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# Cruise Lines

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# **The SAGE International Encyclopedia of Travel and Tourism**

## **Cruise Lines**

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Cruise lines are companies that operate cruise ships. Carnival Corporation & plc, the world's largest cruise ship corporation, operates nine cruise lines globally with four headquartered in the United States. These four U.S.-headquartered cruise lines represent Carnival Corporation & plc's North American segment: Holland America Line, Carnival Cruise Lines, Princess Cruises, and Seabourn Cruise Line. As the example of Carnival Corporation & plc's North American market illustrates, cruise lines operate in geographical segments, each segment consisting of its own unique branding. This branding schema is tailored to fit unique socioeconomic markers of these geographical segments. Cruise lines function directly with the consumer, the cruise ship tourist, in selling cruise ship vacations as well as ensuring customer loyalty with each brand of cruise line. Cruise lines not only represent the method of tourist transport in cruise ship tourism but also the economic foundation of this industry and genre of tourism.

### **Overview of Cruise Lines as an Industry Segment**

The historical development of cruise ship tourism has evolved into three corporations controlling the entire industry. These corporations are Carnival Corporation & plc, Royal Caribbean Cruises Ltd., and Star Cruises Group. These three corporations operate the entirety of cruise lines that traverse the globe and encompass the international cruise ship tourism industry. Star Cruises Group operates its cruise lines mainly throughout Asia and the Pacific, while both Carnival Corporation & plc and Royal Caribbean Cruises Ltd. employ cruise line itineraries to the Bahamas, Caribbean, Mexican Riviera, Alaska, Hawaii, Canada, New England, Bermuda, Australia, New Zealand, and the Pacific Islands.

Each of the three aforementioned cruise ship corporations operates cruise lines, essentially fleets of ships, to sail in specific regions of the world (e.g., North America, Europe, Australia, and Asia). The total numbers of ships operated by cruise lines increased from 393 in 2013 to 410 in 2014. The continued increased growth of the number and size of these 410 cruise ships operating globally is significant to international tourism as it indicates that more people are expected to choose a cruise ship vacation. Cruise lines are responsible for providing tourism services to over 21 million people annually. In 2014, the Cruise Lines International Association (CLIA) published data that demonstrate continued passenger growth since 2010 to the entire global cruise ship industry. Global passenger growth increased from 21,300,000 estimated in 2013 to 21,700,000 in 2014. Similarly, the cruise ship industry invested \$7.2 billion in 2013–2014 to fund total passenger and fleet growth. These data are significant as cruise ship tourism continues to sustain annual growth not only in the size of its fleets and number of tourists but moreover in economic power in the tourism industry.

Carnival Corporation & plc controls nine cruise lines and sails a total of 100 ships under the corporate moniker of Carnival Corporation & plc. Carnival Cruise Lines, one of the nine cruise lines operated by Carnival Corporation & plc and the largest cruise line in the world, manages 24 ships in service (as of December 2014). These ships range in size, itinerary, embarkation port, and amenities and services offered to cruise ship tourists. Each ship has its own captain, crew, and history of how it was acquired by the cruise line.

### **Cruise Lines' Relevance to Travel and Tourism**

As cruise ship tourism is an example of mass tourism, each cruise line represents an extension of this tourism genre. For example, all-inclusivity is a common amenity offered on

each cruise line and is a common element of mass tourism. A basic fare to board a cruise ship as a cruise ship tourist includes a cabin, dining, nonalcoholic beverages, and entertainment (e.g., nightly Vegas-style performances). The number and quality of services and amenities provided to cruise ship tourists depend on the specific cruise line a tourist chooses.

The United States is the leading market for cruise ship tourism, as this country is the largest producer of cruise ship tourists in the world. In 2011, two-thirds of the 20 million cruise ship passengers worldwide were from the United States. The global cruise ship industry segments North America from the rest of the world because the profits, marketing strategies, size of the ships, itineraries, and tourist populations are unique to this market.

Each cruise line operates in a geographical locality that influences its branding identity and business model. The branding identity and business model directly reflect the number and quality of services and amenities provided to cruise ship tourists. The U.S.-based cruise lines are known in the industry to provide a number of amenities to cater to a diverse range of consumer tastes. Royal Caribbean Cruises Ltd. and Carnival Corporation & plc, the two largest and most popular U.S.-based cruise ship corporations, generally provide a multitude of dining, accommodation, and port-of-call tour options for their passengers. For example, historically, evening dinner aboard a cruise ship was a more ceremonial occasion, complete with formal dress code, prix fixe menu, and assigned seating. It is more common now for cruise lines to offer cruise ship tourists multiple dining times to choose from (e.g., “freestyle dining” aboard Norwegian Cruise Line), buffets in lieu of sit-down dining, relaxed dress codes (if there is a dress code at all), vegan/vegetarian options, and multiple dining spaces available in addition to the main dining room. These dining spaces include Johnny Rockets on 11 Royal Caribbean Cruise Line ships and celebrity chef Guy Fieri’s Guy’s Burger Joint on seven Carnival Cruise Line ships.

### **Cruise Line Branding**

Beginning in the late 1960s, cruise lines began to build custom-made ships in efforts to express the uniqueness of each ship’s brand. This practice was supported by heavy subsidies from European governments to support civilian shipbuilders. For cruise ship tourists in the United States, Disney Cruise Line, a subsidiary of The Walt Disney Company, emerged as a family-centered holiday experience while Carnival Cruise Lines engineered a sense of onboard liberation from the monotony of daily life. “The Fun Ships,” a marketing slogan coined by Carnival Corporation & plc, defined the company’s leisure-centered aesthetic. Marketing initiatives from the 1970s to the 1990s highlighted belly flop and ping-pong tournaments in their advertisements, directly opposed to the erudite formality and white-glove service of cruise ship travel of yesteryear. Carnival Cruise Lines decisively created a brand in which cruise ship tourism appeared less of an exclusive luxury, only enjoyed by the upper echelons of society and wealth (e.g., iconic imagery from the Titanic), and thus made cruising an attainable vacation option for the U.S. middle class.

A cruise line’s fleet is specifically tailored to the type of market niche that each company operates. Market niches range from family-oriented (Disney Cruise Lines), “Fun Ships” (Carnival Cruise Lines) catering to younger singles and families, mid-range cruise lines offering many services and choices (Celebrity Cruise Lines), and luxury options (Regent Seven Seas Cruises). While this list is by no means exhaustive, it illustrates the range of cruise line brands operating in today’s cruise ship industry. While there are certainly exceptions, primarily exemplified by more upscale cruise ship lines such as the Cunard Line or Seabourn Cruise Lines, standardization and consumer choice of services and amenities

remain hallmark to cruise ship tourism.

### **Shore Excursions**

Cruise lines operate shore excursions in addition to the amenities and services cruise lines offer cruise ship tourists when they are on board. A shore excursion is a land-based tour that is often guaranteed by cruise lines as safe (i.e., the tour company is vetted by the cruise line), can be refunded due to weather or other complications, and promises cruise ship passengers will be returned to the ship before it sets sail again. Shore excursions offer cruise ship tourists an alternative to privately owned and operated land-based tours found upon disembarkation at port-of-call communities (i.e., an island or land-based stop on the cruise ship itinerary). Cruise lines sell shore excursions to cruise ship tourists during predeparture booking of the vacation and while passengers are already onboard. Each cruise line exclusively sells shore excursions in strict negotiation with the tour operator at each port of call. These contractual obligations come with heavy price tags for the cruise ship tourists and ongoing negotiation with each tour company.

The branding, marketing, and sale of shore excursions by cruise lines are often steeped in conflict. Ethnic essentialism and cultural commodification of the port-of-call community are marketing tactics often used by the cruise lines in sale of shore excursions to cruise ship tourists. While the cruise ship itself is usually promoted as the singular attraction in general marketing purposes, phenotypes, bodies, and cultural stereotypes of the host population are either employed or left void in the marketing of shore excursions. For example, of the 73 shore excursions sponsored by Royal Caribbean International in Cozumel, Mexico, one shore excursion titled “Discover Mexico” has an image of a miniature replica of the Temple of Kukulcan at Chichén Itzá as its main attraction. The description reads, “At Discover Mexico, you will enjoy the beauty and wealth of the Mexican culture in comfort and at your leisure. . . . You can also visit the snack bar for a margarita or nachos and get your souvenirs at the hand crafts shop” (Royal Caribbean International, 2013, p. 69). Images of boats, the ocean, bodies relaxing in the sunshine on the beach, and underwater shots dominate the website’s landscape. Local life is omitted as images of tourists swimming with dolphins on the “Dolphin Push, Pull and Swim, Manatee Interaction at Chankanaab” tour or horseback riding on the “The Mayan Frontier by Horseback” tour dominate Royal Caribbean International’s shore excursion listing. Cruise lines manipulate the culture of port-of-call communities. This is evident in the ways in which cruise lines portray the localities of shore excursions as idealistically safe for cruise ship tourists and culturally homogenized.

### **Cruise Line-Controlled Ports of Call and Private Islands**

The money cruise ship tourists spend on board each cruise line is paramount to the industry’s success and continued profitability. Cruise lines discourage cruise ship tourists from disembarking from the cruise ship by charging high prices for shore excursions. Furthermore, shore excursions are guaranteed as safe, thus making all nonapproved options (i.e., locally owned and operated tours) unsafe for cruise ship tourists. In addition to shore excursions, cruise lines also engineer and operate piers and surrounding environments where passengers disembark from the ship. These spaces are dedicated to internationally owned and operated retail outlets working in contract with each cruise line. As such, such restaurants and stores are commonly found among different port-of-call communities (e.g., Diamonds International, Del Sol apparel, and Jimmy Buffett’s Margaritaville). These piers and shopping complexes are typically gated off from the general population and only cruise ship tourists and associated

staff can enter such spaces with approved credentials (e.g., cruise ship tourists are issued a credit card–like ID upon embarkation that is the tourist’s cabin key, credit card for on-board purchases, and picture ID).

On the island of Cozumel, Mexico, there are three cruise ship piers, all located on the western shore of the Caribbean Sea. Punta Langosta, the most public of the three piers and associated shopping centers, has a Starbucks, Hooters, Hard Rock Café, and Señor Frogs (among others). Puerta Maya is a pier and shopping complex owned by Carnival Corporation & plc. This complex has guards at its one entrance and contains Fat Tuesday and Tres Amigos bar and restaurants, Diamonds International, and Ron Jon Surf Shop. Royal Caribbean Cruises Ltd. owns International Pier. This pier began reconstruction in 2012 and an associated mall across the street was built, named Royal Village Cozumel, to compete with Puerta Maya’s and Punta Langosta’s mall-like pier and shopping complexes. These examples represent cruise lines’ ability to shape the physical environment of port-of-call communities in operating these public/private pier and retail spaces.

A popular trend in cruise ship tourism is the manufacturing and ownership of islands in the Caribbean. Cruise lines such as Disney Cruise Line, Norwegian Cruise Line, Royal Caribbean International, and Princess Cruises either own private parcels of land or complete islands. These islands or sections of land are built for cruise ship tourists and not the local population. Endogenous communities and people are purposefully absent to fit an idealized image of paradise. Norwegian Cruise Line purchased the first island privately owned by the cruise ship industry in 1977. The majority of Great Stirrup Cay was purchased from an oil company and the former military outpost was converted into a private environment specifically for cruise ship tourists. Since then, other cruise lines have followed suit, by either leasing or buying entire islands (or pieces thereof). From Labadee in Haiti to Half Moon Cay in the Bahamas, privately owned islands and private beach resorts are sold by the cruise line as the primary destination, not the public ports or port-of-call communities where each ship docks.

The cruise ship tourism industry engineers an artificial environment, typically void of locally owned and operated businesses, and intentionally limits the population that enters, in order to ensure that tourist-generated economic expenditures remain in the cruise line’s favor by building spaces controlled and owned by each cruise line. From their rocky beginnings as a group of small, independent companies, to their current status as a global conglomerate that controls the physical environments, policies, and social and economic structures of port-of-call communities, the U.S.-based cruise ship industry is prolific in wielding its authoritative power. Cruise ships as floating all-inclusive resorts, purposefully built spaces on land (e.g., embarkation ports, private islands, and piers and shopping centers at port-of-call communities) to satisfy industry profits are a key feature of modern cruise lines.

### **Flags of Convenience**

Each cruise line operates like a private city-state, autonomous from many legal jurisdictions, in the United States. For example, corporate tax and labor laws are often evaded by cruise lines. In order for this system to operate, cruise lines have historically adopted flags of convenience (FOC). FOC were once only granted to cargo and merchant lines wanting to escape wartime repercussions and therefore FOC were used in registering a ship with a neutral country’s flag. FOC now operate as economic and legal loopholes in favor of cruise lines. Cruise lines register their ships mainly in Liberia or Panama. These two countries hold about 30% of the world’s registered tonnage and thus power in the UN’s International Maritime Organization. Many cruise lines are registered in countries other than the United



States (e.g., Liberia, the Bahamas, and Panama), and therefore are not accountable to U.S. regulation, environmental and labor laws, or corporate taxation.

According to Kristoffer Garin, FOC allow Royal Caribbean Cruises Ltd. and Carnival Corporation & plc to “escape taxes, labor laws, and safety regulation despite sailing from a U.S. port and catering to the U.S. market” (Garin, 2005, p.34). By registering their ships with FOC countries, the three cruise ship corporations controlling the industry avoid paying regulated wages to ship employees (mostly from developing countries) and pay lower taxes or no taxes. In turn, FOC allow the cruise lines to charge cruise ship tourists less per cruise vacation as the industry savings trickle down to each cruise ship tourist at the point of sale. The affordability of a cruise vacation is advantageous to the industry and is what makes it one of the most popular tourism genres in the world.

FOC also establish bilateral tax treaties with the country where each ship is registered, circumventing U.S. tax law and regulation. The goods that are loaded on board each cruise ship—tons of food, alcohol, linens, cleaning supplies, and fuel—are labeled as “exports” and are therefore considered duty free. This duty-free status exempts cruise lines from paying taxes on the goods they use for each cruise itinerary. These savings may get passed along to the consumer in overall lower fare prices but they also allow cruise lines to set their own prices on items such as specialty coffee, beer, cocktails, and Internet and phone use—all of which are considered “up-charges,” or items not included in the ticket price.

*Christine Preble*

**See also** [Cruise Lines International Association](#); [Cruise Port](#); [Cruise Tourism](#)

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