

# APPLICATION OF MARKETING STRATEGY FOR CREATION OF COMPETITIVE OFFER FOR RIVER CRUISE

UDK 658.8:<338.48-52:791.1> / JEL M31 ; L83 / PRELIMINARY COMMUNICATION

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## ABSTRACT

In modern tourism segmentation of the tourism market and determination of targeted markets, which would differentiate the tourist offer is becoming a necessity of all subjects that want to be competitive in the global market. Therefore, it is becoming necessary to determine marketing strategies that can increase the competitiveness of river cruise, taking into account the incentives and restrictive factors for further development of this form of tourism in Croatia, and considering the demands of the market, the demand for river cruises and taking into account the comparative advantages of Croatian rivers and destinations in their surroundings. In order to determine the current trends in the river cruise market, incentives and limiting factors for future development of river cruises and effective marketing strategies that will enable the growth of competitiveness of river cruises in Croatia, in addition to the analysis of secondary data, a primary research was conducted. Information were collected by conducting individual interviews with key stakeholders in river cruises in Croatia. Research has shown that by implementing the strategy of differentiation and market segmentation it is possible to create a variety of unique new tourism experience that will satisfy a certain segment of consumers and thus position the Croatian Danube region as an attractive destination for travelers who are going on river cruises. In this paper are identified marketing strategies that are currently used by riverboat companies to strengthen their positions on the river cruise market, as well as possible marketing strategies of other participants in the creation of river cruise products that would contribute to the further development of this form of river tourism in the Republic of Croatia and strengthen the competitive position of Croatian destination ports with international cruises on the Danube river.

**KEY WORDS:** river cruise, marketing strategy, destination ports, destination management companies.

## 1. INTRODUCTION

Cruising on the rivers currently has a symbolic share of the overall cruise market which is about 5% relative to the whole cruise industry. However, in the last few years there is a continuous accelerated growth in demand for this form of holiday, especially when looking at European rivers. In Croatia, the product of river cruising is almost exclusively related to the Danube river. Current traffic prognosis of ships and passengers on cruises on the Danube in Croatia indicate a probable continued and accelerated growth in demand and this imposes problems as how to be adequately prepared so that positive effects of this type of tourism would be as large as possible for the region. In this sense, it is necessary to determine how to take advantage of the existing potential and comparative advantages of the Croatian Danube region for the further development of river cruising in Croatia in order to achieve the expected

growth in demand, which requires, among other things, marketing deliberation and determination of marketing strategies that can increase competitiveness of Croatian destination ports and to position Croatia as an attractive destination for river cruises.

## 2. RIVER CRUISES – DEFINITION AND KEY FEATURES

The term cruise according to the Dictionary of Tourism means “sailing for fun, entertainment, ie. to sail from-to or from place to place, on a boat, ship or motor yacht for satisfaction, usually by sea (more often), but also on lakes and rivers (less)”.<sup>1</sup> In the maritime lexicon a cruise is defined as “voyage by sea or inland waterways according to a predetermined itinerary (one-way or round-trip,

<sup>1</sup> Vukonić, B., Čavlek, N. (ed.) (2001.) Riječnik turizma. Zagreb: Masmedia, pp183

coastal or oceanic, domestic or foreign)".<sup>2</sup> Gibson<sup>3</sup> in his considerations points out that a cruise is a vacation that includes travel the seas, lakes or rivers. Consequently, the concept of a cruise includes sailing, which can take place on a sea or some of internal waterways (rivers, lakes) mainly for the purpose of recreation and rest, and in this context, cruising on the rivers forms part of the "cruise industry."

River cruises are similar to the sea (ocean) cruises, both are based on sailing by boat on a water route, and the purpose of sailing is rest, leisure and entertainment on board a ship where passengers, among other things reside during the trip, which consists of navigation and stops in ports along the route, all of this makes all basic content of the cruise.<sup>4</sup> Nevertheless, river cruises have certain specifics in relation to cruising the sea arising from the characteristics of the means of transport, characteristics of transport routes, the content on board and the tour program. Ships intended for cruise on rivers are considerably smaller than ships that cruise the sea due to the limited depth of river courses, which greatly influences the offer that a ship has, or the content and other services offered to passengers on board for the purpose of rest, leisure and entertainment during their travels. Offer onboard cruise ships for rivers is generally by offer and structure poorer, and the very voyage is towards predetermined targets (ports, cities, natural attractions)<sup>5</sup> and passengers on river cruises can tour attractive sites along the rivers (cities, national parks ...) from the comfort of the ship which is especially attractive to older travelers, who are the main markets for river cruises.<sup>6</sup>

Offer of river cruises and ship capacities is mainly connected to each individual river and tributaries, but offers are spread on every continent. The largest share of the global market of river cruises has Europe (47.3%), followed by Africa on the Nile river (39.8%), while the lowest share of the river cruise market has Australia (0,5%).<sup>7</sup> Thus, the leading regions for river cruising are European and African continent (ie Nile river) with 87.7% share. On the European market, river cruising is mostly comprised of cruises on

the Danube River and its tributaries, the Rhine and its tributaries, the Danube-Rhine-Main Canal and the Dutch and Belgian waterways (a total of 170 ships, or 42.8% of all ships on the European continent).<sup>8</sup>

In the last few years there is a continuous rapid growth in demand for river cruises, especially when looking at the number of passengers on European rivers. Demand for river cruises in the world and Europe, looking at individual countries of origin of passengers, the largest part come from Germany, followed by travelers from the US, UK, France and Australia while travelers from other countries have a significantly smaller share.<sup>9</sup> The analysis of qualitative characteristics of the demand for river cruises suggest an older age population. According to Straubhaar<sup>10</sup> a typical traveler on European river cruises is an experienced traveler, well-educated, interested in the culture and history, enjoys a high income and usually travels with a partner. In the future a further growth in demand for river cruises is expected, particularly on exotic rivers (such as the Asian rivers Mekong and Irrawaddy) which is in line with the increasing need of passengers for adventurism when traveling and discovering new and unknown locations, and the acquisition of unforgettable experiences.

On the river cruise market a major role have large companies, specialized riverboat operators (shipping/riverboat companies). According to Mintel<sup>11</sup> study, some of the leading companies on the European market are French Croisi Europe, German Nicko Tours GmbH and Russian Vodohod. On the market of the United States of America (USA) among the companies that organize cruises outside America most noted are the Viking River Cruises (now the largest company for river cruises in the world), Avalon Waterways and Ama Waterways while a leading company that organizes river cruising in the area of North America is American Cruise Line.

<sup>2</sup> Simović, A. (ur.) (1990.) Pomorski leksikon, I izdanje. Zagreb: Jugoslavenski leksikografski zavod Miroslav Krleža page 399

<sup>3</sup> Gibson, Ph. (2006.) Cruise Operations Management. Burlington USA: Elsevier, pp. 14

<sup>4</sup> Ban, I. (1998.) Krstarenje rijekama. Ekonomska misao i praksa, 7(2), pp.251

<sup>5</sup> Ban, I. (1998.) Krstarenje rijekama. Ekonomska misao i praksa, 7(2), pp.252

<sup>6</sup> Goeldner, Ch. R., Brent Ritchie J.R. (2009.) Tourism: Principles, Practices, Philosophies. Hoboken, New Jersey: John Wiley & Sons, Inc., pp. 147

<sup>7</sup> Regional Cruise Market Report 2011. according to Vojvodić, K. (2012.) Promjene na tržištu riječnih krstarenja. Suvremeni promet, 32(1-2), pp. 89

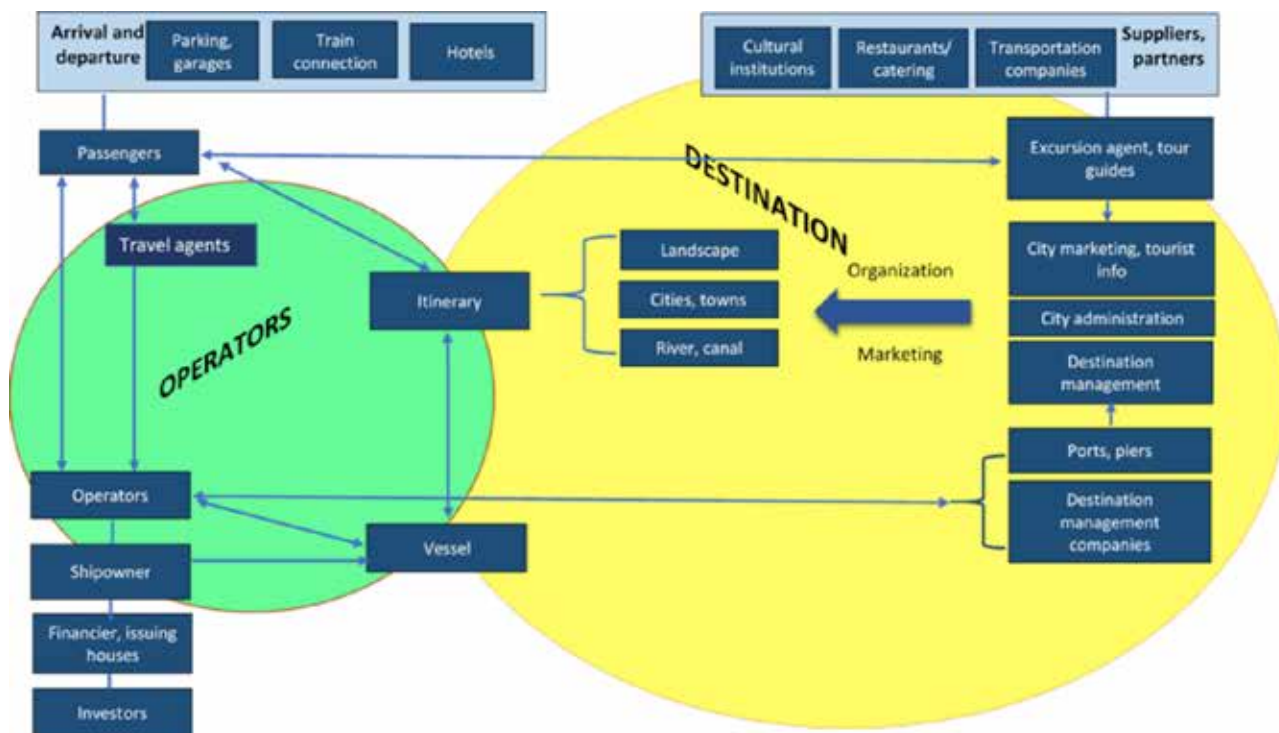
<sup>8</sup> Regional Cruise Market Report 2011. according to Vojvodić, K. (2012.) Promjene na tržištu riječnih krstarenja. Suvremeni promet, 32(1-2), pp. 89

<sup>9</sup> Grammerstorf, H.H. (2013.) European River Cruising, The European River Cruise Association, Hamburg, [http://www.ccr-zkr.org/files/documents/workshops/wrshp081013/6\\_HGrammerstorf\\_en.pdf](http://www.ccr-zkr.org/files/documents/workshops/wrshp081013/6_HGrammerstorf_en.pdf) (accessed 23.10.2014.)

<sup>10</sup> Straubhaar, R. (2005.) Passenger transport on European waterways – Economic Situation, 5th IVR-Colloquium, Vienna, 28th January 2005, <http://www.ivr.nl/downloads/Straubhaar.pdf> (accessed 02.12.2014.)

<sup>11</sup> Mintel (2015.) River Cruising - Travel & Tourism Analyst, No. 4, March 2015, Mintel Group Ltd, London., pp.30-35

Image 1. Participants of river cruise



Source: modified according to Bremerhaven Touristik, Waterways for Growth Analysis of the German river and ocean cruise market: [http://www.northsearegion.eu/files/repository/20141202173207\\_BIS\\_FR\\_RiverCruise\\_OceanCruiseShip\\_Part1\\_Dec12\\_en.pdf](http://www.northsearegion.eu/files/repository/20141202173207_BIS_FR_RiverCruise_OceanCruiseShip_Part1_Dec12_en.pdf) (accessed 14.8.2014.)

Considering that at the river cruise sailing to certain ports / cities / destinations is more pronounced it can be concluded that they form part of the basic product and experiences of river cruises and river-cruise companies emphasize the advantages of their equipment and their luxurious accommodation, as well as the destinations included in the itinerary of the cruise. Therefore, in the creation of products of river cruises, in addition to riverboat companies, destination ports and destination management companies are also participating (Image 1). Considering mentioned it is possible to identify three key holders of offers of river cruises: riverboat companies (specialized river-cruise companies and operators who play a major role on the market of river cruises), destination ports (part of the river cruising industry) and destination management companies (key for organizing various programs on land within the product of river cruise).

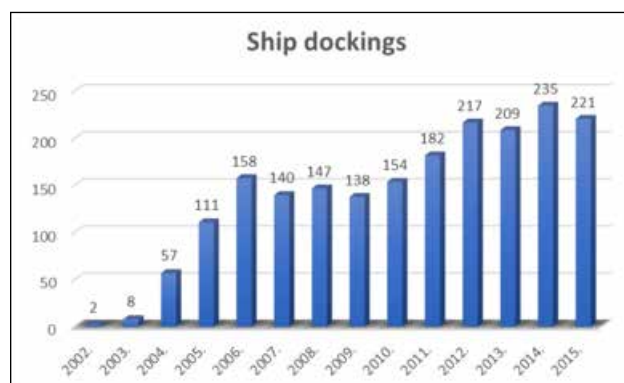
throughout the year, but also because of its significant position with regard to international transport corridors. Danube has a central role on the European river cruise market. The most popular itineraries in Europe are on the Danube and its tributaries, Rhine and its tributaries, canal Rhine - Main - Danube and the Netherlands waterways. Croatia has one of the smallest, but very attractive share of the Danube waterway, which can be used for tourism purposes. Currently, the offer of cruises on the Danube in Croatia, mostly include Vukovar, Batina and Ilok. According to data from the Port Authority of Vukovar, ships on international cruises on the Danube began to visit Vukovar in 2002, Ilok in 2007 and Batina in 2015. In the period from 2002 to 2015, the port of Vukovar has recorded a positive trend in the number of dockings of ships and passengers on board the ships with some exceptions in 2009 and 2015. (Chart 1).

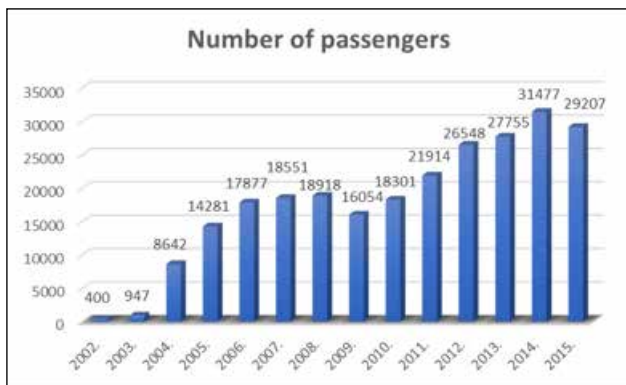
### 3. FEATURES OF RIVER CRUISE IN CROATIA

River cruises offer a number of unique experiences, from the view of an exceptional landscape to learning about local culture and heritage of places along the cruise path. In Croatia, the most represented river cruises are on the Danube River which passes through the eastern Croatia and the Drava River on the section from the confluence of the Drava into the Danube to the city of Osijek.

Danube River is the most important river for domestic traffic in the Republic of Croatia because of its length and natural characteristics that allow the navigation of large vessels

Chart 1. Number of ship dockings and number of passengers on international cruises on the Danube in the port of Vukovar during the period from 2002 to 2015.





Source: data from Port Authority of Vukovar (accessed 3.5.2016.)

Another important port on the Danube river is Ilok which was in 2015 visited by 2822 passengers that have arrived on 22 cruise ships and Batina which was in 2015 visited by 4485 passengers that have arrived on 36 cruise ships. With regard to the country of origin of passengers on international cruises on the Danube in Vukovar in 2015, most of the passengers were from the USA (48%) and UK (10%), followed by the Germany, Canada, Australia, Switzerland, France and other countries.<sup>12</sup> In the coming years a further increase in demand is expected, especially if we take into consideration the highly assessed attractiveness of the Croatian coast and destinations on the Danube as well as strengthening of the market position of Croatian ports.

Two-thirds of all cruises with Vukovar are organised by five companies: Nickotours, Viking RiverCruises, Grand CircleTravel, Ama Waterways and Uniworld. The largest choice of cruises that pass through the Croatian part of the Danube are offered by Nickotours (103 cruises), of which approximately one third visits Vukovar (33), while company Viking RiverCruises generates the highest demand for Vukovar with 52 cruises that make up a quarter of the total cruise that are related to the Vukovar.<sup>13</sup>

Passengers that have arrived by cruise ship to the Vukovar, generally, stay in Croatia for about five hours. Depending on their interests, Agencies/DMC that are cooperating with riverboat companies organize for visitors different excursions which may include a tour of Vukovar, Osijek, Ilok, visit to the Kopački Rit Nature Park, a tour of the Baranja wine roads and cellars with wine tasting, visiting indigenous family farms, exploring the local customs, culture and local cuisine and / or visiting the surrounding area by bicycle and paddle boat rental for a ride on the Danube.

#### 4. MARKETING STRATEGIES IN THE DEVELOPMENT OF RIVER CRUISES

Marketing strategy indicates basic guiding principle of every marketing planning, a basic function is to link the market opportunities with the mission and strategies of higher hierarchical rank.<sup>14</sup> According to Renko<sup>15</sup> marketing strategies are a series of related actions that lead to sustainable competitive advantage. In general, with the development of effective marketing strategies and their successful implementation, it is possible to be positioned in different markets and within different segments of consumers and achieve growth in demand, strengthen the competitive position and better business results.

Riverboat companies in their business particularly are applying growth strategy to increase the share of the existing market and look for ways to keep their existing passengers as well as to attract part of the passengers from the competition. A large number of companies are trying to strengthen their position on the river cruise market by developing new markets for their existing products and new products that will be of interest to the current market. Companies are enriching their offer by introducing new destinations (ports) to the existing itineraries, deploy ships on all the rivers and build larger ships, luxuriously furnished and with richer content. By continually monitoring the market trends the can adapt existing products, to new segments of consumers, especially the younger demographic groups (40-55 years of age). They are trying to differentiate their products by mainly different mix of partial products of material and immaterial forms, including the appearance of the ship and content elements on board, followed by high quality of service, consistency, programs adjusted to specific requirements and preferences of consumers, new itineraries that include exotic and so far undiscovered rivers and destinations and built a recognizable image (basis of brands). Lately, an increasing number of riverboat companies for river cruises has accepted segmented marketing, which is the basis for the difference between needs and wants of different segments and the development of individual marketing programs for each identified segment.<sup>16</sup> For the purposes of segmentation most used are psychographic elements and demographic segmentation, especially the life cycle of a family. Psychographic segmentation is most visible when creating themed cruises that are fully tailored to the specific interests of passengers and increasingly common in the offers of riverboat companies.

At the beginning of the new millennium, European river cruises have been transformed from a small, family-run

<sup>12</sup> data from Port Authority of Vukovar (accessed 3.5.2016.)

<sup>13</sup> Marušić, Z., Horak, S., Sever, I. (2013.) Istraživanje stavova i potrošnje posjetitelja s međunarodnih krstarenja Dunavom u Hrvatskoj u 2013. godini, Institut za turizam, Zagreb. pp. 20

<sup>14</sup> Rocco, F. (2000.) Marketinško upravljanje. Zagreb: Školska knjiga, pp.35

<sup>15</sup> Renko, N. (2005.) Strategije marketinga. Zagreb: Naklada Ljevak, pp.17

<sup>16</sup> Ružić, D. (2009.) Marketing u turističkom ugostiteljstvu. Osijek: Ekonomski fakultet u Osijeku. pp. 336

<sup>17</sup> Mintel (2015.) River Cruising - Travel & Tourism Analyst, No. 4, March 2015, Mintel Group Ltd, London., pp. 30

firms with the old and dilapidated ships to a group of professionally managed companies.<sup>17</sup> For the purposes of growth and expansion into new markets, companies have mainly used horizontal integrations. Furthermore, companies are commercially connecting with other holders of offer in order to offer higher quality and more diverse partial products and programs, and are commercially connecting with local receptive agencies or destination management companies that are organizing for them land trips to destinations if they are included in the itineraries. Such forms of business connections can achieve better control over the quality of provided individual services, which is reflected in the overall travel experience by travelers.

In this respect, and to harness the existing potential and comparative advantages for further river cruises in Croatia and to achieve the expected growth in demand it is necessary to establish the marketing mindset and marketing strategies which will play a significant role in the future development of river cruises and where it is possible to increase competitiveness of Croatian destination ports (and the Croatia as a destination for river cruises in general), taking into account the incentive and restrictive factors of further development of this form of tourism in Croatia, taking into account the requirements of the market demand and comparative advantages of the Croatian part of the Danube basin.

#### 4.1. Methodology

In the selection process of methods of research, it was taken in to account, first of all, about the subject of research and the type of questions. The objectives of the research were: to determine that the intensification of marketing activities towards riverboat companies and with use of the marketing concept it is possible to increase the number of dockings of river ships at Croatian ports and harbors, and then determine which marketing strategies will have a significant impact on the further development of river cruises and to point out the importance of interconnection and strengthening of cooperation among holders of offers of river cruising.

Primary data has been gathered by the method of interviewing. In order to get a better, more comprehensive and more profound answer about the problem of research, individual interviews with key stakeholders of river cruises was conducted. The survey was conducted during the period from 1.7.2015. until 30.9.2015. A total of nine interviews were made with representatives of receptive tourism agencies and destination management companies, directors of Port Authorities, representatives of relevant ministries and Croatian waters and shipping agents for river cruises with years of experience. Topics of the interview included the issues of development of river cruises in Croatia, opportunities and constraints, trends in supply and demand, competitiveness of Croatian destination ports and destinations in general on the market of river cruises, experience of receptive tourism agencies /

destination management companies in the business with the riverboat companies, as well as marketing strategies employed by holders of offers of river tourism, especially from riverboat companies.

#### 4.2. Results of research

Highlighted as one of the major limiting factors for development of river cruise is insufficiently qualitative maintenance of the waterways. In particular, the lack of navigability of the Sava River in certain sections was pointed out, and the lack of construction of the Danube – Sava canal, which would contribute to connecting the Sava and Danube. As a limiting factor, in terms of the Sava River, cooperation with the neighboring Bosnia and Herzegovina (BiH) is noted considering that it is a border river and for all activities on the river a permission is needed from neighboring Bosnia and Herzegovina Canton. Furthermore, the limiting factor is infrastructure. When it comes to international river cruise ports, the amount of ports is satisfactory. However, as the limiting factor stand out inadequate technical conditions of certain docks so the riverboat companies tend to avoid them (for instance in Aljmaš there is no parking for buses nor the access road to the port). Dock in Batina, as well as ports in Osijek (on the Drava) have problems during low water levels that limit the possibility of docking for ships, while Ilok as the easternmost town in Croatia riverboat companies usually circumvent because it is too close to the first next port in the neighboring country.

Complex administration in destination ports is restrictive on the implementation of the program of river cruises that take place on land, given that passengers are wasting their time (about an hour and a half) on the control, thus they are left with less time for organized tours. By entering Schengen, it is expected to prolong the time between the revision and the fact that it will be done only in one port, a limiting factor appears to be the cost-effectiveness of other existing docks for which there is a danger that they will be avoided by riverboat companies since revision will not be performed in them (return to them after the revision will start to represent a waste of time).

A limiting factor is also a poor coordination of participants involved in the implementation of tourism activities in general, including river cruises, which implies a lack of information about additional contents that destination management companies may use when creating a program of land excursions. For example, there is no pre-made calendar of local events for the next year, which would allow the creation of unique programs of excursions on land, especially customized to preferences of individual segments of passengers from river ships, while on the other hand it could give a better negotiating position to agencies and / or destination management companies when selling trips to riverboat companies for the next year.

As an incentive factor for the development of river cruises stands out clean and preserved environment (in contrast

to neighboring countries: Hungary, Serbia, Bulgaria and Romania), biological diversity, safety in the country and the hospitality of the people. Compared to competitive countries, we have similar cultural heritage and therefore a similar offer in relation to the product of river cruises, but towards the east (when sailing on the Danube) prices are much lower (20-30%) for the offer of same quality and we have positive impact from safety, power of improvisation and hospitality of the people in contrast to competitors.

International river cruises market is growing annually at a rate of 10-15%, which is one of the fastest growing segments of tourism. In Europe the most represented cruise is on the Danube River and its tributaries and the canal Rhine - Main - Danube, which opens great opportunities for Croatia to become a part of the tourism product of river cruise on the Danube. Number of travelers on international cruises on the Danube river which visit Vukovar or Ilok has been growing steadily. Given the high attractiveness of the Croatian coast and destinations on the Danube rise in demand can be expected in the coming years. Additional rise in demand on the Croatian part of the Danube is expected due to the fact that currently 80% of river cruise takes place upstream from Budapest, while only 20% downstream from Budapest, which is likely to cause displacement of itineraries downstream from Budapest.

Also, research has confirmed that the intensification of marketing activities towards riverboat companies and the usage of marketing concept can increase the number of dockings of river ships in Croatian ports and harbors, and on larger representation of Croatian ports and destinations in guidebooks of riverboat companies. If we take into account similar cultural heritage and similar offers of destinations along the Danube, in the forthcoming period it will be the required that a greater marketing efforts are made as well as better coordination of all those involved in the creation of partial product parts of river cruises relating to activities in the destination (destination management companies, receptive travel agencies, port authorities, tourist boards' system). Under these conditions, marketing will become one of the main drivers of river forms of tourism in the Croatian Danube Region.

Furthermore, research has shown that on the market of river cruise there is a stronger need for diversification and a growing pressure on prices. Riverboat companies are intensively seeking to improve their product of river cruises which consists of diverse but complementary partial parts of the material and immaterial forms. Therefore, they are investing in the construction of modern luxuriously furnished and designed ships and are introducing a variety of new programs to the ships tailored to the specific segments of consumers. An extremely important component of the basic product of river cruises is the opportunity to visit destinations along the river which creates a unique new experience. Companies in the conditions of increasing competition must be innovative and in cooperation with a number of destinations on the mainland, devising new itineraries and new experiences

for the specific target segments of passengers that will be different from competitors and will provide a unique offer. Also, they are spreading their offer to exotic rivers and lesser known destinations such as Africa (Zambezi River) and Vietnam and Cambodia (Mekong River). In this sense they require a new offer from destination management companies (but at the lowest cost), tailored to specific interests and needs of consumers and consequently increases the competitive struggle among receptive agencies and destination management companies that organize programs on land. Features of excursions are adapted to the wishes of companies. Some companies are interested in a rich variety of programs that offer unique experiences, while others want only a half-hour trip and some free time for travelers. In general, there are less and less organized tours unique to the entire group of passengers from the river boats. The new trend is becoming an optional excursion, which gives passengers a choice between at least two excursions and they must declare at least two days earlier which one they decide to visit. Normally one of the excursions is related to the active vacation, such as cycling tours or fishing trips since the companies are increasingly turning with the strategy of diversification towards the strategy of market segmentation in particular with regard to the psychographic variables or specific interests and preferences of passengers and their lifestyle. In this context, the most important strategy for achieving competitive advantage on river cruise market will be the product development strategy, strategy of market development, penetration strategy and strategies of product differentiation. To gain competitive advantage, many companies are developing brands and by pointing out specifics of their offers are trying to obtain the targeted consumers.

Destination management companies as well as the destination ports, when it comes to river cruises, are directing marketing activities primarily towards riverboat companies with a goal to present them the destination and interest them so that their destination is included in their itineraries. In this case the most attention is given to personal sales, participation in trade fairs and organizing of specialized study tours for riverboat companies. Considering that on the quality of the organization of excursions and programs on land depends further cooperation, great attention is given to qualified and trained tour guides and generally the whole process of executing the excursion which aims to create a new and unique experience for travelers coming from the river boats.

In conditions of growing competition, there is a need for the use of marketing concepts and management of marketing programs of all those involved in the river cruises from riverboat companies, destination management companies / receptive agencies to the destination ports. The application of appropriate marketing strategy is becoming a necessity for the realization of further growth and improvement of the offer which will be in accordance with the needs and interests of consumers in order to achieve a better position on the market.

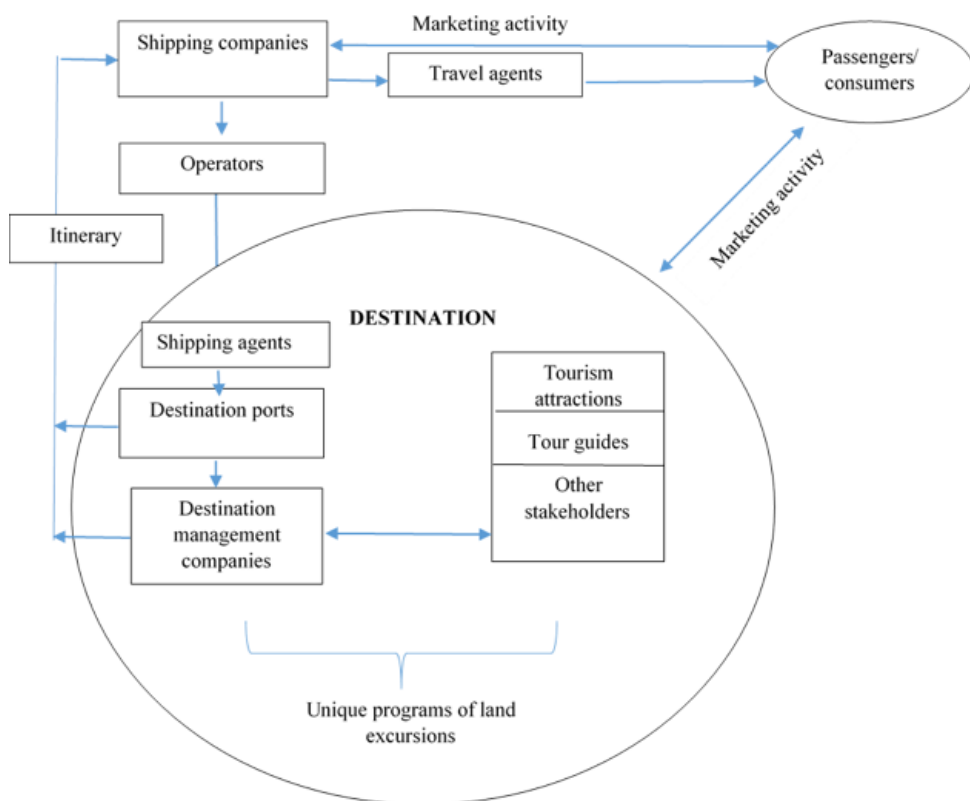
### 4.3. Guidelines for improvement of competitiveness of river cruising

Trends on the international market indicate that the river cruises are in the take-off phase (with an annual growth rate of 10-15%). With the continuous expansive growth of demand for river cruises, there is a differentiation which leads to specialization of riverboat companies and their orientation towards new market niches. In order to achieve growth and maintain a competitive advantage, companies, besides construction of new ships and improving the quality of ship offers, intensively work on enrichment of offers with new itineraries and destinations. Companies are struggle for competitive advantage and enter partnerships with certain destinations in order to jointly create a product of river cruises tailored for specific market segments, which will be fully aligned with the needs, interests and wishes of consumers, or the desired market niche. Related to this, Croatia, where the

product of river cruise is almost exclusively related to the Danube, has a chance to position itself as a destination with an attractive offer, traditional culture of life and work and with the local cuisine, based on which it is possible to create a wide range of tourism products and services offered on the mainland and themed itineraries tailored to specific interests of tourists.

Forecasts of ship and passenger traffic on cruises on the Danube in Croatia indicate a likely continued and accelerated growth in demand in the next five years, which is consistent with trends in the surrounding and the possible reallocation of itineraries on the Danube. Croatia has to prepare adequately for such a growth in demand so that positive effects of this type of tourism are as larg are possible for the region. In this regard, it is necessary to realize mutual cooperation and partnership in the implementation of marketing activities between all stakeholders involved in the creation and management of river cruising offers (Image 2).

Image 2. Marketing activity interrelationship of key stakeholders in river cruise



Source: conclusion of the author according to conducted research

Destination management companies and destination ports must have their marketing activities, on one side directed towards the riverboat companies with the goal to present the destination and interest them to include this destination in their itineraries, and on the other hand towards consumers, or travelers with river boats in order to motivate them for another visit to Croatia as part of another journey. This requires cooperation and coordination of destination management companies, destination ports and destination management (DMO/ tourist boards) in the activities to promote the destinations in order to make it

attractive to riverboat companies. Only by joint actions it is possible to position Croatia as an engaging and attractive destination on the market of river cruises on Danube river.

### CONCLUSIONS

Trends present on the international tourism market shape the style of rest and travel, diversification of activities on vacation imposes the need for research, planning, design and management of tourist products. Use of marketing

instruments has a crucial role in creating a competitive position of river cruising on a dynamic and changing market, especially marketing strategies as a means of meeting the needs of tourism and profit, as well as tools that encourage and accelerate the development of this form of tourism. Results of the research have shown the need for coordinated activities and the development of cooperation and partnerships in the implementation of marketing activities between holders that offer river cruises in the area as well as the necessity of a two-way marketing communications, on one side towards the end-users, consumers, while on the other side towards the riverboat companies and tour operators who take part in creation of river cruising products.

Also, by applying the marketing concept it is possible to increase the competitiveness of river cruising which would enhance the tourist offer of Croatia which has been proven

by determining marketing strategies of riverboat companies which strengthen their competitiveness on the market of river cruises, and which are directly reflected upon the product of river cruising in Croatia, as a destination. It is important to actively participate in partnerships with the riverboat companies on the creation of product of river cruises on the Danube, namely that part of the product that relates to the creation of tourist experiences in destinations that are visited during the cruise. Research has shown that by implementing the strategy of differentiation and market segmentation it is possible to create a variety of unique new tourism experience that will satisfy a certain segment of consumers and thus position the Croatian Danube region as an attractive destination for travelers who go on a river cruise and ensure long-term growth of competitive position on the tourist market of river cruises.

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