

The Parliament, located on the bank of the Danube, built in Neo-Gothic style.



## European River Cruises On the Rise Among American Tourists

Melinda Jászberényi, Ph.D.

**R**iver cruising is one of the most attractive and rapidly developing areas of international tourism. Beyond the beautiful natural environment of the rivers, architectural attractions along the riverside enrich the experience, providing historical and cultural background that deepens tourists' connections to the city.

With other European cities, Budapest has benefited from the heightened interest in river cruising among tourists. In fact, Budapest won the Best River Cruise Port Award in the American Porthole Cruise Magazine and the Editor-in-Chief Award in 2014. This article provides an overview of Danube river cruise tourism among American tourist experts. It also showcases Budapest, an increasingly important and internationally

recognized port of the Danube and capital of Hungary, as a popular tourist destination.

The American market ranks among the top in the number of tourists it sends to Hungary. Consequently, it is one of Hungary's most important partners. American tourists generally consist of travelers over the age of 50, intending to use high-quality tourist services, as well as 30 to 55-year old business tourists. Since 1996, the Budapest Welcome Touristic Travel Agency has organized Hungarian cruise programs for three large cruise companies for approximately 125,000 people per year. In 2013, the number of American guest nights on European river cruises rose more than 10%.

While the idea of a cruise evokes a vacation designed for recreation and relax-

ation, increases in both demand and competition have given rise to a range of different options for travelers. Cruise programs attend to guest needs are not only served on board, but also on land. By offering new packages and organizing themed tours, cruise enterprises are able to attract new customer segments. Many overseas visitors seek to extend their vacations by staying extra days on land, either before or after the river cruise. Beginning with one week modules, cruise packages can be extended and customized to meet customer's preferences.

The river cruising industry is one of the fastest growing vacation markets. Its growth rate is almost double compared to the overall transportation sector. This industry burst is a result of:

- High standards of living in the primary sender countries of origins of travelers (North and West Europe, United States of America)
- Growing intensity of competition in the market with evolving price wars in countries such as Russia, Ukraine and Bulgaria, as cruise liners are lowering their prices to attract customers
- Appearance of new customer preferences in today's market, such as desire to travel in a manner that enables visits to as many destinations as possible without changing hotel rooms, giving cruise ships an advantage because they can serve guests' needs under safe and luxurious conditions

In the early 2000's, the European river-cruise ship market was dominated by German and Swiss-owned companies. The ships were small in scale with modest designs. Ticket prices were very high. An average Danubian cruise cost \$10,000-\$12,000

(plus flight). At this time, participants in these programs were mostly retired, older travelers. Since then, the popularity of the European luxury river cruises has risen, beginning with American-owned Viking Cruise company's action to halve prices and thereby initiate a price war.

As larger and more comfortable American-owned cruise ships appeared on the market, and as the tickets fell to half price, demand for river cruising started to increase. Viking Cruises was the leader in price reduction. First, they offered 2-for-1 discounts; later prices fell to almost half their original price. River cruises could be found for as little as \$1,000 to \$1,500. As the cost of these once expensive journeys dropped, river cruises became available to a wider range of travelers.

A two-tiered pricing strategy exists in the market. First is a comprehensive package that includes all programs, accommodations and catering. Second is a streamlined plan that covers accommodations and basic meals. In the second plan, arrangements for additional services must be paid for separately (i.e. a la carte pricing model).

One indicator of the success of river



Source: HCSO (2012)

cruising is the high occupancy even during the recent economic crisis. In the last five years, the number of passengers taking part in river cruising has risen 10%. It is difficult for cruise companies to keep pace with this demand. Many operators have currently sold out their tickets not only for 2014 but also for the beginning of 2015. In response, cruise liners have the opportunity to enlarge their fleet. Last year, Viking Cruises, one of the largest companies, increased the number of its vessels to thirty-five, purchasing six new ships. This year, the cruise liner plans a further expansion by launching ten new ships.

The countries that send the highest numbers of tourists to Hungary are the United States of America, Australia, Japan, North and West Europe. The primary target group of Danubian river cruising is 50-70 year olds. This group has both more free time and higher discretionary income (with annual salaries of \$80,000-\$100,000 for Americans

as an example). Typically, members of this target group have traveled a lot and are looking for new ways of traveling. They tend to be highly interested in history and culture. The features of this target group have made it possible for the river cruise sector to withstand the negative effects of the economic crises.

European river cruise liners are targeting a wealthier tourist segment than ocean liners. This is because the cost per capita of a river cruise is much higher than an ocean cruise. The river boats are significantly smaller than the ocean ships. Consequently, costs of high quality and expensive technology have to be divided among many fewer passengers. The capacity of ocean liners amounts to thousands of people, while river vessels generally have a maximum capacity of 200 passengers.

River cruise lines are also marketing to potential tourists who do not seem interested in cruising, but who may be attracted

Panoramic view from Buda to Pest side and St. Stephen's Basilica named after St. Stephen, the founder of the Kingdom of Hungary





to the wide range of programs and luxury facilities available on the ship. Cruise liners often organize many different themed routes to enable travelers to find a journey that meet their particular interests. Organizers are also working to attract younger tourists, by offering short, family-friendly packages. Marketing campaigns for river cruises often highlight a comfortable, easy way to visit cities less frequented by tourists.

Many European rivers are destinations for tourism. The most popular waterways are the Danube, Rhine, Elbe and the rivers of France and Russia. An important characteristic of sightseeing by ship is that tourists visit multiple cities along the river than engaging in an extended stay in one location. The most significant advantage of this style of sightseeing is the variety. Guests reach new cities every day without tiring travel. New tourist attractions are available each day without changing accommodations. Additionally, a magnificent calm, ro-

mantic landscape appears from on board of the ship, a view not accessible from the land. From the river, the noise of the city is softer; travelers are not caught up on hectic sidewalks or in frustrating traffic jams.

The most popular stations of Danubian river cruises are: Passau, Linz, Vienna, Bratislava, Esztergom and Budapest. In 2014, Budapest was ranked the 11th friendliest city for tourists by Conde Nast Traveler. According to the travelers, Budapest is majestic, regal and breath-taking with its rich history and elegant buildings, filled with lovely, friendly people, courteous drivers, and a youthfulness that make the city special.

Budapest is a key destination among European river cruises. With the unique coast of the Danube, world heritage sites on both Pest and Buda side and rich historical and cultural offers, the capital deserves its special place among European river shore cities. The most beautiful view of the city



Budapest panorama, which is part of the world heritage, with Gellért Hill in background

## HUNGARY BY BUS



The Royal Palace of Gödöllő is an imperial and royal Hungarian palace located in central Hungary.

greet passengers arriving on the Danube. The first landmarks they see are the Buda Castle, the bridges over the Danube, and the view of the Danube embankments, which is a cultural world heritage site.

Nearly all of the existing Danubian cruises include a visit to Budapest. Some operators offer further Hungarian stops and buses allow for easy travel to other Danubian coast towns. Sightseeing by bus or on foot enables travelers to customize their journeys to address their particular needs and interests. These excursions on land might include: exploration of religious sites, programs designed for tourists with Hungarian origins, visits to museums and exhibitions, and gastronomy tours. Specific programs might include the discovery of the Royal Castle and Castle District, the Fishermen's Bastion, Citadel with its fascinating panorama, and the world famous baths, such as the Gellert Bath or the Széchenyi Bath from the nineteenth century. Beyond the planned programs in



Szentendre is a small Hungarian town near the Danube bend, framed in a picturesque, natural setting with the winding river, nearby hills and mountains.

Budapest, visits to Gödöllő Castle Museum (Buda Castle) and the small, romantic, picturesque, Szentendre, are highly desired.

Tourists spend an average of two to three days in Budapest. The highest amount of travelers' exchange is seen in Budapest as the city is either a trips starting point or a final destination. In that case, tourists often extend their Budapest visit with a few guest nights in a hotel.

The annual Condé Nast Traveller Gold List includes cruising in a separate section, testament to the general success this tourism sector. According to 1,300 American tour operators, European river cruises are more popular for American tourists than holidays at the Mediterranean Sea. The 2014 statistics indicate only Caribbean and Alaska journeys are more popular than European river cruises. Within this, the Danube has a valuable position among European rivers, creating a positive potential for Budapest tourism. ■



Melinda Jászberényi, Ph.D. is an Associate Professor of the Centre for Tourism, Institute of Marketing and Media in the Faculty of Business Administration at Budapest Corvinus University where she is the program leader of Bachelor of Science (BSc) in Tourism and Hospitality. She has PhD degree in transportation from Budapest Corvinus University and master degree from Budapest University of Economics.

Email: [jaszberenyi@uni-corvinus.hu](mailto:jaszberenyi@uni-corvinus.hu)