

# Mega-cruises are becoming copies of the great Las Vegas resorts

June 21 2018

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Barcelona has become the most important port in the world for cruise holiday tourism, apart from its original market, the Caribbean. This year, it has served as the base for some of the most modern mega-ships, like Royal Caribbean's Symphony of the Sea, or the new flagship of the world's premier cruise ship operator, the Carnival Horizon. In this context, two studies by the Applied Economics & Management Research Group, based at the University of Seville, have analysed the main trends in this important tourist sector. The authors of these projects were the José Ignacio Manzano, Lourdes López-Valpuesta and Mercedes Castro-Nuño.

Castillo says, "our estimates, from the feedback of 105,000 cruise passengers, show that the gigantic size of the ships is creating a new experience, but also that this mass experience is less satisfactory than that on traditional cruise ships."

According to the researcher, the productive improvements and innovations in the shipyards, which have made the mega-ships possible, have made the cruise ship operators look for a leisure model suited to the abundant space that these new floating cities offer. In many of these ships, the classic model of luxury ("like the false first class of the Titanic") has been abandoned to copy, with great precision, the theme parks of the great casino resorts of Las Vegas. For this reason, according to Castro-Nuño, the majority of the cruise ship operators no longer focus on the traditional cruise ship market of pensioners with high incomes and honeymoon couples, but instead are trying to attract mass middle-

class family tourism.

According to Lopez-Valpuesta, the mega cruise ships have many similarities with the resorts of Las Vegas, beyond just having casinos: The traditional formal dress code has been abandoned for something clearly informal, even on cruises run by premium operators; the ships have greatly expanded the shopping possibilities available, and, to an even greater extent, the gastronomic possibilities, with the cruise operators now competing with the casino resorts to offer the most spectacular buffets.

Tourists enjoy shows in the style of Cirque du Soleil and the same magicians and singers, as well as great water-related entertainment facilities, from swimming pools, to replicas of the famous fountains of Las Vegas's Hotel Bellagio on the high sea. For this reason, both models of tourism share the same business model, based, after a process of business concentration, on an oligopoly, in which a few businesses offer very aggressive prices with a dynamic pricing system that changes greatly according to the time of booking. Both models look to maximise occupation of the great resorts/ships, so that they that can then try and get their guests to spend as much money as possible in the facilities as a captive audience, whether due to the daily high temperatures of Las Vegas, or because of the sea in the case of the cruise ships. For these reasons, it should not be a surprise that the same corporations, like Apollo Global Management and the Genting Group own some of the main Las Vegas resorts and cruise ship operators.

Castillo considers the unstoppable expansion of this sector, with close to 28 million tourists/cruise passengers in 2017; cruises have broken with the axiom of the tourist sector that the majority of positive economic impact is produced in the destination visited. Even the traditionally reviled "all inclusive" beach resorts generate almost all their employment in the destination where they are situated, from workers to providers,

and they contribute to the maintenance of the welfare state with the taxes raised.

In contrast, cruises, independently of where they dock, generally have a marginal relationship with local providers, and direct employment is usually concentrated in the countries of Southeast Asia, where a significant part of their crews originate. The positive impact is reduced, except at the port of embarkation or disembarkation for shore trips, though even the money spent here is impacted upon by the shops and restaurants available on the mega cruise ships.

Whatever happens, according to Castillo, no tourist destination can afford to remain outside this area of expansion, although it is necessary to find a way to increase the social and economic benefits for the destination.

**More information:** José I. Castillo-Manzano et al, What does cruise passengers' satisfaction depend on? Does size really matter?, *International Journal of Hospitality Management* (2018). [DOI: 10.1016/j.ijhm.2018.03.013](https://doi.org/10.1016/j.ijhm.2018.03.013)

Provided by University of Seville

Citation: Mega-cruises are becoming copies of the great Las Vegas resorts (2018, June 21) retrieved 23 April 2024 from <https://phys.org/news/2018-06-mega-cruises-great-las-vegas-resorts.html>

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