tonnage (in deadweight tonnage)	Percentage of ships under foreign flag
Greece	18.02	70.95
Japan	14.52	91.07
Germany	7.89	81.66
USA	5.18	78.32
Norway	5.01	69.91
United Kingdom	2.35	57.92

Source: UNCTAD, 2006

The analysts involved in the cruise ship industry agree that the economic success and the sine qua non-condition of competitiveness relative to land-based resorts rely fundamentally on an offshore jurisdiction of ship registry, namely the use of FOC status. The financial and tax advantages that offshore jurisdictions are offering to the ship owners and in fact to any company incorporated under their 'flag' are well-known and, as Frantz (1999) underlines, cruise companies registered in international tax havens largely avoid even single taxation.

The key areas where the major issues and challenges are unanimously agreed are safety, safe manning and hotel personnel and environmental issues. Trying to conclude what is to be said about globalization and the cruise industry, it seems that we may agree with the reasoning of George Ritzer who, in *The Globalization of Nothing*, wrote that attitudes toward globalization depend, among other things, on whether one gains or losses from it (Ritzer, 2003: 190). The cruise industry is heavily concentrated and, together, the top four conglomerates control almost 96 per cent of the global cruise tourism market. The two leading two corporations, Carnival Cruise Lines (CCL) and Royal Cruise Lines (RCL), control 73 per cent of the market, as seen in Figure 2.3, which is almost three-quarters of the whole industry, and there are growing concerns about this concentration, even by global standards (McNulty and Wafer, 1990).

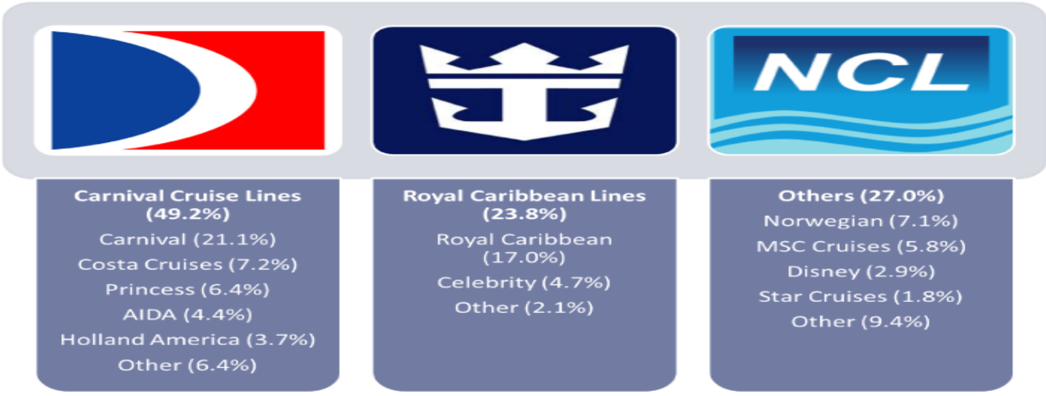


Figure 2.3: The market share of cruise industry companies

Source: Adapted from Cruise Market Watch, 2013

With the market share and the size of CCL and RCL, the playing field is heavily tilted in favour of the two leading corporations and this raises the question whether there is room for any competition. At a global scale, the industry has to be considered as an oligopolistic model. It is selling a homogeneous product and it is characterized by a small number of large private players with extremely high barriers of entry for any possible new entrants. As an illustrative example, RCL, the second largest player, has placed one of the last orders for a new ship with a cost estimated at US$ 1.65 billion.

2.6 The comparison between cruise tourism and land-based tourism

It may not be appropriate to consider as similar cruise visitors and visitors who arrive in a destination by other means. There are differences between the visitors who use cruise ships to arrive in a destination as opposed to those who arrive by air. A typical cruise ship visitor remains at the destination for a much shorter period than a visitor arriving by air. For instance, in 2013, the visitors arriving in Hawaii by air stayed on the islands on average almost twice as long as the visitors arriving by cruise ship (HTA, 2015). A limited or planned exposure to a destination compared to a more structured itinerary may reflect differences in how the travel experience is perceived and to a certain extent controlled.

Teye and Paris (2010) confirm that the motivations of cruise visitors are different from those with land-based motivations. They note that the experiences of the former type of visitor can be considered as a 'sampling experience' and, if they are positive, they may pull the visitor to the destination for a repeat visit. Teye and Paris (2010) also report that the ports which have better-developed cruise terminals benefited by attracting more of their visitors to spend time in the port areas.

2.6.1 A global quantitative comparison

In spite of their dynamism, cruise lines share, by value globally, is only 4.5 per cent of hotels, resorts and cruise lines, as seen in Figure 2.4 (Datamonitor, 2010).

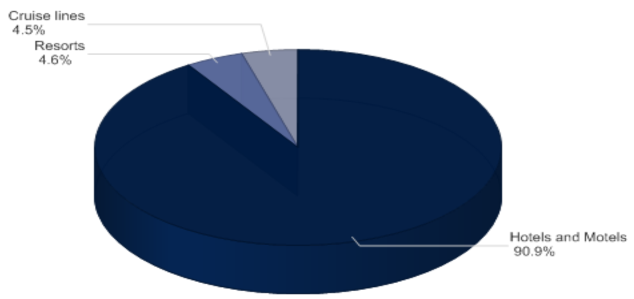


Figure 2.4: Global hotels, resorts and cruise lines, by sector segmentation, 2009

Source: Datamonitor (2010)

According to Datamonitor, it is remarkable to observe that the Carnival Corporation, the largest cruise line company, is the leading player in market share in global hotels, resorts and cruise lines, generating 2.4 per cent share of the whole sector's value (casino hotels not included), as seen in Figure 2.5.

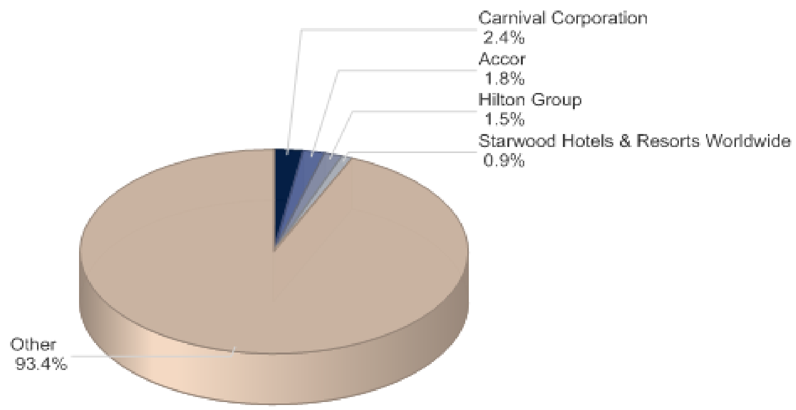


Figure 2.5: Global hotels, resorts and cruise lines, by sector share

Source: Carnival Corporation (2009) in Datamonitor (2010)

Straddling two key international industries, tourism and maritime, cruise tourism activity is a paradigmatic case of neoliberal globalization, and this study will have a distinct sub-chapter analysing this issue at length. As seen in Figure 2.6, global cruise passengers carried in 1990 reached almost to 3.8 million, while in 2000 almost doubling to reach 7.2 million. In 2010 they more than doubled again to 18.4 million passengers carried, with a forecast of more than 20 million in 2012 (Datamonitor, 2010). This demonstrates that robust growth is maintaining its trend in spite of worldwide economic turbulences.

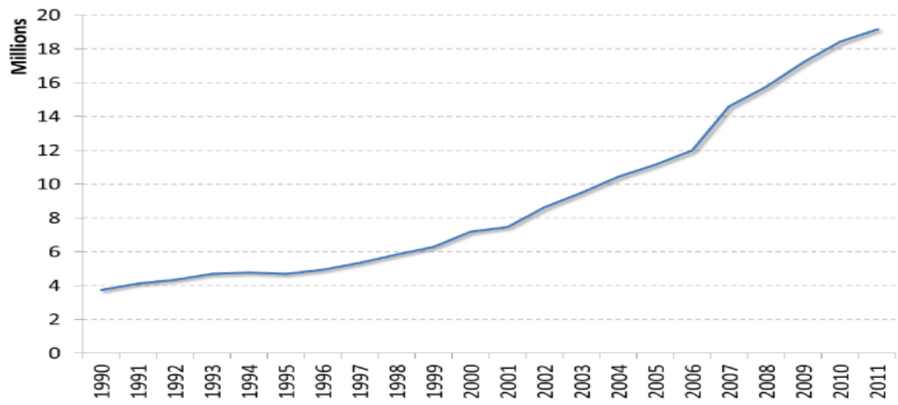


Figure 2.6: Cruise passengers carried globally over the past twenty years

Source: Adapted from Cruise Market Watch, 2013

Figure 2.6 clearly shows that the cruise sector has enjoyed a systematic growth, one that is very likely to continue through 2013 and for the foreseeable future. By the end of 2013, 167 new cruise vessels will have been built since 2000, with very innovative designs and ranging in size from thirty-two to 5,400 passengers (CLIA, 2010).

Figure 2.7: Growth and trends, 2008 – 2013

Source: Adapted from Cruise Lines International Association, 2013

Figure 2.7 summarizes the envisaged growth and the key figures in terms of capacity and regional growth share. It is expected that the scale of growth, in terms of capacity, will be plus 302 per cent in Asia, plus 155 per cent in Australasia and plus 57 per cent or less in Europe and South America. During the next three years, between 2013 and 2016, as a clear statement of trust in the industry and its future growth, twenty-nine vessels are to join CLIA fleet after an investment of more than US$ 10.258 billion (CLIA, 2013).

Differences in nationality are relevant factors; Mykletun *et al* (2001) found that 'results of a series of multiple logistic regression functions revealed that country of residence (Denmark, Germany and Sweden) was the most salient factor to consider in discriminating between high versus low spenders, visitor-reported measures of satisfaction, value and probability of repeat patronage'. Further, 'attractions have difficulty in drawing guests in repeat-visitor-dominated markets' (Litvin, 2007). Visiting cruise-proposed destinations enables passengers to enjoy local attractions. It is likely that a positive experience in a given destination may influence the likelihood of a return visit as a land tourist. Hence, for cruise destinations, it is important to understand which factors are likely to affect the likelihood of a return visit. Although this is a very important topic, the literature on this issue is very recent and only a few papers have studied the factors that affect a cruise ship passenger's stated intention either of returning to a destination or to recommend it to others (Andriotis and Agiomirgianakis, 2010; Gabe, Lynch, and McConnon, 2006; Hosany and Witham, 2010; Silvestre, Santos, and Ramalho, 2008).

2.6.2 Evaluation of the impact of the cruise industry found in the literature review

The past years have seen the cruise industry evolve into a highly globalized and competitive sector that has developed as a connected part of the global tourism sector and has shown for the last twenty years a constant international average growth of 8.2 per cent per year (WTTC, 2011). North America is the major market, comprising about 59 per cent of the total market. (http://www.statista.com/topics/1004/cruise-industry/). In 2010, the cruise industry, with its shipping lines and their passengers, directly purchased a total of US$18.0 billion. At the end of 2011, the industry generated an estimated US$29.3 billion in global revenue (FCCA, 2012). In spite of strong headwinds in the global economy for the last five to six years, the growth rate for passengers in the cruise industry increased with almost two percentage digits in 2010 compared to 2009 and slightly less in the last couple of years.

There is an ongoing challenge in collecting global and reliable data for the economic impact of the cruise sector. However, available statistics and industry experts agree that the long boom of North America still dominates the global cruise business, but the shares of other regions are increasing and Europe and the Far East are showing stronger growth. The second-largest source of cruise passengers, Europe, accounts for more than five million passengers. In terms of economic results, recent research of the European Cruise Council (ECC) has mentioned that in 2010 the cruise industry produced €14 billion in direct spending and made almost 300,000 jobs. By comparison, in the Caribbean region, less recent research has found that the cruise sector generated only 41,500 jobs in 2006, with US$ 600 million in wage income for its residents (WTTC, 2012).

The cruise industry offers one of the most extreme examples of globalization due to its vastly mobile nature and its unique liberation from traditional constraints of place. The characteristics of the industry have facilitated its growth, but it can also bring potential problems for regions, nations and peoples that the industry impacts, especially due to three factors: 1) the mobility of capital in the industry; 2) the flag-of-convenience system; and 3) the weakness of international regimes in regulating what goes on in both national and international waters (Wood, 2006). With all this development, the cruise industry constitutes one of the most extreme examples of globalization, due to its vastly mobile nature and its unique liberation from traditional constraints of place. This 'globalization at sea' can raise contradictions, ambiguities and unchartered paths in actual globalization processes (Hurrell and Woods, 1999). The factors above can negatively influence a variety of areas, including the relation of the cruise industry to land-based tourism, the level and distribution of the former's economic benefits, its environmental impact, and the redefinition of touristic space (Wood, 2006). These various disadvantages of the cruise industry should not be considered fatalistically, but instead be seen as warning factors that demand especial care and adaptability so that the negativity can be reduced to a minimum. As Wood (2004a) suggests, 'healthy cruise tourism should promote healthy land-based tourism, not undermine it'. Following this objective, other hypotheses have been analysed in the last few years and the impact of cruise tourism upon local regions has also been studied from other points of view. Destinations and cruise lines need not necessarily be considered incompatible – on the contrary, there are significant areas for cooperation and mutual benefit. Detailed study is needed to identify and act appropriately on these, based on economic impacts in affected destinations and on rigorous analysis of the relationship between destinations and cruise lines. Geographical considerations are central to cruise port selection, specifically 'site' and 'situation' being the most important factors for the cruise line (Marti, 1990). As tourists find port days more interesting than days at sea (Manning, 2006), global itineraries and their deployment are an important strategic choice.

The general presentation of the locations for the study cases that were presented in the Literature Review chapter are to be found in Table 2.3, with the last two columns about tourist arrivals being as detailed as possible given the different types of statistical data publicly available. Madeira, the subject of the present case study, is in terms of GDP per capita in the second position; in geographical terms is the fourth-largest island from a total of six, as Costa Rica is part of Central America. In demographic terms Madeira is again in fourth position and in terms of tourist arrivals Madeira is in the last position.

Table 2.3: General presentation of the locations for the study cases presented in the Literature Revue

Island group	Number of islands	Total area:	Population	Location	Tourist's arrivals Cruise arrivals	Arrivals (summer / winter)
Madeira	4 Portugal	801 km²	267,785 (2011 *est.*) GDP per capita: $28,632 (2010 *est.*)	Between 32°22.3′N 16°16.5′W and 33°7.8′N 17°16.65′W (Atlantic Ocean)	1,018,239 (2013 *est.*) 481,603 (2013 *est.*) 592,935 (2012 *est.*)	662,976 / 355,263 130,259 / 351,344 133,730 / 459205
Malta	3	316 km²	411,277 (2013 *est.*) GDP per capita: $26,100 (2012 *est.*)	35°50′N 14°35′E (Mediterranean Sea)	1,454,000 (2012 *est.*)	959,704 / 494,396
Curaçao	1/6 part of Dutch Antilles	471 km²	146,836 (2013 *est.*) GDP per capita: $15,000 (2010 *est.*)	12°7'0"N, 68°56'0"W (Caribbean Sea)	419,621 (2012 *est.*) 431,555 (2012 *est.*)	67.6% / 32.4% 47.5% / 52.5%
Canary Islands	7 Spain	7,770 km²	2,117,519 (2010 *est.*) GDP per capita: $25,512 (2010 *est.*)	28.100°N 15.400°W (Atlantic Ocean)	11,624,062 (2012 *est.*)	NA NA
Hawai'i	8 main 152 in total U.S.A.	16,640 km²	1,392,313 (2012 *est.*) GDP per capita: $44,442 (2012 *est.*)	18°55′ N to 28°27′ N / 154°48′ W to 178°22′ W (Pacific Ocean)	7,867,143 (2012 *est.*) 161,600 (2012 *est.*)	6,836,251/ 1,030,892 NA NA
New Zealand	3 main 33 in total	269,760 km²	4,451,017 (2012 *est.*) GDP per capita: $27,668 (2011 est.)	41°S 174°E (South Pacific Ocean)	2,699,762 (2013 *est.*)	NA NA
Costa Rica	State in Central America	51,100 km²	4,695,942 (2013 *est.*) GDP per capita: $12,600 (2012 *est.*)	10°N 84°W (Caribbean Sea to the east and Pacific Ocean to the west)	2,333,467 (2012 *est.*) 9,746 (2012 *est.*)	1,052,665/ 1,280,802 NA

Source: Assembled by the Author from various sources

Figure 2.8 shows the population of the named destinations and their tourists' arrivals using data from Table 2.3.

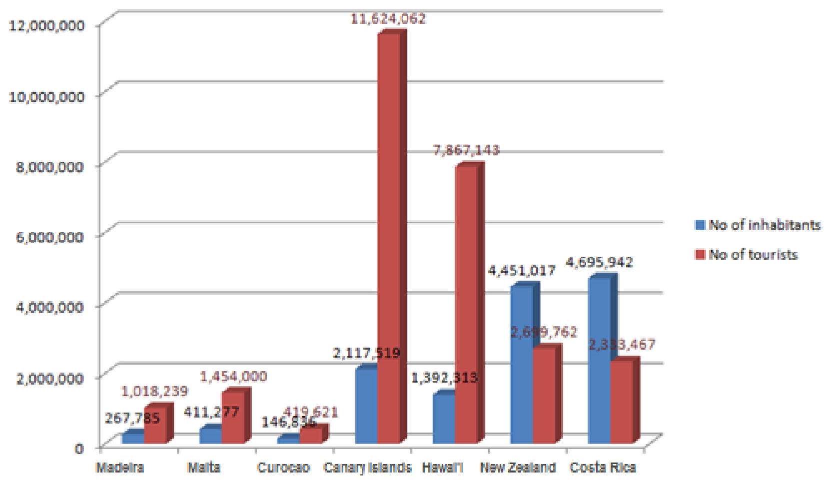


Figure 2.8: Presentation of populations and numbers of tourists, various destinations

Source: The Author from Table 2.3

A ratio of population to visitors of one to five for Canary Islands and one to seven for Hawai'i explains the broad interest of the local authorities towards tourism and the impact of this industry on their island.

Figure 2.9 shows total area of the named destinations and their populations using the international case studies presented in this chapter. In terms of population density New Zealand singles itself out and the government policies concerning the tourism regulations are among of the strictest formulated and followed.

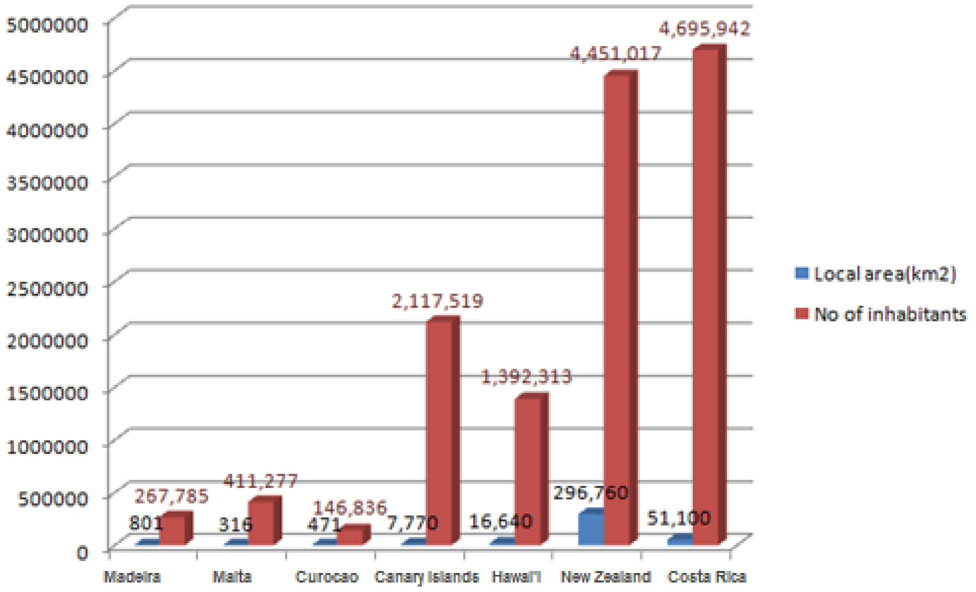


Figure 2.9: Presentation of total areas and populations, various destinations

Source: The Author from Table 2.3

Figure 2.10 compares tourist arrivals to the named destinations with their cruise passengers' arrivals and the rate was establish only for the islands which have been reported their cruise passengers individually from the general number of tourists visiting the destination.

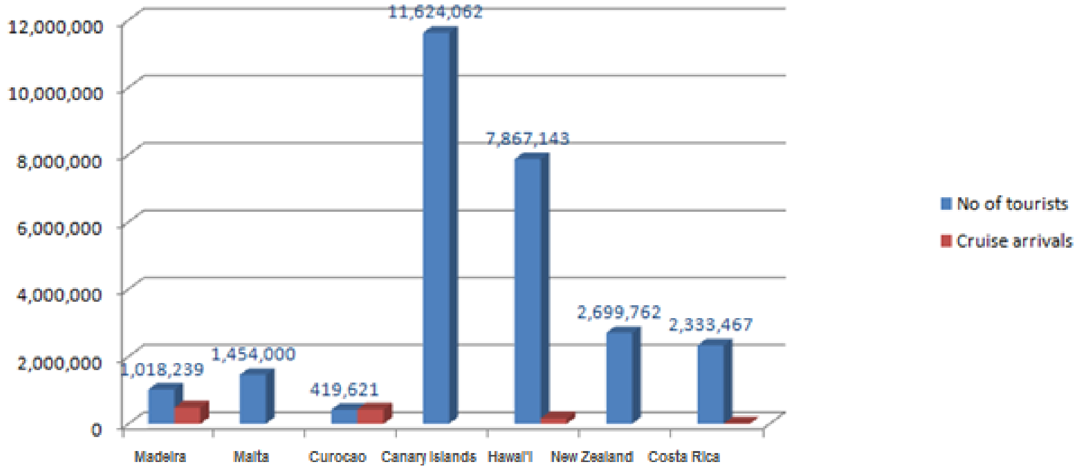


Figure 2.10: Presentation of numbers of tourists and cruise arrivals, various destinations

Source: The Author from Table 2.3

Another scenario of the potential implications of cruise tourism and how it might affect the tourism market is in a study based on socio-economic and marine environment perspectives (Diedrich, 2010). This study assesses residents' perceptions and compares cruise tourists and overnight tourists in Belize, including their motivations for activities, travel and levels of environmental concern. Generally, independent travellers have been associated with the beginning of the tourist area life cycle (TALC) and mass tourism with its end. Diedrich (2010) says: 'mass tourism also works against the concept of carrying capacity, which is inherent to the achievement of sustainable tourism'. The importance of establishing the carrying capacity for tourism destinations is exemplified in Butler's TALC (Butler, 1980). The 'decline stage' occurs once the location has reached its carrying capacity and the environmental and cultural characteristics that initially attracted the tourism have deteriorated.

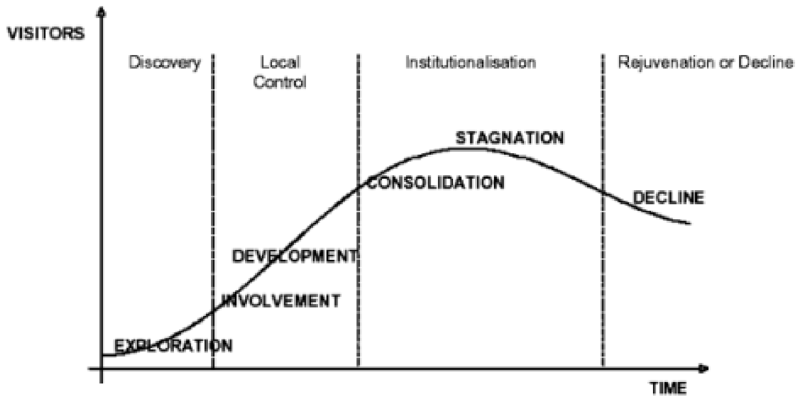


Figure 2.11: TALC (tourism area life circle) synergies in tourist destinations

Source: Butler, 1980

The promotional activities of Catalonia and comprehensive economic analyses of Malta, Costa Rica, Caribbean Islands, New Zealand and Hawai'i may constitute good examples of how public government policy on cruises can be considered. A study developed in 2003 by European Planning Studies regarding the relationship between the cruise industry and port-city regeneration is researching the case of Valletta (in Malta) and is bringing very valuable input in port regeneration and an evident contribution to the area. The author, McCarthy (2003a), acknowledges that the economic impact of cruise terminals is very difficult to estimate. Even when tourism is mentioned as an important economic factor for Malta, land-based tourism is not considered, since this research focuses mainly on the impact on the waterfront and the port. Mentioning Charlier's (1992) port life-cycle model that seeks to explain how ports within port cities experience periods of growth followed by decline and eventual redevelopment, the study concludes that cruise developments may ultimately prove counterproductive if they lead to the homogenization of image and the erosion of identity based on unique heritage value (Kriger, 2001, cited by McCarthy, 2003a). As such, there is a growing idea of a more rigorous approach in accounting for the costs and benefits arising from such schemes (McCarthy, 2003b). Gui and Russo (2011), starting from the principle that tourism's global value is strategically connected to local operations, suggest an analytic structure that may bridge the gap between cruise values and the destination's land-based cruise services, thus creating strategies by which the generation of value can be increased at the local level. The scheme proposed in their study covered the dimensions that any port should have in view when establishing a tourism planning strategy for being a cruise destination. Besides the regional dimension, there are four further crucial elements to consider: (a) what types of service the port can deliver to cruise line; (b) for what types of cruise passenger; (c) what is the life cycle stage of the destination; and (d) how the destination is marketed by industry operators. The authors organized each of the five dimensions into four classes, representing different types of destination; after making a case study of the region of Catalonia, they concluded that 'a proactive destination may explore different actions to maximize the local benefits derivable from the cruise flows that touch its territory' (Gui and Russo, 2011: 21). Similarly, and based on the fact that destinations are not the same and that the unique situation of each one dictates its attractiveness for cruise tourism lines, Manning (2006) suggests that, in order to reduce the negative impacts and to optimize the benefits, destinations must consider issues such as: (a) activities that can be accessible within eight hours or less; (b) matching activities and services with visitors' motives and interests; (c) ensuring information programmes are made available prior to and during activities; (d) improving the variety of experiences; and (e) the role of such cultural and natural assets as parks and protected areas in the region must be enhanced. Specific attention has to be given to tourists with access difficulties due to disability or old age and this focus has to start with the port facilities themselves, which should ensure compliance with rules and regulations and have a clear policy framework (Manning, 2006). Looking on the factors which will influence the decision to cruise again, Renuka concludes: 'A case study on Australian cruisers revealed the need for a targeted marketing approach and some similarities toward a more general advertising effort. Contrary to previous studies, brand loyalty to cruise line is found to be less important than cruise destination. However, men - unlike women - were influenced by a cruise recommended by others and interesting ports of calls, whereas women valued cruise experience over cruise destination. Among first-timers, women were more likely to cruise again; however, to attract repeat cruisers, there needs to be a deeper understanding of preferences underlying a good cruise experience' (Renuka, 2017).

<u>Costa Rica</u>

The World Tourism Organization (WTO)'s case study about Costa Rica, developed by Brida and Zapata (2010), is one of the most recent contributions in this subject. The current situation and trends described in this report reflect the economic impact of a mainland tourist country and, as such, the vulnerabilities are not always applicable to islands. Even so, it is relevant to mention its conclusions, as long as the case is remembered as an example of how it is the relationship between cruise lines and destinations that is of fundamental importance, since the mainstay of 'modern cruise ships activity can be counted among the world resorts' (Brida and Zapata, 2010).

Analysing in detail this relationship, the report shows that, for the customers, the itinerary plays an important part, combining the totality of the destinations visited throughout the journey. Even if the cruise line can be characterized as a global business in terms of destination supply, there is interdependence between cruise ships and destination. It can be said that 'cruise business conforms to the patterns observed for tourism on land, with demand and destinations configured at regional rather than world level' (Brida and Zapata, 2010); thus, the selection of destination depends firstly on the time of year and on climatic conditions. In relation to employment related to the cruise industry, Brida and Zapata's Costa Rica study, done in 2010, indicates that the revenues of US$16.4 million obtained in 2008 from cruises by the government and its citizens have benefited the destination and created an indeterminate number of jobs. The report reveals 'that the contribution of the tourism industry to the economic growth of Costa Rica is very high and that also the participation of the sector to GDP is very high (around 20 per cent of the economic growth of the country is a consequence of tourism). By a fortuitous coincidence this important percentage is similar to that in Madeira. To maintain this high contribution to growth, the study recommends a policy programme that aims to avoid the negative impact of cruise tourism and to implement the diversification of tourist attractions (Brida and Zapata, 2010). It is regrettable that the study does not explore the cruise passengers' willingness to revisit the region as a regular land tourist or whether they previously had done. Interestingly, the crew averaged the highest spending per person (US$42) on port in comparison with the rest of groups. This confirms the point made by Seidl (2007) that crew expenditures should not be ignored in the assessment of cruise tourism's economic impact.

According to Shelden (2005), many researchers have studied tourism in an island context, focusing on specific islands such as Malta, the Seychelles, the Canary Islands, the Hawaii Archipelago, and others have discussed island tourism in a more general manner, the majority of these studies show the particular importance that should be given to some issues common to all that are influenced by tourism, such as economic impact, environmental consequences and those relating to the social, cultural and political fabric of the island. All of these are affected by the density of both population and tourism on the island (Shelden, 2005). The case of Malta was already presented mainly as an example in relation to port policy, since research has not provided data about the possible competition or synergy between cruise and land-based tourism.

<u>New Zealand</u>

Another key geographical cruise sector, namely Oceania (comprising Australia, New Zealand and proximate islands) offers the very interesting case study of New Zealand. New Zealand is a remote cruise destination and its ultra-peripheral geographical position would not seem to help it to be on the cruise industry’s favourite itineraries. Nevertheless, New Zealand's popularity as a cruise destination has skyrocketed in the last few years, with numbers of cruise passengers increasing by over 513 per cent since the 1996/97 season. Total annual cruise visitor numbers are now comparable with New Zealand’s fourth-largest inbound tourism market, China (TNZ, 2007). According to the figures advanced by Tourism New Zealand (TNZ, 2007), 93 per cent of all respondent cruise visitors leave New Zealand highly satisfied with their cruise experience and 68 per cent said that they would return to New Zealand (the majority indicated that this would not be on a cruise). An updated report made by Worley (2012) aimed to estimate the economic role of the industry for the 2011/12 season and to provide forecasts for the 2012/13 season. The report indicates that the cruise sector reached record levels in the 2011/12 season and was very likely to grow in the following season. The New Zealand economy is benefitting by an increase from NZ$ 305.0 million in 2011/12 to NZ$ 346.5m in 2012/13 in terms of value added. This significant increase is a clear sign that the industry has been consolidating and is on an ascendant curve. The size of vessels and number of calls in New Zealand ports, will doubtless increase in the near and medium-term future. Evidently, due to favourable port facilities, the growth is predicted to be concentrated in regions that already attract most visits, such as Auckland, the Bay of Plenty, Wellington, Canterbury, Otago and Southland. On the other hand, there will be other regions that will record a certain decline in activity. Overall, New Zealand will see the number of cruise vessels and passengers growing and, in order to facilitate the expected growth, the government should take the necessary steps so that adequate policies and infrastructure will be ensured. The report recommends five areas for future research in order to provide a better understanding of the industry: (1) Collect and analyse a database of providers; (2) Create a time-series of ship-related spending in order to smooth irregular spending patterns; (3) Conduct a survey of passenger behaviour, covering pre-/post-cruise activity, excursions and onshore expenditure; (4) Collect and analyse passenger behaviour on exchange expenditure; (5) Conduct a survey of crew activity, covering pre-/post-cruise activity, excursions and onshore expenditure (Worley, 2012). This study also reveals a lack of information collected in a database of industry and tourists' activity within New Zealand. Also, the report stipulates: 'one of the most important findings of this report is that cruise passenger behaviour has been steadily shifting from organised tours to free independent travellers. From a research and planning perspective this change of behaviour has created additional issues around the measurement and understanding of the industry' (Worley, 2012).

Cayman Islands

A study carried out by Shamsub, Albrecht and Dawkins (2006) on the Cayman Islands comes to reinforce and exemplify this idea on the basis of a successful experience. Drawing a parallel between the two sectors of tourism, stay-over tourism and cruise-ship tourism, in the Cayman Islands, they conclude that, in terms of the number of visitors generated to each, both sectors of tourism are reciprocally related. The results of their research suggest that stay-over tourism is a substitute for cruise-ship tourism and cruise-ship tourism is a complement of stay-over tourism.

Hawai'i

The Hawai'i Cruise Industry Study, finalized in 2008 by ICF International (ICFI) through a project team including mainland and Hawai'i based subcontractors, offers an impressive collection of facts and the subsequent analysis refers to the impacts and benefits arising from the current and future operation in the state of Hawai'i. The resources allocated to this project by the State of Hawai'i were, in total value, US$ 1,200,000 and ICF International ran the project for US$ 896,815. It is worth mentioning the resources, as they were very efficiently used to provide comprehensive, factual and objective information. The study sought to determine, assess and calculate the cumulative costs and benefits related to the development and promotion of a cruise industry and, in comparison, to tourism generated through onshore accommodation. Furthermore, the data identified indicators of optimal development and best management practice relating to the cruise industry in other destinations, and assessed the utilization of those practices with the current and future development of the cruise industry in Hawai‘i. The research showed that the costs the cruise industry imposes to the state are US$345.3 million on average per year (including both the direct costs of cruise tourism and the unrealized benefits of land-based tourism), while the benefits to the state amount to US$477.2 million on average per year (including both the direct costs of cruise tourism and the unrealized benefits of land-based ism). More than 99 per cent of these last figures includes ‘the direct spending from cruise passengers, crew, and cruise lines on the islands, and their indirect effects—that is, a dollar spent on local goods and services is generally re-spent by its recipient, and then re-spent by the person who received it on the second round, and so forth’ (ICFI, 2008). It may be assumed that a number of cruise visitors might anyway have visited Hawai’i, staying in land-based hotels, and unrealized costs might be associated with this situation (in terms of air quality, airports, parks and vehicles). The report estimates that these costs represent less than US$ 1.9 million per year. However, the number of cruise visitors returning for a land-based vacation is not directly known. Overall, the cruise sector has generated important economic benefits for Hawai‘i. It must be emphasized that the level of benefits and the percentages of cruise visitors and traditional land-based tourists differs from island to island. The Hawaiian archipelago is thus offering a very interesting case, made so by the different trend that varies from island to island. For example, Maui County is estimated to see 51.8 per cent of exclusive cruisers, whilst Kaua’i County has 16.7 per cent. It is worth noting that these exclusive cruisers would not have otherwise come and stayed in hotels. The trend is reversing in Honolulu County and Hawai‘i County but, even if 0 per cent of cruise visitors were exclusive cruisers, the cruise industry still represents a net benefit. The limitations of the study are that it could not measure specifically the direct revenues and costs for each and every county. The great relevance of this study for the present thesis is that it assumes 67 per cent of cruise passengers would revisit the islands as land-based tourists.

2.6.3 Cruise visitors’ satisfaction with a destination

One of the key indicators of performance in the tourism industry and one that prompts the holiday makers to repeat holiday experiences is visitor satisfaction. This indicator offers essential feedback on the quality of services and how customer expectations are being met. The higher the satisfaction levels, the better the customer retention and his loyalty toward the product/destination. Visitors who are highly satisfied will most likely recommend the experience to friends and family.

The economic impact of cruise activity on a destination is associated with different types of cruise-related expenditure. These include passengers’ and crew-related expenditures (e.g., retail spending during the visit, pre-/post-cruise expenditure, shore excursions, incidentals, and departure tax), vessel-related expenditures (e.g., passenger embarkation charges, fuel costs, port dues, port agency fees, piloting, water, garbage, towage, miscellaneous expenses, dry dock charges, and State conservancy dues), and supporting expenditure that includes direct payments by shipowners within the destination (Dowling, 2006; Dwyer and Forsyth, 1998; Dwyer, Douglas, and Livaic, 2004; Pratt and Blake, 2009).

Once passengers discover new attractions, it is likely that they will return as independent tourists. They may also recommend the destination to relatives and friends, thus creating the bases for additional economic benefit for local business. And this represents a major factor in convincing cruise lines to choose particular ports when designing their routes.

However, attracting cruise passengers to return to a destination is not an easy task: for example, cruise passengers stay in the destination for just a few hours (six on average); they are, in general, repeat cruise travellers (Petrick, 2004); the cruise experience consistently exceeds expectations on a wide range of important vacation attributes, and, as pointed out in Florida–Caribbean Cruise Association (FCCA, 2011), cruise products deliver unparalleled customer satisfaction. According to the FCCA (2011), cruise travellers indicate that they would return for a land-based vacation in the cases of the following destinations: the Caribbean (50 per cent), Bahamas (21 per cent), Hawaii (13 per cent), Mexico (13 per cent), Europe (12 per cent), and Alaska (11 per cent).

Destination managers normally assume that cruise passengers are likely to return on their own for a subsequent visit. In general, surveys of passengers tend to support this assumption, but little research has so far been published to determine whether the assumption holds. The study by Marusic *et al*, (2007) shows that less than 3 per cent of cruise passengers who visited Croatian destinations during the 2000-06 period had returned as land-based visitors in 2006. Similar results are reported in Klein (2003), in which research sponsored by American Express indicates that 20 per cent of first-time land-based tourists had previously visited a particular Caribbean island on a cruise. The author concludes: ‘While the twenty percent figure is reason for optimism, it needs to be viewed in context. A typical cruise stops at four or five ports, so the twenty percent figure must be averaged for the number of ports visited. If cruise passengers stop at five ports and twenty percent return to a port, on average only four percent return to a single port’ (Klein 2003: 20).

In a study of the cruise industry in Atlantic Canada, Chesworth (2006) also confirms that only a low number of cruise travellers return to a destination as land tourists. In particular, the study indicates that the probability of return to a particular destination is higher if coming on another cruise than as a land tourist.

The literature highlights several studies that concentrate on the novelty-seeking motivations of tourists. In a recent paper by Assaker, Esposito-Vinzi, and O'Connor (2011), a nonlinear latent growth curve model is proposed to investigate the developmental pattern of tourists' return behaviour. They show that both novelty-seeking and low satisfaction decrease travellers' intention to return to a destination. However, they also reveal that a positive image of the destination increases both their immediate and their future intention to return. Given such findings, it seems most likely that cruise passengers tend to look for novelty and seek new attractions and Table 2.4 presents the different factors affecting the intention to return to a destination, as they were presented in some previous studies, including the model used by the researchers with a structural equation model (SEM) and a logistic model (LM).

Table 2.4: Different factors affecting the intention to return to a destination

Reference	Factors	Model
Gabe *et al* (2006) Murphy *et al* (2000)	Household income; number of visits; length of stay in the destination; distance between place of residence and destination Perception of the travel experience	LM SEM
Alegre and Cladera (2006) Um *et al* (2006)	Number of visits Perceived quality of service provided; perceived value of money; travel distance	LM SEM
Correia *et al* (2007) Campo-Martinez *et al* (2010)	Individual characteristics; travel-related variables Group composition; tourist satisfaction; destination image; prior experience	LM LM
Sata *et al* (2015)	Satisfaction with the destination; WOM	SEM

Source: The Author

The number of hours spent at the port also seems to influence the intention to return. For passengers, this factor means extra time used to discover new places and to get more information about the destination. Silvestre *et al* (2008) analyse the main factors of attractiveness of the Azores to cruise passengers and determine which of them influence their intention to repurchase the trip and to recommend this cruise to friends and relatives; they found that factors such as 'the city's attractions' and the 'overall visit experience' are the most important determinants. From 2005 to 2006, in a survey conducted by the Curaçao Tourism Development Bureau (CTDB), in cooperation with the Curaçao Institute for Social and Economic Studies (CURISES), Miriela and Lennie (2010) examine the factors that motivate cruise passengers to return to Curaçao for a land-based vacation. Cruise tourists who had received information onshore and those with a higher level of education are also more likely to return. By contrast, high-income cruise tourists and cruise tourists who had taken the overall sightseeing excursion are not inclined to come back as land tourists.

Andriotis and Agiomirgianakis (2010) studied cruise ship passengers' motivation, satisfaction, and likelihood of return to the port of Heraklion (in Crete, Greece) using a factor analysis. Their findings suggest that 'exploration' and 'escape' are among the main motivators, and 'product and services' and 'tour pace' are significant dimensions in shaping overall satisfaction levels. The authors conclude that the destination managers of Heraklion should direct their efforts in extending the amount of time that passengers spend inland.

A further issue relates to inland cruise travellers' expenditure. According to Brida and Zapata (2010), cruise visitors' expenditure is in general less than one half of the expenditure of land tourists at the same destination. In addition, cruise tourism requires expensive infrastructure and services, including port facilities and the reinforcing of security services in the city.

Huang and Hsu (2010) determined that customer-to-customer interaction can play a role in influencing the cruise experience and they established that a positive cruise experience contributes to satisfaction with the vacation. Hosany and Witham (2010), used multiple regression in establishing the mediating impact of satisfaction with the vacation on intent to recommend a cruise trip. This allowed them to measure the direct impact of cruise passengers' experiences on their intention to recommend. Interestingly, they found that the number of previous trips does not have a significant effect on visitors' overall travel experiences. The study by Brida *et al* (2012), based on the experiences of cruise visitors to Colombia, found satisfaction with human capital (tour guides, drivers) and physical capital (harbour facilities, transportation) to have no significant influence on satisfaction with the destination. However, they found satisfaction with prices and also safety to influence satisfaction with the destination and the latter to influence intention to revisit and to recommend.

Blas and Carvajal-Trujillo (2014) found that, for the passengers of a cruise liner visiting Valencia, in Spain, the image of the destination contributes to satisfaction with it and the latter impacts positively on intent to revisit. They further pointed out that culture was found to have a significant moderating effect on the relationship between satisfaction with the destination and intention to revisit. Parola *et al* (2014) also contributed to the existing findings on the positive link between satisfaction with the destination and intention to revisit and to recommend. In addition, they found purchasing of onshore excursion packages to moderate positively between satisfaction with the destination and intention to revisit. In a study conducted in Italy, Satta et al. (2015) reconfirmed the link between cruise visitors' satisfaction with the destination and their word-of-mouth attitude. The survey conducted for this study focused on port-specific attributes because the cruise passengers' experience at the destination begins and ends at the port. They found that satisfaction with the destination is affected by the existence of easily accessible shopping areas, and reliable transportation services.

2.7 Conclusion

Cruise tourism and the complex impact on vulnerable communities such as small islands are yet to enter into a phase of new directions in tourism-analysis. Sustainability of economic development in a vulnerable environment is a very challenging theme in times of economic constraints and finding a method of critical appraisal is a tall order when sustainability is linked not only with economic productivity but also with environmental and cultural preservation. In an ideal world onshore and cruise tourism ought to be synergistically matched, and yet governance and the allocation (or relocation) of funds place Madeira into a global context that is facing strong headwinds. As such, the main rationale for setting an overseeing critical appraisal was: governance, economic challenges, and reallocation of scarcer funds and rationalization of future investments with prospects of growth in order to justify capacity investment. It must be clear for all stakeholders in the game that governments must focus on a more rigorous and scientific base of a rationalization of their assets and services, and the author of this thesis considers that the Hawai'i Cruise Industry Study is one of the clearest and most useful tools for all destinations and the cruise industry alike.

This literature review was considered a preliminary investigation, prior to undertaking primary data collection. It appears that, out of eighty studies, PhD theses and other related material, no studies to date refer to Madeira in terms of the in-depth examination set out in the research proposal. In view both of Madeira's unique characteristics and also its common characteristics with other islands and archipelagos, geographical criteria were used with the view of comparing close-latitude tropical and subtropical islands leading to a mild climate. That aspect appeals particularly in the tourism industry and is one of the most important criteria when destination itineraries are being decided by cruise lines. The closest-related literature was identified as the American Government's commissioned study of Hawai'i, thus creating the basis for future assessments in terms both of similarities and of differences. The argument was substantiated and consensus and disagreements were revealed in the wider context.

CHAPTER 3: METHODOLOGY

3.1 Introduction

The goal of Chapter 3 is to provide a critical account of both my research design and also my research experience. The research question was pivotal in guiding the author towards choosing a type of mixed methodology with an interpretivist epistemology of ‘knowledge interpreted by individuals’. The methods of gathering data comprise semi-structured interviews, open-ended discussion, secondary data collection, questionnaires, and concurrent triangulation as parts of a mixed strategy. In order to pursue the main objective of this research, ‘What are the contributory factors for cruise and land-based tourism in Madeira’, this chapter will describe the methods of research that were used in order to establish the goal. Each section of Chapter 3 has been developed and explained to aim for a realistic and comprehensive description of the methodology and the design chosen.

The significant elements of the research study and the research methods are presented in this chapter, starting with the qualitative methods applied in the thesis. These are given in section 3.2, together with the selection of the venues for the case study and the sampling procedures. The quantitative data collection is detailed in section 3.3 and includes the methods used. Before discussing the appropriateness of the research methodology chosen and the limitations for this research, the following investigations towards different aspects were pursued in chronological order: a) the exploration of hundreds of cruise websites and articles presenting statistical information, cross-indexed with the list of research sub-questions; b) two years of preparation, including testing, and seeking official approval, of the form of the questionnaire that was used; and c) a strategy for collecting the real opinions of the passengers of the cruises anchored during the chosen two peak periods in Funchal Port. On a personal level, my aptitude for foreign languages has enabled me to access Portuguese and Spanish sources and documentation, and to carry out interviews in a range of languages. I was born about 300 metres from the sea, and maritime and tourism economic activities have been a theme that has defined both my personal and my professional life. I am a Fellow of the Institute of Chartered Shipbrokers (FICS) and, as I strongly believe in Continuing Professional Development (CPD), I have obtained full membership (MIoD) of the Institute of Directors – a leading UK organization promoting good corporate governance practices. Over the past eight years I have lived in Madeira and held general management positions in the Madeira hospitality sector, serving as a General Manager for a UK holiday property village, whilst maintaining my interest in the shipping world through my position as a Director (Chair) of the Board of Directors of an International Shipping Company.

Serving in the above capacities has given me unique access to key influence-holders and policy-making members of Madeira's Government and key organizations, such as: the Port Administration, the Tourism and Transport Office, the Environmental Agency, the European Maritime Safety Agency. I have also had contacts with passengers and tourists to Madeira. All these factors have given me unique access in terms of interviewing key policy and opinion formers. Moreover, following the University of Greenwich's recommendations concerning teaching, during the academic year 2014-15 I taught the course on Hospitality Marketing Strategy for an MSc Programme at the American Hotel Academy, which is in a partnership with Manchester Metropolitan University. Because of my experience in the industry, the PhD work in progress with the University of Greenwich, and the services rendered to American Hotel Academy, Manchester Metropolitan University gave me the title of Academic Associate and the status of Recognized Tutor. Interaction with students doing their Master of Science studies, coming as they did from varied professional backgrounds, enlarged my experience and helped with refreshing and broadening my own understanding of marketing strategy overall. I am confident that my professional experience in both the relevant industries, maritime and hospitality, serves to frame the research undertaken.

3.2 Qualitative methodology and its application to the thesis

According to Christensen, Johnson, and Turner (2010), science literacy involves finding knowledge with different methods to 'systematically produce reliable and valid knowledge' (Christensen *et al*, 2010, 7). When a case study is selected because of the inherent interest of the case or in the circumstances surrounding it, it may also be chosen because of the researcher's in-depth local knowledge. As Fenno (1986) puts, where researchers have this local knowledge they are in a position to 'soak and poke' and to present lines of explanation based on this knowledge of setting and of the circumstances. A distinction is to be made between the 'subjestorical unity' (Wieviorka, 1992), through which the theoretical focus of the study is being viewed, and the case study taken as the 'subject' (Thomas, 2011), or the lens through which the theoretical focus, the 'object', can be viewed and explained.

A case study is the act or an instance of analysing one or more particular cases or case histories with a view to making generalizations, or is a study of an individual unit, as a person, family, or social group, usually emphasizing developmental issues and relationships with the environment, especially in order to compare a larger group to the individual unit (Goodrick, 2014). A case study is often not the richest in information, and so, in clarifying lines of history and causation, it is more useful to select subjects that offer an interesting, unusual or particularly revealing set of circumstances. The use of case studies for the creation of new theory in the social sciences has been further developed by the sociologists, Barney Glaser and Anselm Strauss, who in 1967 presented their research method of 'grounded theory'. Researchers' scientific literacy allows them to understand how to find the facts that are needed to forward their research.

A typology reveals that there are numerous valid permutations of these dimensions and therefore many trajectories open to the case inquirer; Thomas presents a typology for the case study in which purposes are first identified (evaluative or exploratory), approaches are then delineated (theory-testing, theory-building, or illustration), and processes are then decided upon – with a principal choice being between whether the study is to be single or multiple, and with further choices about whether it is to be retrospective, a snapshot or diachronic, and whether it is nested, parallel or sequential (Thomas, 2011). It is possible to take routes through this typology with an evaluative, theory-testing, single, retrospective study, or with an exploratory, theory-building, multiple, nested study. Case studies are uniquely intended to capture the complexity of a particular event, programme, individual, or place, and they rely on multiple kinds of data (Rossman and Rallis, 2012). Data for case studies can be collected in various forms, which can include interviews and group discussions, observation and reflection, field notes, various texts, pictures, and other materials. Either quantitative methods, or qualitative methods, or mixed methods, can be employed in case studies' data-collection.

Qualitative research collects descriptive, non-numeric data that are likely to describe something, such as what a person sees in a picture or a type of behaviour to which a person might react. For Graziano and Rallis (2012), secondary analyses often help to interpret the findings of the primary analyses, or they help to point to additional questions that should be pursued in later studies. Descriptive statistics should not only provide a description of the dependent measures, broken down by group, but they should also include a description of the demographic characteristics of the sample. The nature of descriptive statistics will follow from the nature of the variables measured, and inferential statistics will follow from the research design and hypotheses. A Research Design Checklist organizes the complex task of pulling together all the details behind a well-designed case study, and, even though the statistical analyses will not be performed until after the data have been collected, the specific analyses that will be conducted should be planned before data collection (Graziano and Rallis, 2012). Qualitative research stems from the idea that there are no simple explanations, and so it allows researchers to reach out to their research participants in order to discover their opinions rather than to test them (Corbin, 2008, 13). Related to data collection, qualitative researchers face many choice ranges from grounded theory practice: narratology, storytelling, classical ethnography, or shadowing (Savin-Baden and Major, 2013). They will therefore frame their questions so that they cannot be answered only by yes/no, they will prefer interview styles that are fluid and dynamic, they will enjoy observing the interactions in their focus groups, and they will draw their observations by immersing themselves in the world that they are studying. Though this might in a way seem easier than quantitative analysis, the amount of data collected and the time that needs to be dedicated are extensive; the researcher must remain flexible whilst keeping on track and must be open to extrapolations from his or her research question and analyse behaviour of the research's subjects as much as their answers. The case study that I conducted was aimed at the cruise travellers and at the perceived impact of them on the Madeira archipelago. The case study focused on Funchal Port, as this is the largest port in the archipelago (Anuario Madeira, 2010, 266).

The qualitative phase comprised twenty-six, one-on-one open-ended discussions and interviews with regulators, stakeholders, managers or person in charge. I specifically recruited subjects with in-depth knowledge of the topic and in advantaged professional, social or trading positions (Appendices 5.1 and 5.2). There was a focus on the political environment's influence on tourism policy-making, tourism policy, sustainable tourism, and tourism environment topics, including the cultural values of tourism, and the impact of air traffic and tourism. Interviews lasted from twenty to sixty minutes, and using purposive sampling, produced a mixed collection of respondents. Diverse organizations and contributors from the public and the private sectors make up the policy community and contribute towards the promulgation of tourism policy. The involvement of each category varies according to the system of government, the power of the organization and mostly the policy area.

A stakeholder analysis considered the key-point officials and the various private sector enterprises, public services and institutions. Stakeholder analysis followed the identification and listing of the primary and secondary stakeholders, an assessment of their interests in relation to the case study, and the assessment of the likely impact of the case study on their interests. The findings from one type of study can be checked against the findings derived from a separate part of the overall study. A map of the linkages between the cruise passengers and all the stakeholders involved with land-based tourism will help to illustrate graphically the various interests of the different actors. This information will help in evaluating whether a particular proposal has a good chance of succeeding and of promoting partnerships among the various stakeholders. For the identification of stakeholder groups, semi-structured interviewing will identify the stakeholders in a given area. It is sometimes possible that a stakeholder group consists of only one individual and that individual may belong to more than one stakeholder group.

The following issues should be considered in doing the analysis: a) that the interests of any stakeholder group in the research depends on the effects that its members feel the research will have on them, as the anticipated effects may be positive or negative and they may be material or social (improved or lost status or power); and b) that care must be taken in listing and assessing the interests of each stakeholder group. Stakeholders may not willingly express or talk about any possible negative effects that are of concern to them. It is important to think about how the activities of each group relate to the primary research question. Finally, the power and influence of each group must be recognized and assessed.

The interview questions were formulated to be based on the supplementary objectives of the research: a) contributory factors for cruise and land-based tourism in Madeira; b) what is the impact on cruise passengers in terms of visitor satisfaction and willingness to return as a sojourn tourist; and iii) the degree of engagement of the stakeholders.

The research sub-questions were sent to the supervisory committee members. After receiving the input from the supervisory committee members, the questions were further defined, finally providing for the case study's questionnaire eleven questions to be asked of the participants during the quantitative phase (see Appendix 3). The research design and questions were approved by the University of Greenwich's Research Ethics Committee in January 2012. The expected total duration of participation in the case study for each participant is twenty minutes for completing a questionnaire and an estimated one hour for the interview. For the interviews, the Portuguese language was used with the local government agencies, stakeholders, etc. I have Romanian and Portuguese dual citizenship, and I speak five languages; when the Portuguese language was used, only the English transcripts only have been quoted from. For the questionnaire, the focus was on English-speaking participants.

3.2.1 Sampling

A case study was carried out during the research. The case study was approved by my supervisors with the objectives of testing the designed questionnaire, the interview techniques and the interview schedule. The participants for the questionnaire were approached by advertisement and by an open letter (see Appendix 1) attached to the questionnaire. The questionnaire was distributed to the passengers visiting Funchal city and Madeira and who came on board one of the forty-seven ships docking in March and the forty-six docking in April 2012 (see Appendix 4), a total of ninety-three vessels in the first stage, and another 1,064 questionnaires were used during the December 2013–January 2014 second stage of the case study. The informal semi-structured interviews were conducted in Portugal – in Madeira and in Lisbon. The selection criteria for the interviews were:

Stakeholders:

- government agencies, the tourist office, the environmental agency;
- international regulatory bodies: IMO, EMSA, and others;
- travel agencies, museums and gardens, restaurants, taxi drivers, souvenir shops, and others; and
- governance decision-makers: the Madeira Port Administration, and the Regional Secretariat for Culture, Tourism and Culture.

The research population consists of voluntary participants for the questionnaire sample and of members of stakeholder groups for the interview sample. For the members of stakeholders groups, the proposed schedule was accomplished:

- March 2012 : interviews with regulators (see Appendix 5.2)
- March-April 2012 : interviews with governmental agencies : the Madeira Tourism Office, the Environmental Agency, the Madeira Port Authority (APRAM, 2012)
- March-April 2012 : interviews with hotel managers and other stakeholders (see Appendix 5.1)
- April 2012: interview with EMSA – Lisbon office

Semi-structured interviewing offers flexibility in that only specific questions are predetermined allowing additional questions to be generated during the interview. As a result, the interviews tend to take the form of discussions, with such advantages as: a) views may be explored in detail; b) the method is good for sensitive topics; and c) it is better than imposing standardized meanings, which tend to be inaccurate. The preparation and the logistics for my six interviews with the regulators and stakeholders (see Appendix 5.2) took into consideration the highlighted points, which allowed me to conduct four fluent, interesting and relevant discussions, which represents a 60-per cent rate of success.

As for guiding recommendations for preparing for the informal semi-structured interviews, I had to bear in mind to avoid double-barrelled questions, jargon, double negatives, and leading questions, to minimize embarrassment, and to empower the respondent by keeping the questions simple. The researcher needs to be a skilled interviewer with a careful consideration of questions and enough time and resources, and he or she needs to listen actively. The sample size, the terms of confidentiality and reduced validity or reliability of the data could add to the disadvantages of the semi-structured interview. Each semi-structured interview should have attached its own checklist of dependent-variable data considered necessary, and should concentrate on a number of key issues only, but cover these well.

The steps that I followed to organize a personal checklist include: a) before the survey, analysing the secondary data collected, preparing the initial points of interest for the interview, and, on the logistical side, informing or checking in advance with the subject(s) to ensure that they had received the topics checklist, and establishing a note-taking procedure; b) during a group meeting or individual interview, referral to the checklist as a means of stimulating discussion and a participatory dialogue, but not as questionnaire; taking notes but not excessively; and c) after the interview, I immediately completed the notes and saved the report in a password protected file.

For the semi-structured interview (see Appendix 5.3) that took place in January 2012, with the President of the European Union Committee of the Regions, the personal checklist included: a) the specific title she was to be addressed by: *Mrs.*; b) the main attribute to be explored: *holidaymaker*; c) opinion about cruise holidaying: *direct question*; d) the impact of such regions as the Canaries, the Azores and Madeira islands on multilevel governance. The answers were to explore further the comparison between cruise and land-based tourism, whilst preserving natural beauty and sustainable development based on the insertion of increased revenue from tourist industry. The mixed purposive sampling approach did not allow statements about typical resorts, or typical implementations of various tourist offers, but it did enhance the possibility that the research would identify and study factors contributing to the increase in cruise tourism in Madeira and to the potential synergy between cruise and land-based tourism there.

Open-ended, direct conversations (Dillman, 2000) were used to understand and assess, as well as explore the participant’s deep and firsthand knowledge, focusing on ‘lived experience’ and emphasizing ‘sense-making’. For the open-ended discussions and interviews that each averaged half an hour, we had to deal with hundreds of double-spaced pages of text. For practical purposes, this meant getting narratives and other forms of qualitative data digitized into a computer, or organized and tagged so that we could apply methods of database management, since many text analysis programs let us build networks of codes and produce reports and diagrams of how codes in a set of texts are related to one another (Bernard and Ryan, 2010). Being in-depth and intimate discussions beyond what ordinary conversational conventions and etiquette permit, they are useful tools for identifying the interventions that are important in an area and which are likely to create a significant impact. Open-ended information was obtained from twenty-six conversations (see Appendix 5.1) with managers and person in charge of hotels, travel agencies, various shops and restaurants, taxi drivers and museums or gardens, with an overall rate of success of 90 per cent from the total of thirty-four direct conversations initiated and invitations sent. Considering that events can be understood only if they are seen in context, the contexts of the interviews were not contrived, they were natural, with nothing predefined or taken for granted. Those who were interviewed spoke for themselves, providing their own perspectives in words and other actions.

The aim of open-ended discussion is to understand experience as unified, and for this there is no general method, as the researcher perceives the experience as nearly as possible to how its participants feel or live it. To offer anonymity and confidentiality, a letter of approval (see Appendix 1) was presented to respondents, the discussions were code-numbered, and the transcripts will be kept on a password-protected electronic device. The list of major points of interest for the researcher was constructed after taking into consideration the cruise industry's own perceptions: a) the briefing of tour leaders considering the quarantine and the bio-security of the island during interesting, varied and appropriate shore excursions; b) particular information provided by shopkeepers and agents about cruise passengers, since retail outlets, restaurants and cafés represent the mainstay activity for cruise passengers; c) the importance of empathetic and helpful public servants who understand the cruise industry beyond its financial benefits, and who – with well-intentioned and well-reasoned activities – can pave the way for attractive land-based tourism aimed at cruise passengers; d) whilst there are solid economic, environmental and social reasons for imposing taxes, fees and other levies, what will be the level of taxes imposed by ports and by local authorities that will change the perception of cruise passengers towards the island as a desirable land-based destination; e) the distribution of accurate, up-to-date and targeted information to cruise passengers about the Madeira Archipelago and the attractions of land-based tourism, including the package of information available in the ship's atrium to show off excursion possibilities and souvenir shops; and f) how reliable are the means of transportation in terms of schedule, prices, and knowledgeable and friendly drivers? The approach used was descriptive, in a narrative style to be of benefit to the researcher, as I could later turn to the qualitative reports in order to examine forms of knowledge that might otherwise be unavailable and so gain new insights.

Opportunistic questionnaire samples allow a larger quantity of sampling more easily and more quickly (Thomas, 2011), and the 2,440 completed results collected and labelled, from the total of 2,564 distributed, were accurate for the targeted population. It is therefore a much more convenient method than testing the whole group of tourists on the cruise ships. An opportunistic sample was drawn from all ships making Madeira Port entry (APRAM, 2012) between March and April 2012 and secondly on December 2013 and January 2014 (Appendix 4-B). The survey was distributed to passengers from each ship when it docked in Funchal Port (SEF, 2013). Ninety-three ships entered Funchal Port during March and April 2012, with a total of 153,113 passengers and 63,105 crew members (Appendix 4-A). A following survey took place during December 2013 and January 2014, when seventy-six ships called at Funchal port, with a total number of 124,564 passengers. The sample of 250 to 320 questionnaires per ship was enough to represent the English-speaking passengers' opinions and the survey packet was distributed locally by volunteers (in the port ground, the malls, on the promenade or in the Monte Gardens) in order to ensure that opportunistic sampling was implemented.

With this opportunistically and preferentially collected sample of passengers, I achieved a clear appreciation of any anomalies within the sampled dataset, allowing the revelation of contrary views that would not otherwise have been traced. The subjects were selected because they were easier to recruit and that allow me to obtain basic data and trends for my case study without the need for a truly randomized sample. For the questionnaire (see Appendix 3) the selection criteria were: random sample of adult English-speaking passengers visiting Madeira on cruise ships during the peak spring season in March and April 2012 and the peak winter cruise season in December 2013 and January 2014.

Compared with an ideal sample that was randomly selected, my sample differed on some generalization criteria, as my respondents belonged to the section of the tourist population ready to explore the inland. The results of this questionnaire exercise cannot be extended to the tourists who remained on board, as their answers could differ, and yet the impact of their non-response should not materially modify the findings of the study. The individuals omitted by the selection process are not interested in land-based tourism, or are not physically fit enough for the challenges, or they just opted for the cruise because of the all-inclusive programme on board.

Complex questions in an optimal research design would use many attributes for the subjects and would impose a high cognitive load on the participants (requiring of them more thought), and so their responses will have lower consistency. With a highly minimized design and a direct approach, my survey (see Appendix 3) contains quantitative questions as well as qualitative estimates. Using this type of design will allow the subjects to concentrate upon the requests made of them and to be more willing to participate, as it will take a shorter period of time to complete the survey. For the questionnaire, the focus was on English-speaking participants, with no personal data collected from any respondent. The duration of participation was no more than twenty minutes for completing the questionnaire. The data used for the statistical results of the direct impact of the cruise industry were collected from a self-administrated survey, the Passenger Questionnaire

(Appendix 3), with 2,564 questionnaires distributed on five popular tourist sites in Funchal. I have labelled and logged 2,440 responses, with a non-response rate of 4.0 per cent and so a response rate of 96 per cent.

3.3 Quantitative methodology and its application to the thesis

The cruise industry is a dynamic source of economic activity. In 2011 the Portuguese ports registered 848 cruise-ship entries, with 44 per cent of those entries in Funchal Port, while from January to March 2012 the Madeira ports were the destination for 68 per cent of the cruise ships entering Portugal ports (Statistics from Ports of Madeira - APRAM site). Tourism provokes impacts and the residents and the tourists both have different reactions towards specific policymakers. The responsible bodies have their specific answers to those impacts and both tourists and residents behave, and respond, according to the official action. As a consequence, the possible synergy between the two types of tourism researched by this study is closely dependent on tourism policy.

The quantitative method adopts natural science's form of experiment: collect data through a standardized questionnaire/survey/experiment or from national statistical data institutes or political opinion polls, search for causal patterns and, based on your findings, confirm or disprove your precise initial hypothesis (Henn, 2009, 117). Analysis starts even before the beginning of the research project. Systematic analysis is where we apply methods for finding and laying out patterns in data (Bernard and Ryan, 2010).

Quantitative research produces extensive data. The main reason why quantitative research has taken a front place in the world of research is the possibility of inference, the opportunity to make predictions or generalizations. In order to accomplish that, a quantitative survey has to be well designed, with data properly collected and recorded, and the sample of population taken to be as representative as possible of the general population (Bryman, 2004: 77).

A specialized form of qualitative research is called cognitive testing or pilot testing, carried out before a quantitative research in order to test the reliability and validity of the items, but not on the relevant population who will form the final sample. The difference between quantitative and qualitative research studies is that quantitative research focuses on data with numbers whilst qualitative research focuses on the descriptive nature of non-numerical data (Christensen *et al*, 2010). The quantitative research provides conclusive research where large data sets are involved, in this case comprising a large representative sample in the form of the questionnaire, which attempts to measure cruise passengers' general behaviour and attitude. Passengers from cruise ships will visit the Madeira

Archipelago as ‘short breakers’ with a half- or full-day pre-ordered excursions taking place in and around the capital city of Funchal. The rejuvenation of the resorts can be supported by the private sector and through seeking new markets. A useful example of one adequate product matching these markets is the development of ‘short breaks’, a concept intensively used by land-based tourism for the past twenty years.

Prior to the quantitative data identified within the cruise tourist questionnaire which was distributed during March and April 2012 and it was continued during December 2013 and January 2014 and ended on March 2014, the statistical analysis was performed using information collected from: cruise ships in Funchal port data, passengers of the cruises in the Atlantic Islands report, tourists in Madeira revenue and statistical data, arriving tourists on charter flights from European countries, international tourists’ overnight stays data, and the cruise port system destinations from data presented in 2011.

Based on the richness of data obtained, thanks to the Service of Borders and Emigration (Serviço de Estrangeiros e Fronteiras - SEF), I had access for each vessel to its type and class and to the types and composition of its passengers (see Appendix 4). These will be further developed in the thesis, including passengers’ spending and returning patterns. March and April are peak months for cruise vessels entering Funchal Port (Port of Funchal Authority Statistics, Table 4.1). From these statistical data, one sees that from November to January there is also a peak, with a boost from tourists coming to Madeira for its mild winter climate or its famous New Year Fireworks.

In the search for causal patterns to confirm the research question, or to disprove the initial hypothesis, a secondary data collection was established, as based on statistical reports from the Madeira Tourist Department of the Autonomous Region of Madeira (RAM), the Port of Funchal Authority, the local councils, and national statistics institutes. Four websites were used only for their references about the total transit of tourists considered as in number of beds occupied, revenues, number of passengers, or number of ships, and only after the information was cross-verified as relevant to the case study.

3.4 A discussion of interrelationships between the respective methodologies

The idea of mixing methods started out as a paradigm, since most researchers found qualitative and quantitative approaches to be opposed; and yet the fact that neither seemed completely to cover all points of research supported the use of mixed methods as an optimal methodological solution. As Creswell states, the combination of the two provides a better understanding of research than either approach alone (Creswell, 2009, 203). Mixed methods are used as a way of combining both quantitative and qualitative approaches.

Although mixed method has several benefits, it still requires a process to be created, since it is a new type of methodology (Christensen *et al*, 2010).

Using mixed methods provides a way to use multiple resources, to define and verify data using different ways, to provide alternate perspectives, to display the content in real world terms, and to influence room for growth and further research by using the ideas in both quantitative and qualitative spheres (Christensen *et al*, 2010). Mixed-method researchers have to be competent in utilizing the techniques of both quantitative and qualitative data analysis and to employ team members (i.e. co-researchers) who can conduct several types of analysis. To assist mixed-method researchers, Onwuegbuzie and Combs (2010) developed an inclusive framework for such analyses; when conducting a mixed analysis, at least one qualitative analysis and at least one quantitative analysis are needed, and so an additional question for mixed-method researchers to consider would be the number of qualitative analyses and quantitative analyses needed in the study. The type of generalizations pertinent to the study can inform the mixed-analysis design.

Another component in mixed-analysis decisions concerns the point at which the various strands of analysis interact (Onwuegbuzie and Combs, 2010). The three types of mixed strategies are sequential, concurrent, and transformative, and they have each two subcategories respectively: explanatory and exploratory, triangulation and nested, sequential and concurrent. These are all templates to help analyse mixed data and to choose one's procedures, and they all have their strengths and weaknesses. For the case study, the main approach is concurrent triangulation, by which 'a researcher collects both quantitative and qualitative data to equal measure, then compares and determines the presence of similarities, differences and their combination' (Creswell, 2009, 213). Triangulation consists of the intentional collecting of information from several different perspectives. This was achieved in this study by including opportunistic sampling and purposive sampling, by mixing subjects with different levels of experience and gender, by appropriate selection of stakeholders, and by the use of mixed methods.

Considering purposive sample mix, the terms 'purposeful' and 'theoretical' are viewed and used interchangeably in the literature, and most misinterpretations derive from disparate meanings and usage of the terminology.

During research with mixed methods, more than one type of purposive sampling technique may be used. For the indirect effects of the cruise industry, estimates were calculated based on: a) total spending reports by sector and by nationality (RAM, 2011 - updated) and daily cruise spending (Appendix 3), and b) earnings, job, and tax multipliers, which were taken from the report produced by the Autonomous Region of Madeira (RAM, 2011 - updated), Tourism Retrospective Statistical Data from 1976 to 2011. The typical case sampling technique was used to find examples that best assist the research question, or represent the research question. For each situation where there are reports on: a) on total spending by sector as daily cruise spending (Appendix 3), and b) the earnings, job, and tax multipliers, a search was undertaken to identify the appropriate statistics and publicly released data. For a global review of the cruise industry an extended search was conducted and besides the written references, a collection of websites was identified (see Appendix 6).

The research was designed to assess a possible synergy between cruise-industry and land-based tourism, looking into and assessing the following pivotal themes: carrying out an in-depth case study of Madeira as a cruise destination within the wider context of the global cruise industry; examining the relationship between the two sub-sectors (cruise tourism and land-based tourism) and the role played by the stakeholders following their engagement; and, in the light of the case study's findings, how visitors' willingness to return can play a role in governance strategy; this involves public, private and mixed partnerships in order to develop a tourism strategy that supports regional development and sustainability.

The collection of data was done from four types of sources: queries to institutional databases for my quantitative approach; questionnaire answers for the case study; informal semi-structured interviews and open-ended discussions for the stakeholders. For the case study questionnaire, the cruise ships docking in Funchal Port (Appendix 4 - B) had a minimum stay of nine hours. For the data collection, a pilot survey was used at the beginning of March 2012, when I started by training the data collectors and run a practical distribution to a convenience sample, followed by testing the database and the analysis. The answers provided for the case study came in batches of 250 to 320 questionnaires distributed to each cruise vessel, which were processed into Excel tables with an ID code column and eleven subsequent columns for the answers. This procedure insures the protection of identities, but will provide an incomplete number of responses, as only the questionnaires with all eleven answers were used. The data entered into the Excel tables were collected from the fully completed responses (i.e. those with eleven unequivocal answers) and were coded in ordinal-number order. The collection data matrix seen in Table 3.1 was used to facilitate the implementation of the mixed-methods approach.

Table 3.1: Data collection matrix

Research Question	**Data 1 – Media collection**	**Data 2 – Case study**	**Data 3 - Stakeholders**
Sub-research Question i) Contributory factors for the cruise and land-based	Quantitative approach (six different statistical	Questions three, five and eight of the survey questionnaire	Standard interview template

tourism in Madeira	and governmental web pages)	(2,440 coded answers)	(Requested six)
Sub-research Question ii) What is the impact on the cruise passengers in terms of visitors' satisfaction and willingness to return as a sojourn tourist?	Integrated diagrams using public data (Two sources)	Qualitative approach, case study surveys with eleven questions (2,440 coded answers)	Questions eight, nine, ten and eleven of the questionnaire (2,440 coded answers)
Sub-research Question iii) The engagement of the stakeholders	Qualitative approach (seven different administrative and governmental web pages)	Questions eight, nine, ten and eleven of the case study questionnaire (2,440 coded answers)	Open-ended discussions (22 coded - with business managers and regulators)

Source: The Author

A second survey was conducted during December 2013 and January 2014 with 1,000 valid responses from the 1,064 completed questionnaires. The complete timeline of the case study is shown in Table 3.2.

Table 3.2: Data collection planning

Case study questionnaires used for collection of data and the analysis of the data				
Indicator	**Data Source**	**Collection Method**	**Timing**	**Analysis Plan**
Data gathering	Survey 03-04/2012	Qualitative	10/2011 - 05/2012	Coded entries
Data analysis	1,500 questionnaires	1,440 answers	05/2012 – 12/2012	Validity
Remodelling text	Excel spreadsheets	Excel graphs	02/2014 – 07/2014	Diagrams
Data gathering	Survey 12/2013-01/2014	Qualitative	09/2013 – 03/2014	Coded entries
Data analysis	1,064 questionnaires	1,000 answers	03/2014 – 12/2014	Validity
Remodelling text	Excel spreadsheets	SSPP program	02/2015 – 07/2015	Tables / Diagrams

Source: The Author

Having the methodology and the practice gained from the first survey, I decided to use for the interpretation a specialised program that allowed me to have a wide range description of the distribution of data. The predictive statistical program (SPSS) provides analysis, data mining and predictive modelling, which all helped me to address every stage of analysing the collected data.

The data were exported from Excel to SPSS 21.0, where all tables and decision trees to meet the proposed objectives were obtained. In each interaction, the independent variable is chosen as the one that has the greatest association with the dependent variable. Homogeneous nodes also appear which represent groups and reveal the interaction between the variables. Initially, frequency tables were obtained for the demographic characteristics of the samples obtained in 2012 and 2014. We also obtained chi-square tests to prove the hypothesis of the similar characteristics of the two samples (Bugler, 2005). To reflect the effect of demographic variables on intention of return to Madeira after the first visit, independence tests were performed. The null hypothesis of an independence test is that the two variables are independent. If the p-value is less than 0.05, this is rejected as a null hypothesis, which proves the high likelihood of a significant effect. Decision trees were then obtained to confirm the interaction between the factors.

Decision trees are data analysis tools that allow the definition of groups without the investigator having to set the cut-off points. The results come from the interactions of data defining how to add groups in the case of categorical variables (Maimon and Kokach, 2005). There are four methods of growth of the trees. In this tree-growing method statistical Chi- square defines the division of the nodes and the categories to emerge (IBM SPSS, 2015). The diagrams and the tables from this are to be seen in Chapter 5.

The template stakeholder interview topics: project vision, value proposition and stakeholder's goals, followed the main direction of my research, considering Madeira's unique geographical position, natural beauty and the traditional hospitality of the population (Appendix 5.2). As seen in Table 3.3 the first sub-research question was not used during the open-ended discussions.

Table 3.3: Stakeholders collection matrix

Research Question	**Data 1 – Interviews**	**Data 2 – Open-ended discussions**
Sub-research Question i) Contributory factors for the cruise and land-based tourism in Madeira	Standard interview template (Requested six, four registered)	NA
Sub-research Question ii) What is the impact on the cruise passengers in terms of visitor's satisfaction and willingness to return as a sojourn	NA	Open-ended discussions (thirty-two standard templates, twenty-two coded and registered)

tourist?		
Sub-research Question iii) The engagement of the stakeholders	Standard interview template (Requested six, four registered)	Open-ended discussions (thirty-two standard templates, twenty-two coded and registered)

Source: The Author

For the telephone interviews, thirty to forty minutes were considered the norm, while, for the face-face ones, the length was a bit flexible, varying from thirty to ninety minutes. Some of the templates were left with the manager's assistant or the public relations officer, which explains a fall-off to an 81-per-cent success rate for the total of twenty-six discussions. The timeline for the collection and processing the interviews can be observed in Table 3.4.

Table 3.4: Stakeholders interview planning

Indicator	**Interview Plan**	**Timing**
Define the type of business	Identify the stakeholders who are relevant to my case study.	02/2011 – 05/2011 02/2012 – 09/2012
Data analysis	Define/revise questions to adapt to the specific context. Schedule the appointments.	07/2012 – 09/2012 12/2012 – 01/2013
Data gathering	Decide whether to send the questions in advance. Interviewing.	07/2012 – 10/2012 12/2012 – 04/2013
Maintain the social network	Thank-you note and feedback loop	09/2012 – 11/2012 01/2013 – 05/2013
Remodelling text	Codes and writing notes	11/2013 – 08/2014

Source: The Author

Based on the results of the case study, this empirical evidence suggested a more detailed set of objectives, namely to: a) assess the influence of the history and geography of Madeira as promoters of cruise tourism; b) investigate the impacts of local developments on tourists, tourism, and future actions related to both cruise and land-based tourism; c) identify the relationship between passengers' answers and the local support for development tourism policy; and d) assess the impact of the nationality of the tourists on tourism policy.

3.5 Conclusion

This chapter represented for me the opportunity to clarify my position towards the research, which can be summarized by the following question: what is the relationship between the researcher and his or her field of activity. The following steps are to establish an evaluation, to obtain an estimation based on the data collected, and to find whether the data collected can be triangulated, and the mixed-method results will mirror the questionnaire percentages. The triangulation of the data and information obtained during the case research delineated the challenges and limitations of the research. In accordance with guidance given by BERA 2011 during data-gathering from participants, no risk was foreseen, as they were able to participate in the study voluntarily and they were able to withdraw at any time. Ethical approval was given for the study by UREC and all data were held securely in a locked filing cabinet or on a password-protected laptop. All respondents were coded and none was referred to by name or collection date in order to ensure anonymity. As appropriate, a respondent will be referred to by his or her role held. It is not anticipated that any ethical issues or problems will arise during the proposed study.

The case study undertaken examines the impact that the cruise industry has had on the island of Madeira, which is considered a destination of excellence and a repositioning hub between the two most important markets of cruise tourism. The thesis attempts to provide meaningful and relevant data and methodologies for sustainable collaboration between the destination and the cruise industry as partners in their synergistic action for durable effects; the process for this uses all the three methods detailed in this chapter: quantitative, qualitative and mixed methods. The two main methodological approaches, the qualitative and the quantitative one, are closely linked to the researcher's epistemological philosophy and to his understanding of what constitutes knowledge and a valid way of collecting data.

CHAPTER 4: THE DEVELOPMENT OF CRUISE AND LAND-BASED TOURISM IN MADEIRA

4.1 Introduction

Chapter 4 contributes to the existing statistics on cruise and land-based tourism by providing an angle on the particularities of the Madeira Archipelago, and that will contribute to the answer to the Primary Research Question. In the first phase of the case study, I considered the contributory factors for the increase in cruise tourism in Madeira, which is part i) of the Primary Research Question. Secondary statistical data were collected from official sources with a focus on the following keywords: Madeira as a cruise destination, cruise industry, direct economic impacts of the European cruise sector, tourists checked in Madeira, tourists' nationalities. For examining any changes about passengers in Madeira's ports, regular updates were conducted over the last three years. The author of this thesis embarked in 2010 on the journey to a PhD with the Greenwich Maritime Institute. In the same year, in May 2010, the Port of Funchal finalized and inaugurated its major investment - the Cruise Passenger Terminal. Today, due to its reorganization and consolidation, the port of Funchal is recognized as a competitive and modern port of call for any cruise vessel, for mega-yachts, boats and tourism activities. The efficient Passenger Terminal now offers better services, comfort and security to all cruise visitors and is a modern architectural landmark on the whole visual frame of the old town, as seen from the sea. For provide a better understanding of the importance of cruise tourism in Madeira, it should be noted that the construction of this new Terminal was considered essential by the Port Authorities of Madeira; this was a state of the art turnaround cruise terminal capable to operate mega cruise ships and new generation of ships, while promoting the interface between the port and the airport, which allows tourists to remain a few days in Madeira at the beginning or the end of the cruise. The cruise industry, besides being one of the very few businesses with a constant growth over the past twenty years, also generates important economic benefits for the ports of call. While not immune to the current economic situation, most cruise companies and travel agents express optimism about the economic outlook of the sector when they look ahead over the next few years. Madeira is no exception and there is a significant annual impact on the economy of the island, recently presented by the Port Authority Administration, as being 37 million Euros. Due to its geographical position, Madeira represents an important destination of excellence for cruise vessels that cross the Atlantic Ocean between the two major destination regions in the cruise industry today: the Caribbean and Europe. This research study focuses on the uniqueness of Madeira in the context of the global cruise industry, presenting it as a possible model of an island where cruise tourism and land-based tourism do not present themselves as the only options. The main island of Madeira is volcanic, green and rugged, with high cliffs, pebbly beaches and settlements on deltas of the Fajã River. The capital Funchal has botanic gardens and is known for its harbour and a large New Year's fireworks display. The northern coast is particularly spectacular. Imagine driving along the rugged coastline, with steep cliffs on your left and a crystal-clear sea on your right. Levadas are irrigation channels typical of Madeira. They still bring water from the mountains, meandering through lush mountain vegetation. Ramblers can follow their curves for hours. The scenery is beautiful and Madeira's Laurisilva forest – the world's largest laurel forest – is a UNESCO World Natural Heritage Site (Figure 4.1). One of the most impressive experiences in Madeira Aquarium is being able to plunge into 500,000 litres of salt water, diving with sharks, rays, morays and hundreds of other fish. Before diving into the aquarium, you are taken by an experienced instructor into an external pool of natural seawater, where you learn how to handle the equipment and to breathe under water. In the village of Porto Moniz, in the North West part of the island, you can find natural salt-water swimming pools. These are framed by volcanic rocks that keep the sea water – replenished at high tide – cool and refreshing. At 589 metres, the Cabo Girão Skywalk is the highest cliff skywalk in Europe and second-highest in the world (after the Grand Canyon at 1,450 metres). Since the construction of the glass-floored platform in 2012, you can now step into the abyss, looking down at the sea. With 1,800 daily visitors, the Skywalk is one of Madeira's top tourist attractions. Madeira presents complementarities that are difficult to be matched and it is proposed that there is a lesson to be learnt from demonstrating that a synergy between cruise and hotel tourism can be created leading to a sustainable destination model.

This proposed model, which uses Madeira as the exemplar demonstrating a synergy between cruise and land-based tourism may have particular relevance and may contribute to other island destinations in a wider context from Hawai'i (USA) to Hainan Island (China). In order to fulfil the attempts of the United Nations World Tourism Organization to provide 'better-balanced tourism development that can lead internationally to the recognition of the importance of sustainable development as an overarching value system for tourism' (UNWTO, 2012) and to indicate how public-private sector cooperation in sustainable tourism functions in Madeira, the research will focus on assessments of the type of tourism industry that has the need to ensure high-quality environments in order to attract tourists.

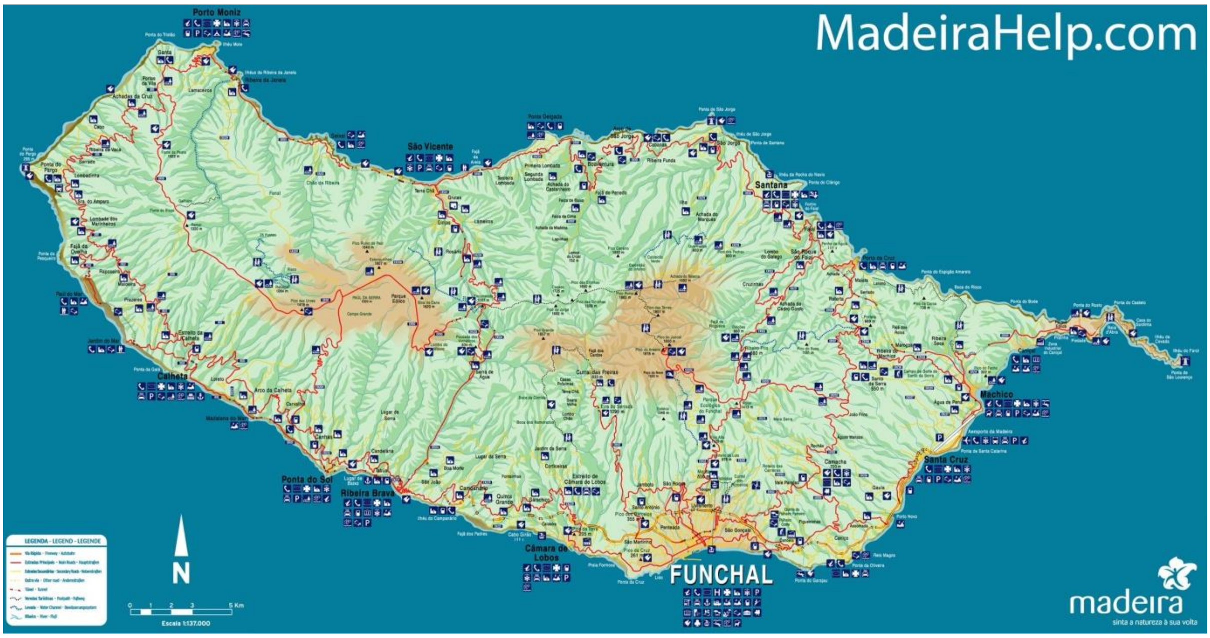


Figure 4.1: Points of attraction in Madeira

Source: www.mappery.com/map-of/Madeira-Island-Map

4.2 The location and physical geography of Funchal Port

Madeira Island is a well-known and established tourism destination on the cruise crossroads of the Atlantic, located in the North Atlantic, 900 km from mainland Portugal, 600 km from the Moroccan coast and 450 km north of the Canary Islands (Ribeiro, 1996). As seen in Figure 4.2 the Archipelago is formed by the main island Madeira, the older formation of Porto Santo and the inhabited Deserted Islands. Funchal Port is the capital of the Autonomous Region of Madeira, located at 32° 37' 48" N, 17° 5' 24" W. Immediately after the discovery of Madeira Island, the bay of Funchal played a major role in the development of human settlement and the subsequent continuous economic development of Madeira (Vieira, 2008).

Figure 4.2: Map of the Madeira Archipelago

Source: World Atlas (www.graphicmaps.com)

For centuries, the bay constituted an important crossroads for vessels trading between the continents bordering the Atlantic Ocean: Europe, Africa and the Americas. In spite of its important geographic position, many were the challenges that the vessels trying to stay at anchor in Funchal bay had to face.

Amongst the first documentary travel comments are those of an Italian, Count Giulio Landi, who, during the first half of the sixteenth century, mentioned the difficulties of anchorage in the Funchal bay, especially during specific 'south winds' (Landi, 1574). While these strong, dangerous winds were blowing, vessels had to sail away or try to find shelter in the northern part of the island. Avoiding trying to seek anchorage during strong winds from the southern quadrant was also due to the poor holding properties of the flat lava rock bottom, with its rugged and abrupt changes in bathymetric depth. The technology of the time was seriously challenged by this, as were anchors and ropes; the lack of better mechanical equipment also put a great strain on human efforts. More than a century later, Sir Hans Sloane mentioned in his *Voyage to Jamaica, 1687-1689* that 'from the latter end of November till the beginning of March, the wind is at between South and West, and the Weather is stormy, making great Shipwrecks in the Harbour of the Principal Town Funchal' (Sloane, 1696).

Sloane's early, yet astute, observations about the dangers facing seafarers and their ships because of the complete lack of any sea defence walls to protect vessels during adverse weather conditions can readily be seen as accurate from the numerous shipwrecks that happened there until the twentieth century. In 1581, the Spanish galleon 'Santiago' (Ribeiro, 1996), which was sailing from Mexico to Cadiz, has sunk during a powerful storm, being the first registered shipwreck in Madeira. As per the studies of J. J. Abreu de Sousa, between 1747 and 1802 there were registered fifty-two shipwrecks out of 219 vessels that called at Funchal (Abreu de Sousa, 1989). In the nineteenth century, the following disasters were recorded: in 1804, two British galleons; in 1828, one American brigantine; in 1834, one more British galleon; in 1842, the brigantine 'Dart' and the boat 'Novo Beijinho'; in 1846, 'a Tuscan patache'; in 1858, a British brigantine; and finally, in 1876, ten more vessels were lost. Throughout all these centuries the image emerged of Funchal as a hazardous anchorage area and later as a poor and unsafe port.

We could hardly bring more proof that the existing port was inadequate during periods of adverse weather, not only for vessels passing for provisioning but also in endangering supplies to the island itself, especially in winter. It is worth mentioning too that, having in view safety reasons and the reinforcement of the ports in the Canary Islands only about 320 km further south, Madeira was at great risk of suffering detriment in this severely competitive market. The obvious necessity of the construction of a port, or at least a sea defence wall, started to have momentum. Already in 1750, the French Consul is mentioning the future project of building a pier, the first construction work that would initiate the current Port of Funchal. Yet, the operation of the Port of Funchal was established in 1756 by a royal charter issued by D. José I, in which the 'green light' was given for the start of the works for a construction of a port of refuge. Funchal's first embarkation quay appeared on the islet of Forte de S. José, the work being finalized in 1762. On to this little quay, a wooden staircase was built in 1766. However, it seems that its poor condition encouraged the local authorities to build another, safer, one for the disembarkation of the Archduchess Maria Leopoldina Josefa Carolina. The quay was more of a sea defence wall for vessels than a disembarkation structure for passengers; hence, in 1823 new plans were drawn up for a disembarkation pier. New works were begun in 1843, only to be destroyed by a powerful storm in 1846. So, once again the disembarkation of passengers, even famous ones, was done on the rocky beach to which Isabelle of France referred when she arrived at Funchal in 1853 (Isabelle de França, 1854).

It was later, in 1890, when the mooring area was enlarged, and in 1895, when a transit road between the city and the quay was constructed, that what we today call the Port of Funchal was constructed. The new access, built in 1895, between the quay (Pontinha) and the Customs House (Alfândega) created the need for an administrative body for the harbour area (Vieira, 2008).

Figure 4.3: The port of Funchal Marina
Source: tomsportguides.com, 2012

Consequently, in 1913, the Board of Works of the Port of Funchal was created. In May 1933, the construction of the city's jetty was completed, and in 1939 the mooring quay of the Port of Funchal was extended by 317 metres. Later, in 1955, the construction of a new quay was completed next to the quays of Carvão; this was the Cais Regional (the Regional Quay), where freight and passenger services of the Porto Santo 'lines' could moor. In 1953 an extension project of the Port of Funchal had been drawn up, which consisted in the enlargement of the quay in its whole length and in its extension by 457 metres. The work was completed in 1961 (Vieira, 2008). During the next decade a new area for the inter-island ferry boat (Madeira – Porto Santo) was developed. It was at this time when the fundamental structures for the development of what today is the Port of Funchal were created, and finally, in 1998-99, the construction of a roll-on, roll-off ramp was completed.

Having in view the growing demand for cruise-ship capacity and greater safety and convenience for cruise-ship passengers and holidaymakers, in 2008 the International Maritime Passengers Terminal project (B in Figure 4.3) was started, and was completed before the summer of 2010.

Since 1990 a new general cargo port construction has been approved by the Autonomous Region Government of Madeira. Consequently, in 2005 the entire general cargo and container traffic was transferred the port of Caniçal (APRAM, 2012). The future of Funchal as a port dedicated exclusively to cruise-ship tourism and to nautical activities was thus defined and consolidated by freeing the city of Funchal from the movement of freight transport.

4.3 The historical development of Madeira

Following a World Wide Web search for studies concerning tourism in the Madeira Archipelago, most of the results reveal the geological uniqueness of the islands with its volcanic formations, the 'streams' locally named *levada*s, marine wild life, climate and the antique *laurasilva* (laurel forest). Nevertheless, the uniqueness of the Madeira Archipelago is based on more than its geographical features, as these islands were a major point of call for all the routes in the Atlantic Ocean from as early as the fourteenth century. The map of the so-called *Mediterraneans* of Atlantic (Figure 4.4) set up a clear historical pattern for the routes across and around the ocean.

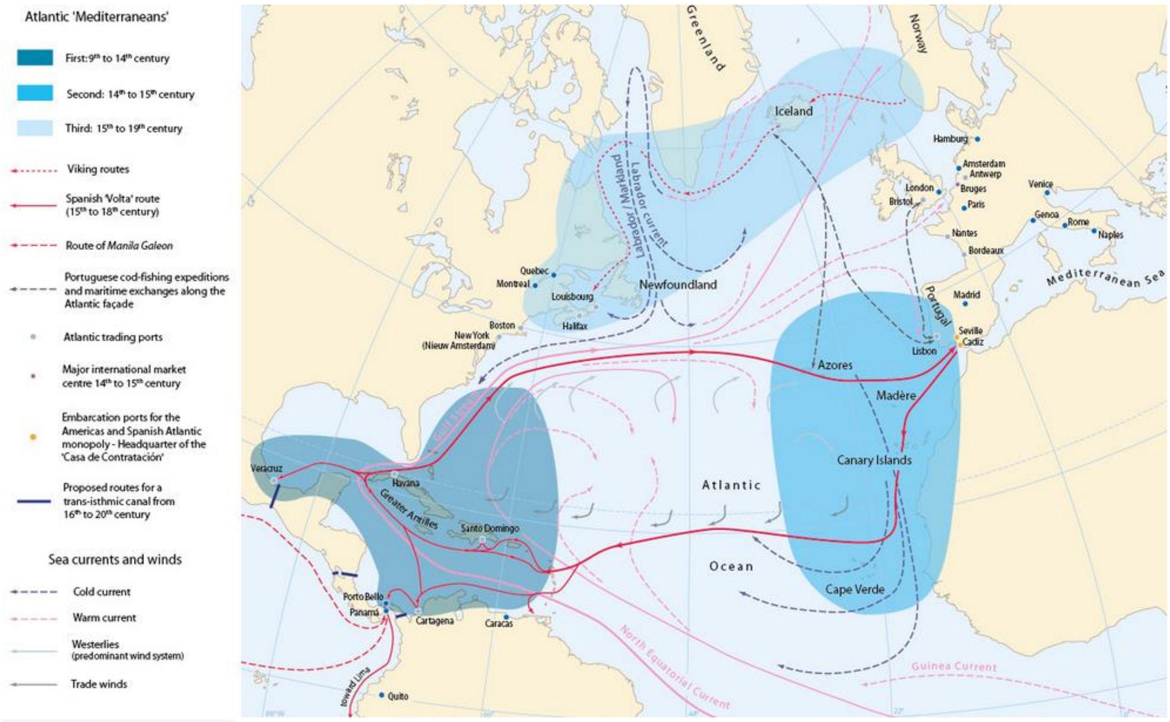


Figure 4.4: Atlantic *Mediterranean*

Source: Atlas Caribbean (AREC, 2007-2014)

The Portuguese cod-fishing expeditions and maritime exchange routes along the Atlantic coastline are represented with a dotted brown line from the centre towards the northern part of this map. The line, suggestively named 'trade winds', can be seen in the middle of the map, as a continuing but small curved line going south past Madeira and the Canary Islands, then west towards Santo Domingo, the Antilles and from Havana back east past the Azores, Madeira and next to the Canary Islands. These seasonal winds contributed to the first expeditions, which occurred between the ninth and the tenth centuries, and they facilitated the Portuguese cod-fishing expeditions along the African coast towards Cape Verde during the second period between the fourteenth and fifteenth centuries, establishing trade centres in the Caribbean Sea and Central America. The Atlantic trading ports and the major international markets of the second period, Lisbon, the Azores, Madeira, the Canary Islands, and Cape Verde, can be seen along these routes.

In spite of its relatively recent official discovery about 600 years ago, the history of Madeira is rich in legends, variety and achievements (Vieira, 2008). There are many legends preceding the official Portuguese discovery of the Madeira Archipelago. These started with Pliny's 'Purple Islands' and were shortly followed by Ptolemy's 'Geographia' with cartography methods that revolutionized antiquity (Biblioteca do Conhecimneto). In the first century, 75 AD, Plutarch's 'Life of Sertorius' refers to two Atlantic islands that by description and their estimated distance from Africa may very well be Madeira and Porto Santo Islands. A couple of years later, around 77 AD, Pliny mentioned the Purple Islands that, by their geographical position next to the Fortunate Islands, are accepted as being the Canary Islands, but might seem to refer to Madeira. As a consequence of knowledge accumulated during the next more than a thousand year, a Spanish monk identified the location of the islands in 'Libro del Conocimiento' (1348-49). The names that he mentions are Leiname, Diserta and Puerto Santo. And then, just a couple of years later, a Portolan map dated 1351 and preserved in Florence, Italy, leads us to believe that Madeira has been discovered before that date by vessels sailing under Genovese captains. The map clearly marks three islands off the African coast and names them as Porto Santa, Deserta and Isola de Lolegname [Island of Woods, in Italian]. The remarkable coincidence in the naming of the main island being the same as the Portuguese version of the Island of Woods makes it quite likely that Infant Dom Henrique de Avis – better known in English as Henry the Navigator – had previous information from the Genovese navigators in his employ (Vieira, 2008).

The Portuguese discovery of Madeira is officially mentioned for the first time by the enthusiastic chronicler of Prince Henry the Navigator, and by one of the most notable Portuguese chroniclers, Gomes Eanes de Zurara. His work, the 'Chronicle of the Discovery and Conquest of Guinea', is often cited and is usually considered the authority for the early Portuguese voyages of discovery down the African coast, especially for those undertaken under the auspices of Prince Henry the Navigator. It was during these early voyages, encouraged by the one many consider to be the promoter of the early development of European exploration and maritime trade with other continents, when two captains were driven off-course by a powerful storm and found sanctuary on a small island in 1418 (Zurara, 1453). They called the island, Porto Santo (Holy Harbour in English) in gratitude for divine deliverance. Next year, in 1419, the two captains João Gonçalves Zarco and Tristão Vaz Teixeira, along with Captain Bartolomeu Perestrelo, were sent on an organized expedition to take possession of the island on behalf of the Portuguese crown. The expedition went on to explore the heavy black clouds suspended to the south-west, which the experienced captains had already assumed were hanging over a larger mass of land, and, as a result, they discovered Madeira, the largest island of the archipelago (Zurara, 1453).

Portuguese colonization began around 1425, when the three captains' became the governors and led the first settlements. The first capital was established in Machico, but Funchal had a better anchorage position and in 1508 was the first to be granted the status of a City by the Portuguese crown (Vieira, 2008). On 23 September 1433, the name Ilha da Madeira (Madeira Island, or literally island of wood, in English) began to appear in the first documents and maps. The name given to the island reflected the large dense forests of native *laurisilva* (laurel) trees that covered the island at the time of settlement. The relics of the *laurisilva* are today the largest surviving area of laurel forest and are believed to be 90-per-cent primary forest. The ‘Laurisilva of Madeira’ forest conserves the largest surviving area of primary laurel forest or *laurisilva*, a vegetation type that is now confined to the Azores, Madeira and the Canary Islands (UNESCO, 2012b).

In later years Madeira was a popular ‘break-point’ for the British travellers going to India via the Cape of Good Hope, and the climate of Madeira was thought to be ideal for travellers to become acclimatized either to the heat of the tropics or the cold of northern Europe. The few studies about tourism were like that of Almeida (2010) analysing the range from mass tourism to rural tourism, or like that of Oliveira and Pereira (2008), who discuss what is the value in a particular tourism destination, or like that of Martins (2000), which is about attitudes of residents in Madeira towards local tourism.

The other results of the virtual search were mostly official papers, among which was an interesting initiative of the Madeira Regional Delegation of the Chamber of Economists, which in 2007 started the Annual Tourism Conference as a yearly initiative to generate discussion and debate about tourism in Madeira; the main conference titles till now have been: Sustainable Tourism; Environment; Air Transport; Tourism Marketing; Tourism Promotion; Tourism and Culture; The Sea; Cities; and, in 2015, Tourism Trends.

4.4 The development of the cruise industry

As a cruise market, Madeira’s tourism industry has been linked with sea trade routes from its earliest origins, when the island was used as a ‘port-of-call watering hole’ by explorers such as Columbus travelling between Europe and the New World. Funchal Port is receiving annually approximately 450,000 passengers from about 300 cruise calls.

Besides the passenger service areas, the Port building also hosts its administrative headquarters and some commercial activities. Between 2000 and 2010 the number of cruise-ship arrivals in Funchal Port increased annually by 15 to 18 per cent (APRAM, 2012) and in 2010, Funchal/Madeira was considered the second-best destination in Europe (Cruise Awards, 2010). This new tourist infrastructure asset covers an area of 3,000 square metres and is within walking distance of the old historic city of Funchal. It offers berthing facilities either for two vessels of 300 metres in length or for three vessels of 220 metres in length. The project cost was €12.8 million and it was funded through collaboration between the port authorities, who provided 37 per cent of that total cost and European Union funds, which provided the remaining 63 per cent (RAM, 2012). In a period of economic constraint, this strategic investment is a valuable asset in a competitive and demanding tourism market segment that continues with constant growth.

Figure 4.5: The cruise port system in 2011

Source: Rodrigue and Notteboom, 2012

The destination patterns seen in Figure 4.5 underline clearly the prominence of port visits around the Caribbean and the Mediterranean and are consistent with the operational characteristics of seven-day cruises calling at three to five ports; the red dot marks the Madeira Archipelago as a strategic port for these cruise destinations and shows Funchal Port as an important port of call and repositioning port for cruise vessels.

On 31 May 2010 a new passenger terminal was inaugurated, thus enabling the key port of Funchal to provide excellent conditions and modern facilities for the increasing number of holidaymakers visiting Madeira on cruise ships. From 2003 until 2005, at the initiative of the European Community, the programme IIIB North West Europe (NWE) was developed, which included a project about competitive intelligence for 'Cruises in the Atlantic Islands'**.** The resulting project, CRUISATLAN MAC/4.4/C12, carried out by Edei Consultores S.A., aimed to identify the conditions necessary for the growth of cruise tourism in the area of the East Atlantic Islands, i.e., Madeira and the Canary Islands. Its objectives were: (1) improving the knowledge of cruise activity in the dedicated area, and (2) a satisfaction appraisal and services quality survey of passengers and of local suppliers and stakeholders. More precisely, the project's overall goal was defined as an alternative to diversify the traditional existing tourism offering. Assisting in terms of marketing and the promotion of destinations, and helping the sustainability of tourism without the necessity of requiring more land for construction and without significant environmental impact, were seen as a very positive move by the Regional Governments. The IIIB North West Europe (NWE) Programme was the predecessor of the current NWE period, and during the IIIB more than 900 partners across North-west Europe engaged in territorial cooperation. The result speaks for itself: ninety-nine quality projects that enhanced sustainable development across NWE and a total Programme portfolio of €660 million.

The indirect and consequential effects of the cruise industry are explored with the Venn diagram in Figure 4.6. The benefits and impacts of tourism development from the cruise industry to the onshore hospitality industry is the aim of the case study, including using the consultation with stakeholders and cruise passengers' response data. This uses an analysis based on the Madeira Port reports from Administration of the Ports of Madeira (APRAM), on public data from the Department of the Autonomous Region of Madeira (DRAM) – Retrospective statistics of Tourism – 1976-2011, and on the tourism reports from the European Council and the World Centre of Excellence (CED) which has a partnership with United Nations World Tourism Organization (UNWTO).

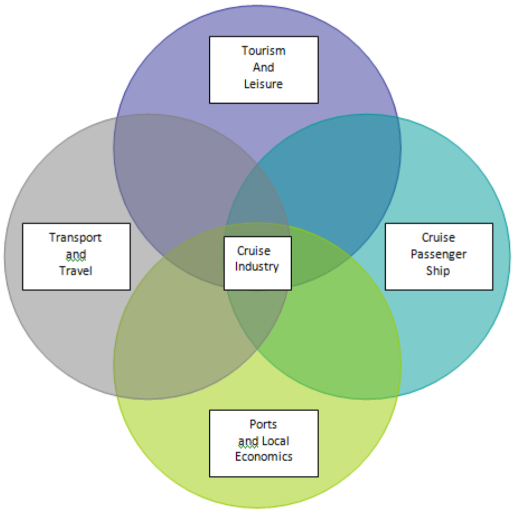


Figure 4.6: Interactions of the cruise industry

Source: The Author

The three income generators groups are cruise companies, cruise passengers and vessels' crew. Funchal Port has various strengths as a favoured cruise port –such as, but not limited to: a strong tourist tradition; port, airport and infrastructure facilities; political stability; low criminality; friendly, English-speaking people; geographical position with a mild subtropical climate all year-round; and a strategic position for all sorts of deployment. Its special geographical and strategic position has turned Funchal into a well-sought cruise hub and a real asset as a destination. Funchal is an important port of call for annual repositioning voyages between America and Europe – between April and October vessels with European circuits are repositioned from America, and between October and April they are repositioned back to the Caribbean Islands. Thus, Funchal acts as an Eastern Atlantic entrance gate for Europe via Southampton and Lisbon, and a Western Atlantic gate for departing vessels from Europe to the United States and to North and Central America. The cruise industry is an important source of income for the visited ports and 'more days in cruise port equals more income' is a correct assumption as a cruise passenger spends more money in a port of call than during a one-day sojourn excursion.

For the last decade, the number of cruise-ship arrivals in Funchal Port increased annually by 15 to 18 per cent, as seen in Table 4.1, with a visible influence of the years of economic crisis, when arrivals decreased by 1.7 per cent in 2004, 1.6 per cent in 2006 and 0.9 per cent in 2009.

Table 4.1: Cruise ships in Funchal Port, 2001-14

Year/Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
January	20	17	24	30	24	21	22	22	23	25	27	35	31	33
February	17	15	19	21	19	13	18	14	18	16	23	23	19	25
March	16	27	30	31	35	30	25	30	32	34	39	47	30	33
April	34	32	36	35	40	40	37	46	33	43	45	45	46	40
May	17	16	24	22	22	15	15	11	17	19	17	12	17	11
June	2	6	5	4	5	1	6	10	6	7	8	2	4	4
July	4	3	3	5	1	9	10	12	7	8	2	3	3	3
August	5	7	6	3	7	8	8	13	8	10	6	3	4	5
September	9	10	10	13	8	13	17	20	11	18	12	16	8	8
October	23	25	22	16	35	30	28	37	34	33	29	39	27	34
November	36	48	45	47	38	45	46	63	50	42	50	63	54	37
December	31	37	37	30	36	31	45	52	38	40	45	48	43	50
TOTAL	214	243	261	257	270	256	277	330	277	295	303	336	286	283

Source: Port of Funchal Authority (APRAM, 2015)

For the period of March to April 2012 the expectation was for a hundred ships to arrive; actually, ninety-three cruise ships docked in Funchal Port (Appendix 4), with a minimum stay of nine hours, 153,113 tourists and 63,105 crew personnel (APRAM, 2012). In 2012, the port of Funchal received almost 600,000 visitors from 366 cruise vessels calling, as shown in Table 4.2 (APRAM, 2013).

Table 4.2: The total number of cruise vessels and passenger movements through the port of Funchal in 2012

MONTH	Vessels	PASSENGERS			TOTAL
	No.	Embarked	Disembarked	In transit	Passengers
January	35	1,124	1,285	67,697	70,106
February	23	1,009	991	51,432	53,432
March	47	1,193	1,288	79,450	81,931
April	45	1,037	969	73,205	75,211
May	12	55	36	19,859	19,950
June	2	9	3	2,973	2,985
July	3	0	0	6,105	6,105
August	3	18	3	4,910	4,931
September	16	233	173	24,142	24,548
October	39	141	124	71,724	71,989
November	63	525	816	97,986	99,327
December	48	479	376	81,565	82,420
TOTAL	336	5,823	6,064	581,048	592,935

Source: APRAM, 2013

In the round-the-world cruises, Madeira is amongst the most favoured ports of calls – placed second with seven calls per annum (Dowling, 2006). The main trends for cruising vessels calling at Madeira are:

a) Repositioning – most cruise ships that spend their summers in Europe will cross the Atlantic in the late autumn to spend the winter months in the Caribbean and then reverse the process the next spring. Rather than sail the ships without passengers, cruise lines discount these ‘repositioning’ cruises. Cruise lines must discount the fares in order to make them attractive to passengers who prefer port-intensive cruises. Cruise lines also recognize that most passengers will spend much more money per day in the casino, bars, and shops on a ship at sea than they do when the ship is in port, and so they are willing to sail with discounted fares to fill up the cabins.
b) Round-the-world cruises (Dowling, 2006)
c) Other cruises

As cruise itineraries are based on the attractiveness of the ports of call, the Madeira Archipelago is in an advantageous position due to the opportunities for sightseeing, its places of historical interest, its safe and secure environment, its modern port facilities and its strategic geographical position. The attractiveness of the Madeira Archipelago will be examined after a framework-of-destination portfolio has been presented.

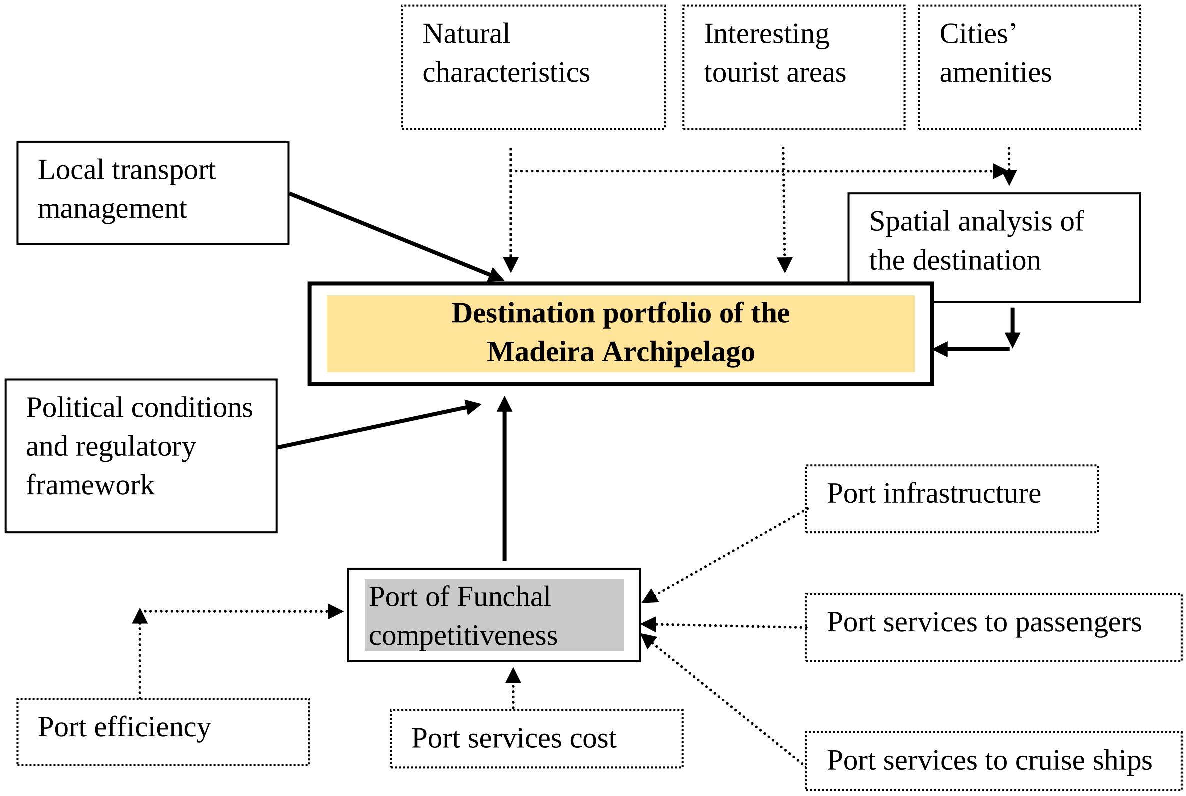


Figure 4.7: Framework of the Madeira Archipelago's attractiveness

Source: The Author

From natural characteristics, interesting tourist areas and cities' amenities is presented a spatial analysis of destination. For Funchal Port's competitiveness, the five major indicators considered are port efficiency, port services cost, and port infrastructure, port services to passengers, and port services to cruise ships, as shown in Figure 4.7.

Many port cities have encouraged activities related to tourism as the global cruise industry has significantly expanded in terms of capacity of ships and the length of the operating season. The benefits linked to cruise tourism cover a wide range, from the spending power that visitors bring to the possibility for the passenger terminal to act as a venue for associated activities. The destination portfolio of the Madeira Archipelago, as detailed in Figure 4.7, emphasizes the sectors from which significant benefits can contribute to regeneration outcomes that arise from associations with modernity, leisure and luxury.

Direct economic impact

The rapid and complex development of the cruise industry is stimulating a whole spectrum of economic, social and environmental issues on which there is little available academic research monitoring the impact. Until 1960, when the construction of the airport altered the situation, Madeira had been a port of call for ships plying between Europe and the Caribbean, South America and Africa. This market is likely to expand as the popularity of cruising grows for Europeans; the increase in number of passengers from 2004 to 2013 can be seen in Table 4.3.

Table 4.3: Cruises in the Atlantic Islands, numbers of passengers

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Funchal	282.799	304.773	294.326	337.421	405.306	435.821	495.323	540.180	592.935	475.826
Porto Santo	543	397	1.289	182	0	0	0	2.609	615	799
S.C. La Palma	111.434	123.334	120.241	140.946	143.764	140.175	186.558	182.872	183.316	208.877
S.S. La Gomera	12.664	7.809	9.304	14.010	10.919	16.372	16.590	35.418	27.121	50.640
La Estaca - Hierro	0	1.164	2.163	3.166	670	934	0	2.957	5.796	7.321
S.C. de Tenerife	331.660	370.915	313.861	361.323	402.018	421.006	536.874	607.343	669.353	527.896
Los Cristianos (TFE)	0	298	784	1.848	0	2.118	543	0	37	1.418
Las Palmas G.C.	146.008	162.805	149.639	176.321	235.093	243.329	293.877	427.592	426.032	425.267
Puerto del Rosario	34.697	43.952	47.817	50.038	70.758	67.877	74.651	87.274	86.262	85.374
Arrecife - Lanzarote	212.690	216.348	165.069	213.134	253.152	297.667	299.972	258.005	327.972	319.583
TOTALES	**1.132.495**	**1.231.795**	**1.104.493**	**1.298.389**	**1.521.680**	**1.625.299**	**1.904.388**	**2.144.250**	**2.319.439**	**2.103.001**

% DIF 03-04	% DIF 04-05	% DIF 05-06	% DIF 06-07	% DIF 07-08	% DIF 08-09	% DIF 09-10	% DIF 09-10	% DIF 09-11	% DIF 09-12
#REF!	8,77	-10,33	17,56	17,20	6,81	17,17	12,60	8,17	-9,33

Source: Port of Funchal Authority (APRAM, 2014)

Meanwhile the cruising market began to grow and Funchal became a popular port of call for the modern cruise market, as seen in Figure 4.8. It enjoys a high reputation with operators as it offers short cruises around the Canaries and North Africa.

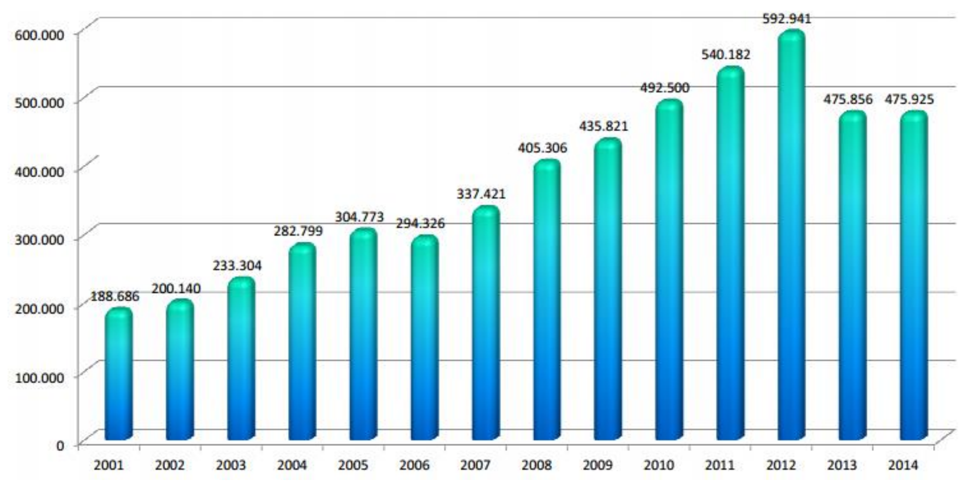


Figure 4.8: Evolution of the numbers of passengers in Funchal Port

Source: APRAM, 2015

All cruise ships use Funchal Port and the new maritime terminal, as all the bus routes start and finish in Funchal as the main hub. There are more than 1,000 taxis in the island, with half of them in Funchal, and these are available for hire for half- or full-day excursions. In terms of land-based tourism, Madeira now caters for a new type of visitor who is looking for a more active holiday experience, as compared to what traditional tourists sought. The new type wants windsurfing, scuba-diving, game fishing, tennis and golf, the last on the Palheiro Golf Madeira Island course. The peak seasons are spring and winter, with the peak months being March and April rather than November, but December is to a degree special because of the Regional Tourist Secretary's policy supporting such attractions as the Christmas and New Year festivities. Moreover, the Regional Tourist Secretary supports big events as a policy of providing particular attractions, such as Christmas and New Year festivities, the Wine Festival, the Flower Festival, the Apple Festival, the Carnival and the Car Rally (the last called the Rally Vinho da Madeira). The master plan for the Madeira Archipelago (PENT 2007-2015) ensures that infrastructure is fit for the purpose of future tourism development. In view of the general trend to build larger vessels to create a larger number of berths without considering the strains that larger piers and costly port-facility rebuilds are placing on smaller islands, two recommendations seem appropriate: either (a) a financial contribution made by cruise companies for these developments or (b) putting a pause – through international regulation – on the increased size of new vessels.

4.5 The development of land-based tourism

The travel and tourism competitiveness report issued by the World Economic Forum in 2015 placed Portugal in fifth place with a very good performance on safety and security, tourist service infrastructure, and health and hygiene, as seen in the figure below. Mid-scores were achieved for cultural resources and business travel, natural resources and air transport infrastructure, as seen in Figure 4.9.

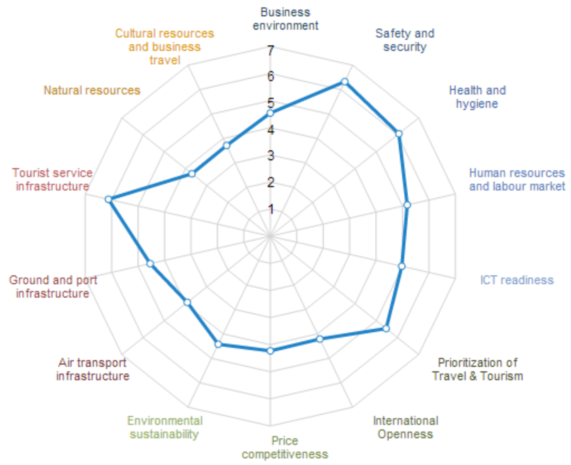


Figure 4.9: Performance overview for Portugal

Source: World Economic Forum, 2015

Even though innovation has been associated with technological progress in the industrial sectors, the tourism industry is regarded as an information-intensive, consumption-based, service industry with competitiveness playing a central role in the success of tourism destinations.

Before the Second World War, Madeira was used ‘as a transit area by transatlantic ships, and visited mostly by wealthy English and Germans, who sought escape from universal violence, seeking a more peaceful geographical area’ (Ferreira *et al*, 1985). After 1960, for sporting, intellectual, congress, academic, political (national and foreign) tourism, Madeira became a setting for excursions, congresses, games, and simultaneously for leisure tourism. Its visitors included retired people and those with economic and social spending power (Ferreira *et al*, 1985). A smaller island in the Madeira Archipelago, Porto Santo, has an 8-kilometre beach with white sand, and is the most popular spot for Funchal’s inhabitants and continental Portuguese middle class to visit, drawing their interest from the nationalist slogan: ‘There is always an unknown Portugal waiting for you’ (Ferreira, *et al*, 1985: 20). As far as statistics are concerned and as said by the same authors, “the twentieth-century material available is scarce and hardly worked out in detail. Let us say Madeira was minimally attracted by quantitative techniques, which in fact raises serious problems to those who resort to the aforesaid methods in order to ascertain the extent and quantity of past events, aiming at the understanding of the present, hindering the definition of Madeira tourism during the twentieth-century” (Ferreira *et al*, 1985: 16).

Madeira’s natural environment is its strongest asset in attracting tourists, and willingness to return and an awareness of the natural attractions of the island vary with tourists’ demographic characteristics, which also influence their evaluation of being a tourist in Madeira. I use such results as guidelines in my case study. Considering the considerations above, I looked at the influence of gender, age, education and nationality as socio-demographic variables on such characteristics of the trip as length of stay and number of previous stays (Oliveira and Pereira, 2008). An empirical demonstration made by Cole (2012, 1) of the overwhelming importance ‘of realizing mutual synergies in the development of tourist products and destinations and the implications for the destination life cycle’. This balances the negative congestion process described in other tourism active life cycle (TALC) equations and ‘it may also provide insights into the underlying factors determining synergy and congestion. To the extent that these can be better understood, this may improve our ability to realize the synergistic potential of agglomeration and clustering, and so offer a further guide as to how to weigh the different elements of tourism management. Perhaps, the most important tourism policy insight here, in terms of seeking an appropriate balance between international and locally-operated enterprises, is to well-balance the contribution of recreation, dining, entertainment and facilitating public activities to the performance of accommodation enterprises' (Cole, 2012: 1).

Fifteen years ago, Conceiçao Estudante, Madeira's Regional Director of Tourism, declared to Wise (1998: 13) that, 'by increasing occupancy rates, the number of days visitors stay and the amount they spend, we can improve the contribution of tourism to the economy without threatening the environment on which the sector depends'. Environmental considerations play a role, particularly when calling at ports with large differences in carbon dioxide emissions that can be observed between individual cruise ships (Howitt *et al*, 2010; Oliveira *et al*, 2008).

In 1997, 600,000 tourists spent 4.5 million nights in Madeira with an average stay of seven nights per visit. This represents an average occupancy rate of 62 per cent (Wise, 1998). In 1997, the hotel industry employed 5,000 workers directly, and it is estimated that there are 15,000 jobs that are derived from tourist activity, corresponding to approximately 15 per cent of the workforce. The contribution of the sector to GDP is about 10 per cent. Moreover, the official document 'Tourist Documentation' (1998) says that an annual increase of 4 to 5 per cent in the capacity for accommodation, with a guarantee of the quality of the environment, will attract a more upmarket clientele who want to avoid mass tourism. This can be done by emphasizing certain niche markets, such as ecotourism, adventure holidays, golf and congresses as objectives in the strategy for development, as defined by The Regional Government.

Tourism for the Madeira Archipelago is a traditional sector that is expanding. Tourism in Madeira is an economic sector accounting for nearly 20 per cent of GDP and more than 15 per cent of employment (DRAM, 2012). Tourists who check into Madeira have a great impact upon the local economy and all the transport facilities; the developments planned for the ports and the international airport are closely connected with the number of tourists expected and the travel opportunities provided for visitors. Regional autonomy is an increasingly important part of both central and regional governments' commitment. This is considered an opportunity for a variety of voluntary and community sector groups. It is also a challenging opportunity for the tourist sector and for the residents of Madeira to utilize their knowledge and experience in order to influence specific issues and directions being taken (Martins, 2000, 52). A master plan specific to tourism, the Madeira Tourism Master Plan (POT, 2012), was changed in August 2012 with a number of amendments; among there were standards, such as total limits for the island of Porto Santo, and the distribution of permitted tourist accommodation between parts of Madeira.

The region is an international destination with the volume of the international tourists in total overnight stays of 86 per cent by non Portuguese residents. The main target markets for Madeira are the United Kingdom, Germany, France and Spain. Official data gathered from the website of the Region of Madeira Archipelago show that the outbound tourists from the United Kingdom were responsible for 17.36 per cent (172,751) of international overnight tourists (DRAM, 2013). Outbound tourists from United Kingdom and Germany cover more than 60 per cent of international tourists' overnight stays, mainly because of easy access by air with regular weekly connections. Statistical data on the topic of land-based tourism are detailed and refined (DRAM, 2012) as the information is available on number of beds per category and rate of occupancy per category and resort, as well as on tourists' nationalities. Table 4.4 presents the nationality data. Promoting Madeira as a tourist destination, firstly for the traditional target markets of the United Kingdom, Germany, France and Sweden but also by strengthening Madeira's image generally in the international target market in order to attract new segments and niche customers, stimulated the decisions of public and private actors; they were assisted by the implementation of a system of tourist information and the by application of further resources where they were needed.

Table 4.4: Countries of residence of tourists

Year/Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Portugal	225,405	228,178	245,981	248,829	250,146	261,773	264,068	243,426	283,080	280,146	233,978
EU total	767,647	758,326	761,959	735,366	760,934	801,069	864,518	933,011	775,330	696,213	802,886
Germany	180,524	181,179	178,607	174,065	183,437	203,049	214,750	200,306	182,497	166,793	174,716
Austria	21,028	15,884	18,033	16,385	16,826	27,611	39,188	25,484	23,067	19,281	21,771
Belgium	28,619	27,302	25,715	21,890	23,299	23,890	24,845	25,826	22,505	17,211	22,425
Denmark	24,219	22,341	23,812	21,727	23,471	22,748	23,790	23,909	20,989	21,864	17,727
Spain	28,320	28,798	29,051	33,943	44,498	50,474	52,484	47,432	43,179	30,612	38,141
Finland	31,637	37,474	38,216	40,457	35,852	31,016	25,027	31,881	24,439	25,463	25,186
France	60,226	63,514	68,224	54,484	52,693	63,568	71,008	90,478	88,764	71,368	102,317
Italy	9,298	8,842	7,826	6,072	7,690	19,729	24,908	19,938	14,693	11,419	12,770
Norway	17,469	14,867	13,453	14,797	14,813	16,507	22,691	11,992	14,417	11,893	13,486
Netherlands	35,668	34,487	31,092	29,369	30,986	33,277	34,468	39,442	36,002	35,414	39,376
UK	241,122	236,800	245,251	236,873	236,202	213,844	224,983	283,142	192,232	179,931	205,303
Sweden	40,504	36,863	32,457	30,977	33,685	27,689	26,858	29,509	17,550	16,764	15,937
Other	49,013	49,976	50,222	54,327	57,482	67,670	79,518	103,672	94,998	88,200	113,731
TOTAL	993,052	986,504	1007940	984,195	1011080	1062842	1128586	1176437	1058410	976,359	1036864

Source: DRAM, 2012

There were no changes for overnight stays in 2009 in the relative positions of the main outbound markets, which as a whole accounted for over 70 per cent of overnight stays by non-residents. In 2011, the number of tourists was 1,036,864 (DRAM, 2012), and the average length of stay fairly high due to the high number of charter flights (5.4 nights per visit), which represented an average occupancy rate of 53.7 per cent. Updated bed nights by country of origin of tourist for 2016 can be seen in Figure 4.10.

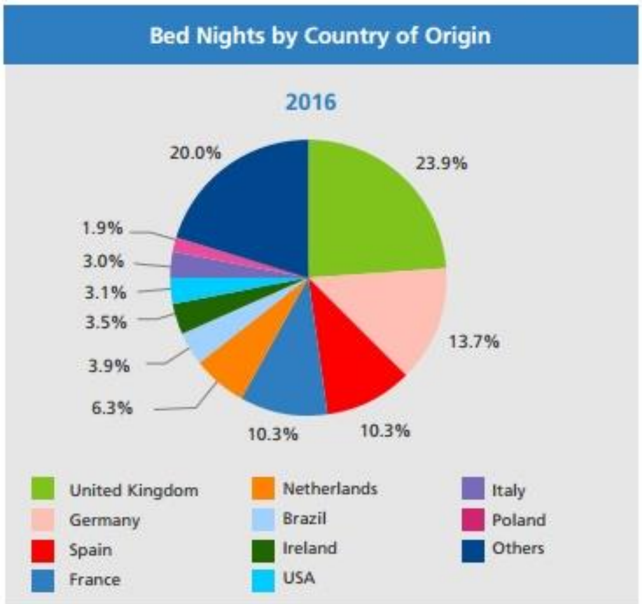


Figure 4.10: Overnight stays by country of origin of tourists, 2016

Source: DRAM, 2017

The objectives for Madeira lie between 6.4 and 6.5 million international tourists' overnight stays. The number of tourists defined as international guests should increase by 2.7 per cent per year in the period from 2006 to 2015 (PENT, 2007-2015), as seen in Figure 4.11, and the index growth will be monitored by the numbers of international guests in hotels and in similar establishments.

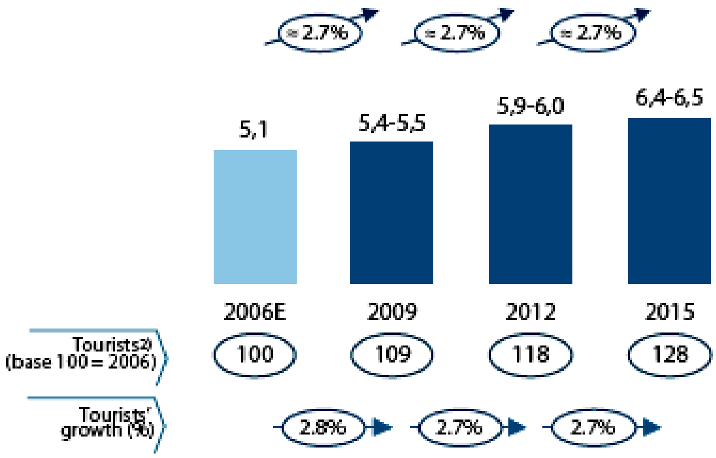


Figure 4.11: International tourists' overnight stays in Madeira (in millions and percentages)

Source: PENT, 2007-2015

As a result of action taken with €210 million invested in the tourism industry during the period from 2007 to 2013 as part of the Social and Economic Development Plan of the Autonomous Region of Madeira (Medina, 2012), the tourism industry today is more diversified, more robust, and less seasonal, and it generated almost €42 million in expenditure in 2014, as calculated from Tables 4.5 and 4.6. In effect, the implementation of the policies and actions proposed in these aforementioned documents had the desired effect of boosting growth in Madeira's tourism industry. The combined actions have brought about the desired result, with four of the past five years ending up as record years in terms of tourist arrivals, as seen in Table 4.5.

Table 4.5: Total numbers of tourists in hotels, previous month included

	2010	2011	2012	2013	2014
Total	**976 359**	**1 036 864**	**994 757**	**1 082 750**	**1 140 250**
January	62 606	53 600	51 335	53 138	62 165
February	64 067	59 694	57 947	61 159	68 660
March	74 925	83 417	73 893	83 100	90 409
April	90 982	102 432	101 190	98 213	104 742
May	93 869	115 075	99 214	109 663	111 748
June	83 027	101 515	90 933	102 432	105 944
July	91 325	104 827	105 933	112 930	115 108
August	114 454	117 395	115 620	128 420	129 654
September	92 839	103 223	97 439	109 599	112 518
October	88 465	87 950	86 048	91 960	100 646
November	62 671	57 105	61 622	68 241	71 924
December	57 129	50 631	53 583	63 895	66 732

Source: DRAM, 2015

The peak months for land-based tourists, as seen from Table 4.6, see a peak value in August for revenue per room, with the lowest value being in December, which is the peak month for cruise liners in Funchal Port.

Table 4.6: Revenue per available room

	2010	2011	2012	2013	2014
Total	**26.98**	**30.27**	**31.42**	**34.83**	**36.68**
January	20.84	17.85	19.22	22.09	25.34
February	22.69	21.08	22.29	26.49	28.48
March	24.67	28.44	26.96	31.49	34.81
April	29.98	36.65	36.39	35.45	40.13
May	26.34	35.25	33.33	39.95	39.47
June	26.18	31.32	32.14	35.85	37.73
July	29.67	36.60	38.78	42.06	43.06
August	41.25	45.55	47.32	51.32	52.64

September	32.51	38.24	38.46	42.09	43.16
October	28.00	30.29	31.24	34.05	36.21
November	20.83	20.41	24.28	26.58	27.34
December	19.51	18.83	23.31	26.02	28.18

Source: DRAM, 2015

The statistics show that, for 2010, the hotel industry employed 5,810 workers (DRAM, 2011), with a total income for hotel establishments of €252,791,000. Data collected from the Regional Statistics site show a strong seasonality for land-based tourists, with peak months from May to September. As seen in Table 4.5, the best years for the number of tourists checked into hotels were from 2007 to 2009. In the following year there was a slight decrease of 1.42 per cent on average for the peak months.

In 2011 the number of tourists checking into hotels during the May-to-September peak months registered a small increase compared with the previous year, putting 2011's peak season on the same level as that of 2008. I have related the data to this year mainly because it had the best performance in terms of both categories of tourists of interest to the study. Furthermore, 2008 was the year of worldwide economic crisis, and yet the data collected about Madeira tourists give a positive picture and reflect the best result, a fact that highlights a strong particularity for local tourism.

4.6 The interrelationship between cruise and land-based tourism

Regardless of the interesting information collected, this study did not cover any other impacts, such as economic, cultural and even environmental ones. It thus proved to be more of a fact-finding exercise, but with the scope of offering guidance for the better marketing and selling of destinations. Comparing the data in the corresponding years from Table 4.7 with the cruise peak months from Table 4.1, it shows that cruise tourism and land-based tourism are constantly competing with each other in terms of their respective peak seasons.

Table 4.7: Tourists checked into hotels, by year and month

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL	842705	831975	856482	842213	864870	908095	967134	1013281	911345	840514	885063
January	53 843	48 441	50 231	44 733	54 591	52 084	51 047	54 508	46 087	44 960	39 906
February	60 447	60 483	61 764	61 896	62 379	60 276	60 128	71 540	63 599	56 701	51 882
March	78 455	79 280	77 544	76 421	75 371	77 243	77 243	98 587	80 362	66 608	72 255
April	87 250	83 962	94 944	89 223	79 885	98 014	98 014	99 947	92 310	79 255	89 616
May	80 797	69 984	78 158	81 019	78 066	88 893	88 893	101 219	89 040	82 788	101 080

June	67 512	67 096	73 018	63 095	70 596	74 812	74 812	90 825	85 714	71 044	86 361
July	81 076	76 056	74 080	73 294	75 342	81 682	81 682	93 730	81 511	80 146	89 774
August	82 239	86 795	87 593	87 962	92 894	99 886	99 886	104 805	99 156	99 672	101 867
September	70 435	76 831	78 300	76 223	80 437	80 300	80 300	96 834	81 189	79 109	87 805
October	70 094	66634	68 153	73 959	76 954	77 610	77 610	81 292	75 569	76 524	73 906
November	57 562	56 675	56 021	60 409	60 298	57 533	57 533	61 537	60 849	54 097	47 384
December	52 995	59 738	56 670	53 979	58 060	59 762	59 762	58 457	55 959	49 610	43 227

Source: DRAM, 2012

For the summer months starting with May and until September, each year there were tourists checked into hotels in excess of sixty thousands per calendar month. Comparing with the number of cruise vessels visiting Madeira as seen in Figure 4.12, for the same months there are constantly the lowest number of entries. Cruise tourism, as measured by the number of cruise ships in Funchal Port as seen in Figure 4.12, had its best year in 2008, when the economic crisis was fully developed. The reason for this was the provision of a pre-buying facility for cruise tickets.

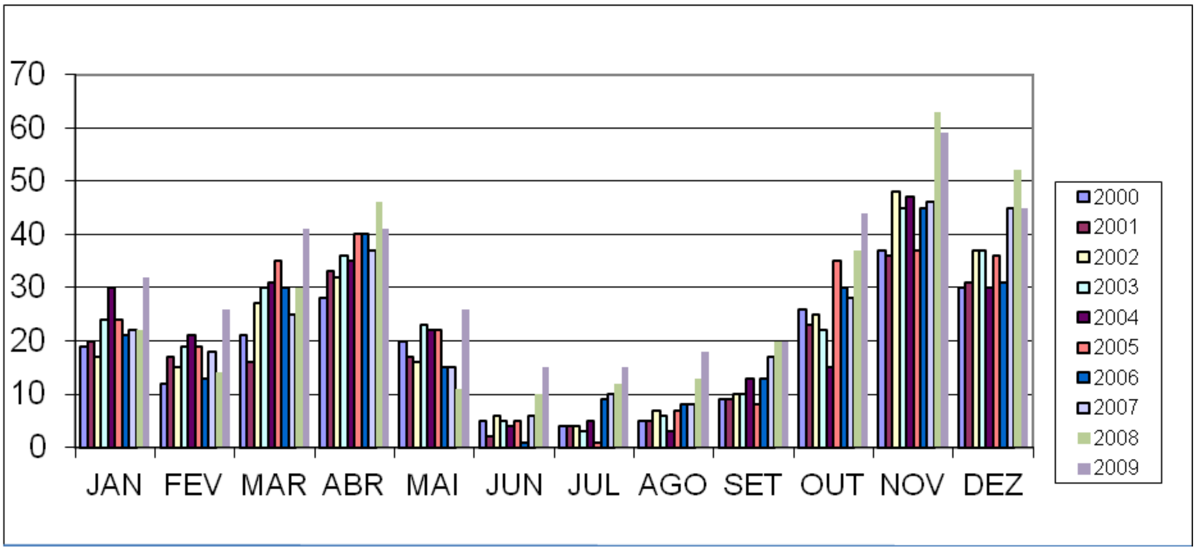


Figure 4.12: Monthly distribution of passenger-ship numbers in Funchal Port

Source: APRAM, 2010

The final report of the present study gives important information about the dynamics and specificity of each island of the archipelago in relation to the cruise industry. Funchal is the destination that generally receives the best evaluation as a destination. This is true in all aspects – access to the city, politeness of the residents, the museums and monuments, the services, restaurants, safety in the city, street signage, shops, transport, excursions – compared with other cruise ports studied (Tenerife, Las Palmas, Puerto del Rosario, Arrecife). Forty-eight per cent of passengers considered it the most interesting destination in the area. It is also apparent that the destination is starting to be more valued in the clients' preferences than the cruise or the ship itself, which is a fact that puts the destination in direct competition with the other aspects of the cruise. The report reveals that 89.5 per cent of the interviewed passengers expressed the intention to come back to the destination as a traditional land tourist, an intention that 66.8 percent of them confirmed, and all passengers said that they would recommend the destination. The conclusion is that the success of the area of Madeira-Canary Islands is due to a combination of factors that all provide satisfaction to its principal clients. The longitudinal analysis enables the creation of a model that identifies the key elements that bring value to the destination and make it attractive for the cruise tourist.

Funchal Port benefits from the cruise industry by offering an intended minimum one-day stop during the spring and autumn change in cruise destinations, or an opportunity for a half-day stop as the last port before the Atlantic crossing on the way to southern destinations. The revised data for the period 2012 to 2014 for the numbers of tourists checked into hotels (as seen in Table 4.8) and for the numbers of cruise ships in transit in Madeira's ports (as seen in Table 4.9) is shown in the colour coded monthly values for each group. The green shades represent the highest entries for the land-based tourists and correspond to the lightest shades of orange that represent the lowest values for the cruise passengers in transit through Madeira's ports. The percentage of passengers to the number of tourists is 48 per cent in 2014, 51 per cent in 2013, and 69 per cent in 2012. In the questionnaire-answer data of this case study, both surveys showed 76 per cent of passengers favouring a return in Madeira as land-based tourists.

Table 4.8: Tourists checked into hotels in Madeira

	2012	**2013**	**2014**
Total	**841 963**	**917 493**	**970 093**
January	38 923	39 381	46 345
February	49 615	52 021	58 791
March	63 529	71 282	76 977
April	88 030	86 028	92 195
May	85 347	94 750	97 116
June	77 117	87 772	90 580
July	91 365	97 584	99 283
August	97 371	108 530	109 379
September	81 694	91 893	96 235
October	73 072	77 181	84 678
November	49 981	56 561	60 226
December	45 919	54 510	58 288

Source: DRAM, 2015

Data on numbers of tourists who checked into hotels in Madeira from 2012 to 2014 may be seen in Table 4.8, with additional green shadings to underline the synergy between tourists' arrivals and the cruise ships' transit. The peak months are May to September in 2014, and July to August in 2012. Passengers in transit in the ports of Madeira from 2012 to 2014 may be seen in Table 4.9, which contains a very suggestive graphic presentation in which the intensity of colour increases proportionally to the value of the numbers. Peak arrivals are in November and December, with an overall peak between October and April, and a traditional low from May to September, which is the peak season for land-based tourists.

Table 4.9: Passengers in transit through Madeira's ports

	2012	**2013**	**2014**
Total	**581 661**	**472 362**	**473 415**
January	67 697	53 990	57 513
February	51 432	38 498	44 405
March	79 450	51 268	57 199
April	73 275	57 355	56 315
May	19 859	28 809	18 062
June	2 973	11 024	7 290
July	6 105	7 600	7 398
August	4 910	7 643	6 690
September	24 142	17 315	13 932
October	71 724	57 411	62 526
November	98 279	75 248	61 047
December	81 815	66 201	81 038

Source: DRAM, 2015

The spring peak months of March and April in 2015 saw a decrease for cruise tourists compared with the traditional winter peak months (Figure 4.13).

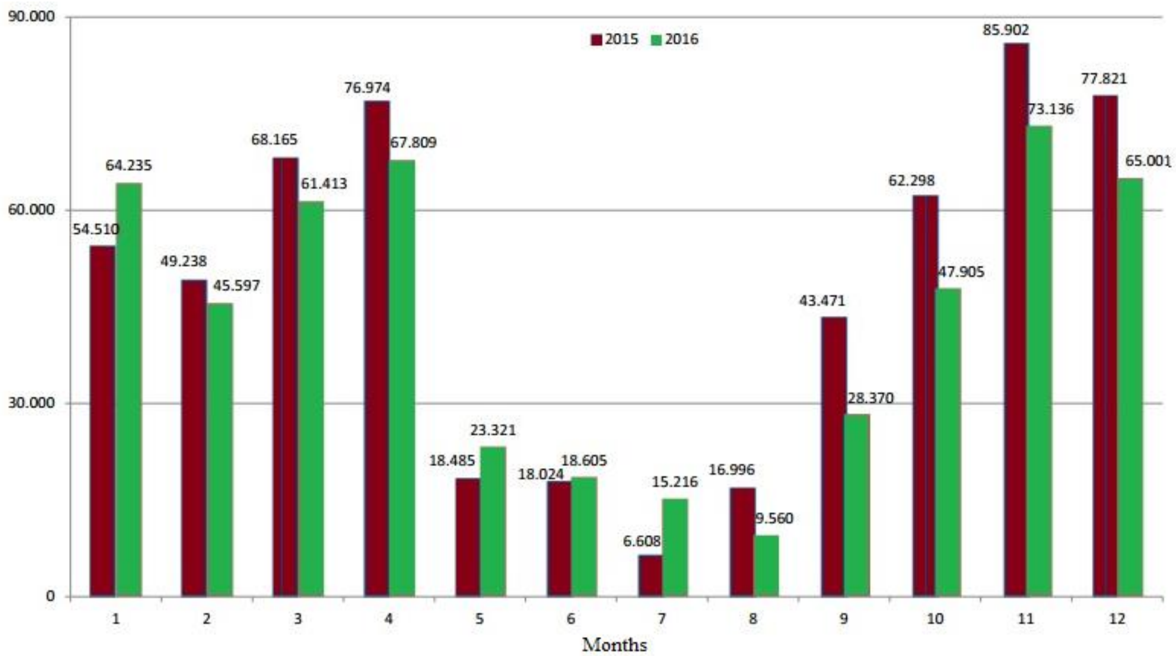


Fig. 4.13 Passengers on cruise ships in Funchal Port, 2015 and 2016

The following year, 2016, saw the numbers for the winter and spring months relatively closer.

4.7 Conclusion

The statistical data from the Funchal Port Authority and the Tourism Office are of paramount importance for the research study by allowing consideration of the factors contributing to the increase in cruise tourism in Madeira and also by informing tourism strategies for the Autonomous Region of Madeira in terms of marketing and management of the value chain. For this research, taking the cruise industry as its focus point, the visible and quantifiable impact of this industry has been concentrated on: a) cruise vessels' itinerary strategy, environmental and economic impacts upon their destination; and b) the hotel and leisure industry as currently existing in this mature destination. Secondary data collections from this second group were presented in connection with Madeira's GDP, income in hotel establishments and employment rate, and in terms of indirect and induced impacts of the cruise industry in Europe and worldwide. In January 2012, Professor Mercedes Bresso, President of the EU Committee of the Regions, confirmed to the author of this thesis as follows:

> Cruising might be an interesting way of spending one's holidays, but my view is that we all need to respect more the culture, character, beauty and history of island communities and to be careful about the necessary balance among economic, social, communal, and environmental priorities. The idea is to try and meet the needs of the present whilst, at the same time, preserving the culture and character of these destinations for future generations. And it appears that the cruise industry does not understand or contribute enough to the local economy and to the preservation of destinations.

CHAPTER 5: THE CRUISE PASSENGERS

5.1 Introduction

The second critical research sub-question, about the impact on cruise passengers in terms of their visitor satisfaction and their willingness to return as a sojourn tourist, was implemented in the second phase of the case study. The eleven questions on the survey investigated: visitors' nationality; their gender; their age; their previous visits to Madeira (and how many times); whether they would ever return; whether their choice would then be a hotel or a cruise; how much they spent; the pattern of their spending; and whether they saw Madeira as a cruise or a sojourn destination. These subjects were selected because they were representative of the interests of my study and allowed me to obtain basic data and trends. Those responding were English speakers.

For the period of March-April 2012, ninety-three cruise ships docked in Funchal Port (Appendix 4 - B), with a minimum stay of nine hours.

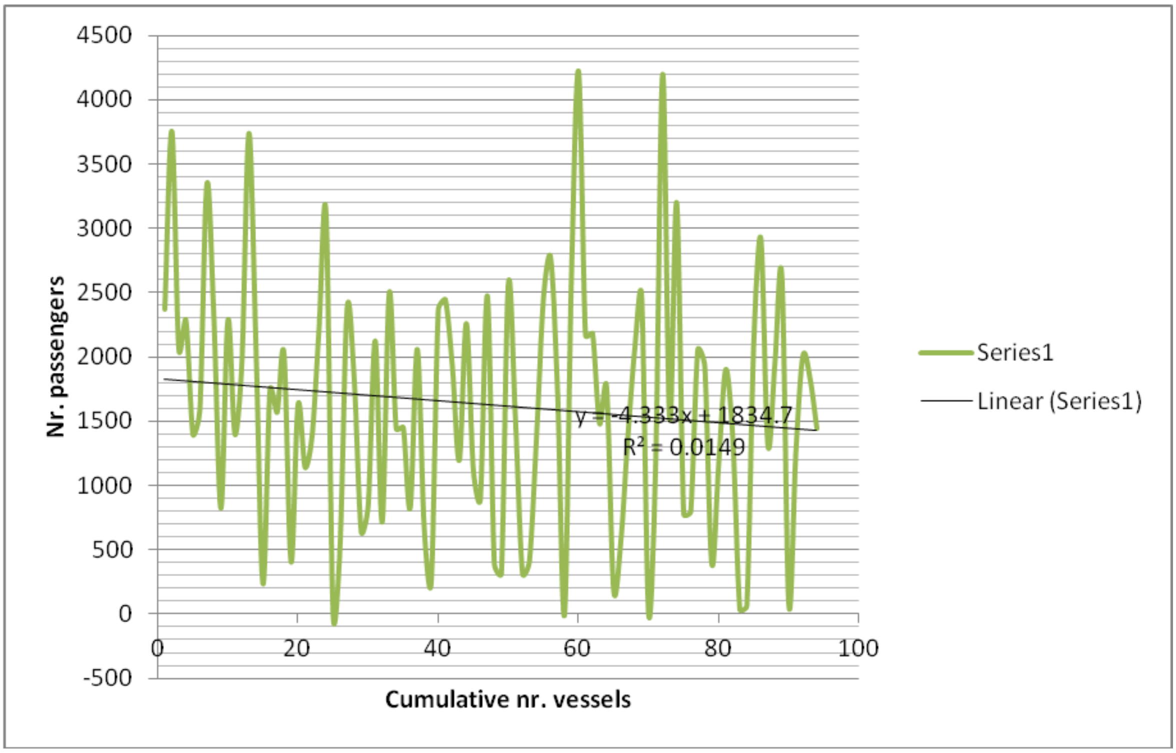


Figure 5.1: Entry passengers, March-April 2012

Source: Appendix 4 – B

The answers provided for the case study were distributed to each cruise vessel, and were processed into Excel tables.

5.2 The questionnaire designed for the research case study

Cruise-ship calls at Funchal between 2001 and 2011 saw a steady growth, with the exception of the years 2006 and 2009. The cruise industry is a dynamic source of economic activity. In 2011 Portuguese ports registered 848 cruise-ship entries, with 44 per cent of those entries in Funchal Port, while from January to March 2012 the Madeira ports served as destination for 68 per cent of cruise ships entering Portuguese ports (Statistics from Ports of Madeira - APRAM site). For every year, starting in May and until September, as seen in Figure 5.2, there is a significant drop in the number of cruise ships, which was the reason for conducting my case study during March and April 2012.

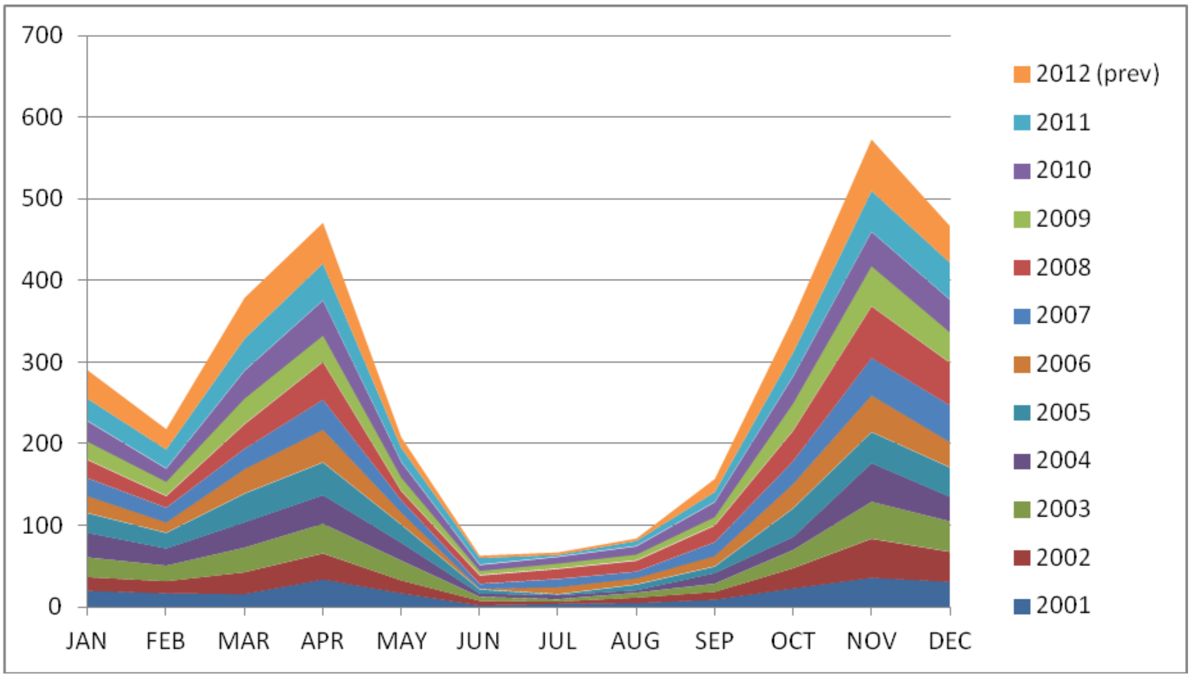


Figure 5.2: Cruise ships in Funchal Port

Source: Table 4.1 Cruise ships in Funchal Port 2001 – 14

Characterization of the sample subjects

The general objective is to identify the profile of tourists visiting the Madeira Islands via cruises and to establish which factors or characteristics contribute most to the perception of the Madeira Islands as a cruise destination, as a land-based destination, or as both. Of 1,500 questionnaires distributed, a total of 1,440 responses were complete, which represents a non-response rate of 4 per cent. The questionnaire was completed by 684 tourists at the Funchal Port premises, 349 completed it at the Monte Garden, and 407 at the remaining locations: the Promenade, the Sao Tiago Fort and the Madeira Story Centre.

A follow-up survey took place during December 2013 and January 2014, when seventy-six ships entered Funchal Port with a total of 124,564 passengers. Of 1,064 distributed questionnaires, 1,000 were returned and coded – a non-response rate of 6 per cent. The whole sample includes tourists visiting the Madeira Islands on cruises during the years from 2012 to 2014. The surveys were conducted after disembarkation in Funchal during the time of onshore visits.

For the two stages when the surveys were conducted, the samples were compared for age, gender and nationality and the distributions for these variables were found to be identical in both years. For the set of variables in the study, distributions were obtained in the years 2012 and 2014, and homogeneity tests were done in order to ascertain whether there were significant differences between the characteristics of tourists who visited the region in these two years. A critical value (p) of less than 0.05 would reject the null hypothesis in this study. If the p-value exceeds 0.05, it confirms that the distributions may not be regarded as different in the two chosen years. In general, the profile of the tourists visiting the Madeira Islands by cruise did not change between 2012 and 2014 because the critical test values of the homogeneity tests confirm that the distributions for the two sample years cannot be regarded as different.

Typical tourists visiting the Madeira Islands by cruise:

- were residents of the United Kingdom, aged more than forty-six, and – in the case of 60 per cent – without previous experience of visiting the region;
- want to return to Madeira (said by 76 per cent of them) and, of these, about 60 per cent intended to return on a cruise and 40 per cent to visit the region and stay in hotels;
- of the tourists visiting the region by cruise, 36.4 per cent spent between €40 and €60 per day, this being spent in restaurants and on souvenir; and 60 per cent of them see the island as a land-based destination.

The survey questions are presented in Table 5.1 with the percentage value and the corresponding real number of answers.

Table 5.1: General characteristics of the cruise tourists visiting the Madeira Archipelago

		Year	
		2012	2014
Age group ($\chi^2 = 0$; $p>0.05$)	16-30	236 (16.4%)	164 (16.4%)
	31-45	294 (20.4%)	204 (20.4%)

	46-60	432 (30.0%)	300 (30.0%)
	Over 60	478 (33.2%)	332 (33.2%)
Gender (χ^2 = 0; p=0.991)	Male	680 (47.2%)	472 (47.2%)
	Female	760 (52.8%)	528 (52.8%)
Nationality (χ^2 =0.95; p=0.331)	United Kingdom	720 (50%)	480 (48%)
	Other	720 (50%)	520 (52%)
Have you ever before visited Madeira? (χ^2 =0.63; p=0.426)	No	864 (60%)	616 (61.6%)
	Yes	576 (40%)	384 (38.4%)
How many times previously have you visited Madeira? (χ^2 =0.63; p=0.889)	Once	72 (5%)	48 (4.8%)
	Twice	360 (25%)	240 (24%)
	More than twice	144 (10%)	96 (9.6%)
	Is the first visit to Madeira	864 (60%)	616 (61.6%)
Was your first visit a cruise holiday or a land-based holiday? (χ^2 =0.63; p=0.729)	Cruise holiday	234 (16.3%)	156 (15.6%)
	Land-based holiday	342 (23.8%)	228 (22.8%)
	Is the first visit to Madeira	864 (60%)	616 (61.6%)
Would you like to return to Madeira for either? (χ^2 =0.004; p=0.95)	No	344 (23.9%)	240 (24%)
	Yes	1096 (76.1%)	760 (76%)
If you would return to Madeira, what would be your next choice? (χ^2 =0.02; p=0.883)	Cruise	851 (59.1%)	588 (58.8%)
	Hotel	589 (40.9%)	412 (41.2%)
Would you kindly identify the amount of money spent on the local economy on a daily basis? (χ^2 =0.028; p≈1)	Less than €20	175 (12.2%)	120 (12%)
	€21 - €40	281 (19.5%)	196 (19.6%)
	€41 - €60	524 (36.4%)	364 (36.4%)
	€61 - €80	232 (16.1%)	160 (16%)

	€81 or more	228 (15.8%)	160 (16%)
Would you identify a pattern on what you think you spent most? (χ^2 =0.006; p≈1)	Excursions	174 (12.1%)	120 (12%)
	Restaurants	460 (31.9%)	320 (32%)
	Souvenirs	345 (24%)	240 (24%)
	Museums	201 (14%)	140 (14%)
	Other	260 (18.1%)	180 (18%)
Would you see Madeira more as a cruise destination or as a land-based destination? (χ^2 =0.002; p=0.999)	No answer	58 (4%)	40 (4%)
	Cruise	519 (36%)	360 (36%)
	Land-based	863 (59.9%)	600 (60%)

Source: Appendix 3.1

5.3 Specific objectives of the case study

Establishing the importance and interaction between demographic variables and the first visit in the perception of the Madeira Islands

To give an answer for this purpose we use multinomial regression to identify the importance of other variables on the last question of the survey.

Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	Degree of freedom	Significance
Null	461.678			
Final	152.404	309.27	12	.000

Pseudo R-Square

Cox and Snell	.124
Nagelkerke	.165
McFadden	.095

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	Degrees of Freedom	Significance
Nationality * Q7	169.564	17.16	2	.000
Nationality * Q9	294.897	142.49	8	.000

Parameter Estimates: the redundant ones will be set to null.

Would you see Madeira more as a cruise destination or more as a land-based destination ?[a]	B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
							Lower Bound	Upper Bound
[Nationality=1.00] * [Q7=.0]	-1.497	.216	47.918	1	.000	.224	.146	.342
[Nationality=1.00] * [Q7=1.0]	-.863	.168	26.277	1	.000	.422	.303	.587
[Nationality=2.00] * [Q7=.0]	-1.112	.197	31.943	1	.000	.329	.224	.484
[Nationality=2.00] * [Q7=1.0]	-1.160	.171	45.942	1	.000	.314	.224	.439
[Nationality=1.00] * [Q9=1.0]	.674	.252	7.156	1	.007	1.961	1.197	3.212
[Nationality=1.00] * [Q9=2.0]	-.006	.219	.001	1	.977	.994	.647	1.525
[Nationality=1.00] * [Q9=3.0]	.870	.194	20.109	1	.000	2.387	1.632	3.491
[Nationality=1.00] * [Q9=4.0]	1.168	.230	25.853	1	.000	3.215	2.050	5.042
[Nationality=1.00] * [Q9=5.0]	0[b]	.	.	0	.	.	.	.
[Nationality=2.00] * [Q9=1.0]	1.530	.238	41.386	1	.000	4.619	2.898	7.362
[Nationality=2.00] * [Q9=2.0]	-.218	.247	.777	1	.378	.804	.495	1.306
[Nationality=2.00] * [Q9=3.0]	.398	.195	4.167	1	.041	1.489	1.016	2.182
[Nationality=2.00] * [Q9=4.0]	1.149	.215	28.435	1	.000	3.154	2.068	4.810
[Nationality=2.00] * [Q9=5.0]	0[b]	.	.	0	.	.	.	.

a. The reference category is: Land-based.

b. This parameter is set to zero because it is redundant.

Characterizing tourists visiting Madeira in their perception of first visit

Official data gathered from the website of Madeira Ports show that outbound tourists from the United Kingdom were in 2012 responsible for 25.76 per cent (7,818) of the cruise passengers in Madeira (APRAM, 2013). My case study's percentage of tourists having the

United Kingdom as their country of residence was 27 per cent of respondents (Figure 5.3) and significantly close to the official data.

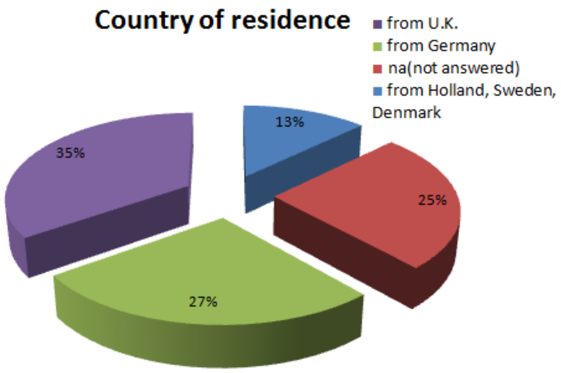


Figure 5.3: Country of residence

Source: Appendix 3.1

The difference of 1.34 per cent could be related to passengers from other English-speaking countries who registered themselves as United Kingdom residents in the case study's surveys.

In line with the general data from most of the cruise ships, the participants of the survey were balanced by gender (as Figure 5.4 show, with data from Question 2 of the survey), and most of the cruise passengers were usually married, with children, and over forty years old.

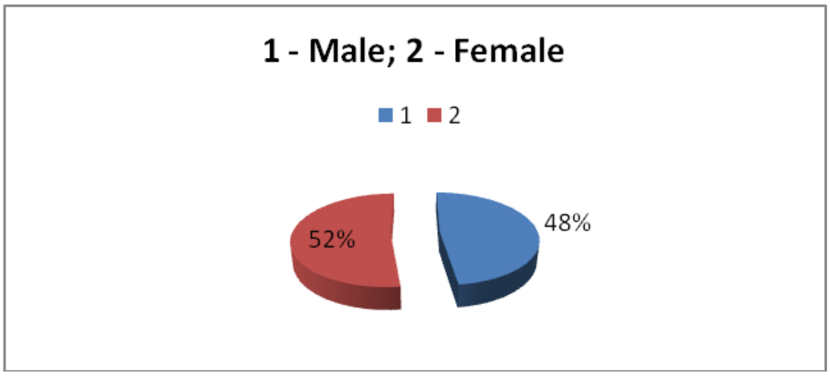


Figure 5.4: Gender percentages

Source: Appendix 3.1

Even among the second-most-important category of cruise passengers, pensioners and widows over sixty-five years old, the gender proportions were almost equal.

Question 1 of the survey (Appendix 3.1) examined the age distribution of the cruise tourists coming to Madeira. The section of passengers aged over forty-five years, 63 per cent of respondents, is well represented among the visitors to the town of Funchal (Figure 5.5).

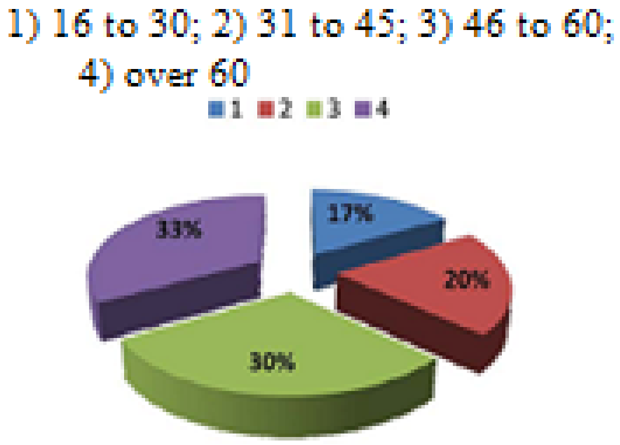


Figure 5.5: Age distribution

Source: Appendix 3.1

Considering the number of visits to the Madeira Archipelago, Question 4 revealed that 62 per cent of respondents were first-time visitors (Figure 5.6).

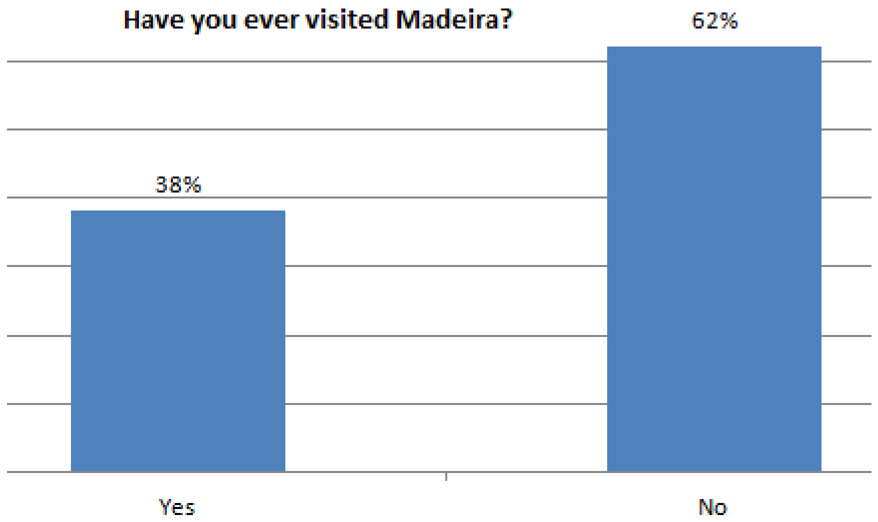


Figure 5.6: Whether previously visited Madeira

Source: Appendix 3.1

Considering the interrogation of the second set of data, as obtained from a survey conducted in 2014, the following variables may be compared: nationality, gender, age, and whether visiting Madeira in the same manner as on the first visit. The perception of the Madeira Islands as a first-visit destination is borne out by the first-visit answers by type of first visit, as seen in Figure 5.7.

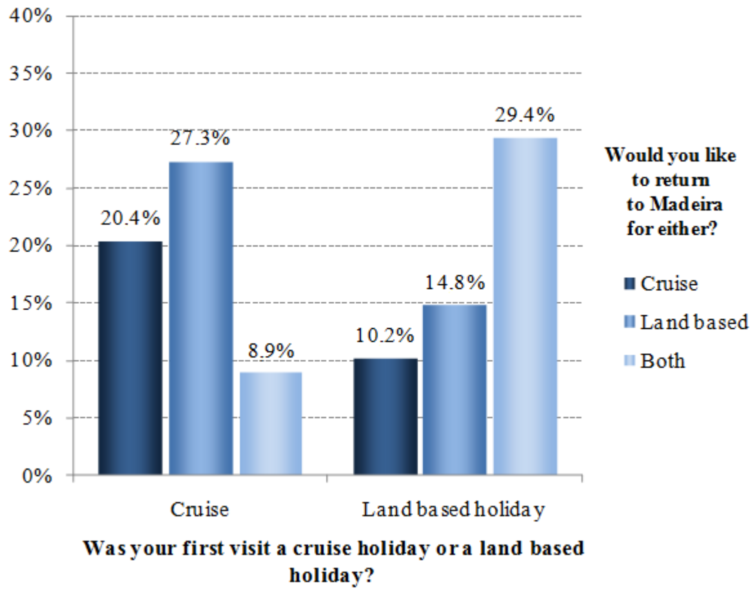


Figure 5.7: Distributions of responses on likelihood to return by different methods

Source: Appendix 3.1

The tourists who saw the Madeira Islands as a cruise destination also made their first visit as cruise passengers. Of the tourists who answered that Madeira was a land-based destination, 14.8 per cent of them visited Madeira in that way; but the greater difference in percentages is observed among those who perceived Madeira as a mixed destination (land-based and cruise), with 29.4 per cent who visited Madeira opting to return either as land-based tourists or on a cruise.

To study the association between choices of method used on the first visit to Madeira, distributions were obtained by nationality, gender, age and previous visits to Madeira. We used the chi-square test of independence, whose null hypothesis is that there is no association between first-visit types, and so on for the remaining variables being tested; with values of pbelow 0.05, we reject the null hypothesis and conclude that there are significant differences between the distributions. Table 5.2 shows the distributions of the sampled tourists according to demographic characteristics versus the way in which they first visited the Madeira Islands.

Table 5.2: **Tourists' method of first visit, by various demographic variables**

		Was your first visit a cruise holiday or a land-based holiday?	
		Cruise	Land-based
		Count (%)	Count (%)
Nationality (χ^2 =768.54; p<0.001)	United Kingdom	630 (33.7%)	570 (100%)
	Other	1240 (66.3%)	0 (0%)

Gender	Male	842 (45%)	310 (54.4%)
(χ^2 =15.35; p<0.001)	Female	1028 (55%)	260 (45.6%)
Age group	16-30	330 (17.6%)	70 (12.3%)
(χ^2 =22.28; p<0.001)	31-45	398 (21.3%)	100 (17.5%)
	46-60	522 (27.9%)	210 (36.8%)
	Over 60	620 (33.2%)	190 (33.3%)
Have you ever previously visited Madeira?	No	1480 (79.1%)	0 (0%)
(χ^2 =1146.60; p<0001)	Yes	390 (20.9%)	570 (100%)
How many times have you visited Madeira?	Once	30 (7.7%)	90 (15.8%)
(χ^2 =2520.57; p<0.001)	Twice	230 (59%)	370 (64.9%)
	More than twice	130 (33.3%)	110 (19.3%)

Source: Appendix 3.1

There are significant differences in the method of tourists' first-time visit to Madeira and nationality, gender, age, and the number of visits since. The p-values of the independence tests were less than 0.01. With regard to nationality, 100 per cent of the sample tourists who had visited Madeira as land-based visitors were from the United Kingdom and 33.7 per cent of those who had visited it on a cruise were from the United Kingdom and the remaining 66.3 percent were from other countries. Tourists who visited Madeira for the first time as cruise visitors were 55 per cent female and among those who first visited Madeira in land-based style 54.4 per cent were male. These differences are statistically significant (p<0.001).

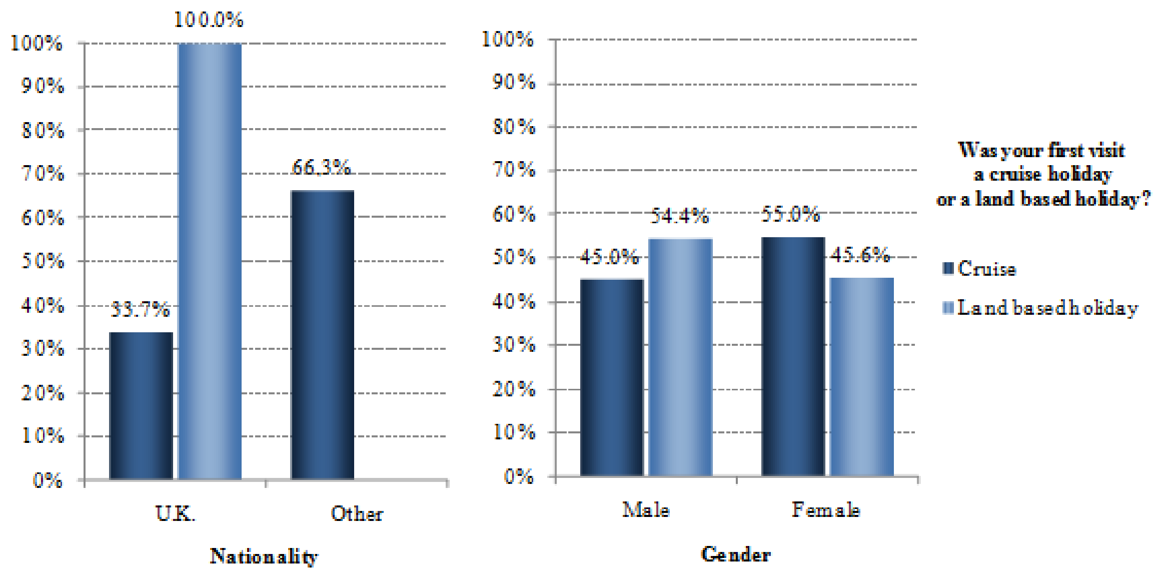


Figure 5.8: Gender and nationality of first-time tourist visitors to Madeira

Source: Appendix 3.1

We can conclude that, among the sample tourists, those visiting Madeira for the first time with a cruise were more likely to be a female than male and those visiting Madeira in traditional land-based tourism were more likely to be male, as may be seen clearly in Figure 5.8.

Passengers who were not on their first visit, 39 per cent of the total, answered Question 5 on the frequency of their previous visits, as seen in Figure 5.9, with 63.5 per cent on their second visit (the full sample percentage is 23.9 per cent), 25 per cent on their third visit (the full sample percentage is 9.5 per cent), and 6 per cent were regular visitors (the full sample percentage is 2.3 per cent).

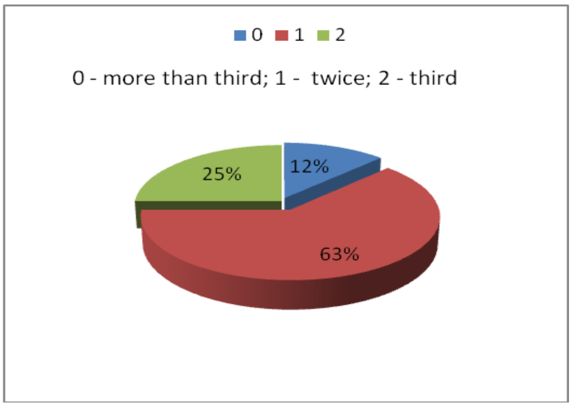


Figure 5.9: Frequency of previous visits among non-first-time visitors

Source: Appendix 3.1

The 39 per cent of respondents who had previously visited the Madeira Archipelago were asked a supplementary question, Question 6, to fine-tune the responses of cruise visitors on their second visit to Madeira (Figure 5.10). Fifty-nine per cent of these previous cruise visitors had based their previous visit in a cruise ship (the full sample percentage is 22.4 per cent), and 41 per cent of these cruise tourists were in a hotel (the full sample percentage is 15.6 per cent).

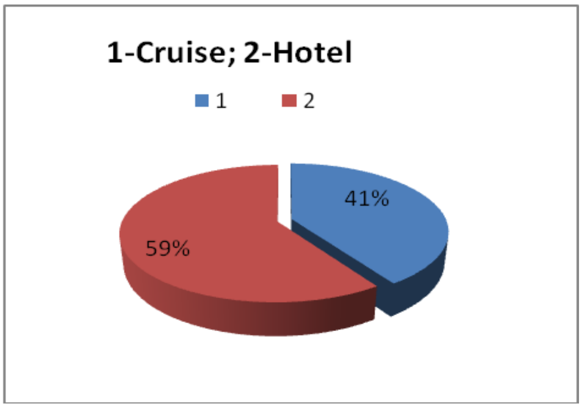


Figure 5.10: Accommodation arrangements of previous cruise visitors to Madeira

Source: Appendix 3.1

The current age of tourists was related to how Madeira was visited for the first time ($p<0.001$). Among land-based tourists visiting Madeira for the first time, 36.8 per cent were currently aged between 46 and 60 years, but the equivalent percentage was 27.9 per cent among tourists who had visited Madeira for the first time by sea. Amongst cruise-based tourists, the most frequent age group is those currently more than 60 years old.

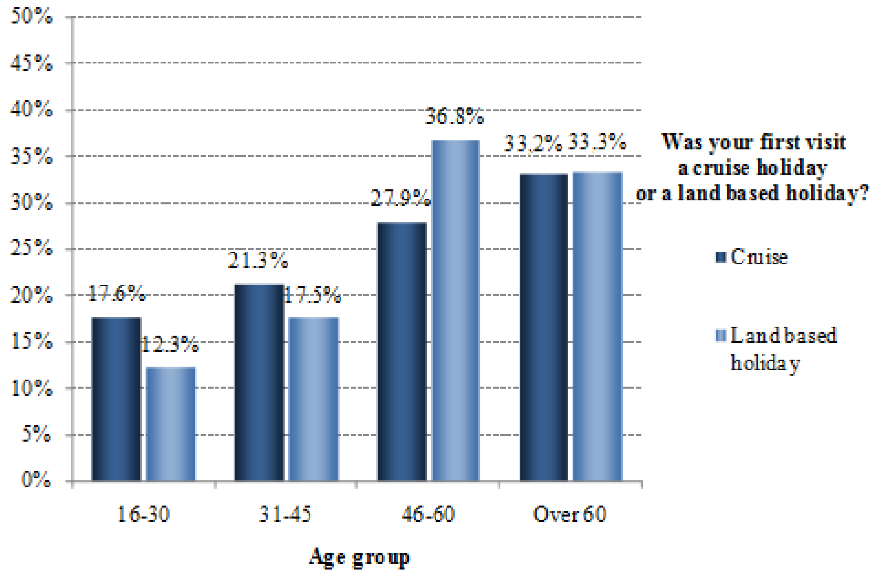


Figure 5.11: Age distribution for tourists' first visit, by type of visit

Source: Appendix 3.1

As seen in Figure 5.12, among first-time tourists to Madeira by cruise, 79.1 per cent had not previously been on the island and the remaining 20.9 per cent were familiar with the island and also returned by cruise. Of course, all the tourists who had visited Madeira in land-based visitors knew the island.

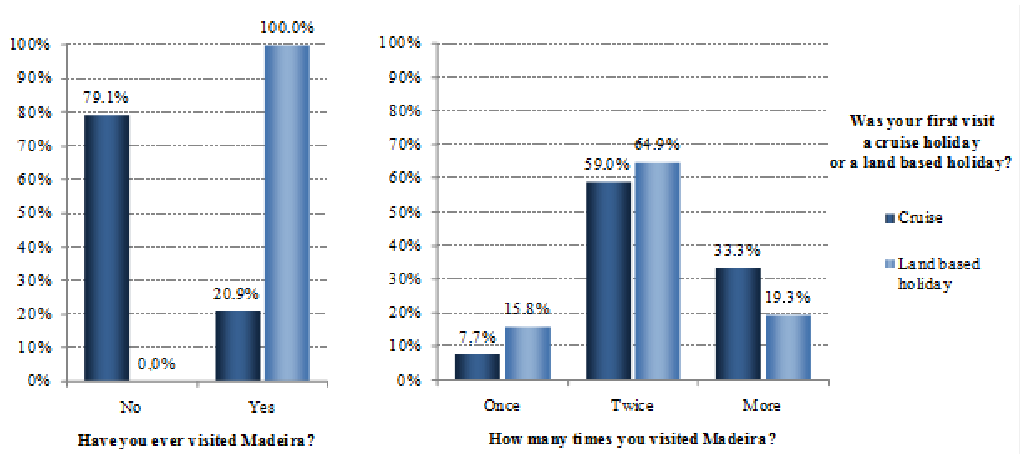


Figure 5.12: Number of times visiting the Madeira Archipelago

Source: Appendix 3.1

The number of times the Madeira Islands had been visited is also related to how it was visited for the first time (p <0.001). Among the tourists who visited Madeira for the first time by cruise, 59 per cent had visited the island twice and 33.3 per cent more than twice. The difference for tourists who had first visited Madeira in land-based style is that 64.9 per cent had returned twice and 19.3 per cent more than twice.

In general, tourists visiting Madeira by cruise tend to repeat their visit to this destination more than once. The above results show that demographic variables are related to the way in which the first trip was made. However, a further question is whether there are controlled associations between these variables, and I have formulated a decision tree that reveals the importance of each demographic variable as well as any interactions between levels of variables. The variable most highly related to the first visit is, as may be seen in Figure 5.13, is the number of visits to Madeira, followed by gender. Of the surveyed tourists, 76.6 per cent visited Madeira for the first time by cruise and the rest were land-based; of the tourists who were surveyed, 60.7 per cent responded that their first visit was by cruise. Of the tourist sample of 2,440, 120 had visited Madeira once, 75 per cent of them in land-based style and the rest in cruises.

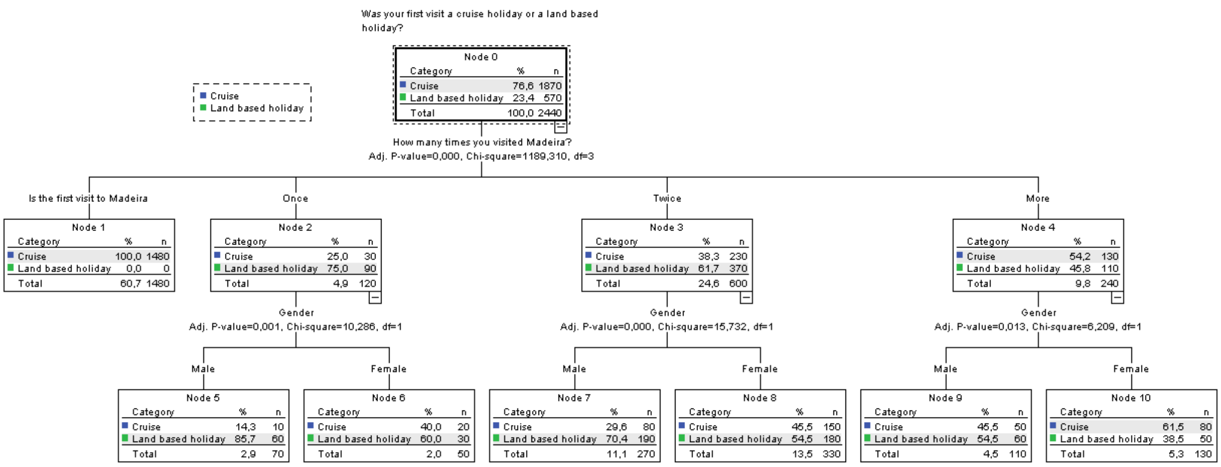


Figure 5.13: A decision tree of demographic factors influencing the manner of first visit to Madeira

Source: Appendix 3.1

Even so, among tourists visiting Madeira there are significant differences between men and women; 14.3 per cent of men visited Madeira for the first time on a cruise and among women who had one previous visit to Madeira, 40 per cent came on a cruise. Of the sampled tourists who had visited Madeira twice, 38.3 per cent of them travelled on a cruise for the first visit and the rest were land-based. There are further differences according to gender. Among the tourists who had visited Madeira more than twice, the gender also tended to be a differentiating factor. In men who visited Madeira more than two times, 54.5 per cent visited for the first time in land-based manner, whilst among women the figure was 38.5 per cent.

In conclusion, the number of visits to the region is related to gender, as is the way in which the first visit was made. Women with more visits to the Madeira region were more likely to be cruise-based and in the sample of men the first visit is more likely to have been land-based.

5.4 Likelihood of revisiting Madeira

The previous visit, asked about in Question 6, was, for more than a third of respondents equally a cruise stop and for the rest of respondents a sojourn by themselves or even a visit made many years ago as children accompanying their parents (Figure 5.13). Taking into consideration the whole sample surveyed, Question 7 was intended as a simple scale for the likelihood to return, as expressed by passengers after their one-day stop in Funchal Port.

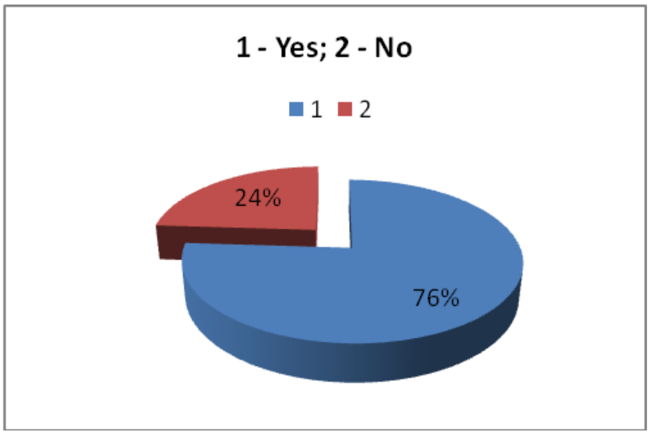


Figure 5.14: Likelihood to return

Source: Appendix 3.1

The social impact of the island's scenery and the general positive mood of the respondents towards their experience are reflected in their answers, with 76 per cent willing to return, as seen in Figure 5.14. Visitors have distinct motivations when visiting a destination. Knowledge of these motivational factors is an important guide for destination managers. On this basis, they can increase visitors' overall satisfaction, improve the local reputation, and possibly build cooperation with other stakeholders in order to provide visitors with a wider offering of tourism activities.

As a choice for their future visit considering those likely to return, 77 per cent of passengers favoured a land-based visit (Figure 5.15).

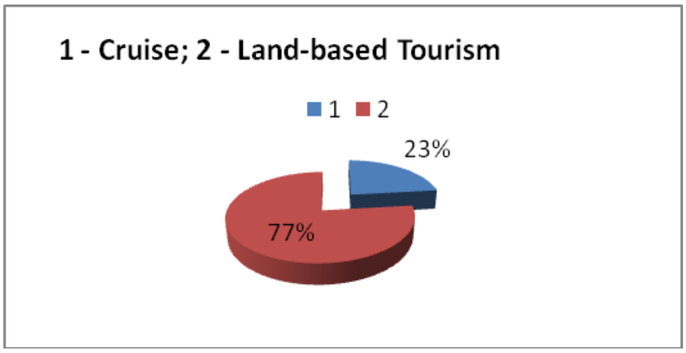


Figure 5.15: Choice of type of visit for a future return

Source: Appendix 3.1

Tourists develop expectations about their visit and are satisfied if the actual visit exceeds those expectations. It may also be possible that visitors compare their actual visit with other destinations having similar characteristics.

Among the tourists who wish to return to visit Madeira, either as a land-based tourist or a cruise-based one, 60.1 per cent have had only one previous visit or that was on a cruise, while 23.2 per cent have previously visited Madeira twice.

The distribution of these answers is clearly seen in Figure 5.16. A destination's uniqueness therefore becomes a further factor affecting overall satisfaction.

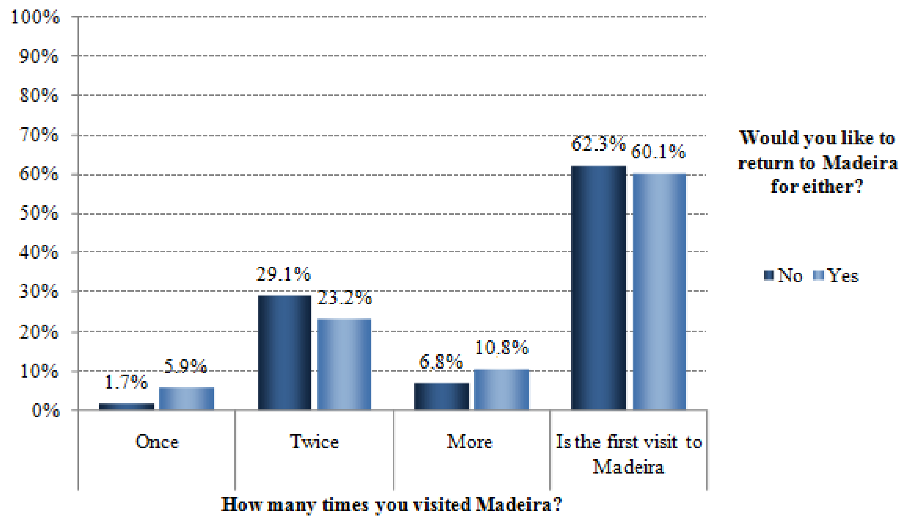


Figure 5.16: Distribution of return preferences based on number of previous visits

Source: Appendix 3.1

The questionnaire returns were collected on passengers' return to the cruise ship after an interesting and fulfilling visit of six to eight hours.

There are significant differences according to nationality ($p < 0.05$) in perception of type of destination. Among tourists who consider Madeira a cruise destination, 40.8 per cent are from the United Kingdom and the remaining 59.2 per cent are from other countries. Among the tourists visiting the Madeira Islands as a land-based destination, 52.3 per cent are from the United Kingdom and the rest are of other nationalities. The data in Figure 5.17 show that tourists from the United Kingdom tend to favour a land-based return, whilst those of other nationalities opt more for a cruise-based one.

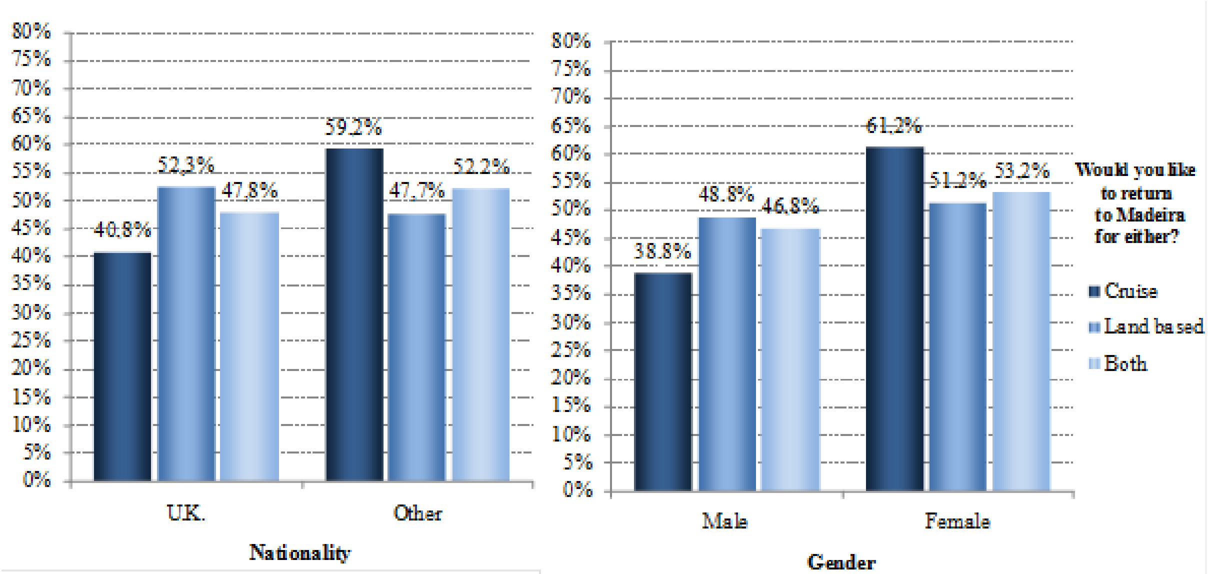


Figure 5.17: Distributions of return preferences based on nationality and gender

Source: Appendix 3.1

I have analysed the data in order to establish whether there is an association between the way by which tourists visited Madeira for the first time and their intention of returning to Madeira, also in relation to their nationality. The results were consistent with the answers returned from the case study. The results from my two surveys can be seen in Figure 5.18.

Having previously visited Madeira is related to the perception that the sampled tourists have about Madeira ($p = 0.037 < 0.05$) with the results seen in Figure 5.18. Among tourists who consider Madeira as a cruise destination, 69.4 percent did not know the island before. Among tourists who see the Madeira Islands as a land-based destination, 57.9 per cent did not previously know Madeira and 61.7 per cent of tourists perceived Madeira as both a cruise and a land-based destination. In general, most of the sampled tourists did not know the island beforehand and their experience on the cruise is associated with the perception of the destination ($p < 0.001$). This result shows the importance of promoting the cruise because it makes destinations, known as future tourism targets, and through repetition of visits to the island, increase the number of visits by either cruise or land-based tourists.

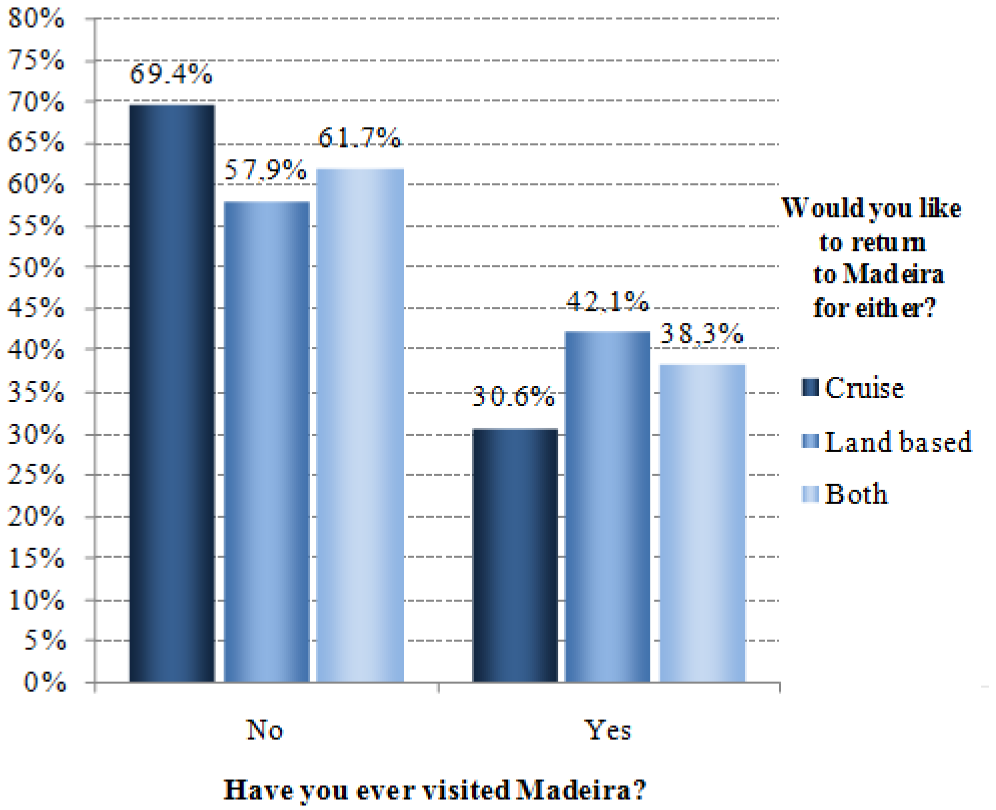


Figure 5.18: Preferences for return to Madeira by previous-visit status

Source: Appendix 3.1

The following Table 5.3 shows the intention of returning of those who previously visited Madeira, with the joint distribution of demographic, gender and age. The percentages were calculated by their columns because it allows comparison of the samples according to tourists' intention to return to the island or not.

Table 5.3 Intention to return to the Madeira Archipelago by gender, age and number of visits

		Would you like to return to Madeira for either a cruise or land-based visit?	
		No	Yes
		Count (%)	Count (%)
Gender	Male	243 (41.6%)	909 (49%)
(χ^2 =9.67; p=0.002)	Female	341(58.4%)	947(51%)
Age group	16-30	39 (6.7%)	361 (19.5%)
(χ^2 =437.21; p<0.001)	31-45	292 (50%)	206 (11.1%)
	46-60	87 (14.9%)	645 (34.8%)
	Over 60	166 (28.4%)	644 (34.7%)

Have you ever visited Madeira? (χ^2 =0.9; p=0.343)	No	364 (62.3%)	1,116 (60.1%)
	Yes	220 (37.7%)	740 (39.9%)
How many times you visited Madeira? (χ^2 =29.73 ; p<0.001)	Once	10 (1.7%)	110 (5.9%)
	Twice	170 (29.1%)	430 (23.2%)
	More	40 (6.8%)	200 (10.8%)
	Is the first visit to Madeira	364 (62.3%)	1,116 (60.1%)

Source: Appendix 3.1

From the sample tourists seventy six percent intend to return to Madeira hence the relevance of this variable for regional tourism. Hypothesis tests confirm that the intention of returning to Madeira is different depending on the gender of the tourist ($p < 0.05$). We can conclude that of the tourists who visited the region in 2012 and 2014 by cruise and do not intend to return to Madeira, 58.4 per cent were women versus fifty one per cent who claimed an intention to return to the island (see Figure 5.19).

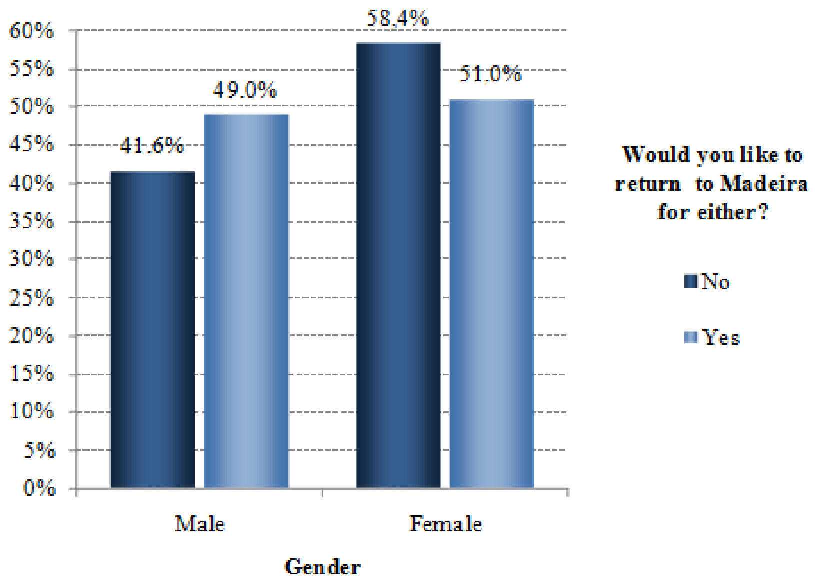


Figure 5.19: Gender distributions of likelihood to return to the Madeira Islands

Source: Appendix 3.1

There are also significant differences according to age ($p < 0.05$). In Figure 5.20, of tourists who do not intend to return to Madeira, 50 per cent are aged between thirty-one and forty-five years.

Among those who intend to return, 34.8 per cent are between forty-six and sixty years, and 34.8 per cent are more than sixty years old.

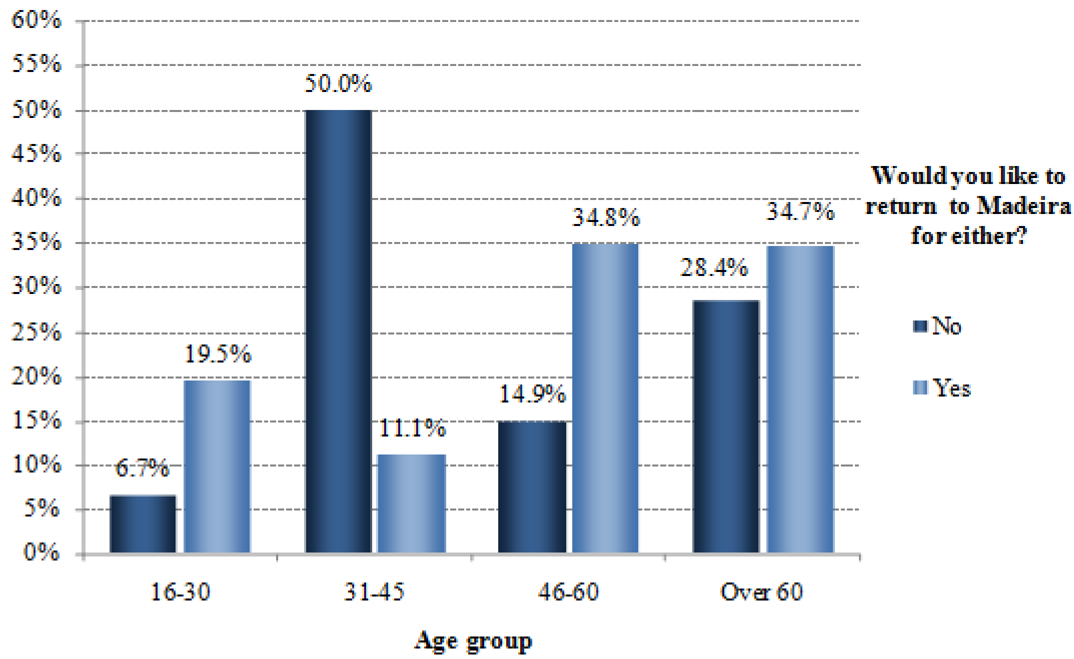


Figure 5.20: Age group distributions of expressed preference about returning to the Madeira Islands

Source: Appendix 3.1

Overall, 60 per cent of the sample had not visited Madeira before. However, intention to return does not depend on when or you the tourists knew the islands beforehand ($p = 0.343 > 0.05$). Regarding the number of visits, we can say that there is an association between intention to return to Madeira and the number of visits ($p > 0.001$). Of the tourists who do not intend to revisit Madeira, 62.3 per cent have visited only once during a cruise, followed by 29.1 per cent who have visited twice.

5.5 Estimated onshore spending

For 54 per cent of passengers, the average amount spent onshore is between sixty and seventy-nine Euros (as seen in Figure 5.21); this is close to the general sum of sixty Euros per port as reported in 2008 at the European Union level (European Cruise Council, 2008: 3).

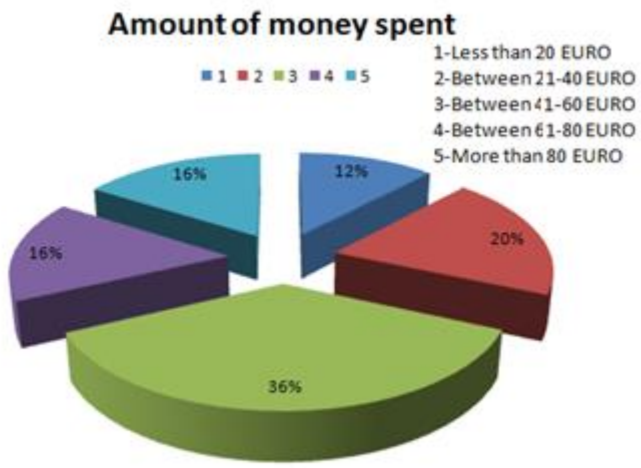


Figure 5.21: Levels of onshore spending

Source: Appendix 3.1

Regarding the relative importance of each age group for the tourism sector, there has been a trend towards a greater importance of older age groups. There is also a positive correlation between average annual expenditure on holidays and age. Average annual expenditure per capita on holidays in Europe rose to €615, and tourists aged over fifty years have expenditure rates above the average, as seen in Figure 5.22.

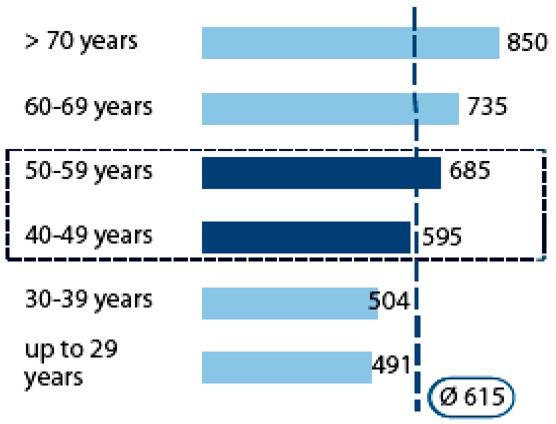


Figure 5.22: Average expenditure on holidays per capita in Europe, by age

Source: PENT, 2007-2015

The predicted destinations of spending, as seen in Figure 5.23, show that 32 per cent of tourists expected their largest expenditure to be on restaurants and 24 per cent expected their largest expenditure on souvenirs.

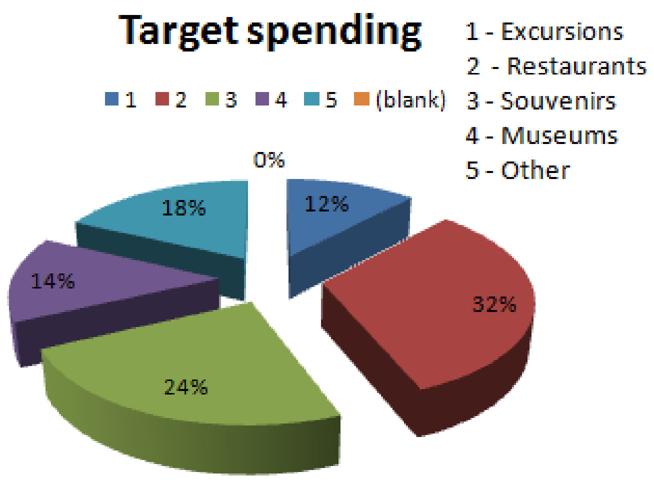


Figure 5.23: Patterns of greatest amount of tourists' expenditure

Source: Appendix 3.1

The next high-spend category is museums, where 14 percent of respondents expected their highest expenditure; 18 per cent saw highest expenditure on other items and only 12 per cent saw this to be on excursions. Characterizing the daily spending for a day-stay in Madeira, the rise in spending pattern can be seen in Table 5.4. On their last visit, 36.4 per cent of tourists spent between 41 and 60 Euros and 19.5 per cent of them spent between 21 and 40 Euros.

Table 5.4: Patterns of greatest amount of tourists' expenditure

		Would you kindly identify the amount of money spent in the local economy on a daily basis?				
If you would identify a pattern, on what do you think you spent most? (χ^2=129.496; p<0.001)		€20 or less	€21 - €40	€41 - €60	€61 - €80	More than €80
	Total	**295 (12.1%)**	**477 (19.5%)**	**888 (36.4%)**	**392(16,1%)**	**388 (15.9%)**
	Excursions	20 (6.8%)	77 (16.1%)	99 (11.1%)	48 (12.2%)	50 (12.9%)
	Restaurants	128 (43.4%)	108 (2.6%)	321 (36.1%)	118 (30.1%)	105 (27.1%)
	Souvenirs	88 (29.8%)	126 (26.4%)	166 (18.7%)	117 (29.8%)	88 (22.7%)
	Museums	29 (9.8%)	49 (10.3%)	145 (16.3%)	69 (17.6%)	49 (12.6%)
	Other	30 (10.2%)	117 (24.5%)	157 (17.7%)	40 (10.2%)	96 (24.7%)

Source: Appendix 3.1

Of tourists who spent between 41 and 60 Euros, 36.1 per cent spent most of the value in restaurants and 18.7 per cent of them on souvenirs.

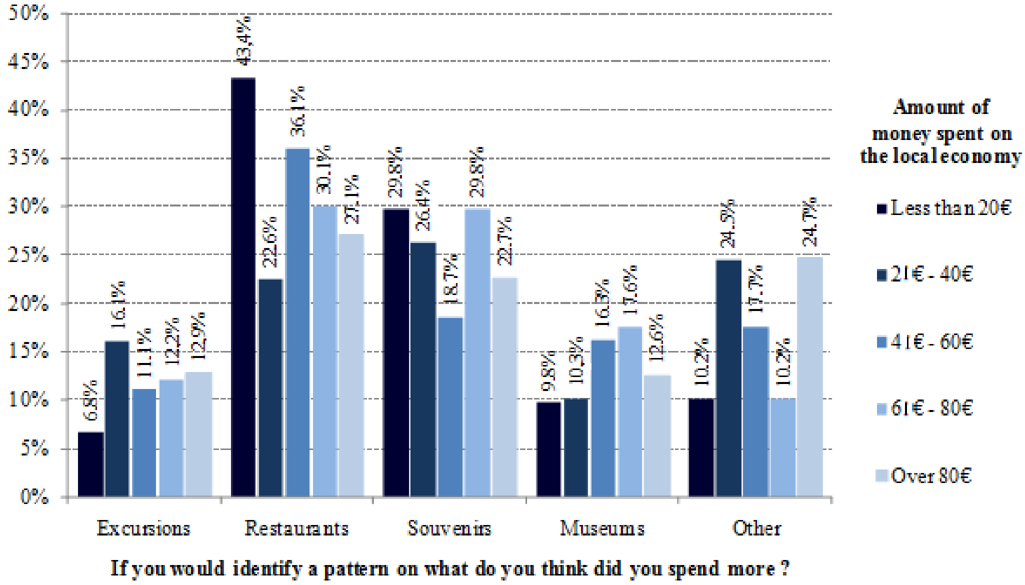


Figure 5.24: The distribution of spending amounts in the local economy, by spending types

Source: Appendix 3.1

Of tourists who spent between 21 and 40 Euros, more than 50 per cent said most of their spending was in restaurants and souvenir shops. The detailed distributions are seen in Figure 5.24.

The following decision tree, in Figure 5.25, shows which factors can explain the amount spent daily by tourists visiting the island. Four distinct profiles may be identified:

• Among tourists whose largest expenditure was in restaurants, 41.2 per cent of these were in the 41-to-60-euro category. Of the 32 per cent of tourists whose largest expenditure was in restaurants, 25.6 per cent of these intended to return to Madeira and, of these, 15 per cent had already visited the island. In this profile group spending between 41 and 60 Euros predominates.

• The tourists who spent mainly on excursions and other spending represented 30.1 per cent of the sample. Of these, 21.7 per cent would like to return to the island; however, among this group are differences according to whether or not they knew Madeira. Those who did not know the island spent mostly between 21 and 40 Euros and, among tourists who knew the island, their average spending was higher, between 41 and 60 Euros. In the group of tourists who did not intend to return to Madeira (8.4 per cent) there are differences in daily expenditures, depending on whether or not they wished to return to the island; those who did not intend to return spent between 41 and 60 Euros, while those who wanted to return spent between 61 and 80 Euros.

• Tourists who spent mainly on souvenirs comprised 24 per cent of the sample. This spending was located mainly in the 41-to-60 Euro category, but the expense varied with the intention of returning to Madeira. Tourists who wanted to return did not spend so much on gifts, the greater percentage of the gift-spending being in the 21-to-40 Euro category; among tourists who did not intend to return, spending on souvenirs was concentrated in the 41-to-60 Euro category of expenditure.

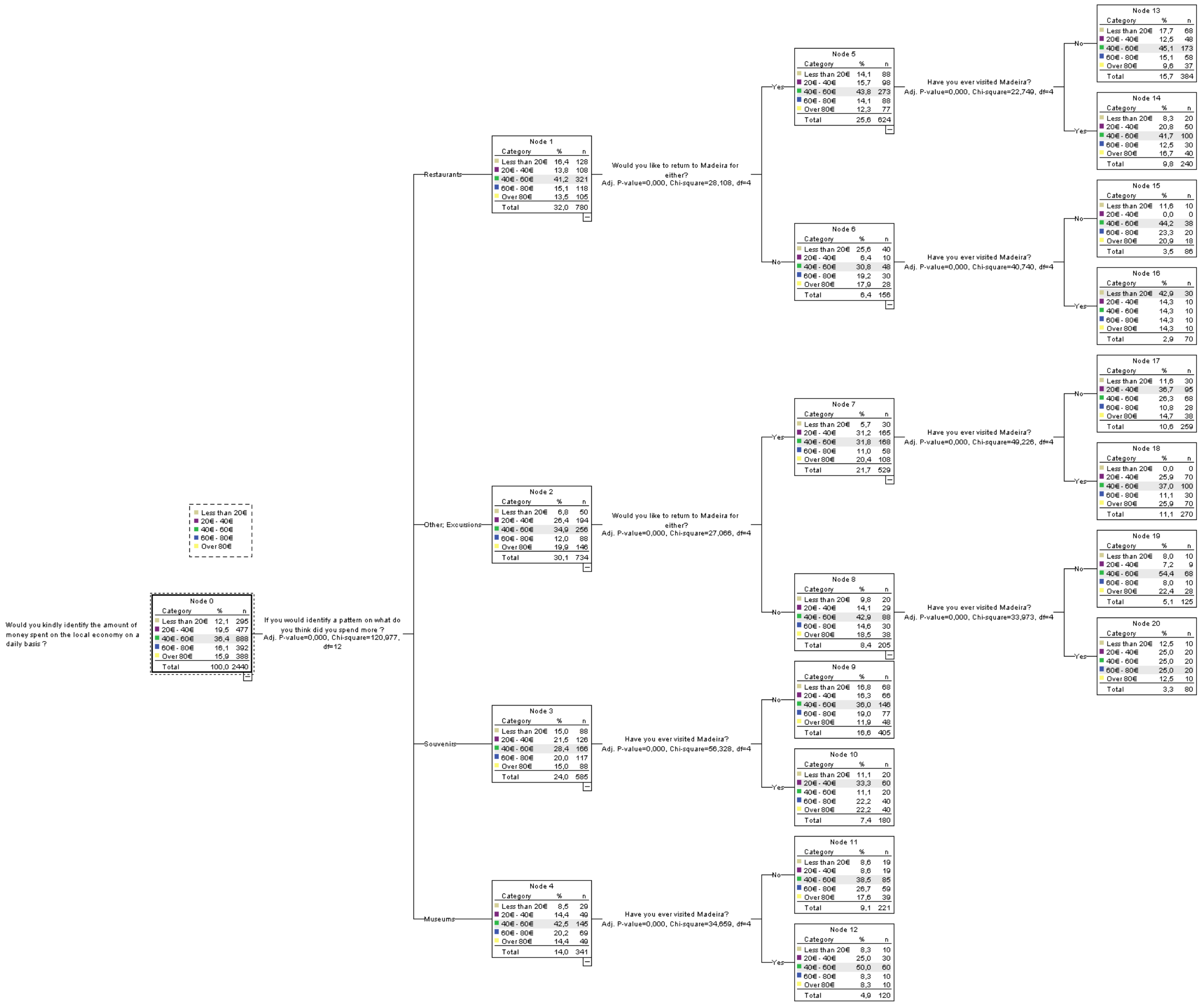


Figure 5.25: Tree diagram for tourists' overall spending patterns

Source: Appendix 3.1

• Tourists who spent mostly in museums had a similar profile; these represented 14 per cent of the sample. Fifty per cent of those who intended to return spent between 41 and 60 Euros in this way and 38.5 per cent of those who did not want to return back also had a daily spend in the same 41-to-60 Euro range.

5.6 Percentage of cruise visitors estimated to visit later as land-based tourists

Question 11 explored the preferences for the next visit to the Madeira Archipelago, and this produced interesting results for this study. Confronted with three possible preferences, land-based tourism, coloured green in my diagram, cruise tourism, or both, the choice of respondents was in favour of land-based tourism, with 60 per cent of answers opting for this (see Figure 5.26). A significant number of respondents were in favour to a specific package for their second visit, to be land-based with inland excursions.

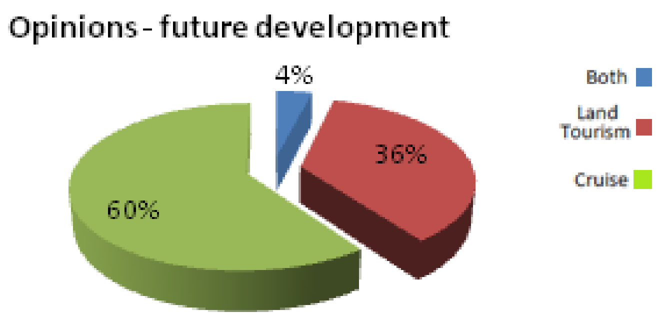


Figure 5.26: Madeira as a cruise destination or as a land-based destination

Source: Appendix 3.1

Table 5.5 show the perception of the kind of destination for Madeira (cruise, or land-based, or both) is related to demographic characteristics and to previous experiences of the destination. Independence tests permit a confirmation of which factors are related to perception of target type.

Table 5.5: Identified demographic variables that contribute most to the different perception of the Madeira Archipelago

		Would you see Madeira more as a cruise destination or as a land-based destination?		
		Cruise	Land-based	Both
		Count (%)	Count (%)	Count (%)
	Total	98 (4%)	879 (36%)	1463 (60%)
Nationality (χ^2=7,28; p=0,026)	United Kindom	40 (40.8%)	460 (52.3%)	700 (47.8%)
	Other	58 (59.2%)	419 (47.7%)	763 (52.,2%)
Age group (χ^2=71,89; p<0,001)	16-30	39 (39.8%)	147 (16.7%)	214 (14.6%)
	31-45	20 (20.4%)	138 (15.7%)	340 (23.2%)
	46-60	20 (20.4%)	310 (35.3%)	402 (27.5%)
	Over 60	19 (19.4%)	284 (32.3%)	507 (34.7%)
Have you ever visited Madeira? (χ^2=6.61; p=0.037)	No	68 (69.4%)	509 (57.9%)	903 (61.7%)
	Yes	30 (30.6%)	370 (42.1%)	560 (38.3%)
Was your first visit a cruise holiday or a land-based holiday? (χ^2=78.07; p<0.001)	Cruise	20 (20.4%)	240 (27.3%)	130 (8.9%)
	Land-based holiday	10	130	430 (29.4%)

		(10.2%)	(14.8%)	
	Is the first visit to Madeira	68 (69.4%)	509 (57.9%)	903 (61.7%)
Was your first visit a cruise holiday or a land-based holiday? (χ^2=75.26; p<0.001)	Cruise	88 (89.8%)	749 (85.2%)	1033 (70.6%)
	Land-based holiday	10 (10.2%)	130 (14.8%)	430 (29.4%)
Would you like to return to Madeira for either? (χ^2==8.360; p=0.015)	No	20 (20.4%)	184 (20,9%)	380 (26%)
	Yes	78 (79.6%)	695 (79,1%)	1083 (74%)
If you would return to Madeira, what would be your next choice? (χ^2=27.62; p<0.001)	Cruise	69 (70.4%)	460 (52,3%)	910 (62,2%)
	Hotel	29 (2.6%)	419 (47.7%)	553 (37.8%)
Would you kindly identify the amount of money spent on the local economy on a daily basis? (χ^2=122.64; p<0.001)	€20 or less	20 (204%)	136 (15.5%)	139 (9.5%)
	€21 - €40	29 (29.6%)	108 (12.3%)	340 (23.2%)
	€41 - €60	30 (30.6%)	341 (38.8%)	517 (35.3%)
	€61 - €80	10 (10.2%)	196 (22,3%)	186 (12,7%)
	More than €80	9 (9.2%)	98 (11.1%)	281 (19.2%)
If you would identify a pattern, on what do you think you spent most? (X=53.74; p<0.001)	Excursions	19 (19.4%)	89 (10.1%)	186 (12.7%)
	Restaurants	20 (20.4%)	342 (38.9%)	418 (28.6%)
	Souvenirs	19 (19.4%)	194 (22.1%)	372 (25.4%)
	Museums	20 (20.4%)	134 (15.2%)	187 (12.8%)
	Other	20 (20.4%)	120 (13.7%)	300 (20.5%)

Source: Appendix 3.1

Regarding the age groups, there are significant differences in the perception of the Madeira Islands ($p < 0.001$) as among those who perceive Madeira as cruise destination, 39.8 per cent are between sixteen and thirty years old. This percentage represents 16.7 per cent of those who consider Madeira as target land-based and 14.6 per cent of those who consider Madeira a cruise destination and land-based as seen in Figure 5.27.

There is an association between the perception of the Madeira Islands and intention to return ($p = 0.015 < 0.05$). Intention to return was higher among tourists who saw the Madeira Islands as a cruise destination; 79.6 per cent of those who saw the Madeira Islands as a cruise destination favoured a return. Among tourists who considered Madeira as a mixed destination, 74 per cent intended to return. This result may be due to the lack of differentiation of Madeira as a destination as compared with other islands.

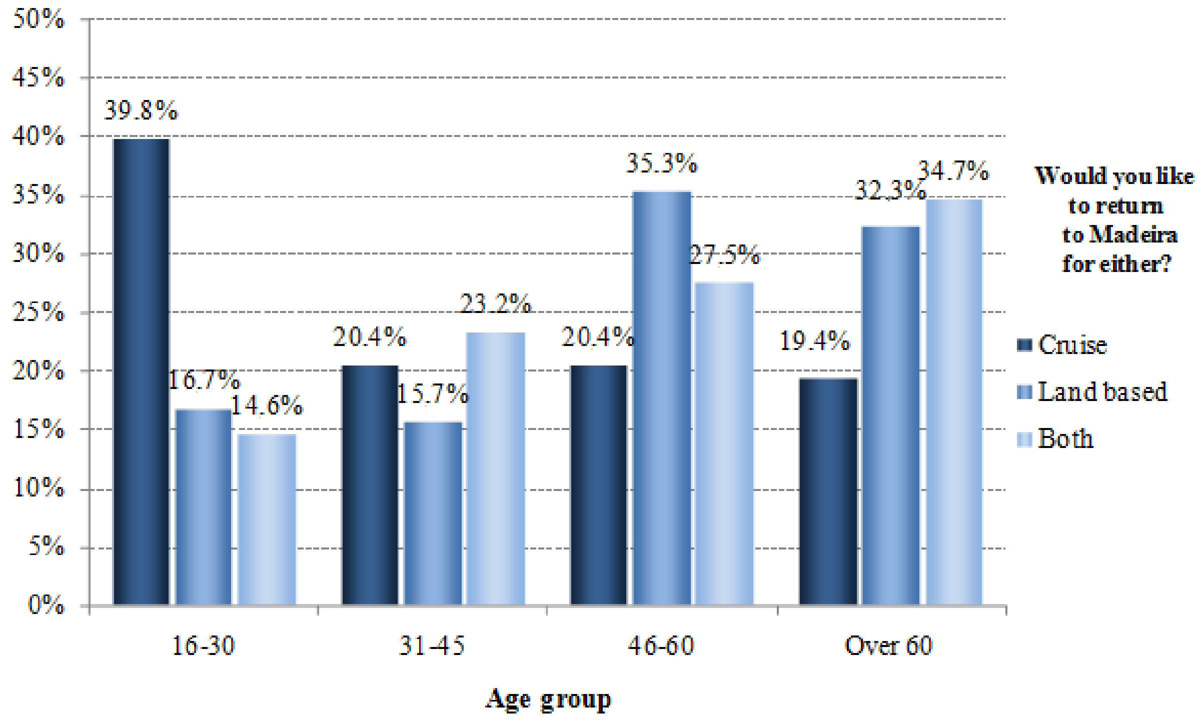


Figure 5.27: Distribution of preferences about returning to the Madeira Islands, by age group

Source: Appendix 3.1

There is a good correlation between tourists' perception of the Madeira Islands and how they intend to revisit ($p < 0.001$); 70.4 per cent of tourists who perceive Madeira as cruise destination and intend to return would do so again on a cruise. Of tourists who consider Madeira a mixed destination, 62.2 per cent would return to Madeira on a cruise and, among those who see Madeira as a land-based destination, 52.3 per cent would return on a cruise and the remaining 47.7 per cent would do in land-based mode.

5.7 Conclusion

Each stage and every situation of this analysis presented specific problems. The exploratory period of the research initially seemed to me to be like investigative journalism, when one's position is that of a stranger, but during the observations and collection of data the researcher risks losing the clarity of the work, overwhelmed by the huge quantity of assembled information. Even though a strong seasonality can be noticed in the cruising sector in Madeira, it is interesting to follow the trends and the general average of passengers visiting the island.

The percentages arising from the answers on my survey were discussed and as a general observation, the combined effect of the well-established cultural environment of the island and the well-documented facilities for tourists increased the number of those favouring a second visit. This conclusion will be pursued further in the research, emphasizing the importance of marketing strategy for such mature destinations in order to understand and to learn how visitors consider and evaluate different aspects of the destination.

CHAPTER 6: THE STAKEHOLDERS

6.1 Introduction

A governance strategy involving public, private and mixed partnerships is needed in order to develop a tourism strategy that supports regional development and sustainability. The present chapter therefore examines impacts on infrastructure and governance, comparing what is the benefit for land-based tourism centred on hotels with the benefit of cruise tourism; this makes for a cost-benefit analysis and for a study of governance effectiveness for sustainable development. In order to increase stakeholders' support and decrease their negative impact upon the economic strategy, my approach covers: a) sustainable tourism growth for Madeira and Porto Santo; b) Madeira's policy frameworks and c) an investigation of the impacts of local developments on tourists, on tourism, and on future actions related to both cruise and land-based tourism. A rise in total revenues derived from the cruise industry, along with jobs created for local economies and word-of-mouth communication, increases the importance of efforts that should be directed towards developing a better understanding of the characteristics of this type of visitor (Penco and Di Vaio, 2014). Information regarding cruise tourists' satisfaction regarding various aspects of their visit may result in a good understanding of how these factors could contribute to encouraging repeat visits or to recommending the destination to those within their social and professional networks. This information would also be valued by destination managers and policymakers.

Cruise ships bring to ports as many passengers as they profitably can, and this increases the benefits to destinations. Not only will more visitors be spending money ashore, there will also be more who will decide to return for a longer, land-based, stay as a result of their cruise visit. Fred Olsen Cruise Lines (FOCL)'s recent policy of adding more regional departures around the United Kingdom has helped the line show its product to more retailers, as it utilizes turnaround days for business visits.

A cruise company works with a range of suppliers in order to provide products or services to its ships and guests, including for fuel, food, flowers, gifts, spa services, materials and equipment, and shore excursions. They communicate frequently with these suppliers in order to ensure that their guests receive high-quality products and service. Elected officials should be informed about issues of importance regarding cruise companies and the cruise industry. Areas of focus include safety, public health, environmental responsibility, security, medical facilities, passenger protection and legislative activities.

Additionally, the cruise industry contributes towards indirect employment – that is, jobs in non-tourism sectors that nonetheless benefit from influxes of cruise passengers; these include construction, banking, retail and craft industries.

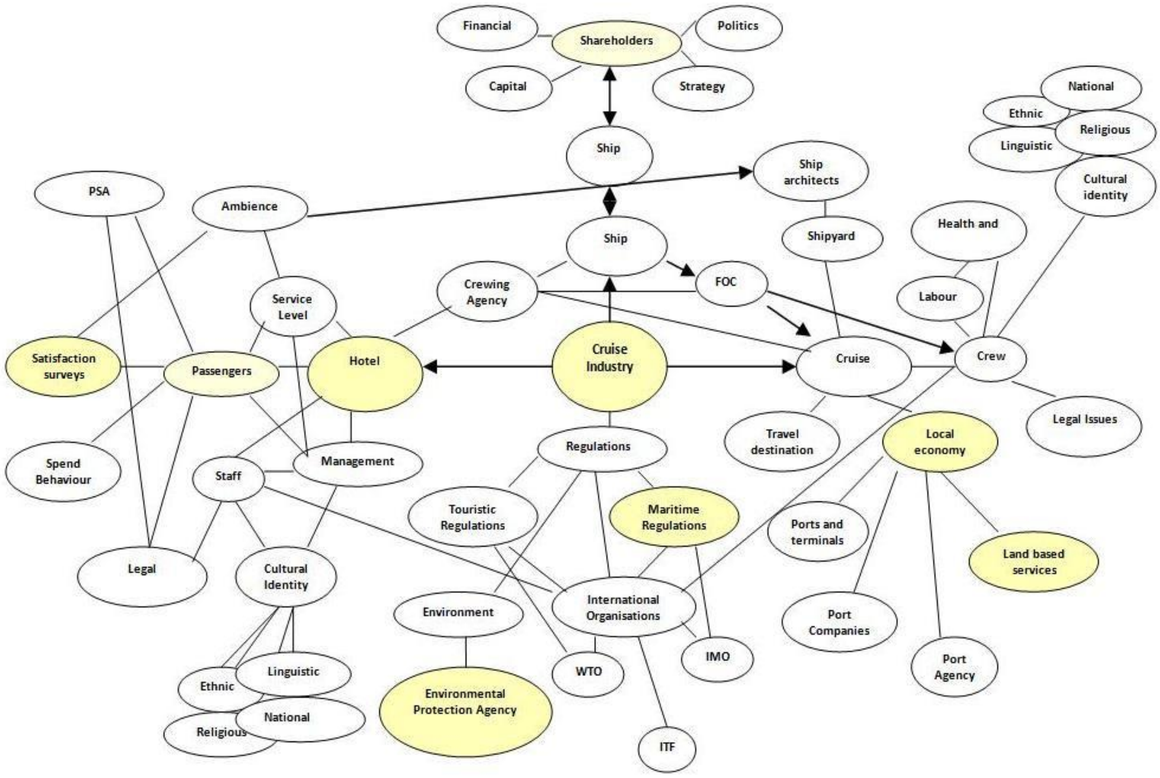


Figure 6.1: A relationship chart of stakeholders in the cruise industry

Source: The Author

The cruise industry provides jobs not only for people working for the cruise lines, but for travel and tourism industry, and for businesses in ports such as hotels, restaurants, tourist attractions, tour operators and travel guides (see Figure 6.1). One example comes from the UK Passenger Shipping Association (PSA, 2009), which estimates that in 2008 the cruise industry created 49,000 jobs in the United Kingdom.

Key stakeholders believe, as found from the Appendices 5.1 and 5.2, that Madeira is an attractive tourist offering for current and future demand, with some improvement possible in the relationship between cruise passengers and the city; these include adapting shop and museum timetables to cruise demand, requiring better treatment of tourists by improvements in languages knowledge and kindness. In short, more synergies between the different stakeholders should be developed. The economic impact of cruise lines' spending includes: goods and services in support of their operation; port entry; dockage; commissions to travel agents; financial and business services, including advertising, engineering and professional services; and cruise passengers' spending on excursions, air travel and different merchandise in Madeira. In terms of sustainable green energy, the standards for cruise ships that will be required by the Energy Efficiency Design Index (EEDI) concept are in the process of being defined. EEDI has been formulated by the International Maritime Organization Marine Environment Protection Committee (MEPC) as a measure of the carbon dioxide emission performance of ships. This is calculated on characteristics of ships as built, with parameters including ship capacity, engine power and fuel consumption.

Cruise tourism is bringing more benefits than costs, and the local community will support additional cruise development, but they would like to see as well the development of historic and cultural tourism as an addition to cruise tourism.

6.2 Sustainable tourism growth for Madeira and Porto Santo

Tourism produces impacts and both residents and tourists have different reactions aimed towards specific policymakers. The responsible bodies have their specific answers to those impacts and both tourists and residents behave and respond according to official action (see Figure 6.2). As a consequence, the possible synergy between the two types of tourism researched by this study is closely dependent on tourism policy.

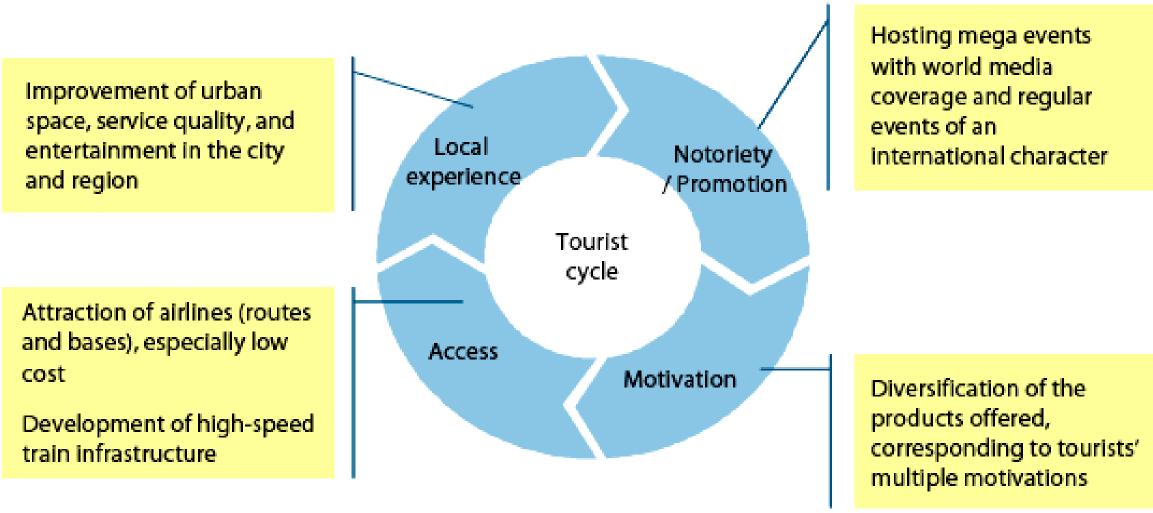


Figure 6.2: Main trends of the tourist cycle

Source: PENT, 2007-2015

It was in Portugal's National Strategic Plan for Tourism 2007 – 2015 (PENT 2007-2015) that tourism policy for the Madeira Archipelago started to be formulated, advocating measures and actions aimed at boosting Madeira's accessibility, improving the tourism product, and offering and ensuring that marketing efforts are more effective. Tourism policy for the Madeira Archipelago started to be detailed and defined in four major development directions: a) as growth in value of the island of Madeira and premium positioning of the smallest island, Porto Santo; b) as Atlantic islands with tropical characteristics and tremendous diversity; c) as prestige locations for short- and medium-length stays throughout the year; d) as increased attractiveness through the offering of new quality products.

Ten strategic products were identified: Sun and Beach, Touring, City Break, Meetings and Congresses, Nature Tourism, Golf, Nautical Tourism and Cultural and Landscape, Residential Tourism and Integrated Resorts, Health and Wellness, and Gastronomy and Wines, as may be seen in Figure 6.3.

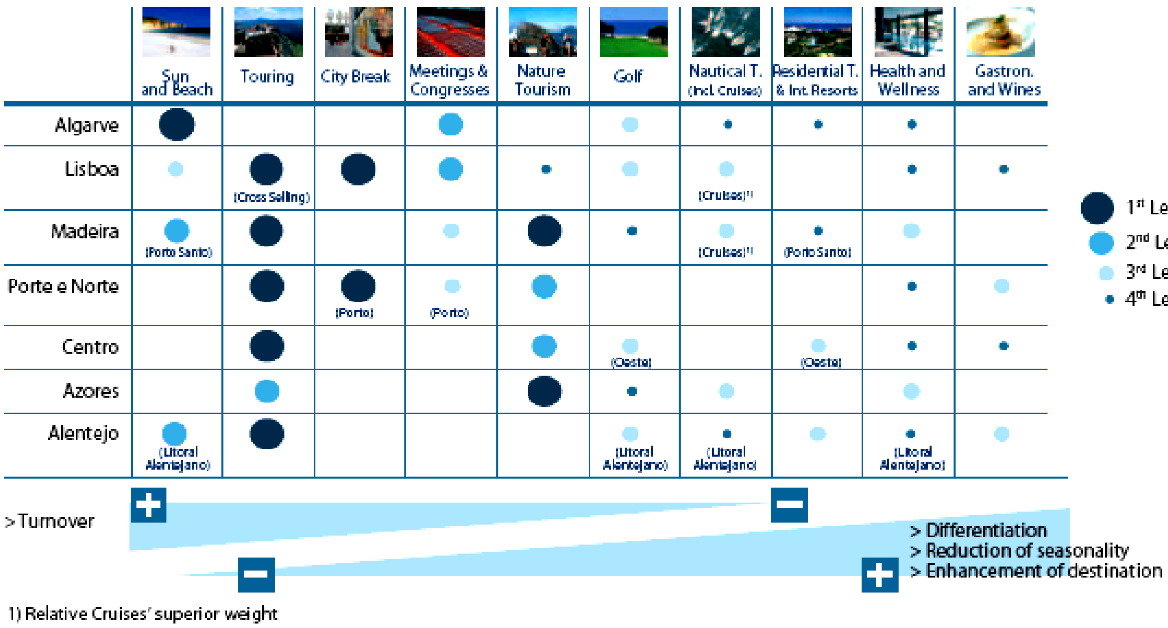


Figure 6.3: The contribution of various products to each region

Source: PENT, 2007-2015

Each region is intended to have a development concept resulting from its specific distinctive factors and the value proposal for Destination Portugal. The priority intervention for Madeira is in developing Touring, Nature Tourism, followed by Meetings and Congresses, and Health and Wellness products. As Madeira is a reference destination for cruises in Europe, it and Porto Santo are given multiple input objectives. As seen in Figure 6.4, Porto Santo has the premium position par excellence in future developments, Madeira keeping the prestige location for short and medium stay throughout the year.

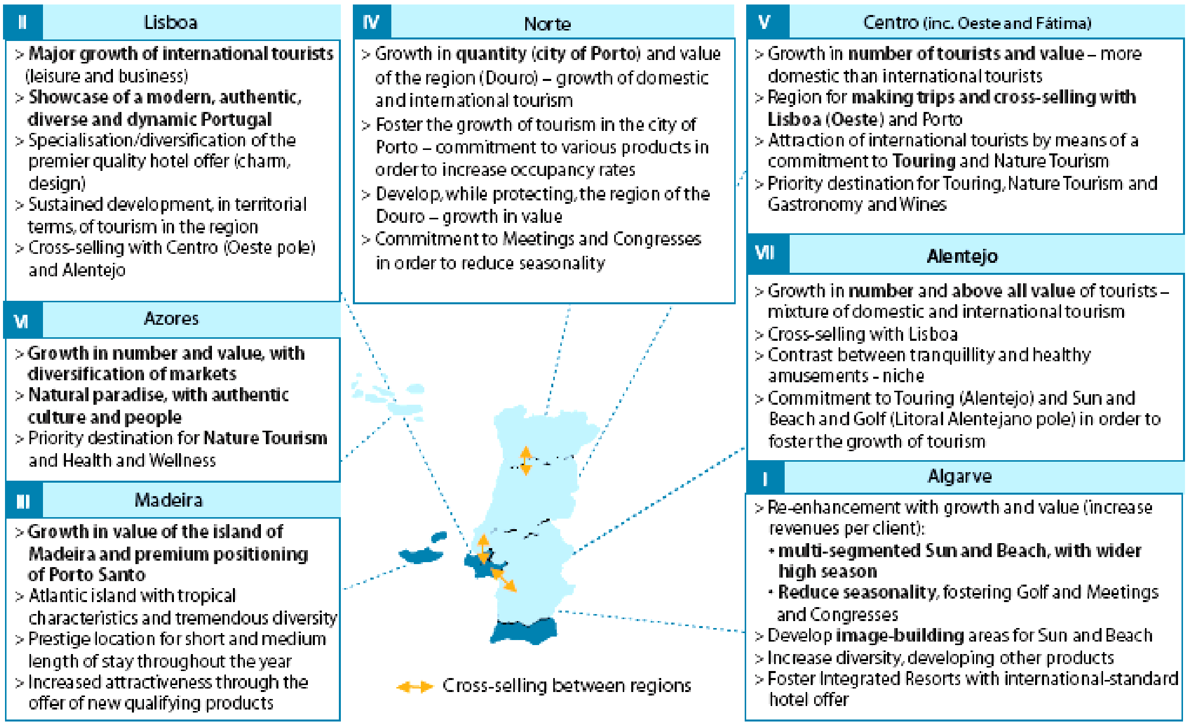


Figure 6.4: Objectives by region

Source: PENT, 2007-2015

The differentiating elements between the regions that were taken into considerations are: a) climate and light; b) history, culture and tradition; c) hospitality; and d) concentrated diversity. The qualifying elements for the regions were: a) modern authenticity; b) safety; and c) an excellent price/quality relationship.

Madeira is a mature destination with international recognition. Growth will be based on the enhancement of the island of Madeira and the development of Porto Santo, rather than on the promotion of mass-market tourism to this destination. While the main goal of the policy document in 2007 was to re-invigorate the tourism industry, the overarching goal of the Government's tourism policy in 2015 is to ensure that tourism remains a driver for sustainable development. For this to happen, the tourism industry needs to continue to adapt and be responsive to the changing nature of the industry. The net effect of these changes, when compared with the situation in 2010, is that Madeira's tourism industry today is more diversified, less seasonal and less dependent on tour operator business, and consequently much stronger today than it was five years ago.

There are many studies on how to develop appropriate infrastructure. Why is infrastructure investment vital to sustainable tourism? According to the World Tourism Council, 'infrastructure is the single most important key to tourism growth and performance. Tourists use a tiny fraction of their overall visitor spending at the actual heritage site in most destinations; main tourism spending goes towards transport and travel, accommodation, food and drink, and retail and leisure (WTC, 2006). The normal job of heritage managers does not include an understanding of the tourism market, and yet they need to develop products, services and partnerships to gain the most economic benefit from visitors. Destination development should be undertaken with an awareness of the commercial realities, and how the spending from tourists can be sustainably encouraged to benefit the local community. The tourism industry now faces a new set of challenges requiring novel solutions that need to be implemented whilst heeding the lessons learnt and the achievements made over the past five years.

6.3 Madeira's policy frameworks

This tourism policy exists within the country's overall economic, environmental, and social, strategic framework. The National Reform Programme defines the economic and social objectives whilst the National Environment Policy defines environmental objectives. There are other policies that have influenced, will influence, or will be influenced by, this tourism policy. These include, amongst others, the Strategic Plan for Environment and Development, the Climate Change Strategy, the measures outlined in the National Environment Policy, and the Creative Economy Strategy.

There are eleven Regional Tourism Bodies in Portugal. These are public-law corporate bodies with a specific territorial scope that act as destination management organizations with financial and administrative autonomy. Two Regional Directorates for Tourism also exist in the autonomous regions of Madeira and the Azores. Recently approved legislation relevant to the tourism sector has set out a legal framework for the installation and use of tourism infrastructure such as hotels. Criteria were also established for energy efficiency, sustainable water usage, enabling access for people with reduced mobility, environmental certification, green areas, social tourism, and the creation of the National Tourism Registry (OECD, 2012).

PENT 2007-2015, as seen in Figure 6.5, acts as the supporting framework for the sustained growth of tourism in Portugal and defines a stable path of action involving all parties, with clear targets and objectives. The total budget of the national tourist authority in 2010 was €320.3 million, of which 43 per cent came from the gambling tax and a further 23 per cent from EU Structural Funds (OECD, 2012).

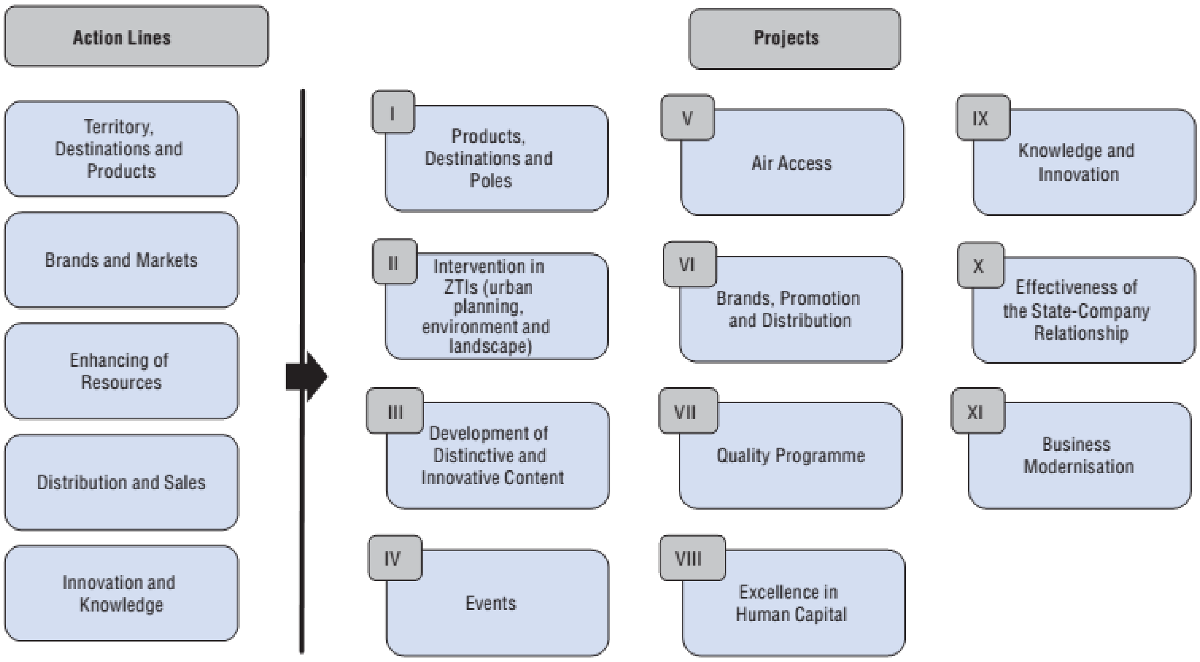


Figure 6.5: Portugal's national strategic action plan for tourism

Source: OECD, adapted from Ministry of Economy and Employment, 2012

The characteristics and infrastructures of each region were reflected in their distinctive group of products from those ten mentioned and can be seen in Figure 6.5, with an emphasis on strengthened air access to the main outbound cities in order to reduce the gaps in direct connections. In this context and specifically in respect of tourism activities, the Interim Evaluation of the Operational Programme for Valorisation of the Economic Potential and Territorial Cohesion of the Autonomous Region of Madeira (Medina, 2012) published the essential guidelines seen in Table 6.1 with the policy responses to tourism activities.

Table 6.1: Essential guidelines and policies responses to tourism

Essential guidelines	Policies responses
Diversification of the tourism offered by including inter-regional destinations and insufficiently explored facilities and identifying new demand market segments.	Ensuring that tourism remains mainstream in the Government agenda, and is taken into account in all major policy formulation exercises.
Focusing on public and private activities. Sharing the tourism offer, aiming to reduce (relatively speaking) the excessive concentration on Funchal and ensuring balanced regional conditions.	To keep the economic situation in the source markets under constant review, by drawing on the experience of local tourism stakeholders.

of development of economic and social potential	
Attracting younger holidaymakers. Putting value on nature and diversity by favouring the two previous guidelines (diversification and younger segment), thus ensuring the proper economic and social use of regional resources.	Keeping abreast of the technological developments that could impact the tourism performance and helping local businesses to remain competitive.

Source: Medina, 2012

However, in terms of objectives, tourism policy is formulated in phases through a consultative approach involving all stakeholders; it must be considered that ‘as an area of government policy, tourism can to be subject to high level of change within a ministry and can sit alongside, or within, a range of different portfolios’ (WTTC, 2015).

The quality of the environment, both natural and man-made, is essential to safeguard sustainable tourism and to maintain the attractiveness of Madeira and of particular importance considering that a destination’s competitiveness is increasingly dependent on the quality of its environment.

Table 6.2: The objectives of the tourism policy

Economic Goals	Sustain existing jobs and create more sustainable all-year-round jobs. Sustain maritime and air links between Madeira and other countries. Remain a fair, robust and widespread economic activity. Increase foreign income and value-added into the economy. Provide a fair return on investment to private investment. Contribute to public finances. Deliver economic growth in Porto Santo.
Environmental Goals	Ensure that tourism and the environment not only coexist but actually complement each other and contribute to each other’s well-being. Give added value to the built and natural heritage, thereby ensuring their protection. Achieve a better quality of life in urban areas (including through improving aesthetics), as this has a major influence on the quality of the tourist experience. Minimize resource use and contribute to a low-carbon, eco-

	efficient and resource-efficient economy.
Social goals	Have a trained and multi-tasked workforce that contributes to and enjoys a fair return from sustainable economic activity. Provide a forum for the exchange and sharing of ideas and cultural attitudes; this remains an essential ingredient for future economic growth and social development. Protect and conserve local craft and traditions and enhance the intangible cultural sector of Madeira. Manage tourism growth and change within the limits of what is socially tolerated and acceptable.

Source: Medina, 2012

Tourism's relationship with the environment is rather sensitive, as the industry itself runs the risk of having a number of activities that lead to adverse environmental effects. The environmental goals set so far are seen in Table 6.2. Tourism was, and remains a main driver of social change in the Madeira's Archipelago. It connects Madeira to other countries and reduces insularity. Tourism should continue to be a bridge, whilst also ensuring that the defining characteristics of Madeira are not lost. An additional list of social goals includes the ones to be seen in Table 6.2.

6.4 Cost benefits

Tourism is essentially about quantity within a quality structure and framework; thus, tourism is a numbers game. The number of rooms (27,949 according to DRAM, 2005); the port facilities; the airlines that operate to Madeira; the thousands of restaurants, retail outlets and business enterprises that rely mainly on the tourist trade; and the thousands of people who are engaged in this sector or are dependent on tourism activity – these factors and players all demand that current tourism numbers be maintained, if not somewhat increased. There is little room or scope for increasing land-based tourism during the summer months. However, as far as hotel occupancy levels and airline seat-load factors are concerned, there is still room for improvement during the winter and shoulder months when cruise tourists are present.

The seasonality of demand for Madeira, expressed in percentages of overnight bed occupancy, is seen in Figure 6.6. The peak of 73 per cent is for the nature-and-tourism core product.

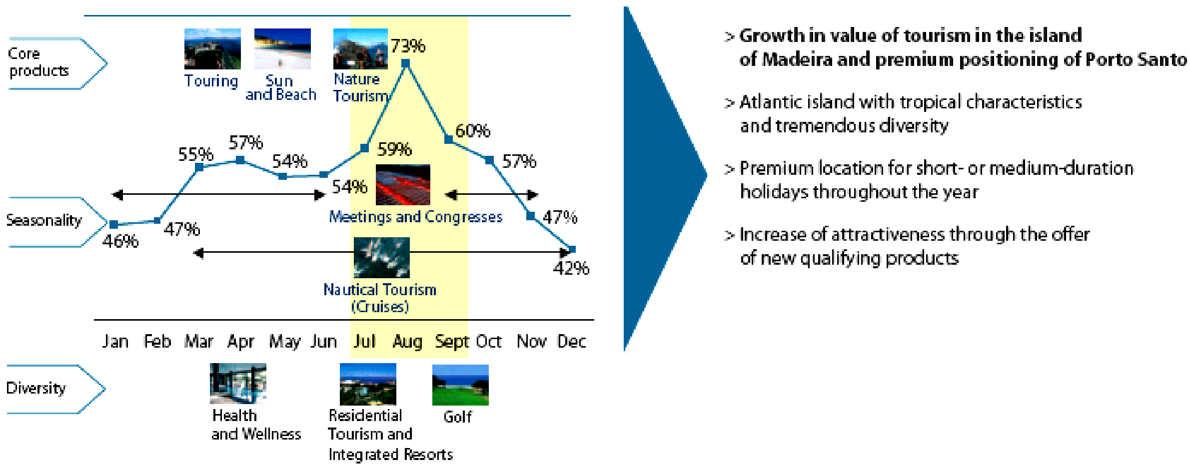
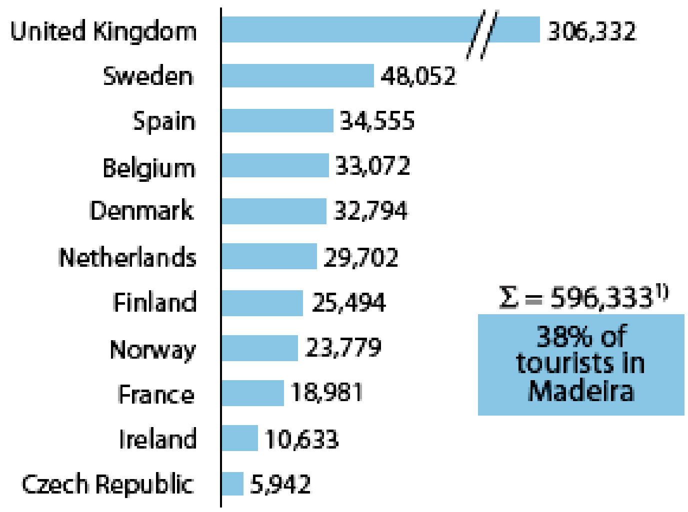


Figure 6.6: The seasonality of demand for Madeira

Source: INE – Roland Berger analysis, 2005

International fairs and trade shows, in which both public and private entities feel compelled to participate, should not be considered an almost useless or unprofitable expense; it may be possible to achieve the dream of many, if not all, of the players in the tourist business by complementing the arrivals and departures of cruises by additional stays on land, whether or not in traditional hotels. That would generate revenues for air carriers, airports, transfer operators, and rent-a-car firms by overnight stays, catering, outdoor and fun activities. In the multiple-business areas linked to tourism in a destination such as Madeira, such possibilities are many, which thus increase not only the destination's potential, but also its revenues. In this respect and with this goal in mind ,the example of one of the most mature and renowned tourist destinations, the Hawai'i Islands, can be followed, and a 'Brand Management Plan' must be considered that reinforces the uniqueness of Madeira's natural beauty, its cultural value and its residents' hospitality.

It should be noted that, for land-based tourists, access to Madeira is currently fairly dependent on charter connections.



Figures 6.7: Passengers arriving on charter flights from various European countries

Source: PENT, 2007-2015

The total number of passengers arriving on charter flights in Funchal represents 38 per cent of tourists in Madeira, as seen in Figure 6.7; the total number includes outbound markets with more than five thousand passengers per year. In 2005, charter flights were an important part of air traffic, with arrivals of around 300,000 British citizens, 48,000 Swedish citizens, and 34,500 Spanish citizens.

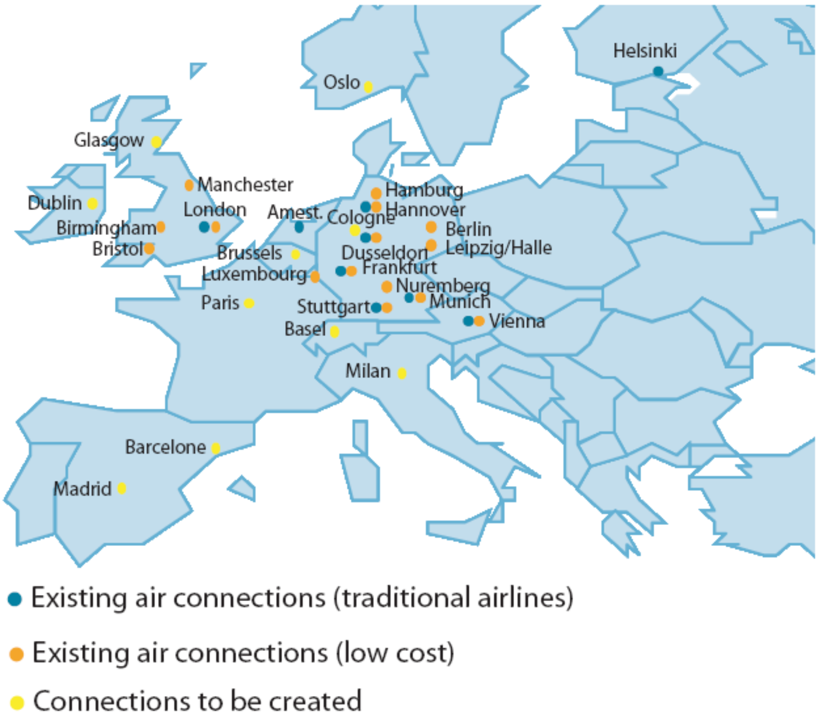


Figure 6.8: Flight connections to Madeira

Source: PENT, 2007-2015

Strengthening air access to Funchal airport could be done by capturing ten new routes and expanding ten pre-existing routes of those shown in Figure 6.8; it would also be necessary to create two new regular connections to the Azores (PENT, 2007-2015). Revenues, defined as total income from hotels and similar establishments, should grow at an annual average rate of 7.5 per cent. The prediction diagram is given in Figure 6.9 (PENT, 2007-2015).

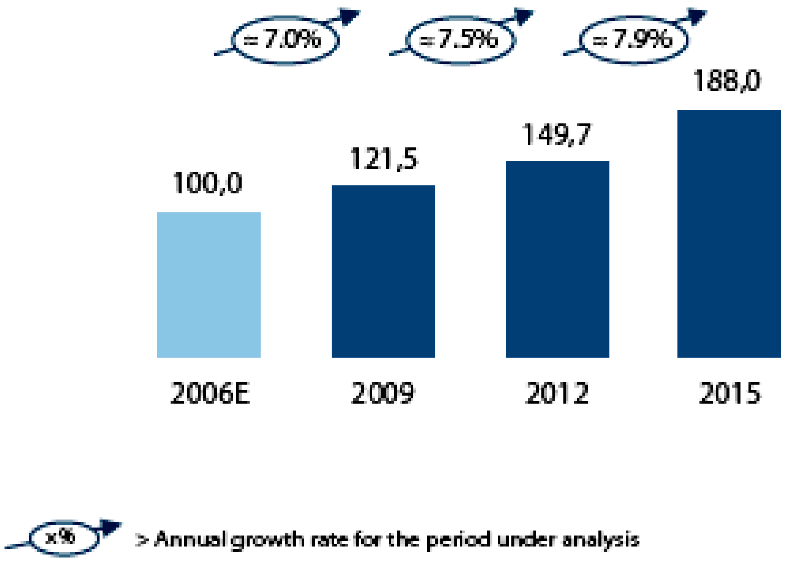


Figure 6.9: Tourism revenue growth in Madeira between 2007 and 2015 (expected)

Source: DRAM, 2012

While consolidating business in the summer, more growth may still be pushed on to the winter and shoulder months. Schemes such as the joint marketing scheme, the public festivities programme and the public sector conference incentive scheme, which proved effective in generating winter traffic and which contributed to the increase in winter business, should continue to be implemented.

One may adapt marketing efforts to encourage increased frequencies in routes that are underserved by identifying source markets that have the highest potential for delivering business in winter, by developing the right product mix for these source markets, and then by working with airlines to ensure all-year round accessibility at favourable prices to these source markets. One should continue efforts to maintain seat capacities with the aim of further increased accessibility to Madeira. One should also continue the initiatives that complement those of airlines, tour operators and other tourism operators in order to increase load factors.

Cruise tourism

Increased competition, coupled with the projected growth of cruise business in the Atlantic, point to continued improved performance in this sector. Cruise passengers are proving to be a good source of business for the islands. For 2014 and 2015 the statistical data provided by the port authority register an increase of 8 per cent for cruise ships, or 102,537 more passengers, when compared to the previous year – these latter being the figures calculated from the data in Table 6.3 and Table 6.4.

Table 6.3: Cruise ships and transit of passengers in Funchal Port in 2014

Month	Cruise Vessels	Passengers			
		Boarding	Landing	Transit	Total
January	33	152	174	57 513	57 839
February	25	37	42	44 403	44 484
March	33	234	213	57 199	57 646
April	40	193	151	56 113	56 457
May	11	41	43	17 851	17 935
June	4	15	19	7 290	7 324
July	3	10	15	7 398	7 423
August	5	5	10	6 690	6 705
September	8	7	12	13 932	13 951
October	34	209	234	62 526	62 969
November	37	561	692	61 047	62 300
December	50	197	155	80 570	80 922
TOTAL	283	1 661	1 760	472 534	475 955

Source: APRAM, 2015

The cruise-liner business in 2015 registered a record number of 308 cruise ships and 578,492 passengers coming to Funchal Port, as seen in Table 6.4.

Table 6.4: Cruise ships and transit of passengers in Funchal Port in 2015

Month	Cruise Vessels	Passengers			
		Boarding	Landing	Transit	Total
January	28	99	91		24
February	26	102	115		19
March	35	151	185		35
April	48	290	253		40
May	10	32	25		22
June	7	23	37		5
July	4	10	14		1
August	7	23	30		7
September	18	145	241		8
October	27	333	347		35
November	52	406	435		38
December	46	200	131		36
TOTAL	308	1 814	1 904	574 774	578 492

Source: APRAM, 2016

The new cruise terminal in Funchal Port was finished in May 2010, after two years of construction, at a cost of approximately €300 million. The flow of the two rivers either side of Funchal city was widened and redirected, a new constructed pier for liners is now in front of the Cathedral, the capacity of the harbour has been extended to five cruise liners, and there is a new beach area and an extension to the yacht marina.

Policy responses comprise:

- Promoting Madeira amongst cruise passengers as a land-based tourism destination.
- Promoting home port opportunities on a new cruise web page on the Madeira portal, highlighting Madeira's advantages, namely: its status as a crossover point for cruise ships to and out Europe; the short driving distance between Madeira International Airport and the Cruise Terminal; the competitive accommodation offerings; the multilingual skills of local residents; the short distances between local sites of entertainment and of historical and cultural interest; and the short distance to the sister island of Porto Santo.
- Promoting the Madeira Archipelago's strategic position in the Atlantic, creating realistic opportunities for cruise liners to offer more western and southern itineraries.
- Showcasing the Madeira Archipelago as an ideal destination for cruise companies looking for a unique Atlantic stopping point as a part of their itinerary.
- Establishing initiatives to be undertaken over the coming years to transfer cruise passengers to a larger number of tourist sites, where they can discover towns and villages and enjoy the unique and rural sights and characteristics of these localities.

6.5 Conclusion

In terms of Butler's TALC cycle, Madeira is a mature destination (Almeida and Correia, 2010) that capitalizes on its international recognition. Instead of promoting mass-market tourism to the destination, growth will be based (PENT 2007-2015) on developing Porto Santo island and on enhancement of the island of Madeira. Community support for tourism as a collective objective may be increased by raising the awareness of the local community that tourism is an activity combining job creation, sustainable economic benefits and a general well-being for all local stakeholders. Local government and public and private organizations should realize and work together to educate and incentivize the community as the essential and necessary element for a successful implementation of all strategic plans. In order to achieve this harmonious development, local authorities, as well as industry, must undergo constant efforts to listen and respond to the community's needs and to its aspirations for development. The ways in which a destination may enhance its offerings to appeal to a selected type of tourist is what defines destination governance. Research on tourist destinations looking at the norms and mechanisms, and consequently the conditions, that explain why in tourist communities the events do or do not happen suggests models helpful for effective management and planning. Tourists may be considered satisfied if they have an adequate return on the expectations of their holiday and on what they spent in terms of money and effort. Moreover, beyond ensuring the growth of the cruise tourism in Madeira, an equally beneficial and even more important objective is the fact that, through the cruise industry's contribution, the overall tourism season has been extended during the low season by the cruise passengers who visit Madeira. This not only helps the land-based tourism industry but also opens many business opportunities and maintains the running operations of various adjacent existing businesses in the tourism sector of the island. The benefits of this visibility that, during the regular land-based tourism low season, is brought by the cruise industry are inescapable for the governance strategies of the local Government and especially to the Madeira Port and Tourism Authorities; this is reinforced by the Madeira Promotion Bureau (Associação de Promoção Madeira). The perception of an element of threat to land-based tourism from the cruise industry was observed in various other destinations seen in selected case studies presented in the literature review. This research may shed some light on the synergies that may be created through a strategic development of investments in both areas. Although cruise lines provide an important economic stimulus to many destinations, the research in this field is still rather limited. In particular, the impact can be important for ports and destinations, thanks to relevant economic multiplier effects.

CHAPTER 7: DISCUSSION: SYNERGY BETWEEN CRUISE AND LAND-BASED TOURISM IN THE CASE OF MADEIRA

7.1 Introduction

The core of the thesis is based on the author's educated assumption that Madeira, through its unique geographical position, its natural beauty and the traditional hospitality of its population, may demonstrate that a synergy between cruise-industry tourism and land-based tourism is not only possible but entirely plausible. For any island there are essential logistic and strategic links with the world through airports and ports. Since a port was seen as an essential service, its sanctity was well guarded from the land. Destinations that seek to build a sustainable cruise sector need to recognize and appreciate the importance of cruises. Development of a cruise culture requires a high degree of proactive stakeholder support spearheaded by strong leadership and the cooperation of three major constituencies: (a) the tourism sector as a whole; (b) the private (business) sector; and (c) the community itself (the residents).

The study discovered that the Madeira Archipelago stands as an exception to this generalization, partly on the ground that, for historical reasons, it had introduced quite early measures connecting land-based activities with maritime ones.

7.2 General approach of other case studies and interrogation with the research case study

Whatever the approach used by the case studies presented in the literature review, length of stay and the overall experience in terms of culture and attractions provided in the destination were the main factors that positively influenced cruise tourists' perceptions and their intention to repeat their visit to the same destination, either on a cruise or as land-based tourists. Taking into account these issues, what are the motivations for destination managers and policymakers to support cruise tourism? According to interviews directed at destination managers and marketers of several cruise destinations as a preliminary stage of the present research, the support for cruise activity is based on the assumption that cruise visitors to Madeira, once they know the island, feel safe and experience the many attractions of Funchal city, will return to the destination as land tourists. In this case, the destination will recover from the low expenditure they make as cruise tourists. Thus, the aim of this work was to test the hypothesis stated by destination managers and policymakers that cruise visitors, if satisfied with a cruise destination, are willing to return as land tourists and hence will contribute to the wealth of the local population.

When proper and strong governance strategies are developed and implemented, they may lead efficiently to a collaboration between the two forms of tourism to generate a synergistic reaction with durable effects for a sustained economy – even for a vulnerable economy like that of an island such as Madeira in our case study. Returning to the question of the potential synergy between land-based tourism and the cruise industry, it is clear that long before the generalized economic crises the government of the Autonomous Region of Madeira had established very advanced policies in an attempt to enhance protective measures for the island's tourism industry. Essentially, the study fills a gap in the literature by providing a good example of how island governance treated the promotion and introduction of a cruise culture. For 4 per cent of the sample tourists, the Madeira Islands are a destination just for cruising and for 36 per cent it is a land-based destination, though most tourists consider that Madeira can be a target for both types of tourist.

7.3 Conclusion

The thesis has discussed key synergetic areas of the findings and has highlighted different other case studies that could help understand the remaining problems and gaps. In this context, it should be noted that the work suggests, based on the responses from the case study and the statistical reports from the official documents, that there is a fine synergy between the main tourist categories, namely cruise tourists and land-based ones. Overall, we can only optimistically conclude that, when favourable conditions are satisfied and hospitality is offered, good markets talk to each other and positively influence each other. And, as progress is amplified, the more people will spend their holidays in Madeira, either coming by ocean cruise or residing in land-based facilities, the more they will tell others, and numbers of tourists will grow.

CHAPTER 8: CONCLUSION

8.1 Introduction

The case study sought to investigate the following sub-questions of the primary research: i) contributory factors to cruise and land-based tourism in Madeira; ii) the impact on cruise passengers in terms of visitor satisfaction and willingness to return as a sojourn tourist; and iii) the engagement of stakeholders. The Research Question focused on these issues by looking into cruise and land-based tourism in the case of the Madeira Archipelago.

Cumulative conclusions and a governance strategy for implementing a tourism strategy that supports regional development and ensures best practice are being followed to reinforce the excellence of the destination and its economic sustainability. The findings that emerged from the research were defined by the researcher's approach, by the case study conducted on 2012 and 2014, and by the key policy responses.

The approach

The process of governance for a destination requires constant political agreement, continuous learning to master the skills and gaps through education and training, and a business model with high tolerance for error, while the target is an integration of interests and an alignment of goals. The ways in which the destination can enhance its offerings in order to appeal to selected types of tourist is what defines destination governance. Research on a tourist destination looking at the norms and mechanisms and consequently the conditions that explain why in tourist communities events happen or not, will suggest models that are helpful for effective management and planning. The statistical data from the Funchal Port Authority and the Tourism Office are of paramount importance for the research study in considering the contributory factors to the increase in cruise tourism in Madeira and for the tourism strategies of the Autonomous Region of Madeira in terms of marketing and value chain management. Secondary data collections were used for information on Madeira's GDP, income in hotel establishments and employment rate, and on the indirect and induced impacts of the cruise industry in Europe and worldwide.

The case study

Research on a possible synergy highlights a high level of interdependence among the plurality of actors, how single players at a destination are not self-sufficient, and, in order to survive, the destination should base its success on its inter-organizational relationships, its attractions and its own critical factors, while it must be comprehensively governed and coordinated through new form of collaboration.

During the observation and the collection of data, the researcher risks losing a clear purpose because of the huge quantity of accumulating information. Even though a strong seasonality can be noticed in the cruising sector in Madeira, it is interesting to follow the trends and the general average of passengers visiting the island. The percentages from the questions of my survey were discussed, and as a general observation, the combined effect of the well-established cultural environment of the island and the extensive documentation prepared for tourists were shown to increase the number of those in favour of a second visit. The available statistical data were consistent with this. In considering the second objective, the effect of cruise tourism on land-based tourism was explored in connection with future actions related to both forms of tourism and this was done by identifying the relationship between passengers' answers and the local support for a development tourism policy. The responsible bodies gave their specific answers to those impacts and both tourists and residents behaved and responded according to official action. As a consequence, the possible synergy between the two types of tourism researched by the study is closely dependent on tourism policy.

The key policy responses

Cumulative conclusions and a governance strategy in order to implement a tourism strategy that supports regional development and ensures best practice are being followed to preserve the sustainability and excellence of the destination. The uniqueness of the Madeira Archipelago due to its geographical position and it natural resources will not today be able to replicate its former success as a pit stop before crossing the Atlantic unless modern circumstances are taken into consideration. Madeira's present status as a destination for cruise ships can be used to make it a premium destination for land-based tourism by effectively supporting innovation, competitiveness and growth in tourism. This will require all legitimate stakeholders actively to work together and their capacity to undertake decisions and to commit to their roles.

Furthermore, the correspondence between land-based tourists checked into rooms in hotels in August, which sees the peak return value for room revenue, and the entries of vessels and passengers from cruise lines, which have their peak months in November and December confirms the fine synergy between the two categories of tourists.

8.2 The development of a successful tourism culture

The successful creation of a tourism culture depends on the support of the tourism industry as a whole. One way to see evidence of this recognition is to include in the charters governing tourism organizations a statement outlining each organization's understanding of the importance of the tourism industry. It is in this context that the author concludes that an overall, long-term tourism destination strategy is required, one which incorporates effective and appropriate marketing and promotion; this includes ever-present social media as, wherever the tourists will be, social media will be used to find out the best spots, to organize their itinerary and mostly to share their experiences with their network and friends. In terms of temporality, social media fluctuate in utility from place to place in tourists' journeys and can provide inspiration for them to learn more about their immediate venue or destination whether a local hike that they have discovered, or a local wine-producer whom they have encountered. Because visitors are no longer people who arrive one day and disappear after two weeks, destination marketing organizations could build a relationship with tourists before their arrival and benefit from their social-media interactions long after the visitors' departure. A small campaign supporting the tourists in their quest about where to stay, best local spots, and how to use local public transport, will give the destination a role in offering guidance about its different parts and regions. The arrival port or airport is the place from where tourists will post an update on their social media – a perfect place then to surprise them with good offers and advice. A Twitter dashboard with links to all the visitor centres and different centres can direct new questions at then and assign Tweets particularly to them. Other approaches to be planned concerns visitors with negative views; which critical view should be answered, and when. This should develop into more training and a formal plan about how to deal with negatively minded tourists. An early response may mute negative experiences, meaning they will have a smaller impact on social media. Finally, considering the social media impact, policy stakeholders should listen and evaluate everything posted having their destination as its subject in order better to understand what visitors think of their destination overall. If hiking, wine, costal wildlife and natural park reservations are the highest-preference attractions for the British tourists, which ones interest that specific sub-group of tourists most? Gathering insights from millions of social media data sources can be done with a specialized analytic application that collects from YouTube comments, from blogs, from Twitter, and from other online sources. This is the kind of information that can be used to develop more effective campaign advertising with the best attractions highlighted on commercial television and on printed posters.

Crisis planning in the tourism context refers to the planning and processes that will control the management of the bad effects of crises and disasters - relevant mostly when there are upsetting political changes, natural disasters or epidemics. Planning helps to minimize the impact of such crises on the tourism industry as a whole, and not only the cruise industry or sojourn tourism. The effects of a crisis and the inherent business risks could affect not only the health and safety of the tourists and employees but also the public's and visitors' confidence, as well as financial position. Quantifying the potential risk events in terms of likelihood of occurrence and what are the influences that they could have on tourism as a whole, makes it possible to decide the strategy to follow in addressing a specific crisis and so to minimize its effects; one has to assess the crisis and the response and so develop the right risk control strategy. The process is based on two major activities, namely communication and consultation, and monitoring and reviewing; for this there are five major types of proceeding: the context, the risks, analysis of the risks, evaluation of the risks; and their treatment. The tourism industry is a most susceptible and vulnerable industry, with recent events having big impacts, whether an act of terrorism or a natural cataclysm. It is worth mentioning here (and praising) the adequate responses of both local government and the local community during the two major crises: (a) the floods in February 2010; and (b) the forest fires that affected Madeira in August 2016. Prompt actions and the civic responsibility and efforts of the authorities, strongly supported by the inhabitants, limited the losses and helped greatly to minimize the time needed for recovery.

Research and policy, innovation in tourism, long-term tourism development, and environmental, social and governance policies all represent large-scale tools focussed on issues impacting the travel and tourism industry.

Three strategic priorities emerge: freedom of travel, policies and growth, and tourism for tomorrow, according to the World Travel and Tourism Council, are centred on taxes, trade and investment, the impact of visa facilitation, human capital, trade and investment, and connective global climate action. However, when considering the growth of tourism, the competitiveness of the tourism sector needs also to be considered. Long-term tourism and cruise strategy need to be documented in a tourism manual and managed, implemented and continuously improved upon by a coordinating committee. It is the author's contention that only by managing all known and potential risks and promoting and building upon the destination's strengths can destinations such as the Madeira Archipelago continue to evolve into competitive and sustainable tourism destinations.

8.3 The original contribution of the research

A diversity of factors, amongst which I can mention my long-held interest in the sustainable development of coastal areas, the value that I place on good governance and the responsible stewardship of resources and my personal experience and knowledge, have influenced my selection of the research study topic. The study makes an original contribution to the field in that, until this one was done, no examination of Madeira in relation to the global cruise ship industry has ever been carried out in a systematic way and no in-depth analyses existed that brought together the tourist, shipping, financial and social impacts on the island. Further, the researcher was uniquely placed to gain access to key policymakers and to information that enabled an in-depth analysis of the experience of Madeira within this context. I serve at present as a Business Development Director for Madeira Corporate Services S.A., a management company with an excellent, more-than-twenty-year, record in the International Business Centre of Madeira.

The potential synergy between the cruise sector and land-based tourism could be found as one of the discussion topics in just a few studies, as seen in Chapter 2 (in Catalonia, Malta, Costa Rica, New Zealand, the Cayman Islands, and Hawai'i), though none mentions it as a research question or a subsequent question. It is this gap that my research study aims to address, providing a case for change in the way in which the industry is seen. I advocate a situation where the potential for collaboration and working in synergy between the destination and the cruise industry can work to the advantage of both, resulting in a positive long-term legacy.

Looking closely and carefully in order to learn more about the synergy between cruising and land-based tourism, and considering that the mainstream consensus is that the cruise industry damages the local hotel industry, the research study analyses (among other factors) the following, with the final objective of a conclusive discussion that may elucidate the interconnectedness and interdependence between them:

(a) Visitor satisfaction, which is an essential metric since cruise passenger visitors are destination ambassadors;

(b) Synergy or competition, by examining management of the value chain (Autonomous Region of Madeira Strategies) and the strategic management of hospitality (Autonomous Region of Madeira Strategies);

> Funchal Port is acting as a Western Atlantic entrance gate for Europe via Southampton and Lisbon and an Eastern Atlantic gate for departing vessels from Europe to the United States and to North and Central America. In 2012, the port of Funchal received almost 600,000 visitors from 336 cruise vessels' calls, as was shown in Table 4.2 (APRAM, 2013).

(c) Socio-cultural considerations;

> Even if diversified academic or governmental research for Madeira has not yet been made, we can say that the maturity of its land-based tourism maturity is a constant

challenge for the promotion of the destination as necessary for the sustainable growth of the regional GDP. The renewal and diversification of its tourism products has been emphasized in the Madeira Tourism Master Plan and the synergy between the two sectors must become an evident objective.

(d) Percentage of cruise visitors estimated to revisit as land-based tourists;

As Madeira's natural environment is its strongest asset in attracting tourists; willingness to return and awareness of the natural attractions of the island vary according to tourists' demographic characteristics, which are reflected in the value that they place upon being a tourist in Madeira. I used those perspectives as guidelines for my case study. In considering these issues, I looked at gender, age, education and nationality as socio-demographic variables and, as characteristics of the trip (Oliveira and Pereira, 2008), length of stay and number of previous stays. The Hawaiian archipelago offered a very interesting case study of variations according to specific island; the level of benefit and the percentages of cruise visitors and of traditional land-based tourists differed from island to island. The great relevance of the Hawai'i case study for the present thesis is the fact that it assumed that 67 per cent of cruise passengers would revisit the islands as land-based tourists.

This thesis has discussed key synergetic areas of its findings and has highlighted other different case studies that could help understand the remaining problems and gaps. In this context, it should be noted that the study suggests, as based on the responses from the case study and on the statistical reports in the official documents, that there is a fine synergy between the two main tourist categories. My research study, which uses Madeira as the exemplar demonstrating a synergy between the two types of tourism may have particular relevance and, in a wider context, may apply to other island destinations, such as Hawai'i in the United States and Hainan Island in China.

8.4 The limitations of the research

Although every effort was made to ensure that this study was carefully and diligently researched and prepared, the author is well aware of its limitations and various shortcomings.

One geographical shortcoming is that the study is limited only to the island of Madeira. Cruise tourism and its complex impact on vulnerable communities such as small islands are yet to enter into the new research directions of academic tourism analysis. The sustainability of economic development in a vulnerable environment is a very challenging theme in times of economic constraint and finding a method of critical appraisal is especially challenging when sustainability is linked not only with economic productivity but also with environmental and cultural preservation.

The Island of Madeira, according to the latest update of 2 July 2016 of the National Institute of Statistics (INE, 2016) has a population of 256,424 residents, of whom almost 44 per cent (i.e., 111,892 inhabitants) live in Funchal, the island's capital. The rather limited number of residents that we may therefore consider as stakeholders, is in itself a limitation. Indeed, we may consider the residents of the island as the stakeholders of the benefits and challenges posed by any influx of tourists. Johnson and Scholes (2000) write: 'Stakeholders are groups or individuals who have a stake in, or an expectation of the organisation's performance, and include employees, managers, shareholders, suppliers, customers and the community at large'. Well, in our case the 'community at large' is a very hospitable community, is tourist- and services-oriented, and yet the interviews and discussions of this study were limited to the population of Funchal and, even to the point, the thesis targeted tourism services as its main focus.

From the interviews and the author's perception, the residents' attitude toward tourism – both cruise visitors and land-based tourists – is very favourably disposed to tourism development as a whole. Yet, it may be considered one of this study's limitations that the interviews were conducted in Funchal and done with a bias toward the stakeholders who are mostly positively influenced by tourism activity, such as hotel managers, restaurateurs, taxi drivers, and so forth. Hence, even though measures were taken to avoid perpetuating various biases, two types of limitation may be observed in the clusters of interviewed residents: (a) only Funchal residents participated in the interviews; and (b) out of these residents most were ones linked to the tourism industry. Evidently, statistically speaking, as tourism is the main economic activity on the island, there is a clear logic to this situation. Nevertheless, as a consequence of these conceded limitations and for the more balanced development of the island as a whole, the necessity of spreading the benefits of tourism activities more widely throughout the territory must be emphasized. That issue may well represent the beginning of a new research topic aiming to bring more awareness to other stakeholders who are better positioned to underline and request more equally distributed development around the island, together with the governance tools to achieve such a challenging task. Moreover, as the author is himself inherently linked with the services industry and the tests, interviews and observations were all conducted by him, a certain degree of subjectivity might be considered inevitable.

It may be considered another limitation that only English-printed questionnaires were used and these could have been read and completed only by people fluent in English.

This is a departure from generalizability that is well worth it in order to underline the fact that, in Great Britain, Madeira is a well-known destination and friendly historical ties with the British people run deep in the history of the island. Madeira was, from the beginning of its discovery, a Portuguese territory and, as such, colonial memories were never a challenge in the attitudes of the inhabitants. The British love Madeira and feel at home on the island; there are no language challenges, as many islanders speak English and many also have family connections in Great Britain.

The principal limitation of this study may be not being able to build a replicable general model for other destinations because of the particularities of Madeira as a mature tourist destination. However, there is no doubt that this Madeira model is expanding the body of tourism and governance perspectives linked to a tourist destination and will bring more awareness of essential aspects of true and sustainable competitiveness without disregarding the economic, social, cultural and ecological aspects. This will ensure that the delicate balance between systems and resources is well identified and maintained.

8.5 Further research

Sustainability of economic development in a vulnerable environment is a very challenging theme and finding a method of critical appraisal is a tall order when sustainability is linked not only to economic productivity but also to environmental and cultural preservation.

The case study attempted to bridge research and practice, theory and governance, looking for a model that will define the connection between cruise- and land-based tourism limited to a single destination. Overall, the research provides a picture of how complex the synergy between tourism categories can be and further research is required to explore the replicability of the results. The application of more quantitative research methods and interdisciplinary studies involving economic, demographic, social and environmental issues is therefore a line of research worthwhile pursuing.

8.6 Conclusion

While the case study findings suggest that a synergy between the cruise- and land-based tourism is developing, there were in this context some challenges arising from the island environment that should be noted. This type of reaction indicates that, attitudinally, not all stakeholders accepted the rise in the number of tourists as long as it was concentrated around the capital Funchal. The resistance seemed more intermittent than general and has not compromised key policy responses. Overall, it can only optimistically be concluded that, when necessary conditions are satisfied and hospitality is available, good markets talk to each other and positively influence each other. As the process is amplified, more people will spend their holidays in Madeira, either coming by ocean cruise or residing in land-based facilities, and as more people tell others, the numbers of tourists will grow.

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APPENDICES

Appendix 1: Ethics approval

Dear Passenger/Holidaymaker,

My name is Eugen Manole and I am gathering data for a PhD research study with Greenwich Maritime Institute in London, United Kingdom, regarding the impact of cruise tourism in Madeira. You are kindly being invited to take part in this research study. Before you decide whether or not to take part, it is important for you to understand what it will involve and why the research is being carried out.

It is up to you to decide whether or not to take part. If you do decide to take part, you will be given this information sheet to keep and be asked to sign a consent form. If you decide to take part, you are still free to withdraw at any time and without giving a reason. The questionnaire can be completed in only fifteen minutes and it will be entirely anonymous and as such confidential. We estimate that a large number of tourists will take part in this study and all gathered data will be anonymous and held securely.

The information you provide is extremely important for the successful completion of the study and the results will be used in doctorate research that will contribute to enhance the quality of the holidays and the sustainability of the destination – Madeira.

It pleases me to confirm that the research has been approved by the University Research Ethics Committee, University of Greenwich, which may be contacted at: research_ethics@gre.ac.uk if there are any concerns to be addressed in respect of the way the study has been conducted. Similarly, my supervisor: Dr Mingua Zhao (Greenwich Maritime Institute) may be contacted directly – email: m.zhao@gre.ac.uk.

Thank you very much for your time and opinions that are highly appreciated.

Best wishes,

Eugen Manole Funchal, Madeira

__/__/2012

me62@gre.ac.uk

Appendix 2: List of main interviewees and interview schedule

Regulators and Stakeholders	**Interviewees**	**Dates 2012**	**Comments**
Secretaria Regional da Cultura, Turismo e Transportes RAM (Região Autonoma Madeira)	Conceição Estudante Regional Secretary	March	Various meetings held previously
Port Administration - Administração dos Portos da Região Autónoma da Madeira, (APRAM) SA	Alexandra Mendonça President of BoD	March	
Environmental Agency - Secretaria Regional do Ambiente e dos Recursos Naturais	Manuel Correia Regional Secretary	March	
Tourism Office Madeira	Bruno Freitas Regional Director	March	Ex-President APRAM (previous meetings held)
European Maritime Safety Agency (EMSA) – Lisbon	Marin Chintoan Head of Unit	April	Various meetings held previously
Watercapital Madeira – Tratamento de Aguas Ltd	Nuno Correia Regional Manager	April	
Hotel managers (seven)	Managers	March-April	
Travel agencies (three)	Person in charge	same	
Museums and gardens (five)	Person in charge	same	
Restaurants (various)	Person in charge	same	
Souvenir shops (various)	Person in charge	same	
Taxi drivers (various)	Person in charge	same	
Others	Person in charge	same	

University of Greenwich, Greenwich Campus, Old Royal Navy College, Park Row, London, SE10 9LS

Appendix 3: Passenger questionnaire and statistical charts for the answers

UNIVERSITY *of* GREENWICH

Madeira Visitor Questionnaire

Is there an opportunity for a synergy between the cruise and land-based Tourism?

A case study of Madeira – Cruise Crossroad of the Atlantic

1. Nationality : ☐ **British** **If other nationality, please specify:**

2. Gender : ☐ **Male** ☐ **Female**

3. Age group : ☐ **16-30** ☐ **31-45** ☐ **46-60** ☐ **Over 60**

4. Have you previously visited Madeira? ☐ **Yes** ☐ **No**

5. If yes, how many times? ☐ **Once** ☐ **Twice** ☐ **More**

6. Was your first visit a cruise holiday or a land-based holiday?

☐ **Cruise** ☐ **Land-based holiday**

7. Would you like to return to Madeira for either? ☐ **Yes** ☐ **No**

8. If yes, what would be your next choice? ☐ **Cruise** ☐ **Hotel**

9. Would you kindly identify the amount of money spent on the local economy on a daily basis?

☐ **€20 or less** ☐ **€21 - €40** ☐ **€41 - €60** ☐ **€61 - €80** ☐ **More than €80**

10. If you would identify a pattern, on what do you think you spent most?

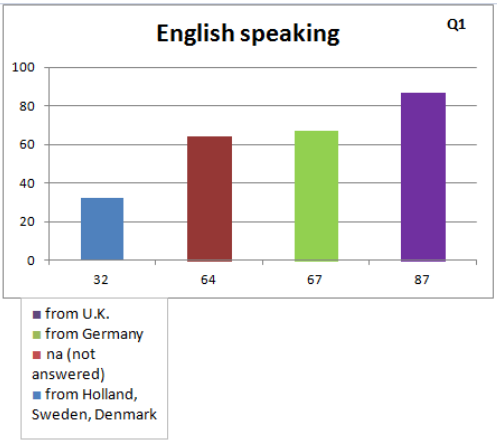
☐ **Excursions** ☐ **Restaurants** ☐ **Souvenirs** ☐ **Museums** ☐ **Other**

11. Would you see Madeira more as a cruise destination, or as a land-based destination, or as both? ☐ **Cruise** ☐ **Land-based** ☐ **Both**

Thank you for your time!

University of Greenwich, Greenwich Campus, Old Royal Navy College, Park Row, London SE10 9LS

Appendix 3.1: The questionnaire's findings – statistical charts



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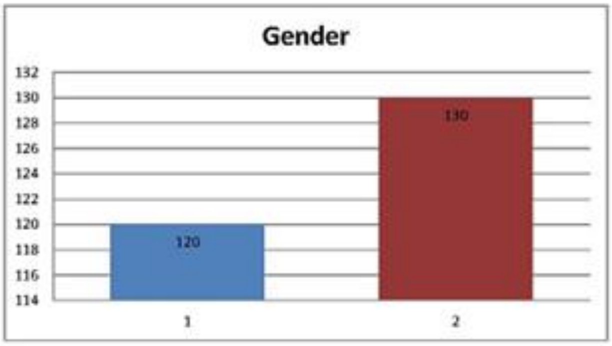

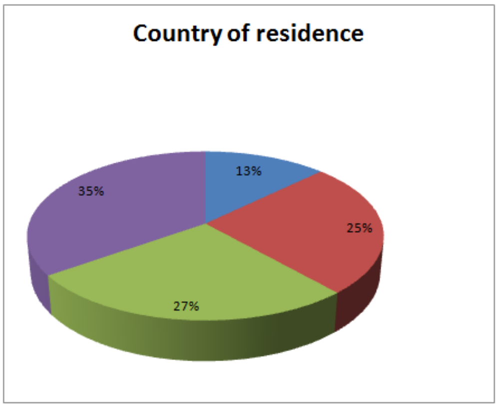

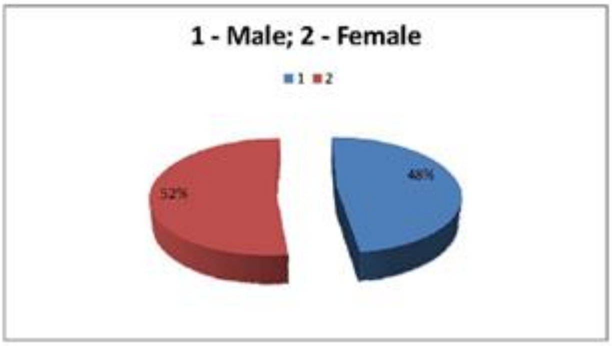

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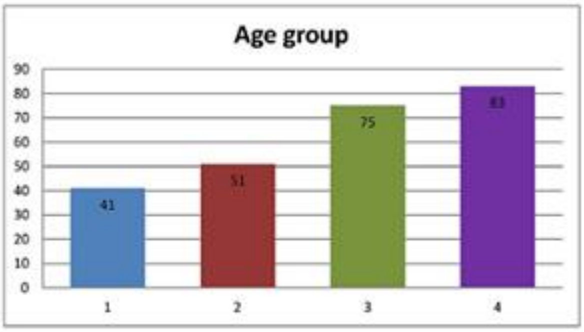

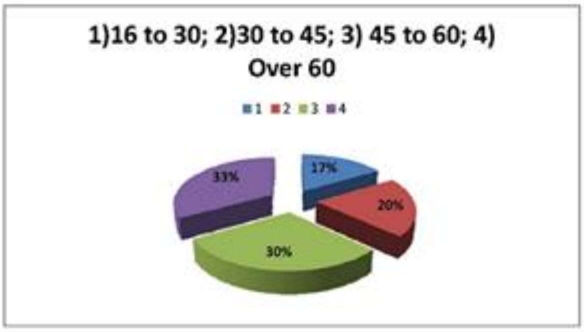

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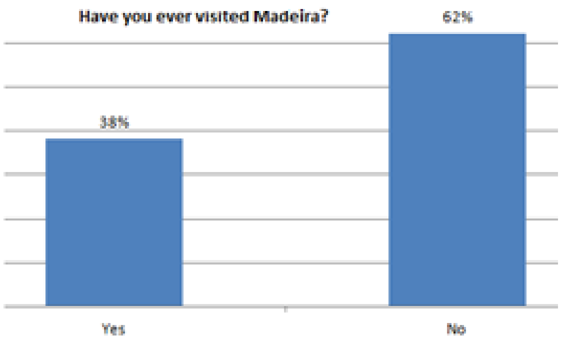

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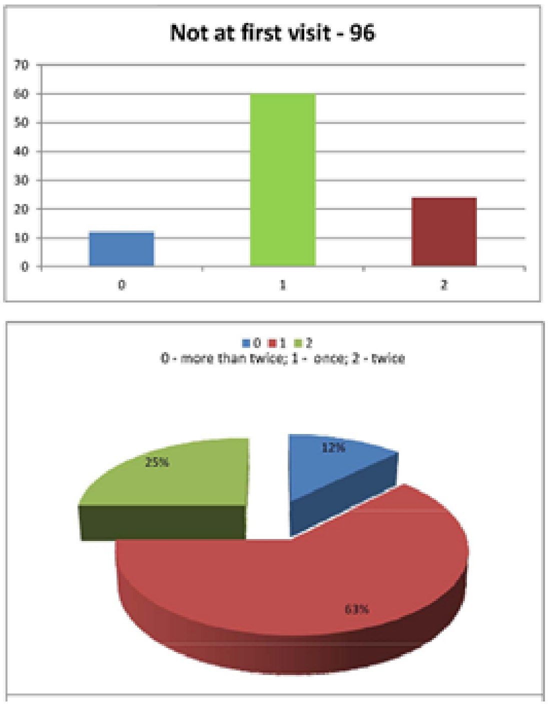
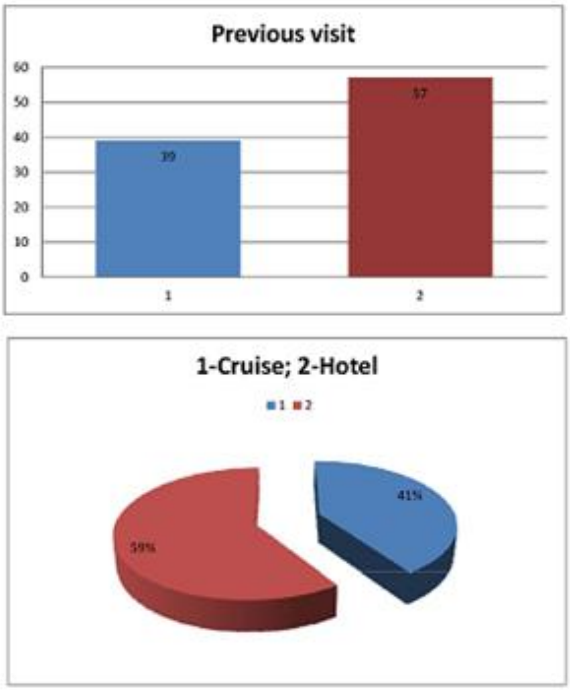
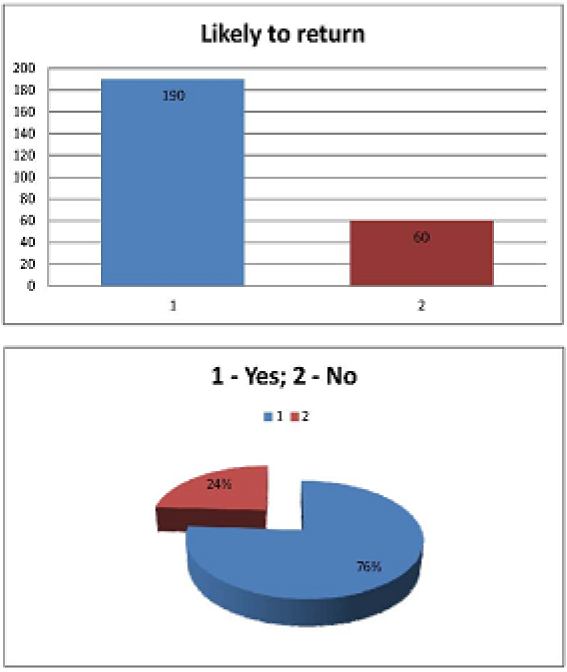

Not at first visit - 96
70
60
50
40
30
20
10
0
0
1
2
0 1 2
0 - more than twice; 1 - once; 2 - twice
12%
25%
63%

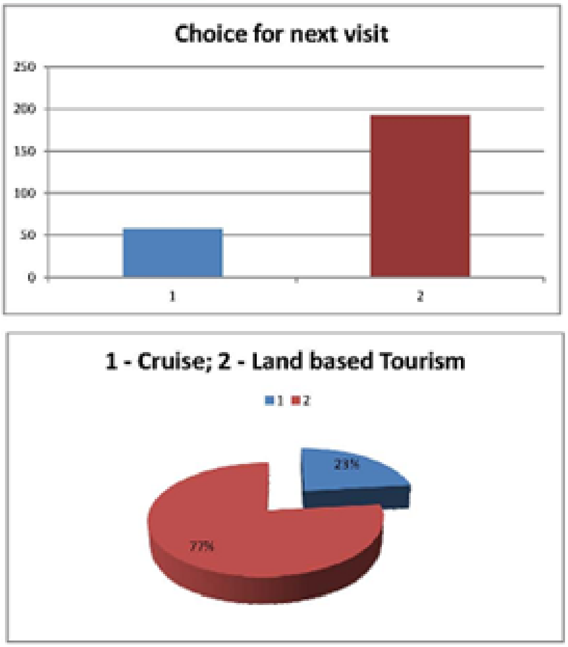
Q6


Previous visit
60
50
40
30
20
10
0
39
57
1
2
1-Cruise; 2-Hotel
1 2
41%
59%

Q7


Likely to return
200
180
160
140
120
100
80
60
40
20
0
190
60
1
2
1 - Yes; 2 - No
1 2
24%
76%

Q8

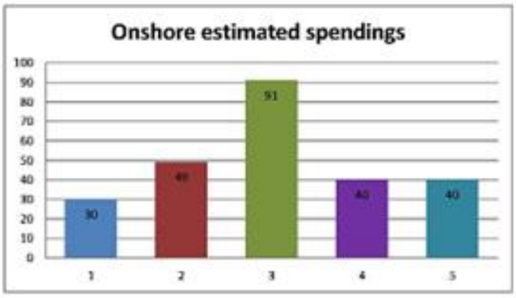

Choice for next visit
250
200
150
100
50
0
1
2
1 - Cruise; 2 - Land based Tourism
1 2
23%
77%

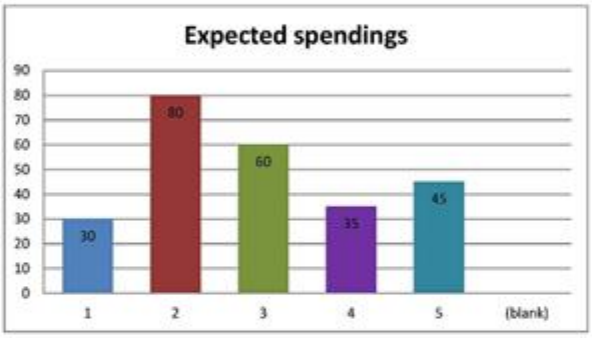
1-Less than 20 EURO
2-Between 20-40 EURO
3-Between 40-60 EURO
4-Between 60-80 EURO
5-More than 80 EURO

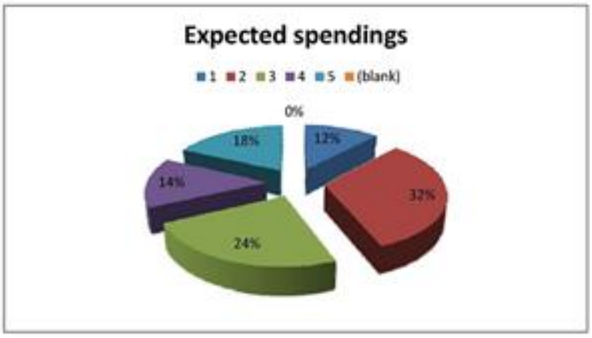
Q9

1 - Excursions
2 - Restaurants
3 - Souvenirs
4 - Museums
5 - Other

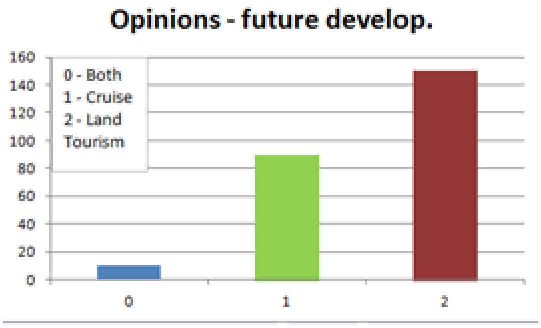
Q10

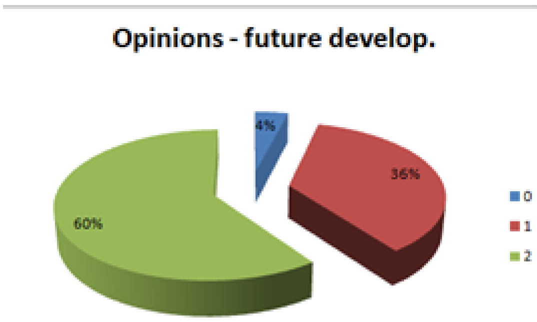






Q11





Appendix 4 - A: Tables of passengers and crew during the case study survey

Foreigners and Border Service (SEF, 2013)

		Number of	Passengers		
			Entry		Exit
NORWEGIAN JADE	CRUZEIRO[1]	2367	0	5	2372
INDEPENDENCE OF THE SEAS	CRUZEIRO	3753	1	3	3755
AIDA BELLA	CRUZEIRO	2058	0	0	2058
AIDA SOL	CRUZEIRO	2291	1	0	2290
THOMSON DESTINY	CRUZEIRO	1403	189	185	1399
COSTA NEOROMANTICA	CRUZEIRO	1589	4	7	1592
MSC FANTASIA	CRUZEIRO	3341	82	87	3346
NORWEGIAN JADE	CRUZEIRO	2310	2	1	2309
BOUDICCA	CRUZEIRO	828	2	1	827
AIDA SOL	CRUZEIRO	2288	0	0	2288
THOMSON DESTINY	CRUZEIRO	1396	181	185	1400
MEIN SCHIFF 1	CRUZEIRO	1975	1	0	1974
INDEPENDENCE OF THE SEAS	CRUZEIRO	3734	2	8	3740
AIDA BELLA	CRUZEIRO	2080	0	0	2080
MINERVA	CRUZEIRO	313	293	219	239
COSTA MEDITERRANEA	CRUZEIRO	1747	0	0	1747
COSTA NEOROMANTICA	CRUZEIRO	1576	9	3	1570
AIDA LUNA	CRUZEIRO	2023	0	0	2023
SEABOURN SOJOURN	CRUZEIRO	407	6	8	409
COSTA VICTORIA	CRUZEIRO	1627	0	4	1631
AIDA CARA	CRUZEIRO	1144	0	0	1144
THOMSON DESTINY	CRUZEIRO	1403	192	175	1386
AIDA SOL	CRUZEIRO	2233	0	0	2233
MSC FANTASIA	CRUZEIRO	3160	88	31	3103
HMS GLADAN - VELEIRO ESCOLA	OUTROS	0	0	0	0

[1] Portuguese for ‘cruise’.

PRINSENDAM	CRUZEIRO	554	9	6	551
NORWEGIAN JADE	CRUZEIRO	2378	3	5	2380
COSTA PACIFICA	CRUZEIRO	1846	11	1	1836
ARTANIA	CRUZEIRO	646	0	1	647
BOUDICCA	CRUZEIRO	848	3	3	848
AIDA BELLA	CRUZEIRO	2126	0	0	2126
GRAND MISTRAL	CRUZEIRO	722	2	0	720
AIDA SOL	CRUZEIRO	2499	0	1	2500
THOMSON DESTINY	CRUZEIRO	1428	177	194	1445
GRAND CELEBRATION	CRUZEIRO	1454	0	0	1454
CRYSTAL SYMPHONY	CRUZEIRO	833	4	2	831
MEIN SCHIFF 1	CRUZEIRO	2062	2	1	2061
SEVEN SEAS MARINER	CRUZEIRO	658	3	9	664
GRAND HOLIDAY	CRUZEIRO	227	2	32	257
MSC POESIA	CRUZEIRO	2365	1	6	2370
NORWEGIAN JADE	CRUZEIRO	2454	5	0	2449
QUEEN VICTORIA	CRUZEIRO	1928	2	5	1931
MARINA	CRUZEIRO	1199	4	5	1200
COSTA MEDITERRANEA	CRUZEIRO	2259	0	2	2261
BALMORAL	CRUZEIRO	1121	11	9	1119
CRYSTAL SYMPHONY	CRUZEIRO	894	0	8	902
MSC ORCHESTRA	CRUZEIRO	2477	3	0	2474
SEABOURN ODYSSEY	CRUZEIRO	394	2	0	392
KRISTINA KATARINA	CRUZEIRO	319	0	0	319
AIDA SOL	CRUZEIRO	2572	0	0	2572
THOMSON DESTINY	CRUZEIRO	1514	189	200	1525
SEABOURN SPIRIT	CRUZEIRO	320	2	2	320
SAGA PEARL II	CRUZEIRO	416	0	0	416
AIDA aura	CRUZEIRO	1368	4	11	1375
AIDA bella	CRUZEIRO	2459	0	0	2459
NORWEGIAN JADE	CRUZEIRO	2753	2	27	2778

ORIANA	CRUZEIRO	1752	2	4	1754
WIND SPIRIT	CRUZEIRO	0	0	0	0
COSTA MAGICA	CRUZEIRO	2660	4	0	2656
INDEPENDENCE OF THE SEAS	CRUZEIRO	4217	2	6	4221
OCEANA	CRUZEIRO	2168	1	2	2169
AIDA SOL	CRUZEIRO	2186	2	2	2186
THOMSON DESTINY	CRUZEIRO	1481	194	196	1483
MEIN SCHIFF 2	CRUZEIRO	1766	3	6	1769
SILVER CLOUD	CRUZEIRO	187	4	11	194
COSTA VOYAGER	CRUZEIRO	547	1	6	552
MSC SINFONIA	CRUZEIRO	1355	5	2	1352
AIDA BELLA	CRUZEIRO	2056	0	0	2056
NORWEGIAN JADE	CRUZEIRO	2471	0	2	2473
THOMSON DESTINY	CRUZEIRO	0	0	0	0
AIDA VITA	CRUZEIRO	1159	1	3	1161
INDEPENDENCE OF THE SEAS	CRUZEIRO	4194	1	6	4199
COSTA ATLANTICA	CRUZEIRO	1519	4	5	1520
VENTURA	CRUZEIRO	3198	0	0	3198
BOUDICCA	CRUZEIRO	782	2	0	780
AMSTERDAM	CRUZEIRO	806	12	4	798
COSTA MEDITERRANEA	CRUZEIRO	2057	1	1	2057
EURODAM	CRUZEIRO	1927	2	4	1929
EMPRESS	CRUZEIRO	399	4	0	395
RYNDAM	CRUZEIRO	1180	0	0	1180
ARCADIA	CRUZEIRO	1901	4	7	1904
THOMSON DESTINY	CRUZEIRO	1373	193	187	1367
SEADREAM I	CRUZEIRO	39	0	0	39
SEA CLOUD II	COMERCIAL	38	17	48	69
AIDA	CRUZEIRO	2115	0	0	2115

BELLA					
ADVENTURE OF THE SEAS	CRUZEIRO	2939	20	2	2921
ROTTERDAM	CRUZEIRO	1324	11	6	1319
VISION OF THE SEAS	CRUZEIRO	1963	17	1	1947
GRAND PRINCESS	CRUZEIRO	2624	2	1	2623
SILVER EXPLORER	CRUZEIRO	79	14	5	70
THOMSON DREAM	CRUZEIRO	1278	11	2	1269
RUBY PRINCESS	CRUZEIRO	1928	6	87	2009
AURORA	CRUZEIRO	1843	7	1	1837
EMPRESS	CRUZEIRO	1467	24	2	1445
			TOTAL		153113

	Number	of Date	Crew Entry			Exit
NORWEGIAN JADE	CRUZEIRO	01/03/12	1080	0	0	1080
INDEPENDENCE OF THE SEAS	CRUZEIRO	02/03/12	1399	1	2	1400
AIDA BELLA	CRUZEIRO	03/03/12	606	13	13	606
AIDA SOL	CRUZEIRO	04/03/12	623	8	10	625
THOMSON DESTINY	CRUZEIRO	05/03/12	532	2	0	530
COSTA NEOROMANTICA	CRUZEIRO	09/03/12	627	0	0	627
MSC FANTASIA	CRUZEIRO	09/03/12	1313	1	0	1312
NORWEGIAN JADE	CRUZEIRO	10/03/12	1061	0	4	1065
BOUDICCA	CRUZEIRO	11/03/12	348	0	0	348
AIDA SOL	CRUZEIRO	11/03/12	262	7	8	263
THOMSON DESTINY	CRUZEIRO	12/03/12	529	0	0	529
MEIN SCHIFF 1	CRUZEIRO	13/03/12	817	0	0	817

INDEPENDENCE OF THE SEAS	CRUZEIRO	13/03/12	1387	3	3	1387
AIDA BELLA	CRUZEIRO	14/03/12	610	12	14	612
MINERVA	CRUZEIRO	15/03/12	173	7	9	175
COSTA MEDITERRANEA	CRUZEIRO	16/03/12	866	4	0	862
COSTA NEOROMANTICA	CRUZEIRO	17/03/12	612	0	3	615
AIDA LUNA	CRUZEIRO	17/03/12	641	10	7	638
SEABOURN SOJOURN	CRUZEIRO	18/03/12	329	2	4	331
COSTA VICTORIA	CRUZEIRO	18/03/12	744	5	8	747
AIDA CARA	CRUZEIRO	19/03/12	385	22	28	391
THOMSON DESTINY	CRUZEIRO	19/03/12	528	0	0	528
AIDA SOL	CRUZEIRO	18/03/2012	636	8	7	635
MSC FANTASIA	CRUZEIRO	20/03/12	1300	0	0	1300
HMS GLADAN - VELEIRO ESCOLA	OUTROS	17/03/12	40	0	0	40
PRINSENDAM	CRUZEIRO	21/03/12	471	3	2	470
NORWEGIAN JADE	CRUZEIRO	21/03/12	1073	0	3	1076
COSTA PACIFICA	CRUZEIRO	23/03/ 12	1034	4	2	1032
ARTANIA	CRUZEIRO	23/03/ 12	518	4	3	517
BOUDICCA	CRUZEIRO	24/03/ 12	350	3	2	349
AIDA BELLA	CRUZEIRO	24/03/ 12	611	12	16	615
GRAND MISTRAL	CRUZEIRO	25/03/ 12	524	0	0	524
AIDA SOL	CRUZEIRO	25/03/ 12	629	24	14	619
THOMSON DESTINY	CRUZEIRO	26/03/ 12	526	0	1	527
GRAND CELEBRATION	CRUZEIRO	26/03/2012	564	0	2	566
CRYSTAL SYMPHONY	CRUZEIRO	27/03/ 12	581	1	4	584
MEIN SCHIFF 1	CRUZEIRO	27/03/ 12	823	0	2	825
SEVEN SEAS MARINER	CRUZEIRO	27/03/ 12	451	1	1	451
GRAND HOLIDAY	CRUZEIRO	27/03/ 12	565	0	0	565

MSC POESIA	CRUZEIRO	28/03/ 12	960	2	2	960
NORWEGIAN JADE	CRUZEIRO	29/03/ 12	1070	0	5	1075
QUEEN VICTORIA	CRUZEIRO	29/03/ 12	991	0	1	992
MARINA	CRUZEIRO	29/03/ 12	776	6	5	775
COSTA MEDITERRANEA	CRUZEIRO	30/03/ 12	857	5	3	855
BALMORAL	CRUZEIRO	30/03/ 12	520	2	6	524
CRYSTAL SYMPHONY	CRUZEIRO	31/03/ 12	572	1	0	571
MSC ORCHESTRA	CRUZEIRO	31/03/ 12	955	0	2	957
SEABOURN ODYSSEY	CRUZEIRO	31/03/ 12	327	6	3	324
KRISTINA KATARINA	CRUZEIRO	01/04/ 12	95	0	0	95
AIDA SOL	CRUZEIRO	01/04/12	620	10	10	620
THOMSON DESTINY	CRUZEIRO	02/04/12	526	1	1	526
SEABOURN SPIRIT	CRUZEIRO	02/04/12	250	3	3	250
SAGA PEARL II	CRUZEIRO	03/04/12	271	2	1	270
AIDA AURA	CRUZEIRO	04/04/12	394	8	9	395
AIDA BELLA	CRUZEIRO	04/04/12	624	14	10	620
NORWEGIAN JADE	CRUZEIRO	06/04/12	1066	3	2	1065
ORIANA	CRUZEIRO	06/04/12	818	5	6	819
WIND SPIRIT	CRUZEIRO	06/04/12	129	0	0	129
COSTA MAGICA	CRUZEIRO	07/04/12	971	4	4	971
INDEPENDENCE OF THE SEAS	CRUZEIRO	07/04/12	1369	2	1	1368
OCEANA	CRUZEIRO	08/04/12	902	5	4	901
AIDA SOL	CRUZEIRO	08/04/ 12	624	15	23	632
THOMSON DESTINY	CRUZEIRO	09/04/ 12	534	3	0	531
MEIN SCHIFF 2	CRUZEIRO	10/04/ 12	810	4	10	816

SILVER CLOUD	CRUZEIRO	10/04/ 12	213	2	3	214
COSTA VOYAGER	CRUZEIRO	10/04/ 12	349	1	0	348
MSC SINFONIA	CRUZEIRO	12/04/ 12	698	1	1	698
AIDA BELLA	CRUZEIRO	14/04/ 12	609	4	1	606
NORWEGIAN JADE	CRUZEIRO	15/04/ 12	1059	1	0	1058
THOMSON DESTINY	CRUZEIRO	16/04/ 12	0	0	0	0
AIDA VITA	CRUZEIRO	17/04/ 12	392	11	7	388
INDEPENDENCE OF THE SEAS	CRUZEIRO	18/04/ 12	1370	1	1	1370
COSTA ATLANTICA	CRUZEIRO	19/04/ 12	833	1	14	846
VENTURA	CRUZEIRO	19/04/ 12	1197	3	0	1194
BOUDICCA	CRUZEIRO	20/04/ 12	346	3	3	346
AMSTERDAM	CRUZEIRO	20/04/ 12	645	5	2	642
COSTA MEDITERRANEA	CRUZEIRO	21/04/ 12	836	4	1	833
EURODAM	CRUZEIRO	22/04/ 12	882	8	7	881
EMPRESS	CRUZEIRO	22/04/ 12	661	0	6	667
RYNDAM	CRUZEIRO	23/04/ 12	586	11	4	579
ARCADIA	CRUZEIRO	23/04/ 12	894	1	0	893
THOMSON DESTINY	CRUZEIRO	23/04/ 12	520	2	0	518
SEADREAM I	CRUZEIRO	24/04/ 12	87	1	4	90
SEA CLOUD II	COMERCIAL	25/04/ 12	64	0	2	66
AIDA BELLA	CRUZEIRO	25/04/ 12	617	28	21	610
ADVENTURE OF THE SEAS	CRUZEIRO	26/04/ 12	1186	1	2	1187
ROTTERDAM	CRUZEIRO	26/04/ 12	598	3	0	595
VISION OF THE SEAS	CRUZEIRO	27/04/ 12	779	4	5	780
GRAND PRINCESS	CRUZEIRO	28/04/ 12	1081	2	1	1080
SILVER EXPLORER	CRUZEIRO	29/04/ 12	116	3	3	116
THOMSON DREAM	CRUZEIRO	29/04/ 12	613	12	13	614
RUBY PRINCESS	CRUZEIRO	29/04/ 12	1178	2	3	1179

AURORA	CRUZEIRO	30/04/ 12	833	7	7	833
EMPRESS	CRUZEIRO	30/04/ 12	651	1	0	650
			TOTAL			63195

Appendix 4 - B: Vessels in Funchal Port during the case study survey
Foreigners and Border Service (SEF, 2012)

March 2012

01 NORWEGIAN JADE » Blandy 07:00 17:00

02 INDEPENDENCE OF THE SEAS » JFM 08:00 15:00 Tenerife La Coruna

03 AIDABELLA » Blandy 09:00 20:00 Tenerife Lisboa

04 AIDASOL » Blandy 17:00 2012-03-05

05 THOMSON DESTINY » Ferraz 08:00 23:30

09 COSTA NEOROMANTICA » Ferraz 07:30 17:30

09 MSC FANTASIA » J: F: Martins 08:00 17:00 Tenerife Malaga

10 NORWEGIAN JADE » Blandy 07:00 17:00

11 BOUDICCA » J.F.Martins 07:30 17:00 Southampton La Gomera

11 AIDASOL » Blandy 17:00 2012-03-12

12 THOMSON DESTINY » Ferraz 08:00 23:30

13 MEIN SCHIFF » JFMartins 06:00 18:00 Casablanca La Palma

13 INDEPENDENCE OF THE SEAS » J.F.Martins 08:00 15:00 Tenerife La Coruna

14 AIDABELLA » Blandy 09:00 20:00 Tenerife Lisboa

15 MINERVA » Blandy 07:00 2012-03-17

16 COSTA MEDITERRANEA » Ferraz 07:30 17:00

17 COSTA NEOROMANTICA » Ferraz 07:30 17:00

17 AIDALUNA » Blandy 12:00 19:00 Tenerife Lisboa

18 COSTA VICTORIA » Ferraz 07:00 18:00

18 SEABOURN SOJOURN » Blandy 07:00 13:00

18 AIDASOL » Blandy 17:00 2012-03-19

19 THOMSON DESTINY » Ferraz 08:00 22:00

19 AIDACARA » Blandy 09:00 18:00

20 MSC FANTASIA » J: F: Martins 09:00 17:00 Tenerife Malaga

21 NORWEGIAN JADE » Blandy 07:00 17:00

21 PRINSENDAM » Blandy 08:00 23:00

23 COSTA PACIFICA » Ferraz 08:00 18:00

23 ARTANIA » Blandy 12:00 20:00 Palmas cadiz

24 BOUDICCA » J.F.Martins 07:30 17:30 Southampton La Palma

24 AIDABELLA » Blandy 09:00 20:00 Tenerife Lisboa

25 GRAND MISTRAL » Ferraz 09:00 19:00

25 AIDASOL » Blandy 18:00 2012-03-26

26 THOMSON DESTINY » Ferraz 08:00 22:00

26 GRAND CELEBRATION » Blandy 09:00 19:00

27 MEIN SCHIFF » JFMartins 06:00 18:00 Casablanca La Palma

27 CRYSTAL SYMPHONY » Blandy 08:00 17:00

27 GRAND HOLIDAY » Ferraz 08:00 19:00

27 SEVEN SEAS MARINER » J. F. Martins 08:00 19:00

28 MSC POESIA » JFMartins 09:00 18:00 St. John's Malaga

29 QUEEN VICTORIA » Blandy 08:00 17:00

29 MARINA » JFM 08:00 22:00

29 NORWEGIAN JADE » Blandy 08:00 17:00

30 COSTA MEDITERRANEA » Ferraz 07:00 17:00

30 BALMORAL » J.F.Martins 08:00 18:00

31 CRYSTAL SYMPHONY » Blandy 08:00 17:00

31 MSC ORCHESTRA » J. F. Martins 08:00 18:00 Tenerife Lisboa

31 SEABOURN ODYSSEY » Blandy 12:00 18:00

April 2012

01 KRISTINA KATARINA » J. F. Martins 09:00 19:00 La Palma Casablanca

01 AIDASOL » Blandy 18:00 2012-04-02

02 THOMSON DESTINY » Ferraz 08:00 22:00

02 SEABOURN SPIRIT » Blandy 13:00 18:00

03 SAGA PEARL II » Blandy 10:00 18:00 Southampton Tenerife

04 AIDAURA » Blandy 09:00 18:00 Bridgetown Cadiz (Nº de Passageiros: 1582)

04 AIDABELLA » Blandy 10:00 20:00 Tenerife Lisboa

06 NORWEGIAN JADE » Blandy 08:00 17:00

06 ORIANA » Blandy 09:00 23:00 Barbados Southampton

07 COSTA MAGICA » Ferraz 08:00 17:00

07 INDEPENDENCE OF THE SEAS » JFM 08:30 15:00 Tenerife La Coruna

08 OCEANA » Blandy 08:00 18:00

08 AIDASOL » Blandy 18:00 2012-04-09

09 THOMSON DESTINY » Ferraz 08:00 21:00

10 MEIN SCHIFF » J.F.Martins 06:00 18:00

10 SILVER CLOUD » Blandy 07:00 18:00 Hamilton Cadiz

10 COSTA VOYAGER » Ferraz 08:00 19:00

12 MSC SINFONIA » J: F: Martins 08:00 17:00 Tenerife Malaga

14 AIDABELLA » Blandy 10:00 20:00 Tenerife Lisboa

15 NORWEGIAN JADE » Blandy 08:00 17:00

16 THOMSON DESTINY » Ferraz 08:00 22:00

17 AIDAVITA » Blandy 09:00 16:00 La Palma Palma Mallorca

18 INDEPENDENCE OF THE SEAS » J.F.Martins 08:30 15:00 Tenerife La Coruna

19 COSTA ATLANTICA » Ferraz 07:00 20:00

19 VENTURA » Blandy 08:00 18:00

20 BOUDICCA » J.F.Martins 07:30 16:30 Southampton Dakar

20 AMSTERDAM » Blandy 08:00 17:00

21 COSTA MEDITERRANEA » Ferraz 07:00 17:00

22 EURODAM » Blandy 08:00 17:00

22 EMPRESS » JFMartins 09:00 18:00 Tenerife Lisboa

23 THOMSON DESTINY » Ferraz 08:00 22:00

23 ARCADIA » Blandy 08:00 18:00 Tenerife Vigo

23 RYNDAM » Blandy 08:00 2012-04-24

24 SEADREAM I » Blandy 08:00 17:00

25 SEA CLOUD ll » Funchal Maritima 08:00 17:00

25 AIDABELLA » Blandy 13:00 21:00 Arrecife Tanger

26 ROTTERDAM » Blandy 08:00 17:00

26 ADVENTURE OF THE SEAS » JFMartins 09:00 17:00 Lanzarote Malaga

27 VISION OF THE SEAS » J. f. Martins 08:00 18:00 Tenerife Lisboa

28 GRAND PRINCESS » Blandy 09:00 17:00 Arrecife Vigo

29 SILVER EXPLORER » Blandy 06:30 23:30 Lanzarote Porto Santo

29 RUBY PRINCESS » Blandy 14:00 20:00 Port Everglades Civitavecchia

30 AURORA » Blandy 09:30 18:00 (Nº de Passageiros: 1975)

30 SILVER EXPLORER » Blandy 12:00 18:00 Funchal Safi

30 EMPRESS » J. F. Martins 12:00 20:00 Arrecife Lisboa

Appendix 5.1: List of Open-ended discussions

Manager or Person in charge	**Interviewees**	**Dates 2012**	**Comments**
Hotel managers (seven)	Managers	March-April	Open-ended discussions
Museums and gardens (five)	Person in charge	same	Same as above
Travel agencies (three)	Person in charge	same	Same as above
Restaurants (various) (two)	Person in charge	same	Open-ended discussions
Souvenir shops (various) (two)	Person in charge	same	Same as above
Taxi drivers (various) (two)	Person in charge	same	Same as above
Others (two)	Person in charge	same	Same as above

Appendix 5.2: List of interviewed Stakeholders

Regulators and Stakeholders	**Interviewees**	**Dates 2012**	**Comments**
Secretaria Regional da Cultura, Turismo e Transportes RAM (Região Autonoma Madeira)	Conceição Estudante, Regional Secretary	March	Various meetings held previously
Port Administration – Administração dos Portos da Região Autónoma da Madeira, (APRAM) SA	Alexandra Mendonça, President of BoD	March	Also previous meetings with Bruno Freitas (ex-President of APRAM)
Environmental Agency - Secretaria Regional do Ambiente e dos Recursos Naturais	Manuel Correia, Regional Secretary	March	Couple of meetings (formal and informal)
Tourism Office Madeira	Bruno Freitas, Regional Director	March	Ex-President of APRAM (previous meetings held)
European Maritime Safety Agency (EMSA) – Lisbon	Marin Chintoan, Head of Unit	April	Various meetings held previously
Watercapital Madeira – Tratamento de Aguas Ltd	Nuno Correia, Regional Manager	April	Close friend and specialized engineer in water treatment

Appendix 5.3: Semi-structured interview

Interview with Professor Mrs Mercedes Bresso, President of the EU Committee of the Regions

Madeira, 11 January 2012 (11.00h – 12.15h)

Researcher/Interviewer: Mrs Bresso, please let me know what are your first impressions about Madeira as a tourist destination?

Respondent: I am very much impressed by the incredible natural beauty and the developed infrastructure that give tourists an easy access to practically everywhere.

Interviewer: As a holidaymaker, what is your preference about the varied choices and trends regarding cruise holidays and land-based holidays?

Respondent: Definitely, I prefer land-based holidays!

Interviewer: Do I sense a reticence in respect of the cruising model as a preferred holiday type?

Respondent: Cruising might be an interesting way of spending one's holidays, but I feel that we all need to respect more the culture, character, beauty and history of island communities and to be careful about the necessary balance among economic, social and community, and environmental priorities. The idea is to try and meet the needs of the present whilst at the same time preserving the culture and character of these destinations for future generations. And it appears that the cruising industry is not understanding or contributing enough to the local economy and to the preservation of destinations.

Interviewer: Any suggestions as to what Madeira should do when focusing on its main economic sector, tourism? Are there any recommendations for this sector, which is contributing more than 20 per cent to the region's GDP? Shall governance focus on economic issues, on a shorter and medium future improving the cruise facilities with a new pier [as is under debate–EM], or take a longer future view?

Respondent: Preserving natural beauty, sustainable development, observing the environmental issues and maybe increasing the taxes for cruise vessels calling at Funchal Port! It may well be that increasing the contributions to the cruise industry to the island as a tourist destination will benefit more, not only by minimizing negative impacts but creating a . . .

Interviewer: It is not only my opinion, but it is also known to offer a competitive advantage to the cruise lines by 'playing off' destinations against one another in order to reduce their costs. If Madeira undertakes to experiment at the local level, such a strategy will prove to be detrimental as the vessels will simply increase their number of calls to the Canary Islands, etc. I am aware that the Committee of the Regions considers multilevel governance to mean coordinated action by the European Union. Wouldn't we, as

Europeans, better take into consideration a coordinated effort and use the European regulations to harmonize the rules for one of the world's richest historical heritages?

Respondent: It is an interesting idea and we definitely must look into its potential.

Interviewer: I know that you have an official invitation to lunch with his Excellency the Governor of Madeira? Any comments in respect of the way that Madeira is being seen in Europe and the EU?

Respondent: The only comment I would like to make is that the Autonomous Region of Madeira has one of the longest-serving, democratically elected, leaders in EU and probably of any jurisdiction in the world. [He was first elected in 1978– EM]

Interviewer: Mrs Bresso, thank you very much for your time and kind assistance with my interview. I wish you an enjoyable holiday in Madeira!

Respondent: You are welcome and I wish you the best of luck with your thesis! For sure you live in an adequate place for this type of research and academic effort.

Appendix 6: Annotated Guide to Internet Resources

http://www.british-shipping.org/index.htm

Information on shipping regulations, environmental matters, webcams for all Princess cruise ships, links to International Maritime Organisation's (IMO) website.

http://www.caribbeanshipping.org/archway/commentary/06-04-commentary-mike.htm

Jarrett, M. (2006) produced this document reporting that the Caribbean needs to study implications of bigger cruise ships.

http://www.cdc.gov/nceh/vsp/

Information on Vessel Sanitation Program (VSP), copies of ship reports and articles on shipboard health.

http://www.coltoncompany.com/shipbldg/worldsbldg/cruise.htm

Provides information on the construction of cruise ships that is continuously updated.

http://www.cruise.co.uk

Information on the history of cruising (from 1970s), destinations, news, trends, life aboard, reviews, cruise ship overviews.

http://www.cruisebarbados.com

Information on Barbados as a cruise destination and facilities offered at cruise terminal plus a list of cruise lines visiting island; many cruise destinations produce this type of resource.

http://www.cruise-community.com

Free subscription site which provides daily information on the cruise industry and information on cruise lines and ports.

http://www.cruisedeckplans.com/www.02cruise.com/

http://www.cruisingholidays.co.uk/river/deckplans/deckplan.htm

Deck plans (some interactive) and cabin layouts of most major cruise lines (seagoing and river cruises).

http://www.cruiseindustrynews.com

News about the industry, statistics and articles from their newsletters.

Hospitality, Leisure, Sport and Tourism Network, January 2006 7 Resource Guide in Cruise Management

http://www.cruisejunkie.com

Controversial site that aims to reveal critical issues concerning cruising.

http://www.cruiselinesjobs.com/

Job descriptions, conditions, life on board, requirements from a recruitment website: there are many examples of these.

http://www.cruiseresearch.com

(International Centre for Cruise Research – ICCR is a virtual centre whose purpose is to be a resource to researchers (academic, non-academic, and students of all ages), journalists, and people with an interest in the cruise industry. Topics include: research, trade organizations, annual reports, environmental issues and abstracts from dissertations, links to other cruise related websites.

http://www.CruiseUK.org

Umbrella tourism group – part of Visit Britain - Cruise UK website

http://www.cruising.org

(CLIA – Cruise Lines International Association) Cruise Lines International Association is the world's largest cruise association and is dedicated to the promotion and growth of the cruise industry. The International Council of Cruise Line (ICCL) is also part of the CLIA.

http://www.cruising.org.au/

The International Cruise Council Australasia is an association of leading cruise lines dedicated to the expansion of awareness of cruising worldwide.

http://www.cybercruises.com

Cruise news, links to cruise jobs and useful websites.

http://www.destinationsouthwest.co.uk

Website contains information on south-west England's ports, harbours and suggested excursions, and cruise ship calls to region.

http://www.discover-cruises.co.uk/

UK passenger shipping association website

http://www.europeancruisecouncil.com/

Representing the leading cruise companies operating in Europe.

http://www.f-cca.com

(Florida Caribbean Cruise Association - FCCA). The FCCA is a not-for-profit trade organization composed of twelve member cruise lines operating more than a hundred vessels in Floridian, Caribbean and Mexican waters. Created in 1972, the FCCA's mandate is to provide a forum for discussion on legislation, tourism development, ports, safety,

Hospitality, Leisure, Sport and Tourism Network, January 2006 8 Resource Guide in Cruise Management security and other cruise industry issues. Downloadable magazine. Some research statistics available.

http://www.hardingbrothers.co.uk

The Harding Brothers group of companies was founded over sixty years ago and has traditionally offered a range of goods and services to the Shipping Industry. Areas of activity: The operation of on-board tax- and duty-free retail concessions and the provision of on-board health and beauty spa services.

http://www.imo.org

Website of International Maritime Organisation whose main task is to develop and maintain a comprehensive regulatory framework for shipping and its remit today includes safety, environmental concerns, legal matters, technical cooperation, maritime security and the efficiency of shipping.

http://www.hum.au.dk/ckulturf/pages/publications/aj/specialized_spaces.pdf

Paper by Jansson, A. (2006) considering 'Specialized Spaces'

http://www.lighthouse-foundation.org/

Article by Robertson, G. (2004) on Cruise ship tourism.

http://www.marisec.org

Information on safety and regulation at sea including: Safety of Life at Sea (SOLAS), marine pollution (MARPOL), International Ship and Port Facilities Security (ISPS). Environmental information and shipping stats.

http://www.maritimematters.com/shipnews

Current news and ocean liner history

http://www.mcga.gov.uk

The Maritime and Coastguard Agency is responsible throughout the UK for implementing the Government's maritime safety policy, which includes coordinating search and rescue at sea through the Coastguard, and checking that ships meet UK and international safety rules.

http://www.nichecruise.com

The Niche Cruising Marketing Alliance (NCMA) is a collection of cruise lines that provide some of the finest travel experiences available in the travel industry today. Their purpose is to increase awareness about the concept of niche cruises. Links to specialist cruise lines.

http://www.nwcruiseship.org

North West Cruise Ship Association (NWCA) represents member lines throughout the Pacific Northwest - including Alaska, British Columbia, Washington State and Hawaii.

Hospitality, Leisure, Sport and Tourism Network, January 2006 9 Resource Guide in Cruise Management

http://www.porthole.com

Porthole Cruise Magazine, is a one-stop connection to the cruising industry. Information on cruise news, jobs, links to cruise lines.

http://www.portsidetours.com/

http://wwwshoretrips.com/

http://www.portpromotions.com

Shore excursion companies that allow cruise passengers to book their shore excursions in advance.

http://www.psapsara.org/

The Association of Cruise Experts (ACE), is the UK & Eire learning and development body – taking agents from cruise novice to cruise expert with unbiased guidance, advice and services.

http://www.the-psa.co.uk/

The Passenger Shipping Association, representing the leading cruise and ferry companies operating in the UK.

http://www.rollingpincruise.com

Links to cruise industry news

http://www.shore-excursions.co.uk

Excursions Ltd is an inbound tour operator specializing in 'top end' touring throughout the UK and enjoying the custom of many of the world's leading cruise lines.

http://www.stjohns.ca/business/pdfs/CruiseShipImpacts-2003.pdf

Report on impact of cruise tourism on city of St John's, Canada, including passenger and crew spending ashore, port fees and shore excursion impacts.

http://www.travelmole.com

Travel Mole is the largest global online community for the Travel and Tourism Industry with over 50,000 registered travel and tourism professionals worldwide. Individuals can register for daily/weekly updates on their areas of interest.

http://www.worldsleadingcruises.co.uk

Links to major cruise lines and cruise areas in which they operate. Aimed at cruise passengers.

http://www.wttc.org

The World Travel & Tourism Council (WTTC) is the forum for business leaders in the Travel & Tourism industry. Research documents and search facility.

Hospitality, Leisure, Sport and Tourism Network, January 2006 10 Resource Guide in Cruise Management

MAJOR CRUISE CORPORATIONS AND COMPANIES

• http://www.carnivalcorp.com

• http://www.aida.de/

• http://www.carnival.com/

• http://www.costacrociere.it/

• http://www.cunard.com/

• http://www.hollandamerica.com/

• http://www.oceanvillageholidays.co.uk/

• http://www.pocruises.com/pocruising/

• http://www.pocruises.com.au/html/

• http://www.princess.com/

• http://www.seabourn.com/

Carnival Corporation: largest cruise corporation and owner of the following major brands: Carnival Cruise Lines, Holland America Line, Princess Cruises and Seabourn Cruise Line in North America; P&O Cruises, Cunard Line and Ocean Village in the United Kingdom; AIDA in Germany; Costa Cruises in southern Europe; and P&O Cruises in Australia.

• http://www.royalcaribbean.com/

• http://www.azamaracruises.com

• http://www.celebritycruises.com/

• http://www.pullmanturcruises.com/

• http://www.royalcaribbean.com/

Royal Caribbean Cruises Ltd. is the second-largest cruise company, operating the Royal Caribbean International, Celebrity Cruises, Azamara and Pullmantur brands.

• http://www.genting.com/

• http://www.ncl.com/nclweb/home.html

• http://www.orientlines.com/

• http://www.starcruises.com/

The Malaysian Genting group, owner of Star Cruises, Orient Lines and NCL

• http://www.msccruises.co.uk/

MSC Cruises is the largest all-Italian-financed cruise company.

• http://www.americancruiselines.com/

• http://www.crystalcruises.com/

• http://disneycruise.disney.go.com

• http://www.easycruise.com/

• http://www.fredolsen.co.uk/

• http://www.hlkf.de/

- http://www.louiscruises.com/
- http://www.oceaniacruises.com
- http://www.sagacruises.com/
- http://www.silversea.com/
- http://www.thomson.co.uk/cruise/cruise.html