

The Role of Management of Marketing in Strategy “*divide et impera*” In World Cruising

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Abstract— The world's great cruising is one of the strongest capital industries of nautical tourism. His development past few decades takes place continuously upwards, as opposed to most industries recorded in the same period. This development is taking place despite the global crisis, but the foundation of this development lies in the constant research of market demand. For the purpose of presentation and analysis of examples of good management of marketing that has evolved in an age of global world crisis, the main purpose of this research analysis management of marketing of the large corporations in the cruise tourism.

A good organization within the company cruising, forming groups/corporations, branding brands, strong market orientation of management, skillfully use the strategy of diversification, constant research of market demand, the areas where this study deals. All this, are factors that the development of cruising, which is planned by 2019, is realistic and the risk of the ambitious development plan, despite the crisis, reduced to a minimum. Analysis of the needs of potential passengers on cruise ship cruising allows to secure a competitive advantage in the global market of tourist demand. That is, in the category of famous and crucial in tourism "value for money", cruising almost no competitor. Therefore, the way to manage the development of cruising becomes a model to other industries in the actual era of global world economic crisis. It is precisely at this time, for the management is imperative to look for and find the option and method for shaping its development opportunity, in order to ensure economic growth.

The main hypothesis of this study is contained in the statement that constant research of market demand enables the development of management of marketing that achieves diversification of markets and avoiding the negative effects of competition on the market offers.

Key words: world cruising, management of marketing, strategy of diversification, market niches, research & development

INTRODUCTION

FOR the past four decades, the global cruise industry, as a revenue-generating industry and segment of nautical tourism, has been registering continuous and high growth rates, with the average annual growth rate amounting to approximately 10%. Such a high annual growth rate is the

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result of continuous research of market demand, carried out by cruising companies and associations, as well as CLIA (**Cruise Lines International Association**), the leading international cruise industry trade association focused on the market research of cruise industry, and its promotion. Besides research, which is the basis for expanding the offer of the cruising industry, it is necessary to encourage cooperation between companies, despite their mutual competition. A good organization, particularly within strong associations, also contributes to maintaining a high growth trend.

Research, as well as a good organization and cooperation, have encouraged associations and companies to achieve an international agreement which has resulted in marketing management at the industry level. No such case has been recorded in the world economy. Therefore, researching it appears worthwhile. Diversification strategy has been frequently applied at all business levels, and in this case it has played a significant role as well. Therefore, the purpose of this research is to present the methods of setting up and implementation of marketing management within the cruise sector as a part of nautical tourism, at a global level. That is, marketing management is based on the world cruising market diversification, with the aim of estimating the power of individual niche markets which have enabled the companies to ensure the continuity of their development. This research should confirm the hypothesis stating that continuous research of market demand contribute to the development of marketing management which leads to market diversification, and eliminate the negative impact of competitive struggle of the companies on the supply market. On this very fact, despite the global crisis, the continuity of development of the international cruising industry is based.

I. A GREAT BIG INTERNATIONAL CRUISING

Cruising presents the integration of the maritime transport, travelling, tourism and vacation,¹ and is defined as a holiday activity of the passengers who pay for the itinerary (and possibly for the other services on board) for at least one night stay on board of a cruise ship, the capacity of which is at least 100 passengers. The Central Bureau of Statistics defines cruising in the following way: "cruising is a tourist travel lasting several days, according a specific itinerary (elaborated

¹ Lekakou, M. B. & Athanasios, P. A., Cruising the Mediterranean sea: Market structures and EU policy initiatives, Internet, www.academia.edu (24.11.2014.)

itinerary) of circular type''.²

Maritime cruising involves travelling on boats which serve as floating hotels, known as cruise ships. Cruise ships fall into different categories depending on various criteria, some of which are presented in the Berlitz Complete Guide to Cruising and Cruise Ships,³ classifying cruise ships or their brands according to their socio-economic and geographic categories, as well as ship types:

- Cruises for families
- Cruises for the elderly (seniors)
- Romantic cruises
- Cruises for singles
- Cruises for cruisers with disabilities
- Expedition cruises
- Transatlantic crossing
- Sailboat cruises
- Cargo cruises
- Around the world cruises

Both dividing the emitting market into niche market and focusing on differentiation contribute to a more precise insight into a broad spectrum of user profiles or cruise passengers and their choices.

Table 1. Classification of the international cruise ship fleet on the first of August 2012, according to *Cruise and Cruise ships* categories

Category	BRT / %	No	Brutt tons	Crew	Passengers
Boutique ships	1.000-5.000	38	115.179	2.116	4.185
	%	13%	1%	1%	1%
Small ships	5.000-25.000	56	793.418	10.997	26.055
	%	19%	5%	6%	6%
Middle size ships	25.000-50.000	49	1.775.502	21.461	48.862
	%	16%	10%	11%	11%
Big size ships	50.000-225.000	155	14.635.725	152.479	382.172
	%	52%	85%	82%	83%
Total		298	17.319.824	187.053	461.274

Source: drafted by Mr. Antun Asić, according to *Seatrade Cruise Review*, September 2012, (95-104)

The second classification⁴ is determined by the size of the ship in the following categories:

- Mega (large) cruise ships holding between 2.001 and 6.500 passengers (50.000-220.000 GT)
- Medium-size cruise ships holding between 751 and 2.000 passengers (25.000-50.000 GT)
- Small cruise ships holding between 251 and 750 passengers (5.000-25.000 GT)
- Boutique cruise shipsholding between 50 and 250 passengers (1.000-5.000 GT)

The dominant ship category, according to all the criteria, consists of large ships amounting to 52% in the number of

ships, 85% in gross tonnage and 83% in passenger capacity. The ships which are scheduled for delivery by the year 2019 are going to strengthen this category even more. As for the passengers, this means more tourist activities and attractions on cruise ships, in combination with future ecological standards aimed at reducing CO_x, NO_x, and SO_x emissions, and with the rising fuel prices there will be cutting in sailing speed and reduction in the length of stays in a port, particularly for large ships which are becoming destinations in themselves.

From the market point of view, cruising takes place at the three fundamental global markets, such as: (1) North and Central America, (2) Europe and (3) the rest of the world, among which the markets of North and Central America are the strongest, followed by the European market.⁵ With respect to a high level of development, new markets have been developed which have not been represented so far. We will discuss this in more detail later in this research paper.

II. TOURISTS/PASSENGERS ARE THE ONES TO BALANCE DESTINATION CHOICES

The tourist, i.e. the cruise ship passenger is the principal entity to whom the cruise offer is to be submitted for consideration and adjusted to his or her wishes and needs.

His or her vacation budget is splitted into three basic parts, such as:

- The price of tourist travel which includes the amount paid for the cruise ship, part of which make port dues,
- The amount which the tourist spends on the ship, liner during his or her trip, and
- The amount which the tourist spends at the destinations he or she visits while travelling.

Studies show that only a small number of tourists never visits any destination during his or her travel, spending his or her time on board.⁶ Therefore, with regards to the tourists' interest and consumption, there are two distinct destinations in

² Državni zavod za statistiku Priopćenje „Kružna putovanja stranih brodova u Republici Hrvatskoj 2013.” Broj 4.3.6/8

³ Ward, Douglas (2015.) *Cruising & Cruise Ships 2015*, Apa Publications (UK) ltd.

⁴ Ward, Douglas (2015.) *Cruising & Cruise Ships 2015*, Apa Publications (UK) ltd.

⁵ Dowling, R. K.: «Cruise Ship Tourism», CAB International Cambridge, 2006., p. 20.

⁶ Luković, T. & Božić, K.: „Cruiser supply and destination supply: competitors or partners”, 3rd International Cruise Conference, proceedings, Dubrovnik, 2011, page 26.

the cruise tourism, such as: (1) the ship/liner, which is developing its offer in an attempt to increase the consumption on board, thus reducing the consumption at the destination when the passenger leaves the ship, and (2) the attractive destination with the port in which the ship docks, the offer of which aims to generate its revenue from the part of the budget of the tourist who planned to spend a part of the money at the destination. Studies show that the distribution of the spending of a part of the budget of the tourist on board and at the attractive destination is even.⁷ At the same time, those same studies show a gradual dissatisfaction of the passengers on the cruise ship related to the attractive destination and the attitude of the cruise ship management towards it, thus causing the development rate at the end of the first decade to start to decline.⁸ This very fact has contributed to the connecting of large cruise companies to attractive destinations in terms of various forms of cooperation and fellowship with the aim of increasing the satisfaction of tourists on cruise ships. This is exactly what has generated a new stage of development based on research.

for the year 2011, among other things CLIA enlists the following characteristics of the cruise industry:

- *Cruise industry has achieved the most significant increase on the overall tourist market.* Since the year 1980, the average annual growth rate in the number of passengers in cruise industry has amounted to 7.6%.
- *Cruise industry is very young.* From 1980 to 2010 over 191 million passengers went on a cruise (for two days and more). As for the said number of passengers, 67% of the total number of them have been on a cruise within the recent ten years, while 39% of the total number have been on a cruise in just the recent five years.
- *The potential of cruise industry is strong.* Within the next three years (since the year 2010 – Authors' note), more than 50 million citizens of North America expressed their interest in cruise travels. To date, approximately 24% of the population of the USA has been on a cruise.

Figure 1. The port as a connection between the two destinations: the ship/liner and the attractive destination



Source: Luković, T. Images from the Internet

It should be noted that the two afore-mentioned destinations, which the tourist considers places of consumption, are both connected through a specialised port which accommodates cruise ships. Its role is essential since it connects the two stated destinations and represents the first insight into the offer of the attractive destination. Therefore, the port is attractive for investors both for the attractive destination and for cruise companies, which has not been the case so far.

The cruise market has been closely following market developments and changes occurring on the market of demand, making adjustments, and thus allowing for an increased growth rate in the number of passengers on a cruise. This should be attributed principally to continuous research and analyses carried out by the companies and associations/corporations, but first of all to CLIA.

According to estimates,⁹ in 2013 there were 21.3 million cruise passengers, while for the year 2014 it is expected that the numbers will reach 21.7 million passengers. In the review

⁷ Idem, page 26.

⁸ Idem, page 26.

⁹ CLIA a)(2014) The Global Economic Contribution of Cruise Tourism 2013, Business Research & Economic Advisors, USA <http://www.cruising.org/> accessed to on November 27th, 2014

- *The cruise product is incredibly diversified with literally a vacation on a cruise for everyone.* In the past 10 years (up to the year 2010 – Authors' note) the industry has responded with an extensive market and consumer research which have led to developing additional destinations, new concepts of ships, new activities on board the ship and on land, new themes and journey lengths in order to meet the needs and the changes in the needs of vacation preferences of the existing market.
- *Cruise industry product bings incomparable satisfaction to consumers.* Regardless of whether the person is a frequent cruise ship traveller, or he or she is travelling for the first time, the cruise experience is constantly surpassing the expectations in the wide range of relevant vacation characteristics. Compared to the other vacation categories, cruising is constantly achieving the highest scores. The constant challenge for the cruise industry is the transforming of the envisaged cruise into new cruise travels.
- *Cruising is an important drive in exploring destinations to which the travellers can always return.* Some 82% of cruise ship passengers agree that vacation spent on a cruise is a good way to explore the destinations which they may want to visit again as

tourists. Almost 40% of cruise ship passengers who came back to the destination on holiday, first visited the destination during a cruise. The passengers are not only exclusively cruise ship travellers, but rather they are frequent tourists who use cruises as a combination vacation package.

CLIA makes a good point when presenting the fourth characteristic of the cruise industry, stating that the cruise product, and thus the product of entire companies, is very well diversified, formulating the offer according to the demand of potential passengers and of the market of demand. This very characteristic of cruising is the basis for the development of the fleet of large international cruise liners, which, taking into account only the value of cruise ships, is estimated at the amount of more than 25 annual budgets of the Republic of Croatia.¹⁰ They differ in capacity, ranging from small cruise ships to large ones. The size of a cruise ship is one of the reasons of choosing one of the many niche markets, but this is not the only reason nor the main one. The main one is the conscious decision made by the management of cruise companies to implement the development strategy of diversification which is agreed within the association, as well as between companies and associations. The strength of each group is measured by the number of companies that constitute it, i.e. by the number and capacity of cruise ships. The standard measurement unit used for measuring the cruise ship capacity is the number of *lower beds*. This unit is smaller than the total passenger capacity the ship can accommodate, including bunk beds, and it is limited by the Certificate of Conformity (COC) in order to ensure the required security levels. According to *The Seatrade Cruise Review* magazine (September 2012), on the 1st of August 2012 there were 298 cruise ships (GT over 1.000), with the total gross tonnage amounting to 34.634.800 and the total passenger capacity amounting to 461.049.

The cruise ship supply market is an oligopoly in which the four large corporation own 56% of ships with 80% of the global cruise ship passenger capacity and 83% of the total gross tonnage. The two major corporations, such as *The Carnival Corporation & PLC* and *The Royal Caribbean Cruises Ltd.* have various cruise ship brands within the corporation, while the following two, such as *The Mediterranean shipping company* (MSC) and *The Norwegian Cruise Line* (NCL) have a unique brand for the entire company, and they are segmented according to different sectors within the cruise industry, such as NCL, or according to the ship size and facilities on board the ship, such as MSC. This fact indicates a continuous dominant implementation of the diversification strategy, as well as the strong marketing orientation of the management of the companies and groups/corporations. Therefore, the market is diversified, and the two basic destinations which share a part of the cruise ship passenger's budget among them, (1) the cruise ship/liner and the (2) attractive destination, have achieved peace and cooperation among them. This is what has contributed to the new step made by large cruise corporations which have utilised the peace and cooperation in order to develop a new marketing management directed towards clearly shaped groups of tourists and tourist consumers.

III. THE MANAGEMENT OF THE MARKETING CONCEPT OF THE DEMAND MARKET DEVELOPMENT

The market is to be managed, and the case of the large international cruise ship industry is the best example of the good practice of the management of the marketing concept which enables a continuity of the positive results and the development. One may say that this is a good example of the *divide et impera* (*Divide and Rule*) market strategy, i.e. of an efficient diversification strategy. In other words, perceiving a high level of diversity on the market of demand,

Table 2: International Cruise Ship Fleet¹¹

Elements	No of ships	BT	Crew	Passangers capacity
Total	298	17.319.825	187.054	461.275
CC+RCC+MSC+NCL	167	14.396.761	150.388	375.467
Carnival Corporation&PLC	102	8.075.165	85.838	215.791
Royal Caribbean Cruises Ltd.	41	3.996.286	39.585	98.769
Mediterranean Cruise line	12	1.153.997	12.465	31.209
Norwegian Cruise line	12	1.171.333	12.500	29.698
% in Total world fleet	56%	83%	80%	81%
Other	131	2.923.063	36.665	85.807
% Total	44%	17%	20%	19%

Source: *Seatrade Cruise Review*, September 2012, (95-104)

¹⁰ Luković, T. & coauthors, (2014.), „*Nautical tourism*” CABI, Oxford

¹¹ The table covers only the cruise ships the gross tonnage of which is larger than 1.000, used for cruise travel on the 1st of August 2012, and it does not cover laid up cruise ships, ships for sale, regular liners, coastal/river cruise ships or catamarans.

the management of the cruising companies, with the help of extensive research, has performed a market segmentation by forming clearly identifiable niche markets. Niche markets make in fact a form of an offer which is adjusted to an adequate demand and the needs of a specific segment of potential cruise ship passengers. In fact, by implementing the marketing concept, the management has developed a wide range of offers on their cruise ships in which each potential passenger can find something for himself or herself and satisfy his or her needs. Cruise ships owned by the companies have adjusted their offer to the specific market segment, they have formed niche markets and have established themselves as *brand names*. In this manner, the various dispersed global needs have lined up to form clearly shaped niche markets used in order to formulate the cruise offer, that is the offer of brands.

What is it all about?

Cruise ship brands differentiate themselves from their competition by their characteristics, such as the facilities on board the ships, the languages spoken on board, organised trips for the passengers, travel itineraries, the types of services included in the total cruise travel price etc.

The world's leading cruise ship company, the *Carnival Corporation & PLC*, has diversified itself into 10 different brands, the most represented among them being the *Carnival Cruise line* with a 29% share in the gross tonnage and passenger capacity. If we consider the ratio of the gross tonnage and passenger capacity, as well as the ratio of the number of passengers and the crew, the most prestigious brand is *Seabour*, represented with six cruise ships and 1% and of passenger capacity. Individual brands with their characteristics, are becoming oriented towards target geographical markets where they are achieving popularity within specific social groups.

Table 3. Markets and brands in 2013

	Type	Primary market
1	Carnival Cruise lines	North America
2	Princess Cruises	North America
3	Holland America Line	North America
4	Seabourn	North America
5	Costa Cruises	Italy, France, Greece, Germany
6	AIDA Cruises	Deutschland
7	P&O Cruises (UK)	United Kingdom
8	Cunard	UK & North America
9	P&O Cruises (Australia)	Australia
10	Ibero Cruises	Spain & Argentina

Source: drafted by Mr. Antun Asić, according to the CC&Plc Annual Report 2013

As seen in the Table 3, the traditional, and also the strongest market of the North and Central America is the dominant market.

The second cruise ship company according to the number of cruise ships is the *Royal Caribbean Cruise Line (RCCL)*, which in 2012 had 42 ships, the capacity of which was 98.769 passengers, with the ships divided into six brands. The most prestigious brand within the association is *Azamar* with only two ships, the capacity of each amounting to approximately 700 passengers, which, however, besides the customised service on board the ship, offer to their passengers unique trips as well, such as the visits to museums at night or visits to tourist attractions which are usually not open to visitors, etc.

Table 4. The RCCL Cruise Ship Company Brands

No of ships	Trade mark	BT	Crew	Passengers	% GT	% Crew	% Passengers	BT/passengers	Passenger/crew
21	RCCL	2.439.845	22.366	59.808	61%	57%	61%	40,8	2,67
11	CELEBRITY CRUISES	1.049.127	11.122	24.540	26%	28%	25%	42,7	2,21
2	AZAMARA CRUISES	60.554	746	1.388	2%	2%	1%	43,6	1,86
4	PULLMANTUR	242.951	2.913	7.709	6%	7%	8%	31,5	2,65
1	CROISIÈRES DE FRANCE	46.811	620	1.400	1%	2%	1%	33,4	2,26
3	TUIS CRUISES	156.998	1.818	3.924	4%	5%	4%	40,0	2,16
42	Total	3.996.286	39.585	98.769	100%	100%	100%	40,5	2,50

Source: drafted by Mr. Antun Asić, according to *The Seatrade Cruise Review*, September 2012, 95-104

The third cruise ship company according to its passenger capacity is the Swiss-Italian company called *The Mediterranean Cruise Line* (MSC) which is part of the Global Container Shipping Corporation MSC S.A., the world's second biggest container shipping company in size. The cruise activity of the company started in 1989 with the acquisition of the cruise ship company *Lauro Lines*, and in 1995 it changed its name into MSC. It is oriented towards the market of large ships, and it has become the leader on the markets of the Mediterranean, Brasil and South Africa. The company is mainly oriented towards the mass market and family cruise. Therefore, the cruise ships, in addition to the activities designed for the adults, offer the activities for children as well, such as playrooms for the children of different ages.

The last cruise ship company among the four major ones, is *The Norwegian Cruise Line*, the total capacity of which amounts to 29.698 passengers, which has been recognized on the market for its informal cruise concept which promotes flexible place and time for meals and a casual dress code.

In the spirit of a casual and informal personal conduct of passengers which for this specific reason have opted for this brand, the ship's hull has been painted and decorated with stylised vivid forms and colours.

Table 5. Mediterranean Cruise Line Fleet (MSC)

Broj	Name	GT	Crew	Pax	GT/Pax	Pax/crew
1	MSC ARMONIA	58.625	763	1.554		
2	MSC DIVINA	139.400	1.388	3.502		
3	MSC FANTASIA	133.500	1.332	3.300		
4	MSC LIRICA	59.058	760	1.560		
5	MSC MAGNIFICA	93.330	1.027	2.518		
6	MSC MUSICA	89.600	987	2.550		
7	MSC OPERA	59.058	760	1.712		
8	MSC ORCHESTRA	92.409	987	2.550		
9	MSC POESIA	93.300	987	2.550		
10	MSC PREZIOSA	139.072	1.388	3.959		
11	MSC SINFONIA	58.625	763	1.554		
12	MSC SPLENDIDA	138.000	1.323	3.900		
	UKUPNO:	1.153.977	12.465	31.209	36,98	2,50

Source: drafted by Mr. Antun Asić, according to *The Seatrade Cruise Review*, September 2012, 95-104

Table 6. Norwegian Cruise Line Fleet

	Name	BT	Crew	Passengers
1	NORWEGIAN BREAKAWAY	145.655	1.595	2.524
2	NORWEGIAN DAWN	92.250	1.000	2.224
3	NORWEGIAN EPIC	155.873	1.730	5.186
4	NORWEGIAN GEM	93.530	1.000	2.394
5	NORWEGIAN JADE	93.502	1.000	2.402
6	NORWEGIAN JEWEL	93.502	1.000	2.376
7	NORWEGIAN PEARL	93.530	1.000	2.394
8	NORWEGIAN SKY	77.104	814	2.002
9	NORWEGIAN SPIRIT	75.338	961	2.018
10	NORWEGIAN STAR	91.740	1.000	2.240
11	NORWEGIAN SUN	78.309	750	1.936
12	PRIDE OF AMERICA	81.000	650	2.002
	Total:	1.171.333	12.500	29.698
	BT/Passenger			39,44
	Passenger/Crew			2,38

Source: drafted by Mr. Antun Asić, according to *The Seatrade Cruise Review*, September 2012, 95-104

Figure 2. Aida Aura – hull decorated with stylised forms



Source: Internet, <http://www.ezadar.hr/clanak/zavirite-u-unutrasnjost-kruzera-aida-aura> (September 20th, 2015)

Among cruise industry regions there are differences in offer, which are conditioned by the type of tourist attractions. For example, in Europe tourist attractions mostly focus on history and culture, while in the Caribbean they focus on nature, the sea, the Sun and adventure. In certain cases, in the Caribbean, shipping companies have leased entire islands or their parts, and they have adjusted them to suit the needs of their niche markets with the newly built facilities, offering them exclusively to their passengers.

In addition to the existing markets which the brands, that is the cruise companies have divided into well-formed niche markets with an extensive tourist offer, with research pointing to the need to open new markets. In order for the new markets to be able to be integrated into the well-established system of niche markets, new markets are to be prepared for joining the existing market of supply. Therefore, cruise ship companies, within their marketing activities, in addition to operating on the existing emitive cruise markets, have been investing in the development of new markets, focusing on the states with a large population. In this process, they have been dedicating special attention to educating and informing the population on the advantages of cruise tourism, with respect to other forms of tourism. The primary objective, together with various forms of vacation which are offered on board, is for the passengers to visit as many different destinations possible within the shortest possible time. One thing to be kept in mind is the fact that the towns, that is the attractive destinations that the ship will travel to on its journey, are the main drivers which affect the decision making process in passengers to go on a journey.

Among the leading emitive markets, the ones with the biggest growth and the number of population are: Germany, France and Brasil, while among the emerging markets we have China. In order for them to attract the passengers, the

management of shipping companies is trying to focus on specific brands or ships by implementing brand marketing strategy, taking advantage of the information on consumer habits, such as the language they use, dietary habits and buying preferences. Thus, for example, for the German market, brands such as Aida and TUI are offered, where the principal communication language is German, including all the public signs on board the ship. The RCCL company focuses on the markets inclined to the purchase of luxury products and the use of modern technology, such as the market of the People's Republic of China. The mentioned company has, immediately following its launching, introduced in his business the newly-built ship called *The Quantum of the seas* with the latest technological advances designed for entertainment. Cruise ship casinos are a specific case, since they are a mandatory part of the offer for some markets, such as the North American, Italian and Chinese markets, while on the ships focused on the German market they are not provided at all or they are limited to a small space. Market forecasts point to a still low market penetration and a large number of passengers which go on a cruise travel for the first time, in which the shipping companies see the opportunity for a long-term development and the potential for the increasing of profitability.¹² Therefore, the space for the market development is opening, with brands, thanks to the management's marketing concept of travel, forming new niche markets which are established due to continuous market research. Thanks to this, the development of the great big world cruising is continuing, and new, ever larger and luxurious cruise ships are being built, the activities and facilities of which are being adjusted to the needs of cruise

¹² Royal Caribbean Cruises Ltd. Annual report 2013. (RCCL), <http://phx.corporate-ir.net/>, (November 24th, 2014)

ship passengers/tourists. All this is based on the continuous research of demand, the characteristics of which have been changing gradually, and the activities on board the cruise ship are being adjusted accordingly.

IV. WHERE IS THE GLOBAL CRUISING DEVELOPMENT GOING?

Under the influence of a well-formulated and implemented marketing business concepts of cruise companies and corporations, as well as of the wise utilisation of the diversification strategy, which is based on extensive research, the risk of future investment has been reduced to a minimum. According to all the indicators, cruising tourism worldwide has a great potential for further development. Some of its potential regards a strong growth and low penetration of cruising on the tourism market, attractive demographic trends as drivers of the cruise industry, as well as a favourable value for money relation, seen from the consumer's perspective. Barriers to market entry are very high, and are caused by significant investment in ships, by numerous previously established brands, sophisticated cruise ship technologies, and the long-term shipbuilding process lasting between 27 and 36 months. Within this period, it is necessary to provide financing, which leads to a reduced number of participants on the market. Additional limitations are also shipyard capacities, special skills and knowledge required for the building of cruise ships, which are mostly situated in Europe. Only four ships out of the 31 planned to be built by the year 2019 have been built outside Europe. In the past, the global cruise market was segmented according to the product offered, as well as according to the service level, which has been providing the existing companies with an opportunity for further development.

Table 7. Cruise Ships to be Built to Order for the period 2015-2019

Ship name	Cruise line Operator	BT	Lower beds	Delivery date	Price mill. USD
2015.					
Britannia	P & O Cruises	141.000	3.611	March15	807
Anthem of the Seas	RCCL	167.800	4.100	March.15	1.030
Le Lyrial	Ponant Cruises	10.700	264	April.15	134
AIDAprima	Aida Cruises	125.000	3.250	March.15	650
Mein Schiff 4	TUI Cruises	99.300	2.500	April.15	515
Viking Star	Viking Ocean Cruises	47.800	944	April.15	308
Pinnacle Class	HAL	99.300	2.660	February.15	550
Norwegian Escape	NCL	163.000	4.200	October.15	917
2016.					
unnamed(Hyperion Class)	Aida Cruises	125.000	3.250	March.16	650
Titanic II	Blue Star Line	55.800	2.435	-	-
Quantum Class III	RCCL	167.800	4.180	May.16	1.000
Oasis of the Seas Class III	RCCL	226.000	5.400	June.16	1.300
Seven Seas Explorer	Regent Seven Seas	54.000	740	July.16	450
Star Sagittarius	Star Cruises	150.000	3.364	lis.16	960
Carnival Vista	Carnival	135.000	4.000	December.16	780
unnamed	Seabourn	40.350	604	December.16	270
Viking Sea	Viking Ocean Cruises	47.800	944		308
Viking Sky	Viking Ocean Cruises	47.800	944		308
Mein Schiff 5	TUI Cruises	97.000	2.500		
2017.					
unnamed	MSC Cruises	167.600	5.700	January.17	1.030
unnamed	Star Cruises	150.000	3.364	October.17	960
Norwegian Bliss	NCL	163.000	4.200	April.17	917
Seaside prototype	MSC Cruises	154.000	5.400	November.17	975
unnamed	Princess Cruises	143.000	3.560		600
Mein Schiff 6	TUI Cruises	97.000	2.500		
2018.					
Seaside prototype	MSC Cruises	154.000	5.400	May18	975
unnamed	NCL	164.000	4.200		
Xiamen China	Xiamen International Cruises	100.000	2.000		
unnamed	Viking ocean cruises	47.000	944		
Oasis of the Seas class IV	RCCL	226.000	5.400		1.300
2019.					
unnamed	MSC Cruises	167.600	5.700		1.030
unnamed	NCL	164.000	4.200	December.19	
Ukupno:		3.897.650	102.458		18.724 ¹³

¹³ Only ship prices stated in the table included.

On the other hand, there are also numerous threats to the market, which can be divided into threats in business and legal environment. Among the business environment threats, it needs to be pointed out that there are some potentially negative economic trends, as well as their influence on the international, national or local level. This could possibly reduce the demand for cruising due to the lack of free financial resources of the consumers of cruise travel. Besides, there is a series of additional threats the cruise industry has been facing, such as the negative publicity, the increase in the price of fuel, the influence of volatility and the disruption of the international loan fund flows, terrorist attacks and armed conflicts, epidemics, maritime accidents and cruise ship accidents.

It is well-known that on each market there are opportunities and threats, but a quality marketing-oriented management, with the help of cruise market research, maximises its opportunities and reduces its threats. Therefore, as is always the case in business, everything is in the hands of management and of its market orientation. It is clear that management and its environment are obvious "culprits" of the cruising sector market development, on both the existing markets and in the opening and forming of new markets.

V. CONCLUSION

The operation of the worldwide cruising, as seen from the survey made on 298 large cruise ships and four associations/corporations, has been developing despite the global crisis and the decrease in personal consumption in all parts of the world. The analysis of this development shows that a well-formulated marketing concept and the management that had envisaged it and implemented it, together with a good information basis and research results, are the key factors of development and achieving good business results. In this way, the basic hypothesis has been confirmed, and the aim of this research paper has been fulfilled. Continuous research and results obtained by CLIA and the association research teams, utilised by the management of the companies, or the brands, show that they are certainly the "culprits" behind the present and the future development. The planned building of the 31 cruise ships are realistic, and the good thing is that these shipyards are European shipyards specialising in building floating hotels, or cruise ships. The financing of such ships is provided mostly from the regular operating activities funds, which indicates a good business management and market development.

The investing in development in cruising sector is manifested through a sound development of new international markets which are seen mostly in the context of the old European market, as well as of the new Chinese market. In order for the diversification to be implemented in these markets and for the niche market marketing concept to be developed, additional efforts are being made in terms of education and new insights. All of the above-mentioned points to the significance of research, as well as to the well-formulated management of cruise companies and brands. It is clear that

cruising, based on its development results which are the consequence of a well-formulated management strategy, can present itself to all the other industries as a model from which they should learn.

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