Cruise Port Market Positioning: Making the Case for Including Societal and Environmental Risk Mitigation Strategies

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ABSTRACT

Port Authorities (PAs) are now paying growing attention to the social and environmental risks stemming from their cruise activities. Several of these ports are engaged in a structured and for some already long-standing, approach to reducing the negative externalities of cruise ship calls. However, the content analysis of 36 Port Authorities’ websites showed that very few of them report on such action plans. Based on the review of the literature dealing with PAs’ market positioning approaches, the purpose of this paper is to promote the opportunity and feasibility for PAs to disseminate information about their past, ongoing, and/or future actions supporting sustainable cruise tourism.

Keywords: Cruise market positioning, cruise ports, cruise sustainability cruise tourism.

1. INTRODUCTION

All cruise industry operational stakeholders are now paying high attention to the negative societal and environmental externalities of their activities. Such an evolution is widely due to the necessity of complying with a variety of ever stricter environmental regulations, as well as to the growing sensitivity of local communities and cruise passengers to the nuisances generated by liner calls.

Considering more specifically the case of Port Authorities (PAs), they have been/are involved in many projects dedicated to the reduction of these unwanted side effects, e.g. urban air pollution and tourist site overcrowding.

From an institutional marketing perspective, it would therefore be expected from PAs that they disseminate information about these actions supporting sustainable cruise tourism, as it would make them appear as socially and environmentally responsible ports, consequently more attractive to customers and investors.

In order to characterize PAs’ actual information-sharing behavior regarding this topic, the contents of 36 North Mediterranean ports’ websites have been analyzed, searching for mentions of sustainability-centric actions that could feed a marketing communication plan toward public and private cruise industry stakeholders.

Based on the outcome of this study, and to help make the case for a potentially new approach to cruise market positioning, first an overview of PAs’ involvement in cruise tourism risk mitigation processes, then the results of the PAs’ website content analysis, will be successively presented; both sets of information will, in the end, be put in the perspective of an initial literature review on PAs’ branding/marketing strategies.

2. LITERATURE REVIEW

The sample of academic literature dealing with PAs’ brand/market positioning which has been reviewed ranges from 2013 to 2023.

Two sets of contributions have been built: one hosts papers aiming at identifying the purposes of PAs’ commercial positioning; in the other set can be found articles dedicated to the characterization of PAs’ market positioning policies.

Considering the fact that they positively impact the brand value of a company (Chen, 2020), and to face ever-fiercer competition, marketing strategies are implemented by a large number of PAs: “A fact-finding report that surveyed PAs in Europe revealed that 81% lead promotion and marketing activities” (Parola et al., 2019).
Building a strong brand image is among the top purposes of PAs’ market positioning: “A port’s status in the global maritime transport network is the most influential of all competitiveness indices” (Peng et al., 2018).

As, besides being reckoned as a well-performing node in transportation networks, ports need also to take into account the local communities’ concern for the environmental and societal impact of their activities, the sustainability-friendly aspects of their image are of growing relevance (Felicio et al., 2023).

Assuming that “positioning means to occupy in the mind of stakeholders a distinct position in the market when compared with competitors” (Parola et al., 2018), PAs are led to put forward, e.g. via their institutional websites, whatever actions they take that may be assessed as a competitive advantage by consumers, partners and/or investors.

In a context where the maritime industry public and private stakeholders can be anticipated as becoming more and more sensitive to the necessity of mitigating the negative externalities of their operation, e.g. in the cruise sector, PAs’ environmental policies can be considered as potential competitive advantages likely to improve their market positioning (Sekularac-Ivosevic et al., 2019).

To fulfill this brand promotion and/or competitiveness display purposes, PAs need “to perceive Marketing & Branding as an ongoing continuous and holistic process” (Gerlitz et al., 2021), this process is conducted as collectively as possible by port community members: “The general approach of marketing by the port administration needs to be complemented by each port operator” (Florin, 2017).

PAs have to build their image through explicit information communication on available media (Parola et al., 2018), as “ports can achieve positive impacts on customer loyalty, satisfaction, and word-of-mouth promotion by using social […] relationship marketing tactics” (Caliskan & Esmer, 2020).

Academics have identified a variety of aspects on which PAs (may) focus when designing their market positioning strategy.

Besides some general recommendations, such as from Jeevan et al. (2023) who suggest that seaports “apply some marketing elements like focusing on the target customer” and “provide customized service to clients”, a number of authors more precisely refer to the 7Ps model (Booms & Bitner, 1981) as a basis for building branding/marketing action plans.

This reference is done either globally: “Product, Place, Price, Promotion, People, Processes and Physical Evidence” in the case of Gerlitz et al. (2021), or by mentioning specific components: for Baştuğ et al. (2020), “port marketing activities proceed along four basic dimensions, namely product, price, place, and promotion”, whereas for Amara and Negm (2022) “only seaport-services, promotion, staff, physical evidence, and process have a positive significant impact customer satisfaction with the seaport”.

From a rather Resource-Based View standpoint (Barney, 1991), Lee et al. (2014) point out to a significant relationship “between tangibles dimension of port service quality and brand loyalty”, while Casas (2015) found that “the intangible assets and resources of a port are perceived to give them a competitive advantage”.

On the whole, the literature review highlights the opportunity/necessity for PAs to implement a market positioning strategy and provides options for the design of relevant action plans.

Regarding the ports that are involved in cruise-related activities, such plans could usefully include the actions led by them in support of sustainable cruise tourism which the next section reports.

3. Actions for Sustainable Cruise Tourism

Many cruise ports in the northern Mediterranean range are involved, individually, collectively, and/or in partnership with shipping companies and public authorities, in a process of preserving the social and environmental acceptability of their activity.

A survey conducted by the European Sea Ports Organization (ESPO, 2022) among 92 ports points out their main environmental concerns: global warming, air pollution, and energy efficiency; the actions envisaged primarily by these ports therefore focus on the reduction of greenhouse gas (GHG) emissions and more generally on the fight against air, water and noise pollution, as well as on waste management.

These actions take various forms:

- tariff reductions, for example in Barcelona for LNG-powered ships and in Civitavecchia for ships that are less polluting or treat at least partially their waste.

- certification acquisition: ISO 14000 (ISO), PERS (Port Environmental Review System, ESPO), and/or EMAS (Eco-Management and Audit Scheme, EU).

- onshore (e.g., Livorno, Patras) or afloat (e.g., Barcelona, Marseille) LNG refueling services and/or onshore power supply (e.g., Valencia, Toulon, Genoa).

- restrictions applied to the duration of stopovers (e.g., taxation of passengers staying more than 12 hours in Barcelona), to the size of ships (e.g., combined with new offshore mooring sites in Venice), to the number of simultaneous stopovers or even to the number of disembarking cruise passengers (e.g., a maximum of three cruise ships at the same time, including only one with more than 5,000 passengers in Palma de Mallorca).

- environmentally-focused real estate programs (e.g., renewable energy-powered cruise terminal in Valencia).

In addition to these individual initiatives, there are collective actions:

- Some ports cooperate towards the creation of green corridors that are environmentally efficient and therefore attractive to shipping companies that would organize their cruises along these corridors.

- Marseilles PA has given up the idea of building a large cruise terminal in favor of building a smaller one for smaller vessels, and a pool of three shipping companies has responded to the call for projects.

- The International Association of Ports and Harbors (IAPH) has developed an Environmental Ship Index (ESI) tool which, applied among others to cruise ships, can serve as a reference for the delivery of financial benefits once a given performance threshold has been reached.
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- The Cruise Lines Industry Association (CLIA) is setting up partnerships with public bodies and/or port authorities for the sustainable management of stopovers: limiting their number, limiting the number of disembarking passengers.

In line with what has been found in the academic literature regarding market positioning strategies, one would expect cruise PAs to push on their websites a variety of data and information illustrating their sustainability policies, as these are likely to positively impact their reputation with their customers and investors.

The following section feeds back on what has actually been found in this respect on the sampled North Mediterranean PAs’ institutional websites.

4. Study Results Presentation and Discussion

The 36 selected PAs (see Appendix) are located in Spain, France, Italy, Greece, and on the Adriatic coast (Croatia, Slovenia, Montenegro).

Among the various media through which these PAs can pass information onto other cruise industry stakeholders (e.g., Medcruise website), their institutional websites appear as an obvious source and have as such been retained for content analysis.

This analysis has been performed using a two-part grid. The first part aimed at identifying environmentally-centric actions: energy transition programs, ship/passenger waste management, and air pollution reduction.

The second part looked for socially centric efforts: site/attraction overcrowding mitigation, and passengers/residents’ resource-sharing management.

The analysis also accounts for possible collaborations between relevant stakeholders to reduce environmental and social nuisances.

4.1. Environmentally Centric Actions (Table I)

With two exceptions (in Spain), the PAs do not indicate that they have made investments to improve the energy performance of their cruise terminals (LED lighting, sustainable energy sources, etc.).

The actions relate rather to reducing the environmental impact of cruise ship calls linked to the production of waste (especially in Italy and on the Adriatic Coast) and the emission of harmful gases (3 ports out of 5 in France, 6 out of 11 in Italy).

PAs reporting on 2 out of the 3 possible action types are 5 in Italy and 4 in Spain, compared to 1 in France and none in Greece nor on the Adriatic Coast.

Globally speaking, communication on potentially valorizing environmentally centric actions is done respectively by less than half and by hardly more than a third of the ports.

4.2. Socially Centric Actions (Table II)

When be it only one cruise ship calls at a port with its thousands of passengers, it often happens that the places of visit and attractions are overcrowded, and a suddenly highly increased number of persons have to share e.g., recreational areas and means of transportation.

Whatever may be their actual contribution to facilitate cruise passengers/local residents’ cohabitation during ship calls, overall the sampled PAs make no description of their possible actions; out of the 36 analyzed institutional websites, only three of them mention specific efforts to mitigate site overcrowding, and two to optimize resource access and usage.

4.3. Collaboration Between Stakeholders (Table III)

Port authorities, public bodies, as well as organizations from the private and non-profit sectors, are called upon to cooperate in order to minimize the negative socio-environmental externalities of the local cruise activity.

Assessed at the sample level, a non-negligible proportion of ports, one out of five, insist on the necessity and detail of the implementation of such approaches.

That said, seen at the individual port level, it appears that the option of communicating on collaborative actions addressing the cruise tourism nuisance issues is taken predominantly only by Italian ports (5/7).

To sum it up, the study shows that few cruise ports in the Northern Mediterranean range mention leading a significant set of actions to reduce the social and environmental impacts of cruise ship calls.

Referring to the outcome of the literature review, it may however be wise, for PAs involved in cruise activities, to base part of their market positioning communication on what they do to mitigate the negative aspects of these activities.

## TABLE I: Mitigate Environmental Impact

<table>
<thead>
<tr>
<th>Action Type</th>
<th>Adriatic</th>
<th>Spain</th>
<th>France</th>
<th>Greece</th>
<th>Italy</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy transition programs</td>
<td>0.00%</td>
<td>22.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Waste management</td>
<td>60.00%</td>
<td>44.00%</td>
<td>40.00%</td>
<td>33.00%</td>
<td>55.00%</td>
<td>47.00%</td>
</tr>
<tr>
<td>Air pollution reduction</td>
<td>0.00%</td>
<td>22.00%</td>
<td>60.00%</td>
<td>33.00%</td>
<td>55.00%</td>
<td>36.00%</td>
</tr>
</tbody>
</table>

## TABLE II: Mitigate Societal Impact

<table>
<thead>
<tr>
<th>Port</th>
<th>Overcrowding mitigation</th>
<th>Resource-sharing management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adriatic</td>
<td>20.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Spain</td>
<td>0.00%</td>
<td>22.00%</td>
</tr>
<tr>
<td>France</td>
<td>20.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Greece</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Italy</td>
<td>9.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total</td>
<td>8.00%</td>
<td>6.00%</td>
</tr>
</tbody>
</table>

## TABLE III: Promote Cooperative Approach

<table>
<thead>
<tr>
<th>Port</th>
<th>Stakeholder collaboration on societal/environmental issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adriatic</td>
<td>20.00%</td>
</tr>
<tr>
<td>Spain</td>
<td>11.00%</td>
</tr>
<tr>
<td>France</td>
<td>0.00%</td>
</tr>
<tr>
<td>Greece</td>
<td>0.00%</td>
</tr>
<tr>
<td>Italy</td>
<td>45.00%</td>
</tr>
<tr>
<td>Total</td>
<td>19.00%</td>
</tr>
</tbody>
</table>
Authors point out that e.g. physical evidence (7Ps model)/tangible assets (Resource-Based View) play a significant role in enhancing customer satisfaction and building valuable competitive advantages; as all cruise industry stakeholders, including customers, are becoming more and more environmentally conscious, PAs would therefore most likely benefit from communicating on the creation of sustainable terminals, onshore power supply system’s and/or of waste treatment centers.

Besides, findings by academics regarding the positive impact of people and process (7Ps model)/intangible resources (Resource-Based View) on brand loyalty and firm’s competitiveness could incite PAs to highlight their efforts to promote a collaborative approach for solving problems related to cruise ship calls; this would be in line with the fact that shifting “from a conservator to a facilitator model” (Magnan & Van der Horst, 2020), PAs “are expected to act as powerful B2B value generators, having stimulated the interactions among private players” (Parola et al., 2019).

Cruise tourism overcrowding reduction initiatives, growingly welcomed by both local communities and ship passengers, could also be valorized by pushing forward information on product/service/process (7Ps model) redesigns conducted by tourist site managers and public authorities.

To help them structure such marketing strategies, PAs could make use of the Ansoff matrix (Ansoff, 1957), which suggests four options: “same market/same product”, “same market/new product”, “new market/same product”, “new market/new product”; in this case, PAs would opt for the “same market/new product” solution (Bamrungbutr, 2020; Sekularac-Ivošević et al., 2019).

To the same end, PAs could also usefully turn to asymmetric brand positioning strategies (Cristea, 2014): “reverse brands build customer value by conveying meaning and relevance to an unlikely combination of product attributes”; “a breakaway brand has the ability to compete in both the category it has left and the one that it is now affiliated with”; “hostile brands [ . . . ] thrive on consumers’ curiosity and desire for [ . . . ] sincerity and engagement”.

Here, either of these three options could support a communication strategy promoting the design of cruise calls being societally-and environmentally-acceptable, while still culturally-and economically-attractive.

5. Conclusion

The concern of shipping companies, cruise passengers, and local communities for sustainability issues is obviously growing and can easily be assumed as lasting, considering that several of the sampled ports are actually engaged in structured, and for some already long-standing, processes to reduce the negative externalities of cruise ship calls, it may come as a surprise that so few PAs report on their institutional websites having implemented comprehensive action plans to this end.

Knowing that, conversely, all sampled ports strongly focus on promoting their cultural and operational attractiveness (Fredouet, 2023), this confirms that “seaports have developed a level of isomorphism upon particular dimensions of the brand image” (Rutter et al., 2018).

With the help of numerous studies that provide them with clear incitements and a variety of specifications to design and implement brand-enhancing/competitive advantage-generating marketing strategies, PAs are now in a position to move away from this unilateral approach of cruise market positioning by sharing (more) information on their sustainability-friendly policies, thus valorizing a holistic vision and well-balanced management of their cruise activity.

APPENDIX

All websites accessed March-April 2023.
https://www.portdebarcelona.cat/en/home_apb
https://adsmparedisardegna.it/en/cagliari/
https://www.apc.es/webapc/(Cartagena)
https://www.portcastello.com/en/(Castellon)
https://www.civitavecchiaport.org/
https://www.lesportscourses.com/v3/(Corsicaports)
https://www.portodicitone.com/en/
https://olig.gr/en/(Igoumenitsa)
https://www.portkavala.gr/en/
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https://www.porttarragona.cat/en/
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https://www.valenciaport.com/en/
https://www.port.venice.it/en/
https://www.port-authority-zadar.hr/

CONFLICT OF INTEREST

Author declares that he does not have any conflict of interest.
References


