CRUISE TOURISM: CREATING JOB OPPORTUNITY FOR THE BALINESE PEOPLE

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ABSTRACT

Tourism is and will be identical with what is referred to as cruise tourism. What is frequently referred to as Cruise Line does not only function as a means of accommodation but it is also a tourist attraction which has employed a great number of people. The ratio of the number of rooms to the number of the workforce employed in tourism is 1: 2, meaning that the construction of one hotel room will require one or two employees. In the cruise line every operator prepares between 1000 and 3000 rooms or cabins, and the ratio of the rooms to the workforce is 1: 1.5, meaning that every cruise line will require between 1.500 and 3.500 employees. Nowadays, Bali has been one of the suppliers of the workforce in the cruise line. The growth of the cruise line industry has caused the number of tourism schools with the cruise line department to increase. Until 2011, there were 364 private tourism schools all over Bali, 79 of which gave training in tourism, hotel management and spa, and cruise line. In addition, the number of senior high school graduates who are interested in attending the basic or one-year program of cruise line especially has gone up.

Keywords: Cruise Tourism, Impacts, Job Opportunity, Society

1. INTRODUCTION

Tourism is part of the phenomenon of modernization of which the existence cannot be avoided and refuted. As an industry, it has certainly contributed a lot to people’s lives especially their economy [1],[2],[3]. Further, Bali has been identical with tourism. When one hears Bali, he may imagine various tourist attractions spreading all over Bali. The Balinese people with their tradition and culture have inspired tourists to visit Bali. Developing Bali as a cultural tourist destination has been one of the strategies which has multiple meanings, one of which is that Bali has been able to attract tourists to come [4],[5]. One of the other meanings is that developing Bali as a cultural tourist destination has been one of the strategies to conserve the Balinese tradition and religion. This is in accordance with the Local Regulation concerning cultural tourism issued in 1974, 1991 [6]. How much tourism in Bali has benefited the stakeholders depend on to what extent they have participated in it. If they do not do anything, tourism will not benefit them at all. It will benefit everybody if what is produced by tourism can be distributed to those who should deserve it. It will benefit them if they participate in it. It can be argued, therefore, that tourism has not touched the Balinese people’s lives. From the view of participation, this phenomenon is not entirely wrong; it will benefit one if he participates in it. From the view of demand, the existence of tourists both directly and indirectly contribute to the tourist destination with its components such as hotels, restaurants, travel agencies, souvenir shops and community [7]. Tourism is not only related to economy such as the rise in the state revenue, Product Domestic Regional Bruto (PDRB) and so forth, but it is also an industry involving numerous types of capitals and requiring numerous types of human resources, starting from black-collar workers, gardeners, cleaners, suppliers to managers. Thus, tourism has employed so many people; many work as hotel employees, many are employed at travel agencies, many work as suppliers of vehicles needed as means of transportation and drivers, many work as souvenir shopkeepers, many are employed at spa and so many others are employed by the other sectors [8],[9],[10]. Tourism industry has also contributed to the establishment of the postgraduate studies in tourism.
2. LITERATURE REVIEW

2.1 Tourism as a Social Phenomenon

The phenomenon of tourism has been much discussed using the theory of social exchange [11,12,13,14]. They state that the theory of social exchange has widely changed the context of organizational behavior. Actually, social exchange is a series of interactions, in which one is dependent on another, as an obligation. Thus, the concept of being dependent on one another is in line with the theory of the system of tourism [15]. Tourism is regarded as a system, in which there are four elements which are related to and dependent on one another. To some extent, there is an interaction between tourists and the host and it is this concept which the theory of social exchange contains. However, according to [14], the theory of social exchange has been an ambiguous discussion between academicians and practicians, especially if it is related to the measuring indicator. Further, they state that the theory of social exchange consists of 1) the rules and norms of exchange; 2) the resources exchanged, and 3) the relationship. It can be stated, therefore, that the phenomenon of tourism and its interactions refers to the theory of social exchange, in which the key word can be understood as reciprocal relationship.

According to the concept of the theory of social exchange, the relationship among tourists means needing one another apart from being dependent on one another. Tourists need tranquility, comfort, and value from the journey they make. This means that suppliers are obliged to give the best service as what they are supposed to do in the form of an expectation (see expectancy-disconfirmation theory [16,17]). Thus, the phenomenon of tourism may be approached using the theory of social exchange. However, this does not mean that tourism can only be approached using this theory. Many theories can be employed such as the theory of plan behavior [18] and the theory of justice [19].

2.2 Trend of Cruise Tourism

Cruise Tourism is one of the new market segments in tourism which has not been much developed by any developing country such as Indonesia. From the market point of view, the target is what is termed as the niche market of all the markets of the international tourism [20,21]. As far as the cruise tourism is concerned, it has shifted not only with respect to the target market but also with respect to the tourist destination. The Asian region has been appreciated by the cruise line operators; in other words, it has been chosen by both the operators and consumers apart from Caribbean, America and Europe as the conventional markets of the cruise line [22].

Based on what is demanded by the consumers, the interest in making the cruise line one of the ways of enjoying any tourist destination has been increasing. It is enhanced by the fact that the trend is responded by the cruise line operators. The tour package offered has been changed from one week into 3-4 days. The consumers are provided with many choices of lengths of time. As a consequence, the package price is getting more competitive. This is also supported by other factors such as low price of air ticket and the cheap price of other means of transportation. From the side of demand, the number of the cruise line operators is going up.

2.3 Competition in Cruise Line

Based on the estimation of the inter cruise management which was prepared with reference to the report on the regional cruise and the estimation of growth based on the report on the Mintel Cruise prepared in 2008 [23] it turned out that the Caribbean region was the most dominating (50%), followed by the Mediterranean region (19%), the North American region (14%), the North European region (11%), the South American region (4%) and the Asian region (1%) and the Canadian region (less than 1%). Being the least dominating (less than 1%), the Canadian region was not discussed in detail. It was predicted that in 2014 the Caribbean region would still be the most dominating although there would be a slight decrease by 38%. However, the Mediterranean region would be more interesting than before, as the level of its domination would increase by 22 – 32%; the North American region would increase by 15%; the North European region would go up by 13%, meaning that there would be a 2% rise in regard to its domination compared to what occurred in 2008; the South American region would grow by between 5% and 10%; and the domination of the Asian region would reach 7% or even 25%. This proves that the Asian region is interesting to the cruise line consumers. The Canadian region was predicted to grow by 2% to 17% in regard to its domination [23].

However, it was predicted by the Intercruise Management that in 2014 the market share of the cruise line would change. The Caribbean region would be the most popular (38%), followed by the Mediterranean region (between 22 and 32%), which would be interesting if compared to what occurred before, the North American region (15%), in which there would be an increase, if compared to what happened before, the North European region would undergo a 2% increase in regard to its domination as the market share of the cruise line (13%) if compared to what it underwent in 2008. The South American region would also grow by between 5 and 10 per cent; however, the Canadian region was predicted to be going to undergo a two to 17 per cent in regard to its popularity as the market share of the cruise line [23]. As well, it was predicted that the Asian region would grow by between seven and 25 percent in regard to its domination as the market share of the cruise line, as can be seen from Table 1.
Table 1: The Realization and Prediction of Tourists Visiting Various Regions

<table>
<thead>
<tr>
<th>No.</th>
<th>Region / Country</th>
<th>Percentage 2008</th>
<th>Percentage 2014</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Caribbean</td>
<td>50</td>
<td>38</td>
<td>Decrease</td>
</tr>
<tr>
<td>2</td>
<td>Mediterranean</td>
<td>19</td>
<td>32</td>
<td>Increase</td>
</tr>
<tr>
<td>3</td>
<td>North America</td>
<td>14</td>
<td>15</td>
<td>Increase</td>
</tr>
<tr>
<td>4</td>
<td>Northern Europe</td>
<td>11</td>
<td>13</td>
<td>Increase</td>
</tr>
<tr>
<td>5</td>
<td>South America</td>
<td>4</td>
<td>15</td>
<td>Dramatic Increase</td>
</tr>
<tr>
<td>6</td>
<td>Asia</td>
<td>1</td>
<td>25</td>
<td>Spectacular Increase</td>
</tr>
<tr>
<td>7</td>
<td>Canada</td>
<td>-</td>
<td>17</td>
<td>Dramatic Increase</td>
</tr>
</tbody>
</table>

(data processed)

The Asian region, including Indonesia and Bali, would highly possible be the world’s market share of the cruise line, provided that the facilities needed are fulfilled. However, many parties are not convinced that the cruise tourism would contribute significantly to the host and stakeholders. However, a positive judgment should be provided to such a floating tourism. It can be predicted that great numbers of tourists will disembark to enjoy various land attractions. Apart from that, the crews also need many things when they disembark.

3. DISCUSSION

3.1 The Growth of Cruise Line Industry

The cruise line industry has rapidly developed as far as the context of the journeys made by the world’s tourists is concerned [24],[25]. The average growth of such an industry was 7.4% from 1990 to 2007; more than 80% were from North America and the rest were from Asia and Europe [26],[30]. The success achieved by such an industry could be viewed from the numbers of passengers and the expenditures made per individual per harbor, and sometimes per destination and category of the harbor visited. The Association of the Florida-Caribbean Cruise Line (FCCA) recorded that during 2005 and 2006, the expenditures made by the tourists in every harbor amounted to $98.01, and the expenditures made by the crews totaled $74.56, and that the average growth was 10%. [30].

According to what was recorded by the Cruise Line International Association (CLIA), the passengers of the cruise line who had bought tickets for two days since 1990s totaled 128 million, 70% stated that they had bought tickets 10 years before and 44% had bought tickets five years before (FCCA, 2008 in [30]). According to what was recorded by FCCA (2008), the ten destinations which had been favorites to the cruise line tourists were Caribbean, Mediterranean, Alaska, Europe, Mexico, Bahaman, South America, Canada and Bermuda, forming 85% of the total of the world’s tourist destinations [30].

3.2 Strategy Used to Acquire the Market Share

Many attempts have been made by the cruise line companies in order to obtain the market share; the customers have been made to be sympathetic through particular strategies and images. The two strategies applied by the cruise line have been cooperation and competition. The cooperation among the cruise line companies was represented by International Associations such as CLIA which were supposed to promote them. However, the competition in the lanes of cruise was represented by product differentiation and marketing strategy. Carnival, for example, differentiates its products as the low cost firm; however, Cunard offered its luxurious products. The Princess Cruise is a specialist in wedding; the Celebrity Cruise has been recognized for its best foods; the Royal Caribbean Cruise has been recognized for its best facilities; and the Costa Cruise has been recognized as having the best European style [30],[29],[28].

3.3 Economic Impact

The economic impacts of the cruise line industry can be classified into direct, indirect and induced impacts [27],[28],[29]. The direct impact can be identified from the activities done by the supplier that directly sells its products to the cruise line company and the passengers and crews of the cruise line. The expenditures related to the cruise line include harbor and sea fees, and the expenditures for foods and beverages, fuel, water, and maintenance. The expenditures made by tourists are not limited to those charged by the cruise line but also the expenditures needed for taxi, souvenir, land tour and foods and beverages. And the expenditures made by the crews include the expenditures for foods and beverages, souvenirs, transportation and recreational activities. The indirect impact is brought about from the purchase of the items supplied by other suppliers, and the induced impact includes the revenues received from the receivers as their income has increased.

According to [29],[30], the economic impact of the American cruise line in 2006 arising from the indirect economic impact, the expenditures made by tourists the cruise line crews totaled $3.5 billion gross, meaning that there was a 10.2 per
cent increase compared to what occurred in 2005. 348,000 employees from different parts of the country were employed and the pays and salaries they received totaled USD 1.7 billion. The economic contribution given by the cruise line industry depends on the harbor categories: home port and port call. The home port is the port where the cruise line leaves and gets back, and the port call means the port where the cruise line usually drops in. The business of cruise line where it was started such as Miami, Port Canaveral, and so forth has directly affected every segment of the tourism industry such as hotel and resort transportation, restaurants, and tourist attractions. In Seattle, for example, the expenditures made by tourists totaled $63 per 1.6 nights [30].

3.4 Environmental Impact

Attempts have constantly been made by several environmental groups that they should be more responsible for environment. Fines are imposed upon the company that deviates from the environmental law. Several suggestions have been recommended to regulate navigations. It is suggested that the cruise line waste should be well managed; inspection and control should be more frequently made; the mechanism of the law empowerment should be strengthened; training course programs should be held, and so forth [30],[31]. [30], states that the cruise line company such as the Holland America Line (HAL) has paid attention to the sea damage resulting from the cruise line industry. It has developed an ecological project in order to rehabilitate the ecosystem of what is referred to as the ridge of rock exposed at low tide. It has been successful in restoring and saving the damaged rock fragments, eliminating the ruins, reattaching the live rock and observing the types of environmental impacts such as a) the degradation of vegetation resulting from the behavior of tourists, the choice of the place where to anchor, which has led to b) erosion and plant damage, c) the degradation of historical sites as a result of over behavior, and collections of artifacts; visual and physical impacts; d) the degradation of geological sites [30],[31]

3.5 Social and Cultural Impact

The rapid development of the cruise line industry cannot be separated from any intensive interaction. The interaction between tourists and local people will be responsible for any negative impact when the host faces the tourists and vice versa [31]. When the local people face noise and the tourists face the attractions at any museum or monument, they will feel confused [31]. The relationship between tourists and the host within the social and economic contexts has been discussed in many sources [31]. Many changes of value, system, work relation, individual behavior, security, moral value, collective life, creativity, traditional ritual and social organization will take place. To what extent tourists will feel satisfied at any tourist destination depends on the experience the tourists have received as stated by [31]. The people’s behavior and experience should be understood as the impact of social situation as tourists behave differently. As an illustration, a small tourist destination is visited by a great number of tourists. How it is handled will affect the lives of people. In addition, pollution as a consequence of the traffic noise and traffic jam cannot be avoided either [31].

3.6 The Impact of Cruise Line Industry on Bali

As stated above that the impacts of tourism could be categorized into two: they are direct impact and indirect impact. The growth of private and state educational institutions with their departments of tourism proves that tourism in general and the cruise line industry in particular which prepare the workforce in tourism cannot be separated from education. In 2011 the private training institutions in Bali totaled 364 spreading in nine regencies in Bali. From 364 private training institutions, 79 had the department of tourism including hotel management, spa management and cruise line management. The private job centers ‘Pusat Pelaksana Penempatan Tenaga Kerja Indonesia Swasta ‘PPTKIS’ through which the employees of the cruise line are recruited totaled 4 in 2011 as stated by the Department of Man Power and Transmigration Program, Bali Province [33]. They are 1) PT Bali Paradise Citra Dewata, 2) PT Bali Duta Mandiri, 3) PT Luwu Agung Rinjani, and 4) PT Cemerlang Tunggal Inti Karsa.

Added together, the branches of PPTKIS in 2011 totaled 18, as follows. 1) those which provided training in tourism totaled 19, 2) those which provided language training totaled 10, 3) those which provided training in accounting totaled 2, 4) those which provided training in computer totaled 11, 5) those which provided training in baby sitter totaled 4, 6) those which provided driving courses totaled 7, 7) those which provided training in design totaled 2, 8) those which provided training for seamen totaled 3, 9) those which provided training in spa totaled 8, 10) those providing training in aviation; and 11) those providing training in management. The number of the cruise line crews sent by two PPTKIS can be presented in Table 2.
Tabel 2: The Number of Workforce Employed

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Name of Institution/Number of Workforce</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2005</td>
<td>PT. Bali Paradise Citra Dewata 669 45</td>
<td>1)MSC, 2) Carnival* and 3) Royal Caribbean*</td>
</tr>
<tr>
<td>2</td>
<td>2006</td>
<td>PT. Bali Duta Mandiri 751 49</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>2008</td>
<td>1737 135</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>2009</td>
<td>1743 135</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>2010</td>
<td>1851 165</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>2011</td>
<td>2117 185</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>2012</td>
<td>- 210</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>2013</td>
<td>- 400*</td>
<td>• In new MOU, it is targeted that 400 would leave in 2013</td>
</tr>
</tbody>
</table>

Total 10,117 991** Data were prepared in 2012; data for 2013 were not available yet
Average 1,445 124 1,569*** average number of workforce sent annually

Source: the interview in which the interviewee was the management of PT Bali Dua Mandiri, Denpasar- Bali

The data in Table 2 shows the number of workforce employed by the cruise line sent by two of the four companies in Bali. No information was obtained on the number of workforce which the other two companies had planned to send. The average number of workforce employed by the cruise line was 1,569 annually, 95% came from Bali and the rest came from outside Bali (obtained from the management of PT Bali Duta Mandiri interviewed on Monday, 28th April 2013).

4. CONCLUSION

The tours made using the cruise line may be termed as “prestigious” tours for the two parties; the tourists and the tourist destinations visited. This industry will grow following the current life style of people who desire quality authenticity and experience. The development of cruise tourism has given Bali an opportunity to develop the new market segment for those who like travelling based on what is referred to as snob motivation which is different from what is referred to as bandwagon motivation [33]. The development of the cruise line industry has caused the educational institutions which train and educate the workforce in tourism in general and in the cruise line in particular to grow. Those who are prepared to work in the cruise line industry total 1500s every year, showing that more and more people are getting interested in working in the cruise line industry.

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