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**COORDINATION AND KEY PERFORMANCE INDICATOR IN THE CRUISE
EVENTS MANAGEMENT: AN EMPIRICAL ANALYSIS IN ITALIAN MARKET**

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COORDINATION AND KEY PERFORMANCE INDICATOR IN THE CRUISE EVENTS MANAGEMENT: AN EMPIRICAL ANALYSIS IN ITALIAN MARKET

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ABSTRACT

This paper aims to verify the coordination and control systems applied in the relationships between cruise line companies and cruise terminal concessionaires in the cruise events management when the ships are stopping on the quay. In the recent years, the continuous increase of cruise passenger flows has interested several countries, especially the Mediterranean area. This development is due to the changes in strategy in the cruise line companies and their pricing policy that have developed new customers target. At the same time, the cruise ship dimensions are becoming greater than in the past increasing the berth lower offer. Consequently, the services offered by the cruise line companies play a strategic role in order to attract a number of passengers to fill each ship of the fleet. So, among them, the event management is becoming over the years an important lever of development that tends to bind the passengers more to the events content than the cruising as such. In this context, on the one side, the events on board during ship navigation assure the occupancy of the berth lower, on the other side, the cruise event management on ships board in stopping on the quays could represent “a new way” to foster the cruise package sale because the “event participants” are “temporary ship visitors” and not cruise passengers. In addition, the recent tendency of the cruise line companies to integrate with the cruise terminal concessionaires wants to achieve two main goals: to improve the efficiency and the effectiveness of the services and to control and develop the cruise passenger flows. We conduct an exploratory study through a qualitative approach by using a case study methodology. We find out that the increasing interaction between the cruise companies and terminals in the cruise event management process needs to be managed efficiently through specific and effective coordination and key performance tools.

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Keywords: Cruise event management, cruise companies, cruise terminal, key performance indicator, coordination mechanisms.

INTRODUCTION

Recently, a relevant growth phenomenon concerns the cruise industry in spite of the world economic crisis (Peisley 2005; Dickinson and Vladimir 2008; Di Vaio et al. 2011). According to the European Cruise Council (ECC) 2012 the overall cruise international demand has been increased over 90% from 2000 to 2011, in which even if the greatest improvement regards the North America, the Mediterranean area is involved by the same phenomenon (ECC 2012).

This growth is favoured by the seaport reordering reforms introduced in many European countries that allow private operators to manage port infrastructures through financial investments. The attraction of private investments is aimed at improving the efficiency and quality of services supplied (World Bank 2008). In Italy, that is the main country of the Mediterranean area for the cruise destinations (ECC 2012)², the seaport reforms imply the contracting out of activities and port functions to private operators and so the cruise line companies become shareholders in the management of maritime stations through the establishment of concessionaires.

In this scenario briefly described, the main goal is to improve the traffic flows. Therefore, the cruise line companies and cruise terminals focus their activity also on shopping centre, conferences, wellness centres and other strategic business units (SBUs). Regarding the cruise line companies, they “do not only generate revenue by selling passenger tickets” (Vogel 2011: 212), so these organizations offer a wide range of additional products and services, usually not included in the ticket price, such as shore excursions, spas, beauty parlors, casinos, bars, certain specialty restaurants, shops, photo service, art auctions, communication services, insurance products, and events (Klein 2002, 2005; Vogel 2011). Otherwise, the cruise line companies tend to elaborate practices of maximizing bar revenue and onboard sales in general (Klein 2002), indeed the biggest contributors on cruise ships are bars and casinos (Klein 2005). In order to increase passengers’ expenses onboard, the cruise line companies tend to design and promote cruise ships more as travel destinations, rather than as simple floating hotels or means of transportation (Weaver 2005). Among the SBUs which support the core

² In the Mediterranean area, “Italian ports, led by Venice, Savona, Genoa and Civitavecchia, were European market leaders with 1.9 million passenger embarkations in 2011” (ECC 2012: 16).

business of the cruise line companies and cruise terminals; the events are a business of high complexity, which captures new and specific segments of cruise passengers.

The relationship between the cruise companies and cruise terminals in the management of the common SBUs, as it could be the cruise events, must be oriented to the development of the cruise passenger flows in the seaports. Therefore, the partnership is the main instrument to achieve two specific goals: 1. to share information, data, skills, and competences (resources); 2. to improve the profitability for each cruise ship, cruise terminal, and the local community.

In this direction, the aim of the paper is to verify the coordination and control systems used in the relationship between the cruise line companies and cruise terminal concessionaires in the cruise events management process when the ships are stopping on the quay. In general, several researchers emphasize the importance of cooperation and effective networking in the tourism business (Bramwell and Sharman 1999; Buckley and Witt 1989; Buhalis 2000; de Araujo and Bramwell 2002; Holder 1992; Jamal and Getz 1995); according to some authors the “coordination is crucial in the reproduction of a tourist’s experience” (Croes 2006; Streeten 1993; Lemmetynen 2009: 370), and so it can become relevant to improve the revenue of each partner involved in the relationships system for the cruise events management.

We conduct an exploratory study through a qualitative approach by using a case study methodology in the Italian context. The rest of this paper is structured as follows: The next section analyzes the cruise events in the seaport systems with a review of the main contributions in the literature on event management and more specifically on cruise events; the section 3 identifies the different types of the cruise events and the several relationship systems; in the section 4 there is a brief analysis of some significant cruise events and the identification of the key performance indicators and coordination tools to support the decision making systems of both partners; the last section evidences some final considerations about the phenomenon investigated and future research perspectives.

2. CRUISE EVENTS: A REVIEW OF THE LITERATURE

Although the events represent, in general, a significant topic, only few studies focus on it. It is hard to make a single definition and a complete taxonomy of the different types of events because this phenomenon is both a complex and heterogynous concept.

Event includes opportunities and happenings of a diverse nature representing a wide category: a conference, a workshop, a fashion show, and so on. These events are linked by a common denominator: the need to identify an organization capable of managing the event, using a number of organizational, management and control tools for its implementation. In this wide category of situations conceptualized as events, we can identify also the “cruise events”.

Most literature has shown a specific interest in events only from the eighties, but there are a few scientific contributions on this issue mainly with a managerial and practitioner approach, in particular, scholars have paid less attention to the cruise events. The main approach is the event management that considers the most important rules and procedures in order to organize and manage an event professionally according to a logical process through the identification of specific phases of implementation. Some scholars (Archibald 1986; Campagna and Pero 2005) tend to associate the project management approach to the complex business of organization and management of events, also because these two topics have similar characteristics such as uniqueness, complexity, and so on. Other scholars classify the events in several categories considering different variables such as size, type, topic, and so on; in this direction, cruise events, by considering the size (Bowdin et al. 2006; Van der Wagen 2005), can be classified as hallmark events, but also as a typology of minor events. Indeed, cruise events are designed to increase the appeal of a specific cruise as it happens in the case of festivals to promote tourism destinations or regions, more specifically, some cruise companies plan special events “on board” such as “The Cruise of Neapolitan Music” in MSC Crociere cruise ships. At the same time, cruise events represent minor events because they usually repeat every year, in each itinerary such as concerts on board, meetings, parties, celebrations, award ceremonies, sporting finals, and many other social events are planned (Di Vaio and Varriale, 2012).

In terms of type (Bowdin et al. 2006; Van der Wagen 2005; Shone and Parry 2004; Ferrari 2002), cruise events may be categorized as “commercial, marketing and promotional events” and also as “meetings, conventions and exhibitions”, known as MICE (Meetings, Incentives, Conferences and Exhibitions), or more simply labelled as “Business events”. For example, the “Cruise and Business Events” is an international company specializing in worldwide MICE Events on board of MSC Crociere cruise ships³. Indeed, cruise events include expensive budget and high profiles and they tend to promote and support the core business in the cruise

³ For more details see: www.cruiseandbusiness.com.

industry that is the traffic flows and also to distinguish the effort of each cruise line company in the market, making it more competitive; because of high costs related to the process of cruise events management, the cruise companies tend to delegate this process to external specialized organizations and focus more on the core activity represented from the “cabin occupancies”: “... in the cruise industry, the number of people in the cabin affects both the costs and revenues, and must be counted in measures of occupancy” (Toh et al. 2005: 130). Opposite of the hotel industry, where the room occupancy represents the main revenue source, in the cruise industry, the room occupancy becomes the main revenue instrument through which it is possible to increase the cruise passenger expenditures on board, such as alcoholic drinks, casino operations, theatre and other board services (Toh et al. 2005). Otherwise, following the concept of cruise events like business events, we can evidence a significant connection between the cruise industry and the specific meeting industry; both of these sectors are growing steadily together each year by defining the “cruise meeting sector”. The partnership between cruise companies and meeting & convention planners becomes more and more intensive and frequent, in fact, many cruise companies tend to add conference facilities and offer shorter cruises to attract these group markets (Carolyn, 1995). In the cruise meeting industry, “many cruise companies are reporting a steady growth rate in meetings and incentive programs held aboard their cruise ships” (Phillips and Geddie, 2005: 45), i.e. already in the past corporate meetings and international and group/individual incentives generated about 15 % of the revenues for the Royal Caribbean International and Celebrity Cruises (Davis, 2000). According to this phenomenon, major cruise companies have built, also, mega cruise ships to accommodate the growing business in the meeting and incentive market (Phillips and Geddie, 2005).

In the perspective of another categorization in the literature on events in terms of complexity and uncertainty of the event (Shone and Parry 2004; Slack et al. 2001), also adopting the view point of the cruise meeting industry, cruise events “vary tremendously in size and complexity, from the simple and small, such as the simple dinner on board, to the huge, complex and international, such as the Music Festival” (adapted by Shone and Parry 2004: 5). We need to consider cruise events as having both organizational complexity and uncertainty more than other events. Complexity variable concerns the dimension of the event in terms of players involved, location, number of participants, length, and so on; uncertainty is a little more problematic because it regards the doubts about such issues like the costs, the time schedule, the technical requirements, the social and economic impact, and so on. Cruise

events are usually matched at the local level by private and public organizations, such as local institutions, port terminals, and so on (i.e. Festivals, Music concerts, Sport competitions, and so on). All cruise events need an organization with the specific skills for their management; events bring a mixture of positive economic and socio-cultural effects, depending on the nature and characteristics of the cruise companies, the terminals and the host community.

3. THE CRUISE EVENTS TAXONOMY AND THE RELATIONSHIP SYSTEMS

In the cruise event management, we observe two dimensions: on one side, the specific location, it means the cruise ship or terminal; on the other side, the timing schedules, that is during the ship navigation or the stopping quay. According to this approach, we can identify three main categories of events: “cruise events on ship boarding”, “cruise events on ship berthing” and “cruise events on terminal”.

The “cruise events on ship boarding” are planned and managed by the cruise companies during the ship navigation, i.e. musical cruise, dancing cruise, tasting cruise, reading cruise, and so on. The “cruise events on ship berthing” concern events planned and managed when the ship is stopping to the quay of the cruise terminal, i.e. the presentation of projects on board, co-marketing events between the cruise line company and other operators, awards, and so on. Finally, the “cruise events on terminal” concern the cruise events that are specific events planned and managed on the terminal infrastructures, i.e. food and beverage events, wedding showroom events, hallmark conferences, maritime conventions, medical conferences, and so on. At the same time, there is a widespread awareness that the cruise line companies are intended in the cruise passengers’ perception as a factor that may influence negatively or positively the “cruise product”. Therefore, according to some cruise companies, among which MSC Crociere, Costa Crociere and Royal Caribbean (Italian Cruise Day 2011), the cruise infrastructures need to be efficient and have to offer high quality facilities. However, also the management of the infrastructure by the cruise terminals is linked to more SBUs such as parking area, disco dance, and the conferences/events. Generally, the cruise line companies, for the “cruise events on ship boarding”, use some resources already got (i.e. hostess services, catering services and so on), while for the “cruise events on ship berthing” they need other resources supplied from seaport players. Indeed, for this last kind of events, the event participant is not a cruise passenger but he/she is a ship visitor or called “temporary

ship visitor” who, before embarking, is subjected to a series of controls by security agents of the cruise terminal and by local security agents.

This is a way to promote the ships, where new people can know them by creating the conditions for potential customers to become cruise passengers. On the other hand, the cruise terminals are multi-business structures also because of the events management where they dedicate their own slots (“cruise events on terminal”). However, the literature on this topic evidences that the terminal is a player of the cruise supply chain and, often, in the ownership and in the management there might be one or more cruise companies (see Di Vaio et al. 2011). Otherwise, the cruise events “on ship boarding”, “on ship berthing” and “on terminal” represent three kinds of SBUs that could increase the cruise passenger flows managed in the seaports. In particular, the cruise events “on ship boarding” promote the growing of the boarded and disembarked passengers (“home passengers”), while the other two types of events favourite potential cruise passengers. As regards this last point, it requires a coordination action between the cruise line companies and cruise terminals, but also control tools of these event participant flows.

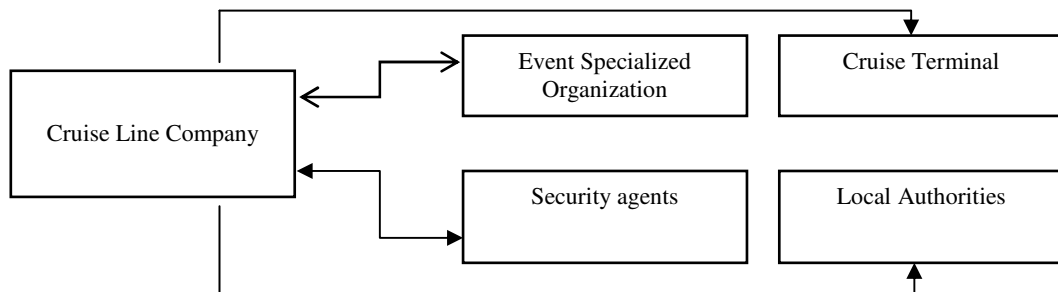
In the cruise industry, because of high level of uncertainty and complexity related to the cruise events management, cruise line companies create strong relationships with other organizations, both public and private; these deep interdependences need to be managed effectively and efficiently with adequate mechanisms and by adopting control systems and key performance indicators in the relationship systems (Di Vaio and D’Amore 2012). The private parties involved could adopt opportunistic behaviours that contrast with the goals cited above. Moreover, the cruise companies could be both shareholders of the cruise terminals ownership structure and the final users of the same cruise infrastructure. Therefore, we can identify three kind of relationship systems in the cruise events management process: 1. for the “cruise events on ship boarding”: the relationship between the cruise line company and event organizations (specialized organizations for events management) and also inside the same cruise line companies specific teams (internal organizations for events management); 2. for the “cruise events on ship berthing”: the relationship among the cruise line company, cruise terminal, local and security agents; 3. for the “cruise events on terminal”: the relationship between the cruise terminal, cruise line company, local and security agents with the central role of cruise terminal. As already known, because of the seaport reordering reforms, the cruise sector is indirectly involved in this management and governance change process, but the legislation lacks into defining how these different types of relationships have to be

governed (World Bank 2008)⁴. In particular, the most critical relationship systems are the second and the third typology in terms of the number of actors involved, the logistic flows and the security services. In the “cruise events on ship boarding”, the cruise line companies tend to keep the passengers on board and there are no challenges and difficulties in order to manage the cruise events; the critical aspect in terms of complexity and uncertainty concerns the “cabin occupancy”.

The two identified relationship systems, “cruise events on ship berthing” and “cruise events on terminal”, are characterized by several types of interdependences between different actors in order to manage the cruise events. In both relationship systems there are the following types of interdependences (Mintzberg 1983): reciprocal transactional interdependences (exchange of resources: i.e. the catering service on board available for cruise events managed from cruise line companies and cruise terminals); simple and complex associative interdependences (resources in common or activities in common: i.e. the security function for all the actors before passenger boarding; the hostess service common for cruise line companies and cruise terminals). The difference between the two types of relationship systems concerns the number of actors involved, i.e. for the “cruise events on ship berthing” there are also local and security agents which make the relationships more complex and need of rules and procedures (main standardized mechanisms of coordination). In both relationship systems, one critical factor regards information flows management related to quantitative aspects (i.e. number of “temporary ship visitors”) and qualitative aspects (i.e. main interests of “temporary ship visitors” or their perception of events enjoyed). In the cruise event management process every partner involved tends to keep information, without sharing information flows by an “integrated management system” (Di Vaio and D’Amore 2012; 2011). In this context, in the second typology of relationship system, the cruise line company has a central role and interact directly with the event specialized organization, cruise terminal, local and security agents by sharing data and information; between cruise line company and event specialized organization we have reciprocal interdependences like between cruise line company and security agents (Figure 1). All data and information sharing concern: 1. the topic of cruise events, timing schedules of events in the relationship between cruise line company and event specialized organization; 2. characteristics of temporary passengers (general information: name, surname, identification document) in the relationship between

⁴ In the landlord model, the port services are entrusted through concessions by the Port Authorities (PAs) to private companies, such as cruise line companies (Notteboom et al. 2012; De Langen et al. 2012).

cruise line company and security agents and also between event specialized organization and security agents; 3. quantity of resources to dedicate and timing schedules of events in the relationship between cruise line company and cruise terminal; 4 communication and planning of cruise events between local authorities and cruise line company.



Relationship key:

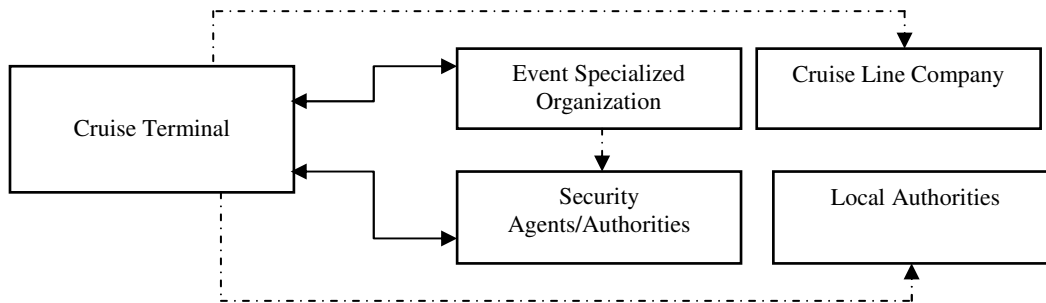
———— Direct relations to share data and information about “cruise events on ship berthing”

Figure 1 – Relationships System in the “cruise events on ship berthing”

In the third typology of relationship system, the cruise terminal has a central role and interacts directly with the event specialized organization and local authorities by sharing data and information; between cruise terminal and event organization and also between cruise terminal and security agents we have reciprocal interdependences; also the cruise terminal interacts indirectly with cruise line company and security agents (Figure 2). All data and information sharing concern: 1. the timing schedules of events, available rooms dedicated to the events in the relationship between cruise terminal and event specialized organization; 2. characteristics of temporary passengers (general information: name, surname, identification document) in the relationship between cruise terminal and security agents and also between event specialized organization and security agents; 3. number of participants involved in the events with visiting on board in the relationship between cruise terminal and cruise line company.

In both relationship systems, the cruise line companies are always directly involved for the increasing passenger flows and the indirect impact of cruise events on the local tourism. The organizational, management, and control process for cruise events requests specific skills and competences and needs a wider perspective of analysis in which several variables, such as interdependences, complexity and uncertainty, are considered also in terms of coordination mechanisms and control systems for all the partners involved. More specifically, we need to clarify the main organization with the role of coordinator and controller; in both relationship

systems the actors involved work together by adopting more informal coordination mechanisms where it is important the trust developed in their long and frequent relationships.



Relationship key:

- Direct relations to share data and information about “cruise events on terminal”
- - - - - Indirect relations to share data and information about “cruise events on terminal”

Figure 2 – Relationships System in the “cruise events on terminal”

First, the cruise line companies do not have the all specific skills in order to manage the complexity and uncertainty related to the cruise events management, and also for this reason they tend to require the activity of events specialized organizations or/and they dedicate some resources of marketing units to the specific cruise events topic. Second, in this trend of multi-activities and multi-actors context, the cruise terminals, by focusing mainly on different SBUs, tend to create specific and specialized units dedicated to the cruise event management process within the organization.

4. KEY PERFORMANCE INDICATORS AND COORDINATION TOOLS: A COMPARATIVE ANALYSIS ON CRUISE EVENTS

The relationship systems are managed on the basis of contracts among the cruise players that should strive to respect the specific guide line. In this context, the contract is the main regulation tool within relational systems and it drives the firms to behave correctly in order to improve their performance. However, other coordination and control tools support effectively the relationship among the players.

In line with Choe (2008) “the exchange of information [becomes] to ensure coordination and control of activities [among] firms” (Jong-Ming Choe 2008: 444) is important to understand “if and how” the control mechanisms are useful to create a stable and durable relationship system (Mouritsen et al. 2001). According to Dekker (2004: 29-32) the control into Inter Organizational Relationships has the role to motivate the partners to assume

“performance oriented” behaviours and to coordinate the input-output information process within the relationship.

In this scenario, the control system should motivate the partners to assume behaviours oriented to the increase of the traffic flows. This role and key function of the control system assume more importance inside the cruise events management process by considering the impact of these events on the territory and the host community.

Generally, events are the main tool for the development of the country; events are a “motivator of tourism” (Getz 1997, 2000, 2008: 403; Goldblatt 1998; Ferrari 2002) and “they figure prominently in the development and marketing plans of most destinations” (Getz 2008: 403). “The roles and effects of planned events within tourism sector have been well documented, and are of increasing importance for destination competitiveness” (Getz 2008: 403). For the cruise line companies, cruise terminal and Port Authorities (PAs), the cruise events become critical in order to attract new passengers, therefore the task in promotional function by Port Authority (PA) (see Italian Seaport Reform, Law 84/1994, art. 6) could not regard only the port promotion as tourist destinations (Di Vaio and Pisano 2011), but it could support both the cruise line companies and terminals in a wider national and international perspective by involving and promoting these same organizations in many other important events. Thanks to this wider approach about tasks, for PA there could be an increase in passenger flows and so indirectly a positive impact on the local economy.

In these relationship systems investigated, it seems that the access and management of data and information adopt traditional tools, such as telephone, fax, letters, meeting and innovative tools such as email, blog, video-conference, intranet, internet. However, these tools are not adequate to control the relationships and it could be useful to identify “key performance indicators”. In this way, we analyze the control “into” relationship and not the control “of the” relationship and its reflection on performance, which is outside our field of inquiry. Therefore, the main dimension of the “efficiency in the relationship process” is the compliance of the transfer times among partners and its knowledge gives to cruise port information about reliability of the partners. In both relationship systems identified, “cruise events on ship berthing” and “cruise events on terminal”, we observe the interdependencies for which the appropriate coordination mechanisms are the time planning and the standardized processes in order to manage effectively high level of uncertainty and complexity related to the cruise events management process. However, without a technical integration of the information system used among the players, like as an integrative software,

we can consider the “direct contacts” among the actors as horizontal links and coordination tools (Bensaou and Venkatraman 1995). The table 1 shows the key performance indicators of the relationship systems. As shown in table 1, the key indicator no. [1] notes how the cruise line company and event specialized organization communicate and coordinate each other in the cruise events management process to share effectively data and information regarding the number of temporary ship visitors in terms of cruise passengers and participants into cruise events on board. The value of the key indicator may vary from 0 to 1. If the value is lower of 1 it signs the ineffectiveness of communication and coordination between two players, but if the value is 1 may indicate an effective relationship in terms of the data and information sharing. At the same time, the index [2] measures how the cruise line company and cruise terminal communicate and coordinate each other in the cruise event management process. The indicator [3] represents a measure of the terminal capability to improve the number of cruise passengers in the relationship system between cruise line company and cruise terminal; if the value is 1 or about 1 it means that the events on terminal improve indirectly the passenger flows on that seaport. The indicator [4] measures the efficiency of data collection process that is the number of information retrieved in a well-defined time period. This index is related to the number of traffic notices in delay. Obviously the number and the type of indicators may vary according to the research questions. Finally, the index [5], in days or hours, measures the capability of terminal to coordinate the cruise event management process in terms of the timing spent to cruise events on terminal during the stopping quay of the ships. The key performance indicators are particularly useful to manage information within networks when a technical “integrated” information system, such as shared software (Bensaou and Venkatraman 1996), has been not implemented. In this case, it is possible to use other key relationship indicators that measure the efficiency of the technical integrated information system.

In our empirical study, conducted through the technique of observation and data archives analysis, we consider the port of Naples focusing on the main cruise line companies. We apply our integrative analysis approach on two cruise line companies, Costa Crociere and MSC Crociere that are shareholders of Terminal Napoli S.p.A., which is the infrastructure concessionaire. The following cruise events are investigated: “Costa Crociere Concordia per Presentazione Squadra Calcio Napoli Stagione 2009/2010” (Official introduction of the Naples Football Team on board by Costa Crociere); “Varo Nave MSC Crociere Fantasia

2008” (Fantasia Ship Launching 2008); “Cioccoland 2012 Galleria del Mare Porto di Napoli” (Chocolate event 2012 on Terminal in Naples).

Table 1 – Key performance indicator among cruise players.

Key performance indicators	The relationship	Meaning
[1] No. of temporary ship visitors becoming cruise pax/No. of temporary ship visitors involved in cruise events on board at t_1	Between cruise line company and event specialized organization.	The index measures the effectiveness of the communication and coordination activities between the two players.
[2] No. of temporary terminal visitors becoming ship visitors/No. of total terminal visitors involved in events on terminal at t_1	Between cruise line company and cruise terminal.	The index measures the effectiveness of the communication and coordination activities between the two players.
[3] No. of temporary terminal visitors becoming cruise pax/No. of total terminal visitors involved in events on terminal at t_1	Between cruise line company and cruise terminal.	The index measures the capability of the terminal to improve the number of cruise passengers.
[4] No. traffic notices to get back/No. work time to get back information at t_1	Between: 1. cruise line company and cruise terminal 2. cruise line company and event specialized organization	The index measures the risk relationship, that is the possibility that the cruise line company behavior, like as the theft of information, may adversely affect the reciprocity condition between the two players.
	Between: 1. cruise terminal and event specialized organization 2. cruise terminal and local authorities	The index measures the risk relationship, that is the possibility that the cruise terminal behavior, like as the theft of information, may adversely affect the reciprocity condition between the two players.
[5] the timing schedules of events on terminal comparing to the timing schedules of the ships stopping at the quay at t_1 .	Between the cruise terminal and cruise line company.	The index measures the capability of coordination by terminal in the cruise events management.

Source: Adapted by Di Vaio and Varriale (2012)

These events have been chosen responding to the following criteria: 1. they are planned, managed, and took place on Terminal of Naples, which is one of the most important ports in Mediterranean area in terms of traffic flow; 2. these events are qualified like mega-events because of their high level of complexity and uncertainty in terms of number of participants and actors involved in the organizational, management, and control process, and also because of their specific and wide attractiveness in terms of social, cultural, and economic impact on the territory; 3. these events are qualified as hallmark events because they are directly connected to the territory, in fact, they tend to promote the city of Naples evidencing its traditions to increase its appeal, i.e. “Cioccoland 2012” event promotes food traditions for Naples and all Italian country; 4. finally, these events are connected to the biggest ships managed by cruise line companies that are also shareholders of the terminal concessionaire.

Regarding each event investigated, we describe briefly each of them.

*Coordination and key performance indicator in cruise event management:
an empirical analysis in Italian market
DI VAIO, Assunta; VARRIALE, Luisa*

In December 2008, MSC Crociere launched the new ship *Fantasia* in the port of Naples, planning and managing a great and very spectacular event. Many famous actors and singers enjoyed the event, in particular the official guest for the Ship Launching was the famous Neapolitan actress Sofia Loren. There was a great gala dinner with music show and at the end of the evening there were also wonderful fireworks for all the local community. In this event MSC Crociere company has used its specialized organizational unit dedicated to communication services and events planning (MSC Events Technical Division), but this unit was strictly connected to the terminal to plan and manage the event especially in terms of security and hospitality services.

In July 2009, Costa Crociere company planned and managed on board of its ship *Concordia* stopping of the quay a particular event: the presentation of the new football Naples team for the Season 2009/2010. It has been a specific show, in which the main actors (football players) arrived at the terminal by helicopters and off-shores and many Italian famous persons (singers, show-girl, show-man, politicians) enjoyed the event. Regarding the security and hospitality services, Costa Crociere company required the collaboration by the terminal; because of the ship dimension, not common people could enjoy the event but citizens could watch on TV all the official show.

In December 2012, *Ciocoland 2012* took place at the Terminal in Naples like a special exhibition planned and managed by the “Chocolate Artisans National Association” for 6 days (October 30th - November 4th 2012). About 100.000 visitors with free entry enjoyed this event in which there were Italian large, medium and small chocolate artisans in order to present curiosities and news on this sector, but also to make some special classes on this delicious topic. The terminal was the special location for this event, in fact, port infrastructure (Galleria del Mare) was dedicated to this event with hospitality and security services, although the main actor in the event management process was an external organization and not the terminal chosen exclusively as location for the event.

These events have similarities and differences. First of all, the main aspect concerns the timing schedules, they took place in different years, and also in different periods of the year by considering the high or low cruise season. Second, these events have different main players involved: the first two events involve cruise line companies, the last one only the terminal and especially external organizations. Third, each event has a different topic with links to several economic businesses, specifically the cruise industry, sport business and food industry.

Regarding the timing schedules, we need to consider the several reasons that motivated the choice of the specific timing range during the year concerning the utilization of port infrastructure during high cruise season or not; therefore, the first two events took place in high cruise season, though most cruise companies tend to adopt seasonal adjustment strategies in order to utilize the ships throughout the year; the third event has been chosen because it is interesting to investigate how terminal concessionaires dedicate their infrastructures areas to different destinations not only meetings or conventions. In this case, seaport terminal develops ideas about the utilization of common areas can be dedicated to these successful events, and there is a specialized and permanent organizational unit within the same port that is responsible for this process (Convention Department at Terminal Napoli S.p.A., that is the cruise infrastructure concessionaire in Naples). Otherwise, we observe, during this last event, the port areas were crowded, even if there were not many big cruise ships stopping on the quay. Starting from the previous considerations, we recognize the lack of an integrative and efficient information system that could help all the partners involved in the organizational, management and control process for the events; indeed, for the events analyzed, both cruise line companies and port terminal did not share any information, skills or knowledge about the events, they did not compare their experiences and, especially, they did not keep an archive of them. The definition and implementation of integrative information system with ad hoc software could represent a very useful and efficient tool for the future activity about the events.

Regarding the third event, Cioccoland 2012, we evidence that the event was free entry and also many participants did not find the link of the event to the seaport, there were some mistakes in terms of communication. The event did not have a significant positive impact on the cruise industry, also because the main player in the organization and management process was an external organization, for this reason the terminal lost its control on the event and also could not monitor in the right way all the process. The terminal was only a location, and so in this case there is a kind of high competitiveness among the different local areas in holding events.

Focusing on the cruise terminals, we can evidence that in Naples the Convention Department plans and manages many major events during the year, most events concern medical conferences. Also these major events include convention for the banking sector, workshops, and artistic events. Because of this specific category of events planned and managed, they use to range from one day to two-four days. The cruise event management

process represents an important SBU for the terminal since its origins, even if the planning and management of the process have been involved in many changes during the last years especially thanks to the introduction of information systems to support the entire process. Indeed, the Convention Department adopts a database in which there are details about the history of events in terms of content, topic, size, target, timing schedules, resources invested, and so on.

Comparing the events experience of the Terminal Napoli to the port of Venice, we observe that in this structure there is a dedicated and stable organization to plan and manage the cruise events, called “VTP Events S.r.l.” (Events S.r.l.), that is one of the subsidiaries of the S.p.A. (Venezia Terminal Passeggeri that is the infrastructure concessionaire in Venice) in Venice. This organization focuses its attention on any kind of events planned and managed in the area of the VTP S.p.A.; in particular, it tends to share its knowledge and experience with the same VTP S.p.A. thanks to a specific software in which all the events are recorded.

In this direction, if we apply the indicator [4], we can evidence a specific information sharing between the players, i.e. information and data about the hostess service or about requests in terms of security or hospitality services.

Regarding the other indicators [1], [2], [3], we can evidence that it could be very useful, also in terms of future strategic development of the players, to compare data about number of participants to the events and number of cruise passengers after the events, more specifically how many terminal or cruise ship visitors (participants to cruise events on ship berthing and to cruise events on terminal) will become cruise passengers.

We found out that it could be desirable and effective the creation of an integrated system for the sharing of information, skills, experiences, all the aspects concerning the organizational, management and control process of cruise events; in fact, all these elements are lost at the present, there is not an archive, a kind of unique memory service, or a central service to manage every relevant element, making them available for all the partners involved in the cruise event management process⁵.

Regarding the indicator [5], it is important to share also the timing schedules about the events planned and managed on ship board stopping at the quay and on terminal, also because in this case other players are often involved, and we need to plan and manage the events only

⁵ Regarding the Olympic Games, i.e., it has been established a specific institution *Olympic Knowledge Service* (OKS), dedicated to knowledge and information sharing between the different Olympic Games Editions in order to support all the organizational and management process (Varriale, 2008).

after a wide programming and planning process that involves all the players also outside the specific cruise industry, like tour operators, events specialized organizations, local authorities, and so on.

In this study all the above indicators defined could represent a key tool to control and coordinate any relationship systems and to support information and knowledge sharing oriented to the increase of passenger flows.

5. CONCLUSION

This paper contributes to the existing literature on the cruise industry investigating aspects that other studies on this topic have still not enquire, in fact, few recent studies investigate key performance indicators and coordination mechanisms in the relationship systems among the terminal, cruise line companies and PA; instead, our study focus on the coordination mechanisms and control tools into the cruise events management process in the seaport systems.

In particular, we have observed three specific cruise events cases, categorized as cruise events on ship boarding, on ship berthing and on terminal, which could favourite the increase of cruise passenger flows.

As shown, these relationships could not be formalized, but in our cases the role and the functions regarding the cruise events management are formalized and planned with a specific organization (Convention Department in Naples or VTP S.r.l. in Venice). In this case, the problem concerns the absence of knowledge, information and data sharing among the partners involved; for instance, in the Terminal Napoli, the cruise line companies share only data about their passenger lists or the timing schedules for the cruise events on ship boarding because of the security service. In the perspective of the increase of passenger flows, cruise events, effectively and efficiently planned and managed, are a critical and already recognized business within SBUs. The terminals offer exclusively supportive and operative services to the cruise line companies and do not define with them any strategies in terms of cruise events management and planning process. Otherwise, this scenario could be affected from the different ownership structure of the cruise terminal concessionaires, it means that it could depend on the presence or not of the cruise line companies. In this study we have proposed some key performance indicators, that can help to govern this type of relationships, because they offer a measure of the relationship efficiency.

However, these considerations are limited to a qualitative study based on the analysis of the relationships on events applied to cruise sector. In the next step of this study, we propose to investigate the level of autonomy of decision-making process by the cruise line companies when they are also shareholders of the concessionaries in the management of the three kinds of the cruise events. Indeed, it could be interesting to examine how the level of autonomy changes on the basis of the role of cruise line companies in the several types of cruise events.

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