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**COMPARATIVE ANALYSIS OF  
AMERICAN AND EUROPEAN  
YACHTSMAN PROFILE  
FOR BETTER MARKETING  
PLACEMENT OF CROATIA  
AS TOURISM DESTINATION**

**ABSTRACT:** Countries develop their nautical tourism depending on their nature potentials and resources and in line with their national economic strategies. The main development determinant is a national strategy as the basis of all plans and activities. The nautical tourism development encourages tourism destination development and impacts on economic and social sustainability. Nautical tourism is a specific form of modern tourism trends whose extremely important and highly profitable economic influence is largely visible in numerous multiplicative effects. Renown world researches prove that nautical tourism is one of the most important economic activities in tourism sector, perceived in Croatia as one of the most competitive tourism products. The objective of this paper is to point at the necessity of differentiation of communication strategy and marketing placements towards target markets focused on attracting yachtsmen

taking into account their different demographic and sociographic profile. The research and comparative analysis conducted in American and European yacht clubs showed significant differences in selection of tourism destinations based on demographic and sociographic profile of yachtsmen in specific geolocation. The purpose of this work is to prepare the comparative analysis of the European and American yachtsmen profiles, which will serve to create targeted strategic marketing model of attracting foreign yachtsmen in selection of their holiday tourism destination. The conclusions of this research show that Croatia has still not fully capitalized its potential in the nautical tourism sector and that the more comprehensive market segmentation is necessary in the process of planning how to attract foreign yachtsmen.

**KEY WORDS:** nautical tourism, marketing, communication strategy

## INTRODUCTION

Nautical tourism in the coastal area of Croatia dates from the end of the 14<sup>th</sup> and the first half of the 20<sup>th</sup> century. Registered historical nautical visits include the visit of the Austrian Archduke Karl Stephan in the yacht *Ossero* in 1899 in Poreč; the visit of German Emperor Wilhelm the Second with his wife Augusta Victoria in the yacht *Hohenzollern* in 1908 in Pula; the visit of Montenegrin King Nikola the First in the Petrovic yacht *Roumija* in 1911 in Brijuni; Austro-Hungarian heir to the throne Franz Ferdinand and his wife Sofia in the ship *Lacroma* in 1912 to Rovinj; Italian Nobel Prize winner Guglielmo Marconi in the yacht *Elettra* in 1932 in Brijuni; English King Edward the Eighth with a friend Wallis Simpson in 1936 in the NAHLIN yacht cruise, during which they visited Bay of Kotor, Dubrovnik, Rab and other places.

Nautical tourism developed more significantly in the early 1970s, by establishing ACI marinas and popularization of yachting. In modern times, nautical tourism has increasingly been becoming a topic of scientific research; therefore, it is necessary, due to statistical analysis, scientific terminology and better orientation in the new research field, to provide a clear and unambiguous definition of nautical tourism. Nautical tourism is a selective form of tourism which ensures at least 180-210 days of business activities in the year, while, in relation to hotel capacity, the turnover of the invested capital is much more dynamic (Jugović et al., 2011).

According to the general understanding, nautical tourism denotes a specific form of tourism characterized by the movement of tourist boats on the sea or river including their landing in ports and marinas, and includes the entire infrastructure in ports and marinas necessary for their landing. According to classification, we divide nautical tourism into nautical tourism ports, charter and cruising (Luković, 2007).

Nautical tourism, as well as tourism, is regulated by Law on Tourism (Official Gazette, No. 8/96),

Article 52, which stipulates that: “Nautical tourism denotes the navigation and accommodation of tourists – yachtsmen on vessels (yacht, boat, etc.), as well as their stay in nautical ports for rest and recreation”. This definition has the purpose to regulate and define the nautical tourism as an economic activity. In order to describe the activities of the nautical tourism, Article 53 of the Law defines and groups the services of nautical tourism as:

1. lease of space on the well-maintained and partially or completely protected coastline (hereinafter: berth) for accommodation of vessels and yachtsmen staying in them;
2. lease of vessels for recreation (charter, cruising, etc.);
3. skipper services;
4. accommodation, safeguarding and maintenance of vessels berthed in sea and on land;
5. services of supplying yachtsmen (with water, fuel, food, spare parts, equipment);
6. equipping and preparing of vessels;
7. provision of various information to yachtsmen (weather forecast, nautical guides, etc.)
8. sailing schools, training for skippers and boat operators;
9. other services for nautical tourism (Luković, 2007).

Complete definition of nautical tourism takes into account all elements which condition and define it. Based on the revenues that are turned over in this way, nautical tourism is one of the more profitable forms of tourism for any tourist receptive country. It is the form of modern sports and recreation and entertainment travel by yachts and luxury boats. International exchange is always functionally connected with the domestic market, international market and economic interventions (Andrijanić and Pavlović, 2012).

In Croatia, nautical tourism has great advantages, climate and environmental conditions (moderate winds and moderate waviness of the sea), favourable

maritime position, naturally protected bays, indented coastline. In the last three decades, nautical tourism has been one of the most developing sectors in Croatian and European economy. It is estimated that during the cruising, yachtsmen spend several times more funding than classic guests at the top of the summer season, when the services are most expensive. Revenues are generated from the collection of permanent or transit berth on sea or on the coast, repairing and maintenance services, renting rooms and vessels (charter), services of sailmakers and upholsterers, shopping and catering services, the sale of gas, etc.

Nautical tourism is a phenomenon that has had one of the biggest development rates in the past three decades in the world and in the Croatian economy. Economic forecasters of tourism development agree that nautical tourism is in its initial development period and that the high results are still expected. Many yachtsmen come to Croatia from Western Europe, while the growth trend of yachtsmen from Central Europe is increasing. With the rise of living standard and the end of the economic crisis in Europe, more and more vessels are being purchased and leased, whereas the vessel traffic in our sea has increased. Gradually, there has been bigger offer of ships (yachts) for rent (charter), which has further expanded the market of potential demand for this type of cruise (Parlov et al, 2016).

American nautical tourism also boomed in the 70's of the last century, when nautical associations that regulate the market of nautical tourism started with their registration. The territory of United States of America stretches from the East to the West coast of North America. The main water surfaces that surround this country are the Atlantic Ocean to the east, the Pacific Ocean to the west, the Gulf of Mexico to the south and the Great Lakes in the northwest. Long coastlines offer great places for sailing. Nautical tourism is the most developed on the East Coast, which can be rounded from the Florida Keys to Maine and provides safe navigation in sheltered waters near the Atlantic.

In the Pacific Northwest, the most popular place for sailing is the San Juan Islands, which consist of two hundred islands. From this direction, the navigation passage leads through Canadian waters all the way to Alaska. Pacific Southwest offers warmer waters, especially in the Bay of San Francisco or Southern California. Ports and marinas of the United States are of high standard, they are numerous and well-equipped, but their berth fees are high. One must pay attention to the choice of the marina especially in Florida where almost a quarter of all thefts of vessels in the country take place. The weather conditions dictate nautical season in America; given the size of the navigation space, weather conditions vary and one needs great experience and caution in tourist navigation (hurricanes, waves and local microclimate).

## OBJECTIVE

With significant fluctuations in the financial market and subsequent rise of the dollar, Mediterranean journeys have become very accessible and interesting to an average American sailor (Parlov et al, 2016). As noted above, the purchase and lease of the vessels increased in Europe, as well as the number of European nautical tourists. In order to strengthen the potential of attracting American and European tourists, this paper will define main characteristics of profiles of American and European yachtsmen. The purpose of this work is to present the necessity to differentiate communication strategy and marketing investments towards American and European markets.

## METHODOLOGY

The research of this paper relies on data collected in the work of authors Parlov, Nikolić and Lisec (2016). For the purpose of their work, the authors carried out a survey of participants on the American charter market. The survey was conducted during

2015 and survey questionnaires were sent by e-mail to the available addresses of American charter associations and associations dealing with boat rental as well as to the all offices of Croatian economic diplomacy in the U.S. market. Another source of data used in this paper includes foreign and domestic literature: books, professional and scientific papers, Internet and other sources.

## RESULTS

### Demographic Profile of the U.S. Charter Tourist

More than 90 percent of all journeys of American charters were related to leisure and recreation. The largest number of yachtsmen book their boat for months in advance. The largest number of vessels in the U.S. charter refers to sailing boats with three or four cabins. In terms of the age of vessel, the charter market has the largest number of vessels from the age of 5-6 years (26%) and those from 7-8 and 9-11 years of age (by 16%). On average, the youngest person on board was 31 years old, while the oldest was 51. In 51.7 percent, yachtsmen sailed with their friends, while 25 percent of yachtsmen sailed with their families. 15 percent sailed with their partner, 5.3 percent with their work colleagues, and 1.8 percent was on a school trip. Only one percent decided to sail alone.

The U.S. nautical tourists are divided into two main groups that explain 95 percent of the entire population of nautical tourists, especially the so-called charter tourists (people who rent a boat for a specified period of time). The first group is called *the baby boom* generation (population between 50 and 68 years of age). Respondents who fall into this group have certain demographic characteristics - over 80 percent of them are married, more than 85 percent have university education, 50 percent are employed at managerial positions. Another group of respondents belongs to the so-called *millennium* generation (population of charter tourists between 20 and 37 years

of age). In this group, about 20 percent were married, 95 percent have university degree or higher education, and 37 percent are employed at managerial positions. Both groups spent more than a week sailing in the last year. Both groups showed great interest in nautical tourism in Europe. The most recognized destinations of American charter tourist, based on the booking, are: Greece, Croatia, Italy, Turkey, Mallorca, France (Parlov et al, 2016).

### Demographic Profile of European Charter Tourist

Europe has a 70,000-kilometer-long coastline, with more than 4,000 marinas with a total of 1.75 million berths. It should be noted that 70 percent of the world charter takes place in Europe and most of it in the Mediterranean. In this area, there are 407 marinas with 175,000 berths, which in average amount to 429 berths per marina (Parlov et al, 2016). Per country, the representation of the marina is as follows: Italy (148), Spain (84), Croatia (53), France (46), Greece (40), Turkey (26), Malta (4), Slovenia and Montenegro (3).

According to available data, it is evident that charter yacht booking differs between European and American charter tourists. Namely, European charter tourists book their charter boats just before the summer season or during the season. The available data for Croatia show that more than 80 percent of Italian charter tourists book their boat during the summer season (July-August), while 94 percent of German tourists make reservations before the season, but relatively close to the time of arrival. Based on this data, we can conclude that in contrast to American tourists who book their boats months ahead, European nautical tourists make their reservations relatively close to the time of arrival to their holiday destination (Parlov et al, 2016).

The demographic profile of European charter tourists is quite similar to the profile of American tourists. They are highly educated; most of them

are married and have managerial positions within their companies.

### Croatian Nautical Tourism

Croatia adopted the Nautical Tourism Development Strategy which seeks to improve the status of Croatia as a top destination for this type of tourism. Our market is targeted at European tourists, which is understandable because of its geographic position and relatively good connections with Europe. Croatia currently has a total of about 35,000 berths, which includes nautical ports (around 21,000), ports open to public traffic (5,000), and sports ports (8,500) (Marušić, 2013).

In 2008, nautical tourism in Croatia generated a turnover of 800 million euros and the plan is to reach annual earnings of 15 billion kunas by 2019. The Strategy predicts construction of 5,000 new berths in the next 10 years in existing ports, 5,000 on new locations equally positioned along the Croatian coast and islands, and 5,000 places for accommodation of vessels on the coast (Marušić, 2013).

When looking at the demographic data of nautical tourists in Croatia by gender the predominant share are men (76 percent). The most common nautical tourists by age are those between 30 and 49 years of age (57 percent). Most of them arrive from Germany, Austria and Italy; over 80 percent of charter tourists have higher education; over 80 percent of foreign sailors have visited Croatia over three times and stayed 14 nights; and their average consumption is 78-171 euros per day (Marušić, 2013).

As already mentioned in the objectives of this work, the American nautical tourists show great interest for sailing in the Mediterranean and Croatia as a nautical destination has opportunity to increase its share of American visitors. Beside the natural beauties, the comparative advantage of Croatia is definitely the political turmoil in countries (Turkey, Greece) which are Croatian main competitors in nautical tourism.

### DISCUSSION AND DATA ANALYSIS

Well-managed channel distribution can result in bigger market share of the destination. Efficiency, experience, specialization and economy of scale contribute to the significance of the channel. Telišman-Košuta (2011) mentions functions which are performed in the process of delivery of goods and services to the costumers: informing, contacting, adapting, promoting, negotiating, delivering, financing and risk taking. Economic diplomacy is just one instrument which establishes economic relations in the international networks in order to fulfil and realize national economic interest (Bilandžić and Baron, 2013).

The usual channels for distribution of tourism products are travel agencies, tour operators, specialists, representatives, consortiums and reservation systems, global distribution systems (GDS), but mostly Internet and new media (Parlov et al, 2016). On the other hand, it is a set of economically organized business functions aimed at the rational and planned operations and development as well as improvement of these phenomena and activities in order to create and increase income (Favro and Kovačić, 2010).

Given that the Croatian economic diplomacy is in theory a widely developed system whose purpose is to provide services of importance for the development of Croatian economic interests, while in practice it is in its beginnings, the conclusion is that we should establish an efficient system that will be a major logistical resource for the promotion of Croatian nautical tourism on the international market. Traditional marketing that involves the promotion of products and services with insufficient market personalization of communication strategies carries with it significant financial burden with little return on investments. This is why the emphasis is on the development of Internet marketing which provides consumers with accurate and interactive insight into the offer while maximizing their awareness (Parlov et al, 2016).

By using mainly traditional communication channels, Croatia represents itself mainly as sea and summer tourist destination and in the tourist market it is primarily recognized as a summer holiday destination. The currently dominant image and market communications that continually emphasize such an image are among the key limitations in penetration to new consumer segments, which have specific travel needs and preferences that may contribute to lengthening the tourist season. In this sense, Croatia has to put a special focus on its branding system, public relations and the shift towards electronic media (Parlov et al, 2016). Nautical tourism is interesting for the economy because of its specific demand and related expenditures which are reflected in the nautical industry (production of navigation units for tourism, manufacturing of equipment, maintenance, reconstruction of existing and construction of new ports and harbours, etc.) and services provided to sailors and their boats (Favro and Kovačić, 2010).

In order to strengthen the potential of attracting American, but also European tourists, it is necessary to define the main opportunities of promotion and placement of Croatian nautical tourism on the U.S. market, regardless of the activities of Croatian economic diplomacy in this geographical area.

With the brief overview of basic demographic data of nautical tourists one can easily conclude that it is a part of the tourist population that are on average younger, affluent, highly educated and ultimate consumers in their domestic destination. Regardless of the current marketing trends in ranking Croatia as a top destination for nautical tourism, it is evident that there is enough room for improvement. Despite the official Croatian Nautical Tourism Development Strategy, this paper presents a platform to place Croatia as the top nautical tourism destination in Europe in a better, faster and more successful way. The advantage of this study is in the analysis of the characteristics of the tourist population interested in nautical tourism.

As we have already mentioned, the age of the population of nautical tourists shows that the basic information about a destination is closely linked to the Internet and digital media. Internet is the medium that serves to obtain information about the destination that they want to visit (Parlov et al, 2016).

In the hyper-connected society, competitive destination identity is more important than ever. Also, this identity can be more dynamically transformed and constructed today. The integration of e-marketing in the general tourism development strategy is essential (UNWTO, 2014), especially in the strategy of the development of nautical tourism, whose target group collects information mostly over the Internet. This work points out to the underutilized potentials of digital media for this group of tourists. Improvements can also be made in a better design of web sites and SEO (search engine optimization) which should provide clarity, visibility and recognition for targeted search phrases in the local internet domains. E-mail marketing should be brought to a higher level, since it has proved to be the cheapest and most effective strategy in tourism (UNWTO, 2014). The experiences of various international travel agencies suggest that the best results are achieved by the structured approach which includes e-marketing, e-mail marketing, the development of applications for the target groups, destination applications, and applications for various aspects of tourism.

Following the specifics of overall tourist product and the nautical tourism as such, one of the most important elements of their development are climate conditions. Climate conditions influence navigation plans, length of stay in a holiday destination and all recreational activities.

According to the data obtained, the comparative advantage of nautical tourism in Croatia lies in the beauty of its nature and landscape, the safety of tourists, the rich gastronomic offer, good connections with the mainland, good transport availability of the starting port, a growing number

of small ports for landing, excellent climate and preserved environment. These all are attributes that are of great importance for nautical tourists and should be more represented in digital marketing. With its natural beauty, Croatia indeed has a product that does not require manipulation or false presentation of its quality, but it definitely has large and underused potential to offer its product in a way that it is clear, transparent and easily accessible to the nautical tourist. Better on-line booking needs to be ensured which again opens a new unused potential for developing on-line marketing.

With significant fluctuations in the financial market and subsequent rise of the dollar, Mediterranean journeys have become very accessible and interesting to an average American sailor (Parlov et al, 2016).

## CONCLUSION

The development of nautical tourism encourages the development of tourist destination and influences economic and social sustainability. Nautical tourism is a specific form of modern tourism, has very significant economic role and high profitability, which are especially expressed through numerous multiplicative effects.

We can conclude that there is enough room for improving marketing and branding of Croatian nautical tourism. Nautical tourism is interesting for the economy because of its specific demand

and related expenditures which are reflected in the nautical industry (production of navigation units for tourism, manufacturing of equipment, maintenance, reconstruction of existing and construction of new ports and harbours, etc.) and services provided to sailors and their boats (Favro and Kovačić, 2010).

The market race to place Croatian nautical tourism goes in favour of Croatia, having in mind political turmoil in countries which are Croatian main competitors in nautical tourism (Turkey, Greece). As already mentioned, based on the socio-demographic profiles of European and American nautical (charter) tourists, it is important to turn to marketing and branding by using new media. New media are the basis of connectivity and communication of this part of the tourist population and through their utilization we can create new channels to promote Croatian nautical tourism. Efficiency, experience, specialization and economy of scale contribute to the significance of the channel. Telišman-Košuta (2011) mentions functions which are performed in the process of delivery of goods and services to the costumers: informing, contacting, adapting, promoting, negotiating, delivering, financing and risk taking. In that way, we are creating better, cheaper and more efficient placement of Croatia as a nautical destination. At the end, we should mention a huge comparative advantage of Croatia as a nautical destination – clean sea, good connections with the mainland, and growing number of berths, private marinas and harbours.

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