

## THE IMPACT OF MASS / CRUISING TOURISM ON THE URBAN AREA OF KOTOR

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### Abstract

*The paper refers to the current situation of tourism development in Kotor, as well as the analysis of the impact of cruise tourism development on urban area. Its aim is to show negative impacts of cruise tourism development in Kotor, especially in terms of overloading the urban area, as well positive impacts related to economic benefits. Research is related to the evaluation of existing infrastructure, tourist offer, positive and negative impacts of tourism development. The paper presents indicators of the sustainability of tourist destinations, which indicate the overload of Kotor as a tourist destination. Existing tourism development is not in line with sustainable tourism development, regardless of the economic benefits to Kotor port and local souvenir shops. Therefore, it is necessary to carefully manage the further development of cruise tourism. In the field of economic benefits, consumption analysis of cruise tourists gives us a clear picture of the controversy in the area.*

*Key Words: cruise tourism, tourist destination, sustainable development, Kotor*

JEL classification: Z32

### Introduction

Tourism development has significant impacts on tourist destinations, both positive and negative. According to sustainable tourism development, it is necessary to take into account all aspects of sustainability: social, economic and environmental. The development of mass / cruise tourism has significant negative effects, especially on the ecological and social dimension. Therefore, it is necessary to constantly measure these impacts

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and to adopt policies that are consistent with sustainable development. In order to increase the satisfaction of tourists and gain loyal guests, it is necessary to work on improving the offer. Also, priority should be given to those types of tourism that create less negative impacts.

### **Cruising tourism**

The cruiser represents a ship similar to a mobile resort and involves the transport of passengers from one destination to another. It is viewed as a floating hotel or floating resort and include restaurants, bars, shopping centres, sports facilities, entertainment venues, while cabins are getting more comfortable and luxurious. Cruise tourism is a niche form or type of tourism that is rapidly growing (Dowling, 2006).

At the end of the 20th century, cruise tourism was an elite privilege. At the beginning of the 21st century, cruise tourism had enormous growth in both the number of travelers and destinations. The negative side of this growth is the negative social and environmental impact (Adero & Skonieczny, 2017).

Cruise tourism is a popular form of tourism and a significant part of the tourism industry, with approximately 25 million travelers in the world in 2016. Across Europe, there was 6.7 million travelers in cruise tourism in 2016. Germany, UK, Italy, France and Spain were among the largest European markets. The cruise sector had a very rapid growth with a fivefold increase in passenger numbers since 1995. According to the CLIA (Cruise Lines International Association), demand for cruise tourism has grown from 5.6 million travelers from 1995 to 24.7 million in 2016. Looking at the same period, the number of cruise tourists with an average annual growth of 5.2% between 2005 and 2016 grew faster than the number of international tourist arrivals worldwide. In Europe, the number of passengers increased from one million in 1995 to 6.7 million in 2016. Germany and the UK represented the largest European market, accounting for more than half of European travelers (UNWTO, 2017).

The cruise industry is constantly growing. In the period 2008-2018, demand for cruise trips worldwide increased from 16.3 million passengers to 28.5 million. This represents a total increase of 75% and an annual growth rate of 5.7% over a 10-year period. From 2017 to 2018 number of cruise passengers has increased for 6.7%. An estimated 146.4 million passenger and crew visits generated \$68 billion in direct cruise sector

expenditures in destinations and source markets around the world. Table 1 also shows total output contribution, total income contribution and total employment contribution. All of these categories are growing compared to 2017. (CLIA, 2019).

Table 1: *Total Global Economic Contribution of the Cruise Sector - 2018.*

Category	Current US\$	
	Global	Change from 2017 in%
Passenger and Crew Onshore Visits (Mil)	146.36	6.9%
Total Direct Expenditures (US\$ Bil)	\$67.97	11.4%
Total Output Contribution (US\$ Bil)	\$150.13	12.1%
Total Income Contribution (US\$ Bil)	\$50.24	10.3%
Total Employment Contribution	1,177,000	6.1%

Source: CLIA (2019), *The contribution of the international cruise industry to the global economy in 2018*, <https://cruising.org/news-and-research/research>, (25 February 2020).

One of the most dynamic cruise regions in the world in the recent times is the Mediterranean and its adjoining sea. It represents the second biggest cruising region. Caribbean and Mediterranean cruise regions host more than 50% of the global cruise fleet capacity. In 2017 there were 25,915,573 cruise travelers movements registered in MedCruise port members. Thirteen cruise ports are located in the Adriatic Sea and it is the second biggest MedCruise region by cruise activity hosting 17,2% of the total passenger movements. In the Adriatic, cruise traffic is mostly concentrated during the second half of the year (June-November). The passenger movements in the Adriatic during December-February did not exceed 70.000 (MedCruise, 2017).

Cruise tourism for destinations can be a relevant primary or additional source of tourism revenue. On the one hand, there is revenue from port services paid for by cruise line operators. On the other hand, destinations generate revenue from tourist consumption on land created by travelers and crew, and relate to activities such as sightseeing, shopping, eating and drinking, etc. Although the economic effects of cruise tourism are significant, the negative effects are also part of cruise tourism development and they must be taken seriously into account.

Tourism has significant economic benefits for destinations, but can also have a negative impact on the environment and the local community.

Cruise tourism involves the arrival of a large number of people in a destination for a shorter period of time, which multiplies the impact. The development of cruise tourism can lead to degradation of biodiversity and destruction of cultural heritage, if not properly managed. A very important component of the sustainable development of cruise tourism is that policy makers and destination managers conduct assessments. Appropriate assessment of the destination value chain gives managers and policy makers the opportunity to understand the potential benefits, risks and impacts of cruise tourism (UNWTO, APTEC, 2016).

### **Sustainable tourism development**

The concept of sustainable development includes economic, social and environmental issues. This approach is also called triple bottom line and focuses on accountability, transparency, stakeholder focus and systematic measurement and reporting (Carić, 2004).

Sustainable development implies a balanced relationship between people, economic development and the environment, which means that the economic, social and environmental dimensions are integrated into the same level of consideration. The implementation of this concept involves thinking about the future of humanity (Committee of the Regions, 2006).

This concept has become an integral part of development planning and political decision-making since 1987 and has since been one of the key elements in the formulation and implementation of development policies in the world. The context of sustainable development clearly distinguishes between economic, social and environmental components, on the one hand, and their simultaneous effect and synergistic effect, on the other (Duletić, 2011).

The concept of sustainable development requires: conservation of natural resources, more efficient allocation of resources and redistribution of natural wealth, introduction of new technologies and understanding of the difference between growth and development, abandoning activities that could threaten future generations, incorporating the concept of sustainable development as a philosophy in all social, economic and political structures (Črnjar M. & Črnjar K., 2009).

Achieving sustainable development requires the involvement of all relevant stakeholders, as well as continuous monitoring of the impact,

implementation of preventive and corrective measures when necessary. High level of tourist satisfaction, content experience, increasing awareness of sustainability issues is what sustainable tourism should provide. When it comes to sustainable tourism, we are referring to the character of tourism and not to any particular type of tourism, and it implies any form of tourism that is based on the principles of sustainable development (Jegdić, 2013).

The essence of the concept of sustainable development lies in presenting the development perspective into a broader conception of phenomena related to it. It is one comparative approach that suggests connecting and engaging thinking in one thoughtful management, taking into account spatial and temporal circumstances (Županović, 2011, p. 123).

Tourism has a significant impact on the ecological, socio-cultural and economic framework of destination. The impact on the ecological framework is related to the changes that tourism is making to the nature and ecosystem of the area. Socio-cultural changes relate to how tourism affects local people, their culture and lifestyles, while economics relate to how tourism rearranges the economy and economic potential of a destination (Stojanović, 2006).

The dynamic development of the tourism has numerous positive and negative effects on the development of tourist destinations. Since the clean and unpolluted environment is the basis for successful tourism development, tourism is more dependent on the environment than on any other activity (Županović & Zečević, 2019, p. 257).

Sustainable tourism entails an industry that gives minimal negative impact on the environment and local culture, while it's helping to earn money, stimulates employment and provides protection of local ecosystems. In order to successfully implement sustainable development in practice, it is necessary to first consider its essence (Županović&Kovačević, 2013, p. 448).

Sustainable tourism development of a destination should lead to positive environmental, sociological and economic effects in the long term, not to achieving short-term and rapid results. Such development achieves the diverse needs of both tourists and locals. Therefore, attention should be paid to education, training and awareness-raising, in order to make the public aware of the main goals and tasks of sustainable tourism and to improve professional and business skills in this field (Jegdić, 2013).

In order to achieve long-term sustainable development and gain competitive advantage in the tourism market, specific forms of tourism have been developed. Certain types of tourism, with adequate development, can contribute to a higher quality tourist offer, influence the extension of the tourist season (Zečević, 2019, p. 89).

In 2013, the European Commission launched the European Tourism Indicator System (ETIS) with the aim of supporting destinations in order to measure and manage tourism performance using a common comparative approach. ETIS is based on 27 basic indicators and 40 optional indicators, divided into four categories: destination management, social and cultural influence, economic value, environmental impact.

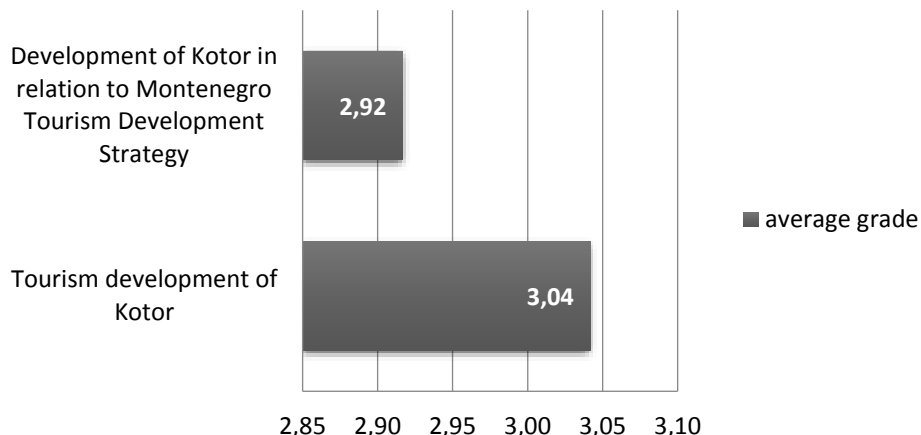
ETIS represents a common methodology in the sustainable management of destinations. It is a highly effective tool of the European Commission. It is specifically designed for tourist destinations to enable performance monitoring and help destinations develop and implement their plans to increase sustainability with a long-term vision (European Commission, 2016).

### **Analysis of the current situation and potentials of sustainable tourism development in Kotor**

Assessment of current situation and potentials of sustainable tourism development in Kotor have been obtained through a combination of desk and field research. Almost 60% of the respondents have a university degree, about 30% are masters of science and little more than 10% are respondents with a high school diploma and PhD. About 42% of respondents have worked in tourism from 10 to 20 years, 37% from 3 to 10 years, while the remaining 21% of respondents have worked in tourism for more than 20 or less than 3 years. Respondents consist of employees in hotels (33%), travel agencies (30%), scientific institutions for tourism (17%) and other tourism related fields (20%).

The respondents rated Kotor tourism development by an average grade of 3.04, while this development compared to the Tourism Development Strategy of Montenegro was rated by an average grade of 2.92, as shown in Figure 1.

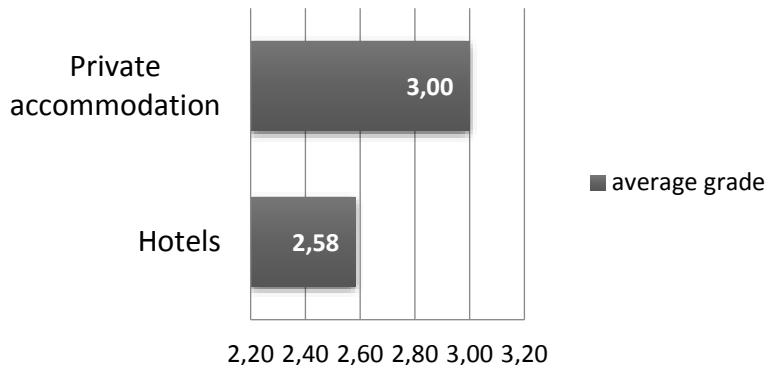
Figure 1: *Tourism development of Kotor*



Source: *Authors*

Private accommodations were rated slightly better than hotels in Kotor. Average grades are shown in Figure 2.

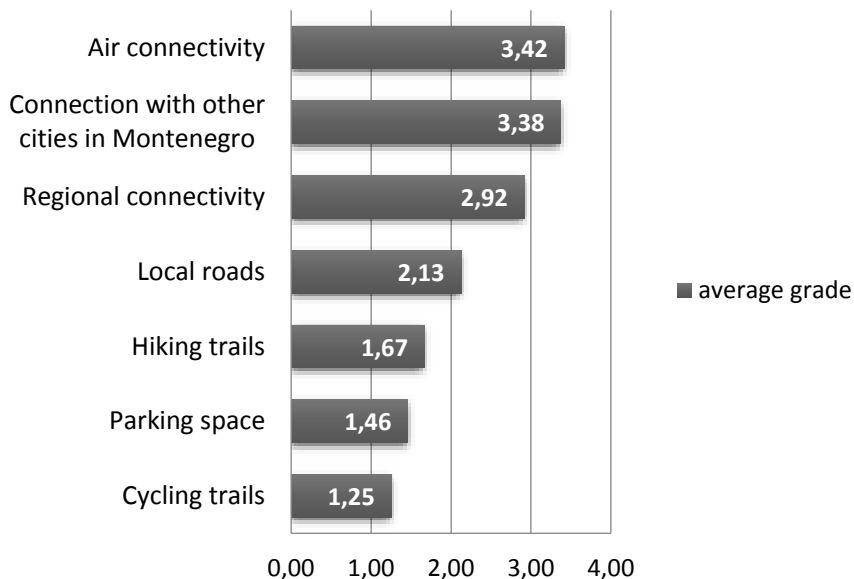
Figure 2: *Accommodation capacities*



Source: *Authors*

The accessibility of Kotor is the highest rated in terms of air connectivity (3.42) and connectivity with other cities in Montenegro (3.38), as shown in Figure 3. Regional connectivity and local roads are rated an average grade below 3, while hiking trails, parking spaces and bike lanes have the average grade below 2.

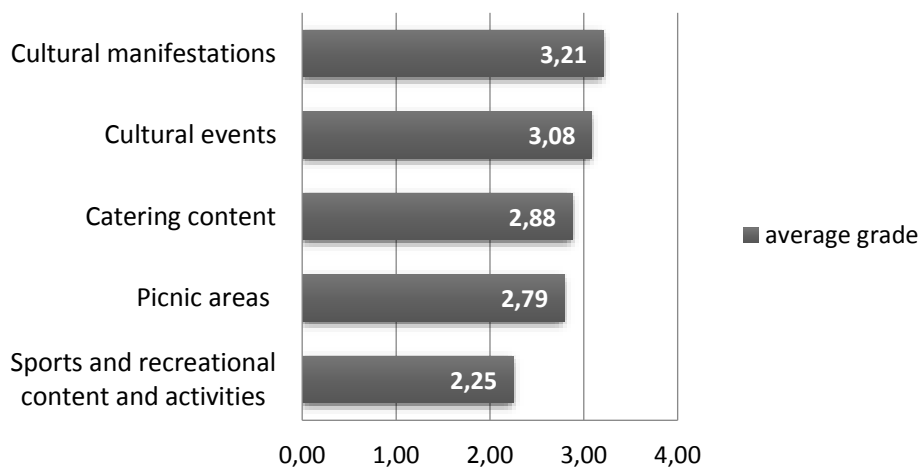
Figure 3: *Traffic accessibility*



Source: *Authors*

Figure 4 shows average grade for tourist offer in Kotor. Cultural manifestations (3.21) and cultural events (3.08) were rated highest. Catering facilities (2.88), picnic areas (2.79) and sports and recreational facilities and activities (2.25) were rated an average grade below 3.

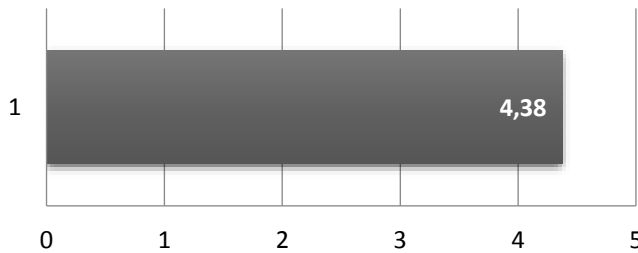
Figure 4: *Tourist offer*



Source: *Authors*

Kotor has great potential for tourism development based on the cultural and natural heritage it has, as shown in Figure 5.

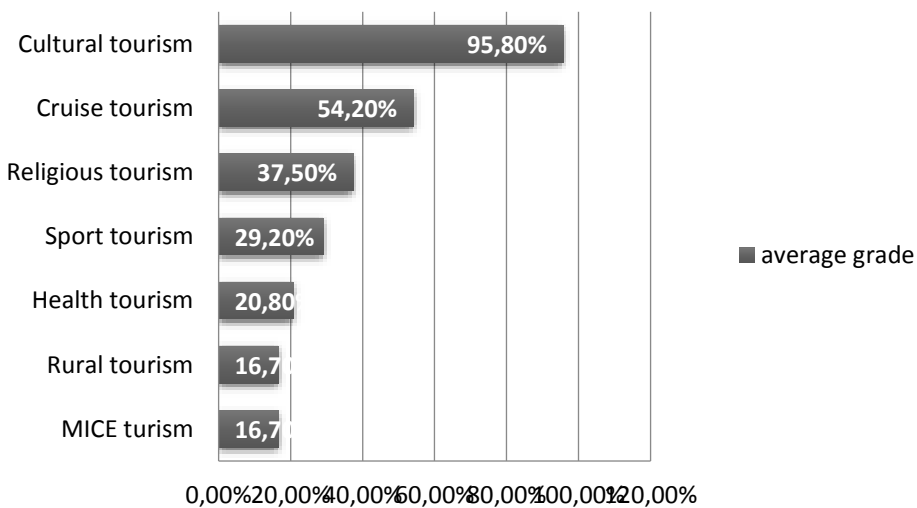
Figure 5: *Potential for tourism development of Kotor, based on the its cultural and natural heritage*



Source: *Authors*

Figure 6 shows what types of tourism should be further developed in Kotor. Over 95% of respondents believe that cultural tourism development should be prioritized in Kotor, while about 55% of respondents believe that cruise tourism should be developed. Religious tourism was rated as a priority development by 37.5% of respondents, while 29.2% were in favor of the development of sports tourism. This is followed by health (20.8%), rural (16.7%) and MICE tourism (16.7%).

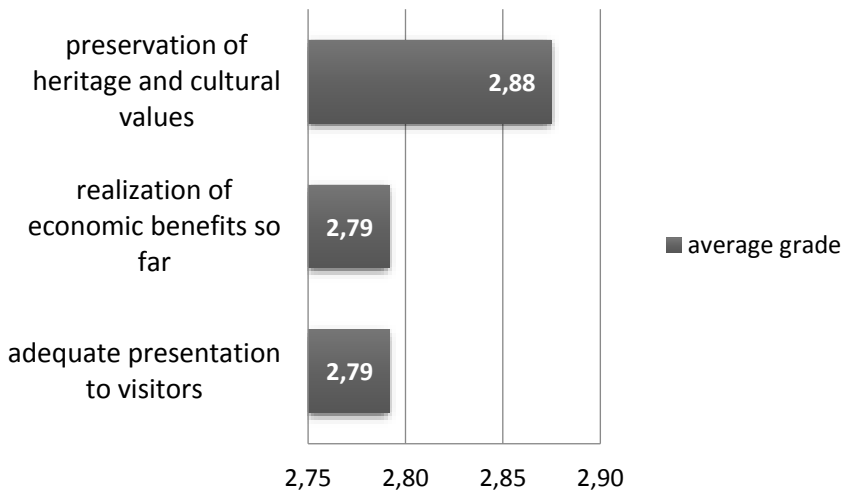
Figure 6: *Types of tourism that should be developed in Kotor*



Source: *Authors*

Current heritage and cultural values have an average grade of 2.88. The economic benefits achieved so far have been rated an average grade of 2.79. Adequate presentation to visitors has been rated the same average grade, as shown in Figure 7.

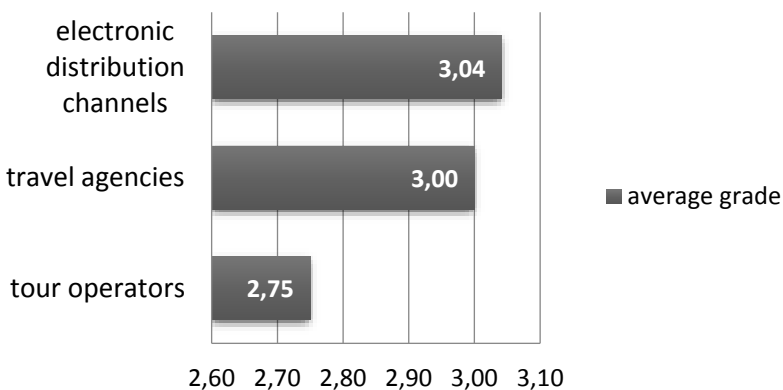
Figure 7: *Analysis of the current situation*



Source: *Authors*

Cooperation of tourist entities with electronic distribution channels was rated an average grade of 3.04, with travel agencies 3, while cooperation with tour operators was rated an average grade of 2.75, as shown in Figure 8.

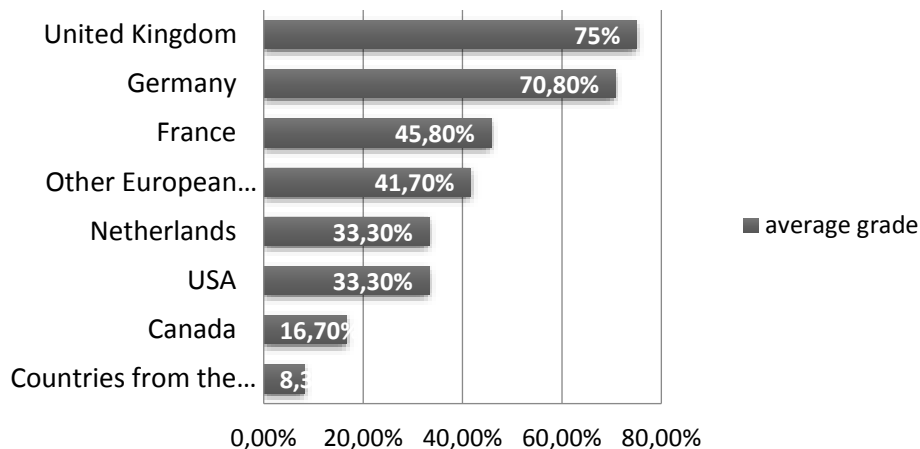
Figure 8: *Cooperation of tourist entities*



Source: *Authors*

Figure 9 shows the most significant source markets. Respondents rank as the most significant emission markets the United Kingdom (75%) and Germany (70.8%), followed by France (45.8%), other European countries (41.7%), the Netherlands and the USA (33.3%), Canada (16.7%), while the surrounding countries were rated an average grade of 8.3%.

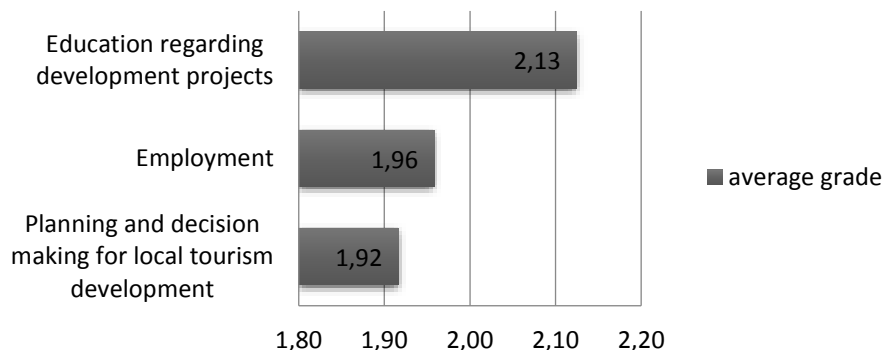
Figure 9: *The most important source markets*



Source: *Authors*

Figure 10 shows the involvement of the local population in tourism development. Their involvement in education regarding development projects was rated an average grade of 2.13, while employment and planning and decision-making involvement in local tourism development were rated below average grade of 2.

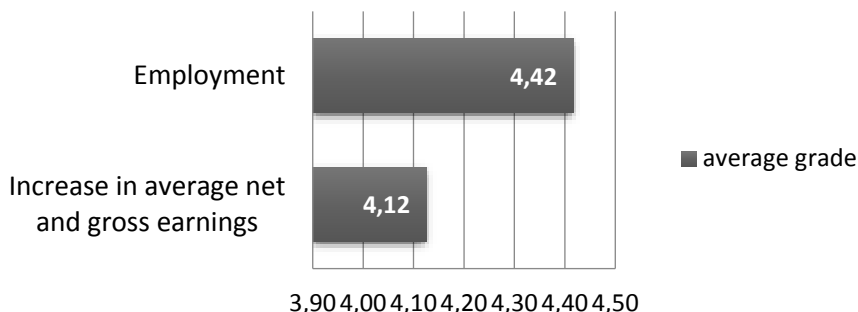
Figure 10: *The involvement of the local population in tourist development*



Source: *Authors*

Respondents believe that tourism development has a significant contribution to employment (4.42) and an increase in average gross and net earnings (4.13), as shown in Figure 11.

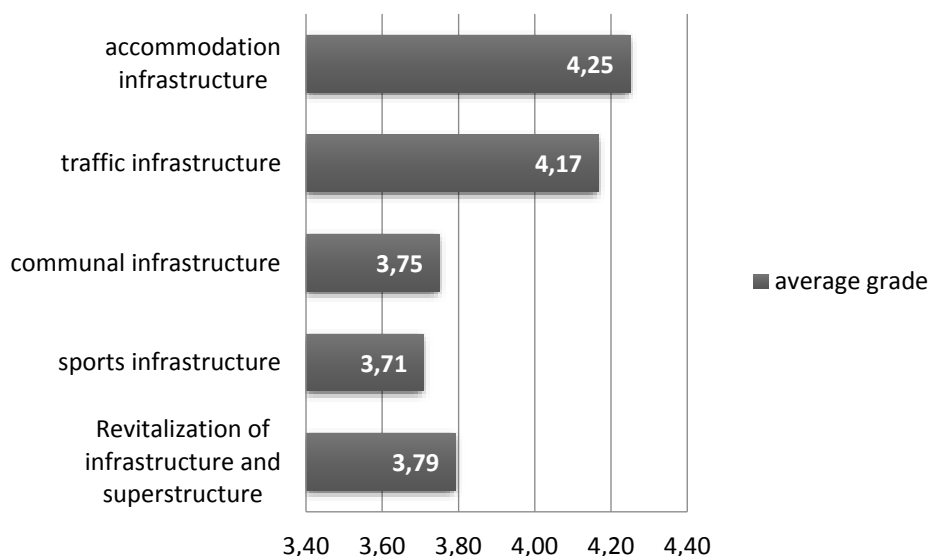
Figure 11: *Contribution of tourism development to economic benefits*



Source: *Authors*

Respondents believe that tourism development would significantly contribute to the development of accommodation (4.25) and transport infrastructure (4.17). The impact on the development of communal infrastructure was rated an average grade of 3.7, and a sports infrastructure an average grade of 3.79, as shown in Figure 12.

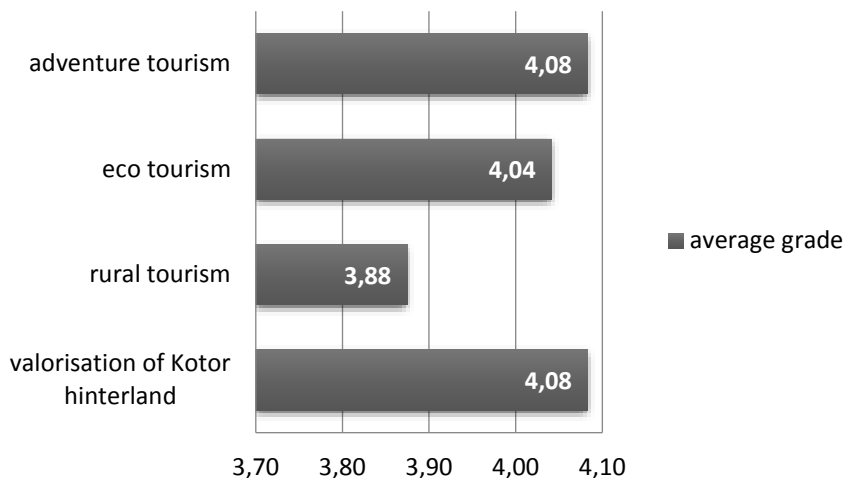
Figure 12: *Impact of tourism development*



Source: *Authors*

As shown in Figure 13, the valorization of the hinterland of Kotor was estimated an average grade of 4.08. The potentials for the development of adventure tourism were rated an average grade of 4.08, eco tourism 4.04 and rural tourism 3.88.

Figure 13: *Potential for further development*

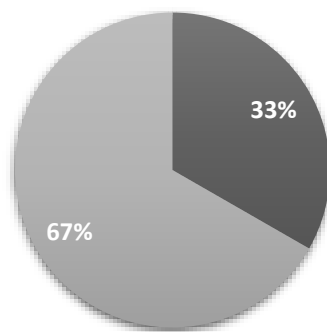


Source: *Authors*

Figure 14 shows effects of cruise tourism. They are estimated mostly negative.

Figure 14: *Effects of cruise tourism*

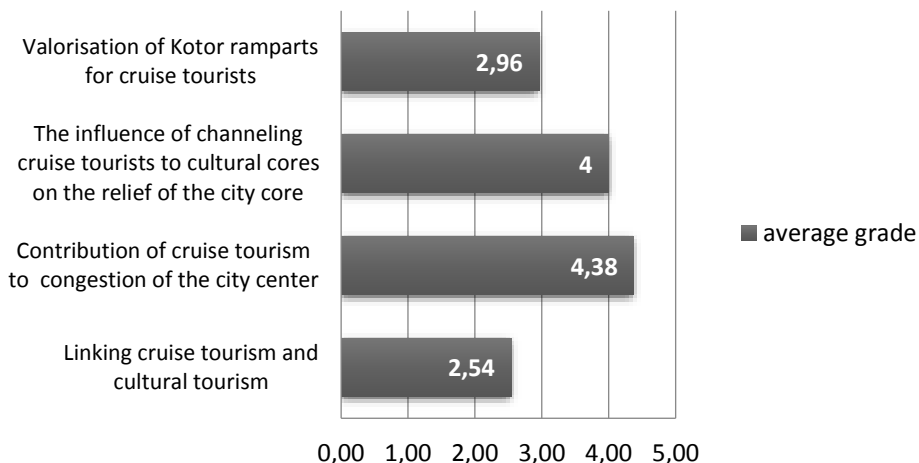
■ mostly positive    ■ mostly negative



Source: *Authors*

The contribution of congestion to the city center by cruise tourists is rated an average grade of 4.38, while the impact of channeling cruise tourist to cultural cores on the relief of the city center is rated an average grade of 4. The current correlation between cruise tourism and cultural tourism is rated an average grade of 2.54, while the valorization of Kotor ramparts for cruise tourists was estimated at 2.96, as shown in Figure 15.

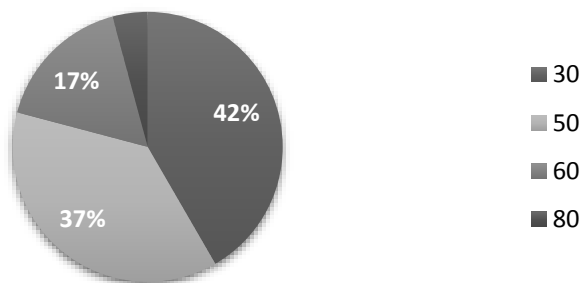
Figure 15: *Cruising tourism*



Source: *Authors*

Over 40% of respondents think that daily spending of cruise tourists is € 30, while 37% think that this spending is € 50. Only 21% think cruise tourists spend more than € 50 a day, as shown in Figure 16.

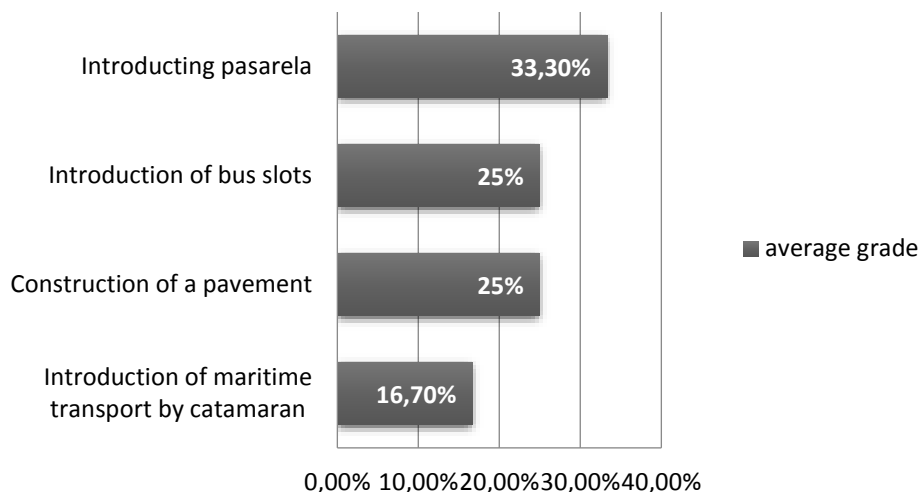
Figure 16: *Daily consumption of cruise tourists*



Source: *Authors*

Figure 17 shows that over 30% of respondents believe that the best solution for reducing traffic congestion would be the introduction of a pasarela, 25% think that the solution lies in the introduction of slots for buses and the construction of subways, while 16.7% believe that solution should be introduction of maritime transport by catamaran.

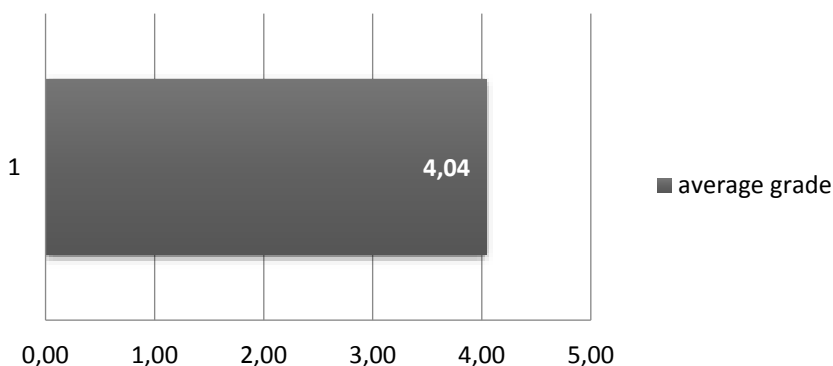
Figure 17: *The solution to traffic*



Source: *Authors*

Respondents believe that it is necessary to commit potential investors to the fundraising program, which they rated an average grade of 4.04, as shown in Figure 18.

Figure 18: *The need to commit potential investors to fundraising*



Source: *Authors*

## Conclusion

Cruise tourism is a significant part of the tourism industry, and its development can have both positive and negative effects on the destination. The current development of cruise tourism in Kotor has significant negative effects on the destination. One of negative effects is large number of cruise passengers who are overloading the city center. There are economic benefits to Kotor port and local souvenir shops, but this positive impact of cruise tourism is not sufficient to have sustainable tourism development. Sustainable development requires that all three aspects of sustainability are satisfied: economic, environmental and social. Analysis of the current situation of tourism in Kotor shows that is necessary to improve the accommodation and transport infrastructure, as well as the improvement of the tourist offer. Special attention should be paid to the development of cultural tourism. It is also necessary to increase the involvement of the local population in decision-making on tourism development. Continuous measurement of positive and negative effects is crucial for the sustainable development of the destination. With adequate management, the negative effects of the development of cruise tourism could be minimized and the positive ones maximized. Such development would positively affect the satisfaction of all tourists as well as the local population.

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