CRUISE PORT POSITIONING - THE CASE OF KORČULA
Posicioniranje luka na tržištu pomorskih krstarenja - primjer Korčule

Abstract

This paper attempts to outline the state of the cruise industry in the Mediterranean. Mediterranean ports should examine their potential role as cruise ports. In addition to concentrating on achieving a homeport or destination port status, ports must adapt their facilities for ever bigger ships or become a niche player.

Elaborating the case of Korčula in this context and emphasizing advantages and disadvantages of this island, it is well noted that Korčula will continue to grow in popularity and importance. To this purpose, more diversified organized tours opportunities along with considerable efforts in promoting will be of great importance. In order to be successful and with regard to its limiting port structures, Korčula should primarily concentrate on attracting and accommodating smaller ships creating family and friendly atmosphere around cruise passengers.

Key words: cruise market, port positioning, SWOT analysis, Korčula

1. Introduction

After Caribbean, the world’s major cruising destination, the Mediterranean region is the second largest cruise market in the world. For the cruise industry the Mediterranean offers a long pleasant season with temperate weather along with the diversity of countries and cultures that enable the cruise lines to promote itineraries with a more varied content than is possible in any of the other major destinations. Looking closer at the figures, the importance of the Mediterranean is clearly noted. The number of cruise calls in the major Mediterranean ports rose from 5,100 in 1992 to 11,500 in 2002 (+125%), the number of passengers embarking / disembarking in the main homeports increased from 2.2 million in 1992 to 3.4 million in 2002 (+55%), while the number of passengers transiting in the major destination ports grew from 1.3 million in 1992 to 6 million in 2001 (+350%). The challenges for the Mediterranean ports will focus on what plans they make to ensure their facilities to accommodate the growing fleet of larger ships and to cope with the new requirements of a fast-growing market. Ports have been moving differently with individual strategies. The most important thing for a port is to be aware of tremendous opportunities for growth in cruise market, but also to be realistic and ready to respond to the various demands placed upon them by different vessels and operators.
2. Mediterranean ports positioning

Posicioniranje sredozemnih luka

Ports should examine whether they should be oriented towards serving as a port of call or a homeport in the cruise market. A homeport is the place where the embarkation and/or disembarkation takes place at the start and/or end of a cruise. It is also called base port, head port or main port. Furthermore, a port of call (also called secondary port or destination port) is the place where passengers disembark and then re-embark to continue with the cruise.

More often the typical port serves as a destination port. The most important factors taken into consideration for a homeport are: international airport vicinity, significant hotel structures, specialized cruise terminal capable of accommodating large volumes of passengers and tourist attractions. On the contrary, variety of tourist attractions, possibility to organize tours and easy access to berths are the major qualities associated with ports of call. The mentioned elements, particularly regarding homeport, are not present in many ports in the Mediterranean. Many of the Mediterranean ports do not have suitable handling facilities for large number of cruise passengers.

Considerable investments in infrastructure have been made in some areas (for example, Italy and Spain) in order to improve the existing facilities. Therefore, it is essential to recognize the importance of sophisticated port services in serving this industry. There is still some hope left for the smaller ports as well. Being largely determined by technical capacities of the ports and unable to make substantial investments to receive megaships, these ports should carefully consider their role in accommodating smaller ships and adapting to meet the future challenges.

Co-operation among the Mediterranean cruise ports is becoming increasingly important. That was the reason why ports joined together in Rome in June 1996 to form an association called “MedCruise”- the Association of Mediterranean Cruise Ports. As well as promoting the region to the cruise industry in general and trying to encourage year-round programmes, its aims are to move towards more uniformity in the services offered by Mediterranean ports to cruise lines and their passengers and also for a co-ordinated approach to the important issue of security.

There are currently over 70 member ports in the association and some of their main objectives are: developing and fostering good relations and collaboration among all cruise ports of the world, exchanging information relative to cruise passenger traffic, improving the image of the member ports, fostering the progress of ports in the interest of cruises and passenger transportation, promoting the development of port facility security plans.1

3. A SWOT analysis of the Port of Korčula

SWOT analiza Luke Korčula

The leading tool for determining advantages as well as limiting factors of a certain phenomenon is SWOT analysis. Elaborating the port of Korčula status with regard to four categories - strengths, weaknesses, opportunities and threats, makes it possible to highlight the course of future development in order to achieve steady and lasting role in the cruise market (Table 1).

Table 1. A SWOT analysis of the Port of Korčula

| Strengths | - well-known tourist destination with long tourism tradition  
| - privileged geographical position  
| - warm and pleasant climate  
| - cultural and historical heritage  
| - close to main tourist attractions  
| - the proximity to other ports of call |

| Weaknesses | - the technical conditions of the infrastructure`s facilities (depth of water, dock length)  
| - the problem of seasonality  
| - lack of shore excursions |

| Opportunities | - promotion of Korčula and other Croatian ports by Croatian MedCruise members (Dubrovnik, Split, Pula)  
| - port of interest for the niche companies  
| - port of interest for smaller ships  
| - destination port for megayachts  
| - extension of the cruise season |

| Threats | - political and economical safety and security  
| - losing the competitiveness in view of port tariffs  
| - ship congestion and berthing space  
| - lack of co-operation at local level |

3.1. Strengths

Prednosti

It is worth mentioning that, in the context of Croatia, Korčula is, just after Dubrovnik as an established cruise destination, the second major cruise destination and this is certainly not accidental.

When analyzing its privileged geographical position, the emphasis must be placed on the fact that Korčula is certainly lucky to be strategically located between major established cruise destination ports.

1 www.medcruise.com/OBJECT.HTM (12.06.2001)
Sometimes these ports take the advantage of being in the right place at the right time and make a beginning as stopovers in cruise itineraries, but over time they become established and recognizable in their own way.

In case of Mediterranean cruises and owing to its strategic location, Korčula forms part of many cruise itineraries, particularly those involving east-west Mediterranean cruises as well as cruises routed out of Venice via the Adriatic into the Aegean and vice versa. Port statistics reveal the importance of this island (Table 2).

Table 2. Korčula port figures
Tablica 2. Promet luke Korčula

<table>
<thead>
<tr>
<th>Year</th>
<th>Cruise calls</th>
<th>Pax throughput</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>50</td>
<td>9,884</td>
</tr>
<tr>
<td>1990</td>
<td>36</td>
<td>7,836</td>
</tr>
<tr>
<td>1991</td>
<td>9</td>
<td>1,236</td>
</tr>
<tr>
<td>1992</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1993</td>
<td>1</td>
<td>402</td>
</tr>
<tr>
<td>1994</td>
<td>4</td>
<td>789</td>
</tr>
<tr>
<td>1995</td>
<td>4</td>
<td>2,292</td>
</tr>
<tr>
<td>1996</td>
<td>6</td>
<td>4,177</td>
</tr>
<tr>
<td>1997</td>
<td>34</td>
<td>19,750</td>
</tr>
<tr>
<td>1998</td>
<td>66</td>
<td>27,743</td>
</tr>
<tr>
<td>1999</td>
<td>1</td>
<td>891</td>
</tr>
<tr>
<td>2000</td>
<td>20</td>
<td>3,573</td>
</tr>
<tr>
<td>2001</td>
<td>65</td>
<td>10,387</td>
</tr>
<tr>
<td>2002</td>
<td>102</td>
<td>34,203</td>
</tr>
<tr>
<td>2003</td>
<td>104</td>
<td>27,697</td>
</tr>
</tbody>
</table>

Source: Data gained from Korčula port authorities

Looking at the six-year period data (1991-1996) and remembering a range of crises in the area (war in Croatia, the Gulf crisis) it is not surprising that significant decrease in cruise calls during the period mentioned was noted.

The years 1997 and 1998 were two promising seasons for Korčula as far as cruise ship calls were concerned, but the war in Kosovo in 1999 resulted in keeping the cruise ships away from this island again. On the other hand, it should be noted that Korčula`s geographical position could be seen as a disadvantage in consideration of Dubrovnik as a more established destination port at a very short distance.

An exceptional advantage to be mentioned in the case of Korčula is the tourist attractions vicinity. The town offers variety of tourist attractions that are within walking distance from the pier and can easily be visited on foot.

These primarily include the City Museum, the Bishop’s Treasury, Cathedral of St. Marcus, art galleries and old churches. It is an interesting thing to mention that to this day Korčula has maintained the tradition of performing knightly games such as the chivalrous dance called Moreška which has been in existence for more than four hundred years.

3.2. Weaknesses
Nedostaci

It should be noted that in the case of Korčula the restrictions imposed by port facilities limit considerably the dimension of vessels with regard to her length and draft. Korčula’s berthing facilities consist of two berths. The western berth is 165 meters long and 6.60 meters deep, while the eastern one is 105 meters long and 5.30 meters deep. Cruisers usually stay at anchorage or berth at western berth. Another characteristic which applies to the Mediterranean is seasonality. It is well recognized that the Mediterranean is traditionally and almost exclusively a summer market, but over the years this concept of summer has been extending to include spring and fall so that now full months involved go from March to November.\(^2\) Regarding Korčula, the total cruise traffic realized is concentrated on the period from April to November (Figure 1). It clearly brings to light the problem of seasonality Korčula is facing as well as other Mediterranean ports.

Examining closer the present shore excursions, one finds only two possible excursions offered. The first one is “Korčula Walking Tour” and another one is “Korčula Island Highlights”. It must be outlined that shore excursion is one of the most important revenues on board and that it constitutes a very essential part in the cruising making an itinerary more attractive. Consequently, port planners, agents and local tourism officials will need to expand the quality and diversity of shore excursions allowing cruise passengers to learn more about this beautiful island.

3.3. Opportunities
Mogućnosti

Italian and Croatian ports in the Adriatic have recently started promoting cruise itineraries within Adriatic region itself.

\(^{2}\) Ferrarini, R. (2002), ibidem

"Naše more" 50(5-6)/2003.
These activities may result in the emerging of new ports of interest concerning the cruise market, especially ports on major Croatian islands (Hvar, Rab, Mali Lošinj, Mljet) and seaside resorts (Zadar, Šibenik, Trogir, Rijeka), but also establishing well-known secondary ports (Dubrovnik, Korčula, Split, Pula).

Intensified marketing efforts in promoting these ports will contribute to the distribution of cruise traffic on the entire Adriatic area. A port association, such as MedCruise, is permanently helping and supporting, by continued actions, the progress of ports in the potential interest of cruises. Croatian member ports in the MedCruise association (Pula, Split, Dubrovnik) play an important role with this aim in view and should be aggressive in promoting potential destination ports in the Adriatic region. Adding new ports in cruise itineraries would contribute to enriching and enhancing the cruise experience.

Some cruise lines target narrow segments of consumers who have something in common. In marketing, these categories of customer types are called niches. A niche is defined as a group of people who have specialized set of needs and wants. A niche company provides products and services that suit the ways their niche clients buy. For example, a kind of specialized product or service is provided to a group of people who share a common interest.
usually results in inefficiency and the final customer is suffering. A complete solution of this problem is difficult to find. Apart from searching new destinations this can be overcome by differentiation of the sailing days. Adequate alongside berthing facilities are a huge advantage for a destination port, but a problem which cruise lines encounter at present is competing for prime berthing space at desired ports. In some cases, on the smaller islands, ferries compete with passenger cruise ships for berthing space and appropriate facilities.

Bearing in mind the limiting factors concerning the technical conditions of the infrastructure’s facilities and the fact that in the case of Korčula ferries and local liners obtain preference in view of berthing, a guaranteed berthing remains current as well as the need for better organized berth policies. Co-operation shouldn’t be missing. A joint effort by all public and private entities locally involved in the reception of cruise passengers and ships is vital to a port of call. Local authorities, tourist boards, port agents, tour and ground agents, public and private transporst, shopping and catering operators should join forces in offering a variety of programmes, excursions and entertainment and creating a positive experience that the passengers could pass on to their friends and relatives.

Certainly there is no future for ports which treat cruise line customers and crew as if they were only a secondary source of business. The local community must be aware of the opportunities and challenges presented by cruise market. The key word is satisfying cruise tourist needs that will consequently result in bringing growing success and prosperity.

4. Conclusion
Zaključak

In conclusion, that existing port facilities of some ports in the Mediterranean could to a large extent determine their development and growth. In response to the growing appeal of Mediterranean cruising, comprehensive infrastructure development must become a crucial concern for regional port authorities, governments as well as cruise lines. Despite the existing limiting factors, primarily regarding port facilities, the future expansion of Korčula in the cruise market is not disputable. The port of Korčula will certainly not handle megaships, but it must be stressed that Korčula’s long-term success in the cruise market should be primarily founded on accommodating smaller ships with the possibility of creating a friendly atmosphere and an extraordinary cruise experience. The tourists will leave Korčula with pleasant memories and beautiful impressions. With this aim in view and being aware of the opportunities presented by this market, Korčula should direct its efforts to an aggressive promotion. There is every reason to believe that Korčula will get its fair share in that market segment. Since shore excursions are one of the most important items on choosing ports of call and on itinerary planning, variety of shore excursions will be among key factors in increasing the number of cruise vessels visiting Korčula.

References
Literatura
