

The paper offers an analysis of residents' perceptions and related acceptance of potential local investment in cruise tourism (infrastructure?).

The paper has a number of problems, some of which have already been pointed out by the first anonymous referee, with whom I agree in particular with regard to points (1) and (2).

ANSWER: As far as point 1) and 2) raised by the other mentioned referee, we have restructured the empirical analysis by using a mixed generalized ordered logit approach, where a set of six factors, extracted from a statistical correspondence analysis have been included in the econometric specification (see also Huang and Lee, 2011). As answered to the other referee, please note:

1) It is possible that the respondents have unconsciously made an idea of all the externalities that the cruise industry has produced on the destination. In fact, the researcher in asking the question is simply extrapolating a consciousness perception already formed at time t-1. In contrast, residents, unless they represent a company, are unlikely that in the past have estimated how much to invest.

2) In any case, in accordance to the comment made by the referees, we can reasonably think that there may still be a problem of endogeneity. Therefore, the new version of the paper proposes a mixed model, where the econometric estimation includes six factors (obtained from a correspondence analysis) that consist of groups of externalities interrelated, and independent of other set of variables included in the other factors (e.g. Huang and Lee, 2011).

3) As a matter of fact, overall, the new findings do not diverge much from the previous ones, that is likely to reinforce point 1).

- One question looming over the whole paper is the following: when the authors refer to investment in cruise tourism, what do they refer to exactly? To investment by the local authorities (e.g., the city of Messina) or directly by the residents? In rows 2–3 of p. 7, the phrasing chosen ('... to assess residents' opinion about the degree at which they would invest ...') does not help. In particular, no reference is made to what would the costs of such investment be for the residents, for example in terms of taxes (i.e., no objective scenario is given to the interviewees to evaluate). This is obviously central to the analysis. This concern may be seen as an addition to the first referee's point (2).

ANSWER: Please note that in the Methodological section (3.1 The economic model: Host communities as composite stakeholder) a further paragraph has been added where it is made clear that "host community can be also regarded as a composite stakeholder that at the same time is a producer and a consumer. On the one hand, residents, by comparing costs and benefits, expressed in terms of externalities, can increase the level of investment thanks to public taxation. First, the existing resources from the tax levy can be reallocated from less productive activities to more productive activities such as the cruise industry. Secondly, it is possible that the Local Council can raise further resources to invest in the cruise sector by taxing residents. On the other hand, it is possible that residents represent firms that may be involved either directly within the cruise sector or indirectly within ancillary economic activities positively influenced by the cruise line and hence willing to invest more."

- p. 7, end of page: as noted in an online comment to the paper, the description of the expectation for the statistical distribution of the generalized logit's residuals appears to be wrong. Appropriate references should be given or it should be corrected. Also, it may be convenient to explicitly frame the discussion between the standard ordered logit (proportional odds model, for statisticians) and the generalized one in terms of the 'parallelism' assumption.

ANSWER: Please note that the ordered probit specification has been expanded by including details on the ordered logit specification. Also, a more detailed presentation of the generalised ordered logit model has been added, following the specification proposed by Hardin and Hilbe (2007).

- p. 10, last row of Section 4: the authors do not explain how they calculate that their sample is representative of the local population at the 1 per cent level. This may be explained in a footnote.

ANSWER: A more detailed explanation of the sample is provided as follows.

Respondents were selected with a quota random sampling procedure. The method requires that representative respondents are chosen out a subset of individuals within a population. Based on the official data published by the Italian National Institute of Statistics (ISTAT) about the socio-demographic characteristics of Messina's residents, the quotas were set on age (three class were considered: 16-40, 41-65, over 65) and gender, that were the only two "a priori" observable characteristics. The sample size necessary for correctly representing Messina population a 1% level of statistical significance has been set at around 2074 interviews. Interviewers had the task to administer the questionnaire to unknown people in public places, banks, etc. Notwithstanding this procedure may lead to bias because not everyone gets a chance to be selected, nevertheless, it overcomes the potential bias derived from a random sample procedure, as the trial may be likely to over-represent specific demographic characteristics, such as gender or age. Data was collected through face-to-face interviews conducted by 10 trained interviewers directly supervised by the authors. Interviewers were instructed about the streets and area where to administrate the questionnaire. Only people aged 16 or above were asked to take part in the survey. A

total of 1,500 successfully complete questionnaires were obtained thus making up a sample that is representative of Messina population at a 0,074% level.

- p. 10, first paragraph of Section 5: again, the meaning of 'support further investment' is unclear. Does this imply a moral/electoral/emotional support or a financial support (directly or, e.g., indirectly through an increase of local taxes)?

ANSWER: As previously stated, in the paper, it was made clear that residents, as consumers, can either increase the level of investment thanks to new taxes or using the current public resources, from the actual tax levy, that can be reallocated from less productive activities to more productive activities such as the cruise industry. Also residents can represent firms that may be involved either directly within the cruise sector or indirectly within ancillary economic activities positively influenced by the cruise line and hence willing to invest more in this economic activity.

- p. 10, same paragraph as above: why does the dependent take numerical values? Ordered logit models are for categorical variables. As such, the dependent should be then coded as a set of indicator variables. Please clarify this.

ANSWER: In the paper, it has been clarified that "the dependent variable measures in what degree residents in Messina would support further investments in the cruise activity; this is a categorical variable and takes values from one (i.e. a very low support) to five (i.e. a very high support), based on the standard 5-point Likert scale".

- p. 11, first full paragraph: what does 'increase in lifestyle' mean? How can a lifestyle 'increase'?

ANSWER: As the paper has been restructured this sentence is not included anymore.

- p. 11, end of page: again, the rejection of the hypothesis of parallelism should be mentioned.

ANSWER: In the empirical findings section, it has been emphasised that "The generalized ordered logit specification is empirically better than the ordered logit specification as found from both the Brant test, where the null hypothesis is rejected at the 5% level of significance, and the likelihood ratio test, where the null hypothesis is rejected at the 10% level of significance".

- p. 12, end of first paragraph: the finding that residents who live far from the port are less favourable to investment in cruise tourism seems counter-intuitive. The authors should provide an interpretation for it.

ANSWER: Accordingly with prior research (Del Chiappa, Abbate, 2012), it could be argued that people who live far away from the port tend to perceive lower benefits arising from cruise tourism development and, as a consequence, are less favourable to invest in favour of a further cruise tourist development.

- p. 12, second paragraph: here the problem of the expected effects of investment (instead of proposed scenarios) is very evident.
- p. 13, first phrase of first full paragraph ('In terms of ...'): this phrase is unclear, I cannot understand it.
- p. 14, third row: why should an increase of congestion in public/private areas be desirable for the residents? Similarly, why are women less favourable to investment? The author should provide an interpretation for these findings.
- p. 14, third paragraph: the authors' findings do not suggest, in my view, the need to investigate the residents' opinion, since no information is given on how their support (or lack of it) would influence the local community, local politicians, etc.

ANSWER: All these comments (from p.12 to p. 14) do not apply anymore, as externality variables have been replaced with factors from the correspondence analysis.

Minor Comments

- p. 8, Eq. (3): phi is not defined.

ANSWER: As the ordered probit specification has been expanded to the ordered logit specification, this comment does not apply anymore.

- p. 8, third row from the bottom: unless the authors specify that Stata is being used as a software, how should the reader recognize the 'gologit' command?

ANSWER: Please note that for the first time, gologit has been defined as a generalized ordered logit model in the methodological section. Also, a phrase has been included on the econometric package used.

- p. 9, Eq. (5): b is not defined.

ANSWER: As the ordered probit specification has been expanded to the ordered logit specification, this comment does not apply anymore.

- p. 10, fifth row: the meaning of ISTAT is not clear to the international audience. Please define it.

ANSWER: This acronym has been spelled out.

- p. 20, Table 2: why only one coefficient is given for the quadratic 'Age' term?

ANSWER: This specification is rather common in the many empirical studies where a non-linear relationship is assumed (e.g. Millàn et al., 2011, Small business Economics). Full results are now provided both for marginal effects and odds ratios.

Thank you.