

STATE AND DEVELOPMENT OF THE CRUISE INDUSTRY

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Abstract

The turbulent and dynamic development of the cruise industry provokes serious interest due to a number of factors, including the creation of a huge number of jobs in the tourism sphere, the introduction of a new model in tourist trips, the promotion of destinations, the role of innovations in the development of cruise tourism. The aim of the article is to track the state and the development of the cruise industry, to highlight its specific features, to study the demand and supply patterns in this field, and to highlight the trends in this area. By factoring analysis, situational analysis, comparative analysis and synthesis, answers are sought to questions related to its prospects for growth and its impact on the development of tourism.

Key Words: *tourism, cruise industry, development*

JEL classification: *L8, L83*

Introduction

The tourism industry is one of the world's fastest growing industries. Every year the number of cruise tourists grows. In the period 2009 – 2018, an annual growth of cruise tourists ranging between 1 million and 2 million people was observed. Over the last decades, tourism has become a universal economic engine for the development of destinations different in kind, location and resources. It has a direct impact on the social, economic, political and environmental situation of countries and regions. The tourism sector is characterized as one of the most dynamic also due to the intensification of globalization processes. Its continuous development necessitates the construction of additional tourist infrastructure and superstructure (transport facilities, accommodation and

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shelter facilities, restaurants and entertainment), the introduction of specialized software in the management of business processes in the tourist organizations, the use of various information and communication channels and others. Wishes, needs and ways of informing tourists are also constantly changing, which results in the imposition of new models in tourist trips as a response to unceasing changes.

Cruise tourism is undoubtedly characterized as one of the fastest growing specialized types of tourism in the early millennium. Its popularity is due to the fact that it offers its users the opportunity to visit various locations in a short period of time, offering them excellent service and a high level of satisfaction at competitive prices as well as a wide variety of additional services and activities on board cruise ships. This report presents key moments of the emergence, condition and development of cruise tourism, with some terminological specifications and the main trends, destinations and innovations in the cruise industry (Emilova, 2016).

History of cruise tourism

The revolutionary discovery that Thomas Newcomen made in 1712, inventing the steam engine, will prove to be one of the most significant events that had influenced the emergence of modern cruise trips. Improving the performance of the steam engine over the years has helped the first crossing of the Atlantic Ocean by an American ship in 1819, setting the launch of the steam-powered era. At the end of the 19th century, transatlantic passenger transport marked its growth under the influence of an increasing number of people willing to go to the land of unlimited opportunities to seek a better life. The richer and the wealthier also traveled in this period, only for business and leisure purposes. Gradually, in the late nineteenth and early twentieth centuries, large and deluxe oceanic ships, mostly in the northern Atlantic, appeared. In 1840, Samuel Cunard began the regular maritime trips between the United States and Europe. The transatlantic line (Cunard Line) became known for its name.

Although, according to some sources, Peninsula and Oriental Steam Navigation (P & O) company organized the first cruise liner trips between: Britain - Spain, Portugal - Malaysia, Indonesia and China in 1844, the actual launch of today's cruise trip could be dated from 1891, the year in which Albert Ballin, director of the Hamburg-America line, introduces an innovative idea for its time of engaging its transatlantic

ships during the turbulent winter months with trips for entertainment of passengers instead of their annual harboring anchor (Baker, 2016).

In 1906, in response to the German competition in the face of Albert Ballin, Cunard Line launched along the same route the first large steam turbine 30,000-ton liners Lusitania and Mauretania. So, the next year, Lusitania takes the prestigious Blue Flag Award from the German liner Prinzessin Viktoria Luise, crossing the ocean for the first time in less than 5 days. From then on, Lusitania and Mauretania became the fastest ocean vessels until 1915, when Lusitania was tragically sunk by a German submarine. The Mauretania Liner continues to sail until 1929. The twin ships remain in history with their tradition of elegant clothing and refined atmosphere for dinner evenings, giving the trip a special fiction and romance (Blum, 2003).

During the two world wars the development of cruise tourism was delayed, although in 1936 the Queen Mary was launched. Since the 1960s, when air travel became more common and modern travel trips offered by travel agencies, the shipping industry has started to rely almost entirely on leisure and entertainment cruises. It was during this period that one of the largest modern cruise companies began to be created, strategically directing its effort to attract public attention and impose cruise ships and travel as a symbol of vacation and entertainment. The era of the superliners with a capacity of more than 2,000 people was established and in the 80s of the 20th century the offer of new routes and directions began.

Today, many ocean ships offer classic cruises in a stylish setting, with gala dinners and receptions of the master. At the same time, however, there are two new lines in the development of cruise tourism that change to some extent this classic style. The first of these is the emergence of ships with a less official and more informal setting aimed at accommodating families with children. The popularity of this type of cruises began to grow in 1996 when the German cruise operator AIDA Cruises started its business by specializing in this direction and offering cruise conditions for traveling with children incomparable to other companies up to that moment. The other line of development is the tendency to build and run on the water of ever larger, innovative and technologically competitive cruise ships that will be addressed in this report.

Nature and features of cruise tourism

In water transport, tourist trips are provided as part of regular services or on specially chartered ships. The first type includes shorter trips mainly in inland waterways or coastwise navigation (cabotage). The motives for their taking are related to entertainment, recreation and visits to various attractions. Regular lines are used by tourists when connecting large ports near attractive tourist sites and places. Tourist trips with specially hired ships occupy an increasing share in the total volume of water transport (Osipova, 2006). Cruises are taking central place among them. Cruises along the major rivers such as the Danube, the Volga, the Rhine, the Nile, the Mississippi and others are also popular among ocean and sea cruises around the world. The reason for the emergence of modern cruises is the desire of ship owners to ensure maximum efficiency of the vessel's use during a sharp reduction of the number of tourists.

Cruise can be defined as an organized cruise tour, in which:

- Participants in the group remain in the same composition throughout the entire journey;
- The point of departure often coincides with the final one;
- The route is chosen from the point of view of stopping and staying in the ports for visiting tourist places and sites;
- During the trip, the tourist and entertainment program on board and on the shore takes a central place. (Neshkov, 2007)

Questions on route selection, duration and frequency of cruises, as well as the determination of the value of the trip, are decided by the cruise company, the ship owner. The exploitation feature of cruises is the lack of "closed classes". The price difference is in terms of location and cabin amenities. All other rooms are accessible to the public, unlike regular ships lines.

The basic concept of cruise tourism is based on the American cruise company "Carnival Cruise Lines", which sets out the principles and features characteristic of cruises (Shpilko, et al., 2012):

- Cruise tourism is a boat travel for pleasure.
- Cruise travel can be by sea, lake, river or canal.
- Cruise travel can begin and end in the same port.
- Cruise travel can start in one and end in another port.

- Transportation of tourists to the starting or from the final port of a cruise can be done by another means of transport - airplane, train, bus.
- Cruise travel may include visits of ports along the route, according to the time table.
- When visiting ports on the route, tourists are given the opportunity to take part in excursions to the port destination.
- The cruise tourism program includes mandatory bedtime, meals and entertainment on board the cruise ship.
- The cruise is an entertaining voyage, the original goal of whose participants is not just going from one point to another.
- All tourists have the same access to all areas of the board without class divisions and can freely use the onboard infrastructure (except for extra pay areas - karting tracks, restaurants and bars, aqua parks).
- The value of cruise travel can be compared to a package of onshore services, while on-board services are similar to on-land accommodation and on-land dining and entertainment (Marinov, 2010).

The demarcation and grouping of cruises is done in several ways. Depending on the duration they are (Dowling, 2006):

- Short-term (mini-cruises) - from 2 to 5 days;
- Prolonged - from 7 to 30 days or more.

Depending on the purposes and the reasons for taking the trip, they are divided into:

- Classical, which generally have a longer duration and include a typical tourist program;
- Specialist, which are organized to meet a particular need or have a specific purpose of travel (healing, educational, etc.).

According to their way of organization, they are:

- Combined with other modes of transport or beachfront accommodation;
- Linear - in combination with regular shipping;
- Discontinued – which plan a long-stay on the shore;
- Auto cruise - in combined use of the tourist's private car.

Depending on the type of pond they could be: overseas, sea, river, lake trips. River cruises are made using smaller ships and their capacity does not exceed 300 people. Ships are accustomed more often, and the fun they

offer on board is quite limited compared to sea cruise ships, having in mind the rich cultural-cognitive program on the coast (Babkin, 2008).

Development of the cruise industry in the world

The cruise tourism market has changed a lot in recent years, turning the offer of luxury offers into more massive tourist packages aimed at a wider range of consumers. If in the past the choice of cruise as a holiday destination was limited by a very high price, the risks of traveling by sea, the lack of free movement on board and traveling of a certain group of tourists (older, richer, even more eccentric) nowadays modern cruise ships offering greater comfort and safety, renovated interiors and an extraordinary variety of additional services have completely changed the demand for this type of holiday.

Every year the number of cruise tourists grows. If in 1980 the number of participants in sea cruises was 1.5 million, in 1993 it was already 4.5 million, 2003 - 9 million, 2009 - 15 million, 2016 - 24.7 million people, and in 2017 the number of cruise tourists was expected to reach 25.8 million, which is 1 million more than in the previous year 2016. In the period 2009 – 2018, an annual growth of cruise tourists, ranging between 1 million and 2 million people, was observed.

Together with the increase in the number of tourists, the number of cruise ships is increasing. In the mid-1980s, their number was 120, in 1994 they were 175, in 2003 - 327, and in 2015 - 448 liners, of which 279 sea and 169 river cruises. Only in 2016, 40 billion dollars were invested in the construction of 27 new vessels and nearly 1 million jobs were provided. In 2017, 26 new ships (13 nautical and 13 river) with a total capacity of 30 000 were commissioned, 20 new ships (15 nautical and 2 river) with a total capacity of 30 000 in 2018, 22 new ships (20 nautical and 2 river) with a total capacity of 52 000 in 2019 and a projected launch of 32 naval vessels with a total capacity of 120 000 in 2020-2026.

Over the period of 2005-2015, demand for cruises increased by 62%. The highest demand was registered by US tourists - 11.52 million, followed by Chinese tourists - 2.1 million, German tourists - 2.02 million, UK tourists - 1.89 million, Australian tourists - 1.29 million, Italian and Canadian tourists - about 75 thousand, French tourists - 57 thousand and finally Spanish and Brazilian tourists - respectively 49 thousand tourists.

The demand for river cruises worldwide has grown by 7% compared to 2015.

The development of the cruise industry is based mainly on the activities and initiatives taken by cruise companies. The major cruise companies, which own most of the world's cruise liners and which bring new ships, technologies and experiences every year to attract more and more tourists, are: Cunard Line, Royal Caribbean Cruise Line, Norwegian Cruise Line, Holland America Line, Princess Cruises, Carnival Cruise Line (Brida, Zapata, 2010).

The river cruise market is currently dominated by the trend of seeking new destinations and new forms of recreation. The quality of services, offered to ships, has been increased. Trips to lesser known rivers are offered and development of thematic cruises tailored to the special interests of tourists that will allow them to experience new emotions and combine cruises with other activities (such as cycling and trekking) is presented in the destinations they pass through (Kovačić, et al., 2017).

On the other hand, there has been a steady growth in demand for river cruises from tourists from Germany, the United States, Britain, France and Australia over the past few years, while the number of tourists from other countries, has declined considerably. In 2017, 1.42 million passengers traveled along rivers in Europe, which is 3% more than in 2016 (1.36 million), with 38% of them being Americans or Canadians. The British and Irish markets are on third place. Their share increased by 10%, compared to the previous year. The passengers with the highest growth in number, however, are Australian and New Zealand tourists. Their share increased by 22% in 2017, after almost the same increase (23%) in the previous year.

The most preferred rivers in Europe are the Danube (38%) and the Rhine (31.5%). In 2017, 17 new cruise ships with 2558 beds were introduced on the European market. In 2017, 153 out of 346 cruise ships were registered in Switzerland. The Swiss Navy cruise fleet doubled for a decade. Another 62 cruise ships are registered in Germany, where some of the most influential tour operators in this area are located.

Strategic management develops cruise products trying to popularize them even more, though, there is a wrong belief that the cruise lines typically seeks to bring cruises to "everyone's pocket". Choosing the type of marketing strategy remains in the domain of strategic management and

owners of cruise corporations. The fact remains that the development of nearly all other types of tourism develops from not too massive to massive tourism. New development strategy should be based on a diversified, quality and market-custom tourist product and on the principles of respect for ecological balance and preservation of cultural heritage, which focuses its activities on the fulfillment of the expectations of tourists. It is estimated that future tourists will have the following characteristics:

- they will express the yearning for new experiences and events;
- they will be aware of the supply quality;
- they will have developed sense of nature conservation and ecology;
- they will prefer the social, cultural and ecological unity, but with an emphasis on indigenous elements.

Strategic management of big cruise corporations and even small companies is generally conducted as the team. It is organized vertically, hierarchical, but because of the basic satisfaction of tourists/guests, horizontal organizational structure is important. Based on this structure, which has the main task to connect shipping organizational part with tourism, the main objective is successfully realized. In front of strategic management of cruise corporations, with very complex internal problems of organization, there are also ones set by the market, through which the success of business is verified. In this part, it is necessary to meet the particular function of continuous market research of supply and demand in world cruise, adjust the offer to wishes and needs of guests and create new products. In parallel, it is necessary to upgrade existing products, maintain a pricing policy and use it to strengthen position in the market. Strategic management of cruise corporations is very demanding and is aimed at a broad market of demand, which, already in its minimum considering of the possibilities of development, crosses national borders. Functionally, differences between cruise companies are very pronounced because each of them has its own specific policies and specific strategic management (Gračan, 2016).

Economic contribution generated by cruise tourism in 2017

The cruise industry has contributed to the development of international travel, development of tourist regions, the promotion of destinations and the improvement of the economy. The number of people employed in this field increases annually and contributes to the provision of a large number of jobs.

Direct Economic Contribution

The \$61.0 billion in global direct cruise tourism expenditures account for a 5.3 percent increase over 2016 and by themselves generated a significant contribution to the global economy. As shown in Table 1, these direct expenditures generated 530,560 FTE jobs, up 8.0 percent from 2016, paying \$19.6 billion in employee income, up 10 percent from 2016. They include the shore side employees and crew of cruise lines.

Table 1: *Direct Cruise Sector Economic Contribution – Global and Regional Markets – 2017 (Billions of US\$)*

Category	Global	Regional Markets		
		North America	Europe (EU+3)	Rest of world
Output (\$ Billion)	\$61.02	\$28.75	\$21.34	\$10.93
Share of global		47.1%	35.0%	17.9%
Income (\$ Billion)	\$19.55	\$9.11	6.53\$	\$3.93
Share of global		46.6%	33.4%	20.0%
Employment	530,560	233,701	195,240	101,619%
Share of global		44.0%	36.8%	19.2%
		Percent Change from 2016		
Output (\$ Billion)	5.30%	5.6%	3.2%	9.0%
Income (\$ Billion)	10.0%	8.2%	8.9%	16.4%
Employment	8.0%	8.0%	5.1%	14.3%

Source: *The Global Economic Contribution of Cruise Tourism 2017, Business Research & Economic Advisors*

The table also shows the regional distribution of the direct economic contribution. North America's direct economic contributions accounted for 47 percent of the global direct contribution of the cruise industry. The \$28.8 billion in direct expenditures in North America generated 233,701 FTE jobs paying an estimated \$9.1 billion in employee income. As noted previously, North America's cruise line headquarters presence and the homeport operations for itineraries in the Caribbean represent a significant component of the direct economic contribution of the cruise industry and is heavily weighted toward those industries that supply goods and services to the cruise ships, i.e., cruise ports, suppliers of food and beverages, fuel and equipment, and administrative support services such as advertising, accounting and professional services and transportation services, including travel agents. North America's shares of output, income and employment have remained relatively unchanged from the previous year. Europe accounted for 35 percent of global direct

contribution to the cruise industry with \$21.3 billion in direct expenditures. These expenditures generated an estimated 195,240 FTE jobs paying \$6.5 billion in employee income. Given the significance of the shipbuilding industry in Europe, the direct economic contribution has a high concentration of manufacturing in that industry. The European shares of each impact category have seen small declines over the last several years as much of it is shifted towards other regions, particularly those in the Rest of the World. Finally, the direct expenditures of \$10.9 billion in the Rest of the World generated 101,619 FTE jobs paying \$3.9 billion in employee income. The overall global share in each of these categories has increased noticeably over the last four years. Driven by growth in capacity and the resulting visits predominantly in Australasia, the global share of direct output in the Rest of the World has increased from approximately 8.7 percent in 2013 to 18 percent in 2017. Employment share has increased from 11 percent to 19 percent, and the income share has increased from 9.7 percent to 20 percent over this same 4-year period.

Indirect and Induced Economic Contribution

As discussed previously, the indirect and induced contributions are generated by the spending of the directly impacted businesses and their employees. As a consequence, these impacts spread throughout the global and regional economies. The specific indirect and induced impacts are determined by the structure of the individual economies and as a result can vary significantly from region to region. As shown in Table 2, the \$61.0 billion in direct cruise tourism expenditures generated an additional \$72.9 billion in indirect and induced output. This is an increase of 7.2 percent from 2016. It also generated \$26.0 billion in employee income, up 11.6 percent from 2016; and 578,116 FTE jobs, up 9.0 percent from 2016.

Table 2: *Indirect and Induced Cruise Sector Economic Impact – Global and Regional Markets – 2017 (Billions of US\$)*

Category	Global	Regional Markets		
		North America	Europe (EU+3)	Rest of world
Output (\$ Billion)	\$72.93	\$32.70	\$30.51	\$9.72
Share of global		44.8%	41.8%	13.3%
Income (\$ Billion)	\$26.02	\$15.38	\$7.31	\$3.33
Share of global		59.1%	28.1%	12.8%
Employment	578,116	294,528	208,381	75,207
Share of global		51.0%	36.0%	13.0%

	Percent Change from 2016			
Output (\$ Billion)	7.2%	7.0%	3.6%	21.2%
Income (\$ Billion)	11.6%	8.5%	15.6%	18.3%
Employment	9.0%	8.2%	6.5%	19.8%

Source: *The Global Economic Contribution of Cruise Tourism 2017, Business Research & Economic Advisors*

As with the direct contribution, North America accounts for a plurality of the global indirect and induced output with 45 percent of the total. North America contributed a larger share of the global employment (51%) and income contribution (59%). Europe accounted for 42 percent of the global indirect and induced economic output while the Rest of the World accounted for 13 percent.

Total Economic Contribution

Combining the direct, indirect and induced contributions, cruise tourism generated an estimated \$134.0 billion in total output of goods and services throughout the global economy during 2017, an increase of 6.3 percent over 2016. As a result of the production of this output, 1,108,676 FTE jobs were required, an increase of 8.5 percent over 2016. The workers who were employed in these jobs were paid \$45.6 billion in income, a total that accounts for an 11 percent increase over 2016 (see Table 3).

Table 3: *Total Cruise Sector Economic Contribution – Global and Regional Markets – 2017 (Billions of US\$)*

Category	Global	Regional Markets		
		North America	Europe (EU+3)	Rest of world
Output (\$ Billion)	\$133.96	\$61.45	\$51.85	\$20.66
Share of global		45.9%	38.7%	15.4%
Income (\$ Billion)	\$45.47	\$24.49	\$13.83	\$7.24
Share of global		53.7%	30.4%	15.9%
Employment	1,108,676	528,229	403,621	176,826
Share of global		47.6%	36.4%	15.9%
		Percent Change from 2016		
Output (\$ Billion)	6.3%	6.4%	3.4%	14.4%
Income (\$ Billion)	10.9%	8.4%	12.3%	17.3%
Employment	8.5%	8.1%	5.8%	16.6%

Source: *The Global Economic Contribution of Cruise Tourism 2017, Business Research & Economic Advisors*

The table also shows the regional distribution of the direct economic contribution. North America has the largest total output contribution of \$61.5 billion and accounted for about 46 percent of the total global output contribution of the cruise industry. This output resulted in employment of 528,229 FTE workers paying an estimated \$24.5 billion in employee income. North America's employment and income contribution accounted for 48 percent and 54 per-cent of the total global income and employment contribution, respectively. These were also the highest among the 3 major regions. The total output contribution in Europe was \$51.9 billion, 39 percent of the total global out-put contribution. The \$51.9 billion in total output generated an estimated 403,621 FTE jobs paying \$13.8 billion in employee income. The jobs and income share equals 36 percent and 30 percent, respectively. Finally, the total output contribution of \$20.7 billion in the Rest of the World generated 176,826 FTE jobs paying \$6.2 billion in employee income. The share of the global contribution was 15 percent for the total output contribution, and 16 percent for both income and employment contribution.

Destinations for cruise tourism

The two major sea cruise districts are the Caribbean and the Mediterranean. These two regions attract over 60% of all cruises and the Scandinavian and Baltic regions - about 10%. Most routes are seasonal, which means that cruise companies are constantly looking for new opportunities to redirect their ships in line with demand. The main advantage of the Caribbean is the possibility of organizing cruises throughout the year and the duration of the routes varies from three days to two weeks. Cruises in the Mediterranean are offered in Europe, where the routes cover several European countries at the same time. Cruises along the coast of the UK, the Scandinavian Peninsula and Russia are also quite popular. There are also companies that organize around-the-world voyages lasting over 120 days.

Demand for new destinations and more adventurous cruises have led to the opening of new routes on the east coast of Africa, including Madagascar, Seychelles and Mauritius, and the islands of Indonesia. Companies such as Noble Caledonia or Jules Verne presented for the first time cruises in the Pacific Islands and trips to the Arctic and Antarctic regions, often using smaller boats in collaboration with local companies. Long routes are also becoming more popular when combined with different flights. Singapore is such an example, which continues to be the

basis for the global cruise market due to its proximity to destinations in the Middle East (Berger, 2004).

Cruise tourism routes are varied and basically divided into two directions - sea and river cruises. For sea cruises, the most popular destinations include: cruise on the Mediterranean - southern Europe; cruise in Northern Europe - Baltic capitals, cruises in Western Europe - British Isles; cruises around the Canary Islands - Morocco - Madeira; Cruises in the Red Sea - Suez Canal - Middle East; cruises in Dubai - UAE; cruises in Asia; cruises in the Indian Ocean - South Africa; cruise to Alaska; cruise to Canada - New England; Route Caribbean - Florida - Bahamas - Mexico - Cuba - Panama Canal; cruise around Bermuda; Cruises in South America - Amazon - Galapagos - Antarctica; Hawaii Cruise; cruises to Australia - New Zealand - Tasmania - French Polynesia - South Pacific; Transatlantic cruises and World cruises. In river cruises the most popular route is the Rhine-Main-Danube.

Europe's largest river cruise company, Croisi Europe, offers routes to Italy, Spain, France, Germany, Portugal and Belgium. In the United States, river cruises can include a trip along the Mississippi River, tours around Alaska's glaciers, or the Hudson River. Most of the Mississippi cruises are thematic with historical focus. This type of cruise is offered by the cruise company American Cruise Lines, which runs through 10 states for 22 days. It starts from the south of the Mississippi River, exploring southern plantations, majestic parish houses, and Civil War battlefields, passing through the hometown of famous author Mark Twain, where the heroes of Huckleberry Finn, Tom Sawyer and Becky Thatcher come alive.

Innovation and technology in the development of cruise tourism

Growing expectations of tourists, an increasing number of millennial passengers and the generation Z, as well as the multitude of working people or the so-called digital nomads, onboard travelers are forcing cruise companies to pay serious attention to the technological development of their ships (Misheva, 2016). Their main goals in this regard are to improve the speed of the internet connection, reduce the cost of the service and create good conditions for the passengers using their mobile devices, both for entertainment and for business deals. Unlike the situation on land, where technologies are developing extremely fast, at sea, onboard cruise ships, technological changes are introduced much

more slowly. For example, the speed of the Internet offered on board for many years was much lower than onshore and even today not all ships are able to provide a fast and quality internet connection. For this purpose, a system called Speed Net has recently been developed, whereby the most popular and used sites are sent to mobile devices via a separate channel, freeing the mainstream network from additional traffic. This way, a site like Amazon.com loads for about 7 seconds (instead of 20 seconds), and Facebook.com loads for 5 instead of 11 seconds. Disney Cruise Line, Carnival and Royal Caribbean are among the first to introduce new pricing schemes for Internet use, namely a pay change that no longer pays for internet usage, but for spent megabytes. Various online bundles are available - cheaper to use e-mail and Facebook, and more expensive for those who prefer unlimited access to different sites and apps. It is expected over the next few years that more and more cruise companies will introduce similar packages and reduce the cost of the Internet service as a whole. Cruise companies also develop systems to watch TV channels on board the ship via mobile devices. According to the new concept, passengers will be able to watch different TV channels while sitting by the pool or drinking cocktails at one of the bars.

The cruise industry is one of the most innovative in the field of tourism, and this applies not only to mobile technology but also to the construction of the ships themselves, the tourists' entertainment offered and the onboard experiences. Very often cruise liners are presented as the most luxurious, modern and innovative examples in the development of tourist business. The so-called "floating cities" offer all the amenities and entertainment that tourists would find in luxury hotels and beachfront restaurants. An example is the largest ship in 2017 in the world - "Harmony of the seas", owned by the Royal Caribbean's cruise company. The "new generation" ship is third of the popular series OASIS, the fourth ship in this class is in the process of being built. With a capacity of 226,000 tons and a capacity of just over 5,400 passengers and a crew of 2394 people, the ship offers innovative entertainment and adventure technologies. The height of the ship is as tall as a 20-storey building and its length is 362 meters, exceeding the length of the red square in Moscow, with 20% less fuel than the other two ships of the same class - Allure of the Seas and Oasis of the Seas. The concept of spatial zoning introduced in these ships is also embedded in the "Harmony of the seas", which has 16 decks. The seven zones include the Boardwalk and the Central Park, a green park, with 12,000 plants, shops and restaurants. There are 20 restaurants (the main one is set on 3 floors), outdoor

nightclubs including a live jazz club, karaoke and theme bars and a casino. Other areas include children's entertainment (special children's aqua park, 3D cinema), spa complex, fitness center, ice rink, aqua park with 3 water slides, 4 swimming pools, golf course, indoor solarium, "Aqua Theater" amphitheater, art gallery, sculptors and works of contemporary art, etc. In one of the restaurants, Wonderland, furnished according to the motifs of Luis Carroll's tale, instead of a menu, a "blank" framed picture is provided, which should be brushed and water colored, for the words to appear. There is also a Bionic Bar where bartenders make cocktails and dance. Interesting places are the accommodations, where 76 indoor cabins with virtual terraces are offered. Some of the apartments include even free concierge service, access to a private lounge, and personalized service. There are also luxury mansion suites, which are located on two decks. Apart from entertainment, there is also an innovative approach to security by building a modern system to identify all ship's passengers in case of need (Mischeva, 2017).

World trends in cruise tourism development

Thematic cruises are becoming more and more popular

Thematic cruises are a suitable option for travelers who are first boarded on a cruise ship or for those who want to combine their interests with a relaxing break. The main directions in which thematic cruises are very successful are related to music; wellness and fitness lifestyle; food, wine and beer; cinema and television; sport; historical and world events; hobbies and crafts; dances; arts; science and nature; lifestyle and more. In general, thematic cruises are divided into three categories. The thematic cruise, in which each place on the ship is subject to the given theme, falls to the first category. Such cruises can be offered by both the cruise companies and their ships can be hired by companies which organize different events. The second category includes partial theme cruises whose theme does not cover the entire ship. Special interest groups can book several cabins from different categories of the ship. Typically, these groups do not affect the entire voyage, although there are separate places for them in the common parts of the ship. The last category is so-called, a theme-inspired cruise where thematic sailing takes place on a regular cruise line, offering some additional activities or guest lecturers to the standard cruise program. For example, the luxury cruise line, which runs in Tahiti, French Polynesia and the South Pacific, Paul Gauguin Cruises, includes events by the oceanographer and ecologist Jean-Michel Cousteau

throughout the year. During these voyages, Cousteau lectures and accompanies the scuba diving.

Some thematic cruises offer the opportunity to meet famous musicians, authors or athletes, or to attend lectures, seminars, literary readings, competitions, concerts. Others allow travelers to focus on their interests to the fullest extent. For example, a golf cruise allows participants to improve their skills by attending world-class courses, and dance cruises can be universally enough for both experienced dancers (master classes) and beginners. Cruises from the "Food, Wine and Beer" destination offer a variety of culinary activities - regional wine tasting, sommelier-driven and local brewery tours, cookery and confectionery lessons, or a real cooking show at sea (Emilova, 2018).

The Old is the New "New"

The tendency to extend the life and attractiveness of older ships, instead of building new ships every year, is becoming more and more pronounced. For example, the Holland America cruise company invested 350 million dollars to improve the accommodations, meals and entertainment on board its ships in 2018. The trend was also observed in the luxury lines - liner Crystal Symphony will be reconstructed in 2017, and Silversea's Silver Cloud will become a theme ship for expeditions (www.cruisecritic.co.uk, 17 February 2019)

Increase of cruise expeditions

Already in January 2017, the Celebrity cruise company launched two new ships - Celebrity Xperience and Celebrity Xploration - into the Galapagos Islands. In June 2017 Lindblad Expeditions, a leading travel and eco-tourism with an emphasis on responsible travel, launched its brand new ship National Geographic Quest in Alaska and the Pacific Northwest. These types of cruise trips provide authentic, near-wild experiences that provide real connection to the places which are being visited. These examples are proof of the growth of the cruise discovery market.

"Packaging" in cruise tourism

A luxury cruise may not be suitable for every tourist, but customizing the holiday experience and options in his pay are attractive for most tourists with a smaller budget. That is why the introduction of "packing" or offering cruise vacations in prepaid package deals is becoming more common in the cruise market.

River cruises are becoming more and more demanded

As an alternative to bus tours, river cruises are increasingly preferred, providing more opportunities for an active tourist. Most cruise lines already offer bikes that can be used both at the harbor itself and on organized guided excursions.

Acquisition of private islands

With the opening of the private island of Harvest Caye of the Norwegian cruise line in southern Belize, it became clear that a new type of cruise travel experience would be offered. As with the other shore excursions, tourists can go down on the island, but as no food is available on the island, they can make their own lunch on the ship.

Construction of large and extra-large cruise ships

In recent years there has been a growing tendency to build large and oversized cruise ships. The trend of building and putting into service of new ships every year has a significant impact on the demand for such products. According to data from the International Association of Cruise Companies (CILA) investment in new vessels will increase by 6 billion euros over the next few years. More than 40 new cruise ships are expected to be put into operation in the period 2016-2020 (www.world.expeditions.com, 16 February 2019).

Conclusion

In conclusion, it can be noted that the popularity of cruises will continue to grow thanks to the wide range of entertainment activities on board of the so-called "floating cities"; offering innovative and high-quality services, the ability to experience unparalleled experience, bringing new and more attractive ships into operation, and reducing package prices. The development of cruise tourism has a positive impact on the increase of the world's employment and income in the field of tourism.

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