

**BUDAPEST BUSINESS SCHOOL**  
**Faculty of Commerce, Catering and Tourism**

**Demand for ocean and river cruises amongst Hungarian customers – An introduction through the most popular cruise lines in Hungary, like Carnival Cruise Line and Mediterranean Shipping Cruises (for ocean cruises) and Mahart, AmaWaterways (for river cruises)**

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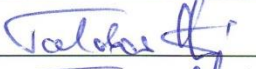
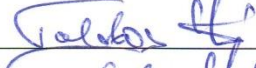


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**Dissertation Consultation Progress Report**

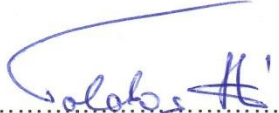
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 .....  
 Academic Supervisor

## DECLARATION

I declare that the dissertation hereby submitted in partial fulfillment of the requirements for the degree of Bachelor of Arts in Catering and Hotel Management at the Budapest Business School has not previously been submitted by me for a degree at this or any other institution. This thesis and the work presented in it are my own and have been generated by me as the result of my own original research; it is my work in design and in execution, and that all material contained therein has been duly acknowledged. I understand that my thesis may be made available to the public.

Lazar Viktória

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## TABLE OF CONTENTS

1	INTRODUCTION .....	3
1.1	Background of the Study.....	3
1.2	The Hypothesis .....	3
1.3	The Aim .....	4
1.4	The Objectives .....	4
1.5	The Structure of Dissertation .....	5
1.6	Summary .....	6
2	LITERATURE REVIEW .....	7
2.1	Introduction.....	7
2.2	General overview of cruises.....	7
2.2.1	The different type of ships .....	8
2.3	The introduction of river cruising .....	10
2.3.1.	The increase in the number of river cruises .....	11
2.3.2.	The most important European Rivers .....	11
2.4	Ocean liners .....	12
2.4.1	A short history of the ocean cruising .....	13
2.4.2	The demand for ocean liners .....	15
2.5	A few differences between river and ocean cruises .....	16
2.6	Carnival Cruise Line .....	17
2.6.1.	The short history of Carnival Cruise Line.....	17
2.6.2.	Clients of Carnival Cruise Line .....	18
2.6.3.	A few reason why customers choose a Carnival Cruise Line product.....	19
2.6.4.	Awards and Achievements.....	20
2.7	Mediterranean Shipping Cruises .....	20
2.7.1	The short history of the Mediterranean Shipping Cruises.....	21
2.7.2	The fleet of Mediterranean Shipping Cruises .....	22
2.7.3	Customers of Mediterranean Shipping Cruises.....	23
2.8	MAHART .....	23
2.8.1.	The history of the MAHART – PassNave Passenger Shipping Ltd.....	24
2.8.2	The main pieces of the fleet of MAHART PassNave Passenger Shipping Ltd. 26	
2.9	AmaWaterways.....	27

2.9.1.	The history of AmaWaterways .....	27
2.9.2	A few reasons why tourists choose AmaWaterways .....	27
2.10	Summary .....	29
3	METHODOLOGY .....	30
3.1	Introduction.....	30
3.2	Secondary data research.....	30
3.3	Primary data research.....	31
3.4	Data Analysis Methods .....	34
3.5	Summary .....	35
4	RESEARCH ANALYSIS AND RESULTS .....	36
4.1	Introduction.....	36
4.2	The Questionnaire.....	36
4.2.1	Results of the Questionnaire .....	36
4.3	The Interviews .....	42
4.3.1	Kristóf Sztojanovits and Gabriella Tolnai from MAHART.....	42
4.3.2	Nikolett Lázár from Carnival Cruise Line .....	47
4.4	Summary .....	52
5	CONCLUSION.....	53
5.1	Introduction.....	53
5.2	Conclusion of Analyzed Results .....	53
5.3	Recommendation .....	56
5.4	Reflection and Evaluation of Research Methodology .....	57
5.5	Suggestions for Further Research, Inspirations .....	58
5.6	Summary .....	58
	BIBLIOGRAPHY .....	60
	APPENDICES .....	64
	Appendix 1 – Statistical Report .....	64
	Appendix 2 – Interview Questions.....	65
	Appendix 3 – The Questionnaire Questions .....	66
	Appendix 4 – Transcript of the first interview.....	69
	Appendix 5 – Transcript of the second interview .....	70

# 1 INTRODUCTION

## 1.1 Background of the Study

More than half of the ships sailing the globe today are ocean liners, but riverboat cruising is a fast-growing alternative. According to Torstein Hagen, president and chief executive officer of Viking Cruises, “Ocean cruising is a drinking man’s cruise. River cruising is a thinking man’s cruise.”

Working as a receptionist, the author experienced that tourists are interested in cruising, that is why she was curious what the Hungarian travelers’ approach to the issue was. Furthermore, she is planning to work after her graduation ceremony in a big ocean liner as a Guest Service Associate or Shore Excursions Staff. The author’s sister already works as a Guest Service Supervisor at Carnival Cruise Line, and the author visited her twice. During these visits, she met with a few Hungarian travelers, which proves, that there is demand amongst Hungarian travelers as well.

This chapter dedicates to provide an overall introduction about the dissertation to the reader. Introducing the hypothesis, aim, objectives of the study as a review, explains why the thesis is completed. It also provides some observations to the structure of the dissertation with some explanations what the reader may hope throughout the chapters.

## 1.2 The Hypothesis

The basis of the dissertation is the hypothesis. The hypothesis is a prior explanation, which is the center of the search, and during the writing of the dissertation it is searched whether the hypothesis is true or not true. In the following part of the thesis, the examination and justification of this explanation will be done. This process is brought to effect by the research of written literature and interviews with people who are in connection with this topic, and through a questionnaire.

The hypothesis of the dissertation is the following – *“Ocean and river cruises are more popular around the world and it is true for the Hungarians too. However, due to financial restraints, the number of Hungarian Travelers does not change or only changes in small percentages”*.

### **1.3 The Aim**

The purpose of this dissertation is to prove whether the above mentioned hypothesis is true or not true. More specifically, the goal of the author of the research is to find out if Hungarian Travelers are able to participate in these cruises (ocean cruises and river cruises) and if so, which ones they prefer. If this research is ready, the author can draw conclusions, and at the end of this study, this hypothesis can be accepted or rejected.

### **1.4 The Objectives**

With the objectives the author can make an improvement and can reach the appropriate target of the thesis. In this case, after analyzing the importance of cruising (both river and ocean), and the customer needs (more precisely, amongst Hungarian customers) on these cruises, the author will give recommendations (if necessary) how to improve the Hungarian market.

In order to be able to receive answers, the following objectives are planned to be achieved:

1<sup>st</sup> - To provide an overview of what the difference is between the river cruise and the ocean cruise. At this point, the author has to describe what river cruise and ocean cruise means and what kinds of companies exist.

2<sup>nd</sup> - To analyze customer habits in general; what influences it?

3<sup>rd</sup> - To discover the demand and what type of tour Hungarians like the most. Whether in case of river cruise, they are travelling on the river for a few days or

weeks, or only for a night (for example they like the sightseeing cruises or the approximately three-hour-long cruises with dinner). Or in case of an ocean cruise, for example Hungarians like the area of the Caribbean Sea or the Mediterranean Sea.

4<sup>th</sup> - To find out what the most successful way of selling ocean and river cruises is. In this session, the author will make an interview with a person who is involved as well as an expert in this topic.

5<sup>th</sup> - To conclude the current situation and make suggestions. In this part of the dissertation, the author has to accept or reject the previously mentioned hypothesis according to the results of the dissertation.

## **1.5 The Structure of Dissertation**

The first chapter of the dissertation is called the *Introduction* part. As the title shows, it provides a general overview an introduction to the topic.

It starts with the Background of the study, which shows, why the topic was chosen by the author. Moreover, it gives the Hypothesis, the Aim, the Objectives, the Structure of dissertation and a little Summary.

The title of the second chapter is the *Literature Review*. It discusses all secondary data collected from different journals, books, statistics, newspapers and web pages. It serves as a background to the reader, in order for them to be familiar with the topic.

The third chapter of dissertation is called the *Methodology*. In this part, the author presents the different methods how primary and secondary information were collected, investigated and analyzed.

The title of chapter 4 is *Research Analysis and Results*. The presentation of questionnaire and interview and assessment of them can be found here.

Finally, the fifth chapter is called the *Conclusion* which summarizes the results. In this session the hypothesis will be accepted or rejected. This part draws conclusions of analyzed results, recommendations and suggestions for further research.



## **1.6 Summary**

The first, introductory part was a taste of general overview about the whole topic of the dissertation, what the author will present in the following few chapters.

Please read the next chapter, the Literature Review, which serves as the key element of the dissertation's author's own research.

## **2 LITERATURE REVIEW**

### **2.1 Introduction**

In this part of the dissertation, first of all the general information about the ocean and river cruises will be described, and the literature review will give a detailed overview about the companies and their cruise products. Due to size limits, the author was unable to introduce every cruise company in so many words; the goal was to present the most significant corporations amongst Hungarian customers (Carnival Cruise Line and Mediterranean Shipping Cruises in case of ocean liners, while in connection with river cruises the MAHART and AmaWaterways).

All the secondary data, which will be presented in the following, were collected from articles which are in connection with this topic, books, and from the internet.

### **2.2 General overview of cruises**

It is not surprising that demand on cruises – during the past two decades – has been growing. They have derived from long journeys on the elegant, ocean cruises that were used until the middle of the previous century.

By the 1990s, ships were transformed into floating hotels and nonetheless cruises were in the beginning a niche market, they rapidly became popular. The reason behind this phenomenon was for example the fairly priced voyages and the fast sea transport between two islands (LoveSeed 2015, p.6.).

Cruises provided holidaymakers the possibility to visit various ports and countries in an enjoyable way, without the process of packing and unpacking. “The destination, in other words, came to the traveler, not the other way around” (LoveSeed 2015, p.6). Then there was the good food, which, in most cases are the competitors of the best restaurants in the land, moreover there were the on-board activities, for instance the swimming pools, golf-course, and casino.

There has been an enormous improvement in ship cruises during the previous 10 years, when all types of cruise holidays were pushed into the mainstream. “In 2007, according to Cruise Lines International Association (the largest trade organization that most major cruise companies belong to), just over 10.1 million travelers took a cruise, but by 2014, that figure was forecast to hit 20.7 million – more than double the number of cruises in less than a decade” (Loverseed 2015, p.6).

### **2.2.1 The different type of ships**

As the cruise industry and the cruise itself became a primary destination, the types of ships that offer holidays on sea, ocean and river have also varied, depending on the traveler’s interest and different levels of discretionary income.

For example, the four companies which dominate the industry - Carnival Cruise Line, Royal Caribbean International, Norwegian Cruise Lines and Disney Cruise Line – offer different packages under diverse company names and with a collection of ships (Loverseed 2015, p.7.).

The portfolio of Carnival Cruise Line includes a lot of smaller cruise companies, like the Holland America Line, Cunard, Princess Cruises, Seabourn, AIDA Cruises in Germany, P&O Cruises and Costa Cruises in Italy (Loverseed 2015, p.7.).

In the following section, the author would like to give an overview of the most common types of cruise ships and their features.

The *Mega Ships* capable carry more than 6,000 passengers. The largest vessel in this category is the ‘Allure of the Seas’, operated by the Royal Caribbean International, before the ‘Oasis of the Seas’. The average capacity of the modern mega ships is approximately 2,000 – 3,000 passengers with around the same number of crew members (Loverseed 2015, p.7.).

The *Ocean Liners* category belongs almost completely to P&O Cruises and Holland America Lines. The ocean liners to the passengers bring to mind the elegance, the tradition and the former era (Loverseed 2015, p.7.).

The next type is the *Small Cruise Ships*. The maximum number of passengers is 500 in this category. The vessels can be older, renovated ships and modern liners as well. For instance, 'Hebridean Princess' is a transformed ferry and former mail-boat, which sails the Scottish coastline (Loverseed 2015, p.7.).

*Yachts* are carrying 200-400 guests. These "boats" boast with elegant decor, luxury and intimacy. Seabourn is the leader of this category. Its vessels are big, but small enough to stop at different ports, where the mega ships cannot enter (Loverseed 2015, p.8.).

*Tall ships* are three and four-masted tall ships bring to mind the romantic era before the days of steam. A few of them still sail the European waters and some of them are more than five decades old. Most of them are not part of the cruise industry, but the sea cadets still can use them for training. Tall ships operated by the 'Star Clippers' and the 'Sea Cloud Cruises'. There is another company which operates these tall ships, 'Windstar Cruises', but these vessels controlled by computers, not the wind (Loverseed 2015, p.8.).

*Coastal/Expedition Vessels* are small, rugged ships. Some of them previously worked as icebreakers. Expedition boats, like those which are operated by 'Quark Expeditions', transfer 100-200 passengers. In most cases, guests are nature lovers and adventurers, who appreciate observing and photographing wildlife. In these vessels, the on-board entertainment is not the same as in case of the mega ships, here people participate in different lectures by naturalist and geographers (Loverseed 2015, p.8.).

*River-cruise boats* are long and low, to be able to passing under the bridge. Some of them have been launched in the past five years (for example among AmaWaterways, Viking River Cruises and Avalon Waterways and Scenic Tours). These vessels able to carry 150-200 passengers; they are equipped with large, elegantly furnished cabins, and every cabin has a balcony. Among the services the cruises can find the spa treatments, shore excursions and on-board entertainment as well (Loverseed 2015, p.8.).

### **2.3 The introduction of river cruising**

River cruises represent only an insignificant percentage of the whole cruise industry, although the market is increasing. According to some sources, the demand grows at least 10 percentages, year by year. There are number of reasons behind this explosion – the growing number of Baby Boomers, those who were born between 1946 and 1964, who are getting in their retirement years or who have already entered; the increasing number of the ships and the reexamination of the way everywhere where the river-cruise business runs (Loverseed 2015, p.2.).

All the conditions of river cruising – management and marketing as well – is being up-to-date. For river cruises the Baby Boomers represent the leading demographic; they like, if the accommodation is comfortable (or luxury), if they have good food, different kind of activities on-board and ashore as well; and if the journey is not only entertaining but also educational (Loverseed 2015, p.2.).

Those customers, who are over 50 years are an experienced group who, while they may time to time select an ocean cruise, especially enjoy the slow pace, memorable environment and ecological amazement, and of course the variety, managed by a cruise along different rivers, like the Danube or the Rhine (Loverseed 2015, p.2.).

Although the Asian rivers, for example the Yangtze, have shown up in the scene nowadays but for river cruises the prime sites are still the waterways of Europe, such as the Danube, the Rhine and the Seine and the Po (Loverseed 2015, p.2.).

In the last ten years almost a 100 new ships have been built, for example - between 2012 and 2013 - 27 vessels put in operation, which means that the river-cruise fleet in Europe involves approximately 260 cruises. 24 more cruises will join to the armada in 2015 and 2016 (Loverseed 2015, p.2.).

Nowadays on the globe only a small number of European and American-owned Cruise Company operate in Asia, for instance on the Amazon River. However, due to the broadening of the cruise industry, and the rising number of the holidaymakers who have already explored the European market, demand will necessarily give rise to making more riverboats, and the introduction of these riverboats in other part of the world as well (Loverseed 2015, p.2.).

### **2.3.1. The increase in the number of river cruises**

In terms of capacity, the Caribbean is the most fashionable cruise destination, precisely 47.3 % of the market share. Europe generates 11.1 % of the market share containing river cruises. Unfortunately, these percentages cannot easily be determined in terms of passenger numbers on river-cruises. Nowadays, CLIA masses the whole quantity of cruisers together, but because of the competitors, the greater part of cruise lines are unwilling to communicate the exact number of passengers. The common agreement in the industry is, however, that river-cruises possibly produce a little bit less than 5 % of the global cruise market (Loverseed 2015, p.6.).

In 2015, the ‘Travel Trends Survey’ among the US-based Travel Leaders Group found that in 2014, one of the most famous travel trends in terms of the number of bookings, was the European river cruising. In 2015, among the Travel Leaders Group’s ‘Top International Destinations’, river cruising finished in fourth place, behind cruises in the Caribbean, the Mexican resort of Cancun and London. In 2014, a quite similar CLIA survey, which also based on the number of bookings and organized among travel agencies, eventuated also a positive vision for river cruises. CLIA hit in 2014 among the “hot” destinations, ‘US Rivers and exotic rivers’ rated positively (Loverseed 2015, p.6.).

### **2.3.2. The most important European Rivers**

The river–cruise industry is concentrated on the famous rivers of Europe, for example the Danube, the Rhine and the Seine. Those waterways, where also commercial and leisure traffic can be found, are the channels that connect a group of countries, offering a collection of different experiences to passengers who participating on river cruise (Loverseed 2015, p.13.).

The itineraries of river-cruise-, the price they offer-, and the length of the trip differ a little, depending on the cruise company, but they take a place of similar way, as a result of the reality that in Europe, ships have to operate within certain pressure.

Ships have to take into consideration several factors like unstable water levels, other traffic on the river and the low bridges (Loverseed 2015, p.13.).

In the following few sentences, the author would like to introduce the three main rivers in Europe in connection with river cruising – the Danube, the Rhine, and the Seine.

The *River Danube* is Europe's second most significant and longest waterway (after the Volga), flowing through 10 countries and 4 capital cities – Vienna, Bratislava, Budapest and Belgrade. It flows from west to east – its source is in Germany, in the Black Forest, and it flows into the Black Sea. The full length of the River Danube is 2842 km (within Hungary its length is 417 km). “Unlike some of the other European rivers, the Danube is navigable for almost its entire length - 85% of the waterway” (Loverseed 2015, p.13).

The *River Rhine* is Europe's busiest waterway, and it has a connection with a few other European rivers, for instance the Seine, the Elbe and the Rhône. It flows in a northwesterly direction through Austria, France, Germany and the Netherlands, derives from the mountains of Eastern Switzerland and flows into the North Sea. River cruises run between Amsterdam and Strasbourg (Loverseed 2015, p.14.).

The *River Seine* is the most famous river in France. It is only navigable between Paris and the English Channel. Because the French capital has a lot of tourist attractions, most companies who are dealing with river-cruise, build a few days in the ‘City of Light’ into their itineraries, thus the passengers can enjoy the sights, the food and the culture (Loverseed 2015, p.15.).

## **2.4 Ocean liners**

In this part of the dissertation an overview is given about the history of ocean cruising and the demand for ocean liners.

#### 2.4.1 A short history of the ocean cruising

The first ocean-going vessels were not mainly connected to passengers, but out and away with the cargo that they could carry. In 1818, The Black Ball Line in New York was the first cruise company that offered frequently scheduled services from the United States to England and which dealt with the satisfaction of their passengers. During the 1830s, steamships were introduced and had command of the transatlantic market of traveler and mail transport. In that decade, English companies led the market; the dominant company was the 'British and North American Royal Mail Steam Packet' (later the Cunard Line). The first ship – the *Britannia*, on July 4, 1840 - under the new name left Liverpool with a cow on board, to offer fresh milk to the travelers during the two-week transatlantic crossing (Cruising the Past, 2014).

During the middle of the 19<sup>th</sup> century, there was a drastic improvement in the quality of the excursions for passengers. The main service of these cruises was not the cargo or mail delivery, but the catering of customers. New services were added, for example entertainment and more deck spot. The recommendation by the British Medical Journal of sea voyages for therapeutic purposes in the 1880s further emboldened the public to participate in these cruises. Ships began to carry immigrants as well to the United States in 'steerage' class, which means that those who had to travel there were responsible for catering themselves and they had to sleep in whatever space was available in the hold (Cruising the Past, 2014).

By the beginning of the 20<sup>th</sup> century the conception of superliner was developed and Germany took over the leading position in case of development of these glamorous and impressive floating hotels. The design of these vessels had a try at minimizing the discomfort of ocean travel, cover up the fact of being at sea and the extremes in weather as far as possible through luxurious accommodations and onboard activities. The *Mauritania* and the *Lusitania*, owned by the Cunard Line of England, began the tradition of dressing for dinner and promoted the romance of the journey. In the design of these vehicles, the speed was still the deciding factor. The White Star Line, owned by J.P. Morgan – an American financier, introduced the most extravagant and most gorgeous ships ever seen in the *Olympic* (supplement with swimming pool and tennis court on board) and *Titanic*. Passenger comfort and space now took over the speed during the design of these vessels, resulting in more stable, larger ships. The



sinking of the Titanic on its introductory voyage in 1912 destroyed the White Star Line (Cruising the Past, 2014).

World War I stopped the development of the industry and what is more, the many older liners were used as troop transports. German super liners were given to the United States and to Great Britain as compensation at the end of the war. The period between 1920 and 1940 was considered the most fascinating term for transatlantic passenger ships. American tourists interested in visiting Europe substituted immigrant passengers. Publications advertised the fashion of ocean travel, highlighting the on-board activities and elegant food (Cruising the Past, 2014).

During World War II cruise ships were converted to troop carriers again, and until the end of the war all transatlantic cruising ceased. European lines then collected the advantages of transporting refugees to America and Canada, while to Europe the business travelers and tourists. At this time the lack of American ocean cruisers and of course the loss of profits inspired the U.S. government to finance the building of cruise liners. Thanks to the increasing air travel and the first non-stop flight to Europe in 1958, the transatlantic business for ocean liners finished. These boats were sold and cruise lines went bankrupt from the lack of business (Cruising the Past, 2014).

During the 1960s was the beginning of the modern cruise industry. Cruising became a leisure product than a mode of sea transportation. Cruise ships concentrated on vacation trips in the Caribbean, and they created the image of 'fun ship' which fascinate a lot of travelers who would have never had the opportunity to travel during the 1930s and 1940s (Cruising the Past, 2014). "The sea voyage, the on board entertainment and leisure facilities offered on the ships and the excursions at the ports are more important trip elements than the places visited – the cruise ship is the destination itself" (Cooper, Fletcher, Gilbert and Wanhill, 2000, p.280).

In 1966, 1968 and 1972 three cruise lines were founded in the United States, which later became the leading members of the cruise industry: Norwegian Caribbean Line (NCL), Royal Caribbean Cruise Line (RCL) and Carnival Cruise Line (CCL) (Papathanassis – Vogel - Wolber, 2012, p.4).

#### **2.4.2 The demand for ocean liners**

“We can assume that, by and large, the cruise sector is and has been in a state of equilibrium” (Papathanassis – Vogel - Wolber, 2012, p.4). This means that demand and supply are in balance through proper market prices. “When demand exceeds supply, cruise lines raise their prices until excess demand vanishes; and when supply exceeds demand, prices are cut and/or capacities reduced until a new equilibrium is reached” (Papathanassis - Vogel - Wolber, 2012, p.4). If there is equilibrium than cruise demand is equal to the number of cruises sold.

According to the Cruise Lines International Association (CLIA), which represents more than 80% of the worldwide ocean cruise ship capacities, the number of passengers transported by CLIA member cruise line grew between 1980 and 2010, from 1.4 million to 15 million. This more than tenfold raise corresponds to an average rate 8.1% growth year by year, over a 30-year period (Papathanassis – Vogel - Wolber, 2012, p.4).

The power of the US cruise market has begun to break into pieces. In 1990, almost all the CLIA members’ passengers (precisely 93%) came from the USA and Canada, while by 2011; this share had fallen to 74 %. And if we observe the entire global cruise sector, with approximately 18.8 million passengers, the share of the North American market in 2010 drops to only 59%. In the European Union, in 2010, 5.5 million tourists went on an ocean cruise totally, representing the share of 29% of ocean global cruise demand. UK was the second largest cruise market worldwide with 1.6 million travelers, while Germany was the third one, with 1.2 million passengers. Italy reported 0.89 million; Spain 0.65 million and France 0.39 million travelers in 2010. Asia was corresponding to the global ocean cruise demand with 9%, which meant approximately 1.6 million passengers in 2010 (Papathanassis – Vogel - Wolber, 2012, p.4).

## **2.5 A few differences between river and ocean cruises**

Ocean cruise lines tend to advertise glamour and maniacal activity. “River cruises, on the other hand, are about slowing down, enjoying the scenery and learning something about the local history, culture and cuisine” (Loverseed 2015, p.10). In general, the river boat is going only 25 km per hour which gives passengers the opportunity to absorb the surroundings (Loverseed 2015, p.10).

While in case of ocean cruisers, the main destination is the Caribbean, in connection with river cruises, the most popular destination is Europe (Loverseed 2015, p.10).

To allow travelers to enjoy the neighboring scenery, river-cruise vessels move during daylight hours and at the end of the day do call at a port which, is in the most cases, is in the downtown. Passengers can get out of the boat to take part in a sightseeing tour in the given city, or to enjoy a meal in a local restaurant (Loverseed 2015, p.11).

The opposite is true for ocean cruisers. Usually they leave a port at the end of the day and sail during the night. When they tie up at a dock, they are often far from the city centre, or in some cases they are far from the seashore, passengers have to be transported to the local attractions or to the seacoast (Loverseed 2015, p.11).

A few river-cruise ships carry bicycles, thus when a boat has stop somewhere during the day, passengers can explore the area by themselves. (According to Rudi Schreiner – the president of AmaWaterways – the reason behind bike carrying is to attract young travelers as well to take part in river-cruises) (Loverseed 2015, p.11).

River cruises packages are sold as an all-inclusive package that is why the price is much higher than for ocean cruises. The participation fee per person is around US\$500 in case of river cruises, while for the ocean cruises this fee is US\$80 per person, but it is to be noted that for ocean cruises this fee is only an “entry level” (Loverseed 2015, p.11).

The cost of river cruise includes airfare, ship transportation, shore excursion, accommodation, alcoholic drinks with lunch or/with dinner and onboard entertainment. On the other hand, in case of ocean cruises, the passengers have to pay separately everything, like trips ashore and alcoholic drinks. On cruise lines, the

passengers have to pay tips for the crew, which can be many hundreds of dollars, depending on the length of the journey and the destination (Loverseed 2015, p.11).

The length of the journey is also a big difference. River cruises offer about one - week long trips, although some of them nowadays offering 3 – 4 - day journeys, to open the younger cruiser's eyes to these trips. In most cases, ocean cruises organize longer journeys as well, 7 – 14 days trips (Loverseed 2015, p.12).

## **2.6 Carnival Cruise Line**

Carnival is one of the world's most popular cruise lines, with 24 ships operating 3 to 16-day voyages to Alaska, Australia, The Bahamas, Bermuda, British Isles, Canada, Caribbean, Europe, The Fiji Islands, Hawaii, Mexican Riviera, New England, New Zealand, the Pacific Islands, Panama Canal, South America and Tahiti. Carnival carried approximately 4.4 million guests in 2014 – the most in the cruise industry (Carnival, 2015).

### **2.6.1. The short history of Carnival Cruise Line**

Carnival Cruise Line (CCL) is an American company which was established in 1972 by a ship owner, Ted Arison who had the idea of establishing another type of Cruise Company. He modernized the concept of the cruise holiday from an extravagance occasion, to a casual fun experience. In the same year the enterprise bought 'Empress of Canada', and renamed it to the 'Mardi Gras'. During its maiden voyage, the 'Mardi Gras' ran aground on a sandbar outside the Port of Miami with 300 travel agents aboard. In 1975, 'Mardi Gras' was operating at over hundred per cent occupancy as a 'Fun Ship' and the corporation purchased the 'Empress of Britain' and renamed it to the 'Carnivale'. Three years later the company made an announcement, which said that they will construct a brand new passenger ship – the 'Tropicale'. From 1979, the new president of CCL was Micky Arison, the son of Ted Arison. In that year the new chief executive announced that the company would build three more ships over next four years. In 1985, the first superliner, the

'Holiday', was launched and the 3-4 days services of 'Mardi Gras' from Fort Lauderdale started as well. In the next two years, two cruises were introduced into services - the 'Jubilee' and the 'Celebration'. CCL earned distinction as 'Most Popular Cruise Line in the World', carrying more guests than any other cruise company. In 1990, *Carnival Fantasy* entered service as the first ship ever placed on the three – and four – day Bahamas cruise program from Miami, Florida. Also, in 1990, the company purchased the Holland America Line. In the following years, new cruises were entered into service, for example the *Carnival Sensation*, *Carnival Fascination*, *Carnival Imagination*, *Carnival Inspiration* and *Carnival Destiny*, which was the world's largest cruise ship of its time. During the next few years, the *Carnival Elation*, the *Carnival Paradise*, the *Carnival Triumph*, *Carnival Victory* and *Carnival Spirit* were launched. In 2001, the *Carnival Spirit* was the first new 'fun ship' ever positioned in the Alaska and Hawaii markets (in 2013 it was relocated to Australia). Between 2002 and 2012, several vessels entered service, like the *Carnival Pride*, the *Carnival Legend*, the *Carnival Conquest*, the *Carnival Glory*, the *Carnival Miracle*, the *Carnival Valor*, the *Carnival Liberty*, the *Carnival Freedom*, the *Carnival Splendor*, the *Carnival Dream*, the *Carnival Magic*, and the *Carnival Breeze*. They currently have two upcoming ships in the works: *Carnival Vista* will be launched in winter 2016; and a second ship is scheduled to enter service in spring 2018 (Swarbrooke 2007, p.285-293.).

### **2.6.2. Clients of Carnival Cruise Line**

Carnival Cruise Line carries almost 6 million customers year by year. At an early stage, the customers originated from the USA and Canada that is why the company tried to increase their sales in overseas market as well. Most of the customers tend to be older, although the company is keen on developing the market for younger travelers and for families with children (Swarbrooke 2007, p.294.).

The regular traveler has a mid-range income and is probably used to taking resort-based holidays. The corporation has high levels of returning customers, especially in the US market. "The company is trying to target particular market segments with specifically designed products" (Swarbrooke 2007, p.296.).

During the 1990s the 'Camp Carnival' service was introduced, which serves as attraction to children and to families. There are a range of facilities designated principally for them, for example indoor children's playroom and video arcade, music and dancing, play area on deck and family accommodation in cabins (Swarbrooke 2007, p.296.).

The company has also developed a significant market level in the wedding and honeymoon markets. Travelers can get married either on board or on shore at huge choices of ports, and the company offers a wide range of packages in connection with wedding and honeymoon to suit different customer requirements (Swarbrooke 2007, p.296.).

The corporation has also targeted those customers for whom the healthy lifestyle is important; offers first-class fitness and recreational facilities on all their super liners. "This has been developed to appeal to young people and families which are target markets that might not have previously considered a cruise" (Swarbrooke, J. 2007, p.297). Each ocean liner of the company offers a 'Nautica Spa complex' which includes an aerobics room, a fully equipped gym with sauna, steam rooms and a wide selection of beauty treatments. The super liners also offer a so-called Nautica Spa menu which involves healthy menus. Spa Carnival has been introduced to facilitate the company to promote this business (Swarbrooke 2007, p.297.).

### **2.6.3. A few reason why customers choose a Carnival Cruise Line product**

Customers often go on a cruise to make their birthday, honeymoon, wedding or anniversary memorable. Travelers are often motivated by the passion to have a 'fun time' in a gorgeous and changing setting. It is specifically important in the marketing activity of the company to communicate the informal theme and good price to value ratio mostly to the overseas customers. The main motivation why customers choose the CCL is for instance their seeking fun and entertainment, the desire to see new places, entertainment seeking and gambling, the desire to 'chill out' and get away from it all and as the author mentioned before, the special occasions, like weddings, honeymoons, wedding anniversaries and birthdays. Furthermore, these cruises are available by direct sale – mainly applicable in the USA, available as part of a

package – it is important in case of overseas market and finally everything is included in the price, so the customers get good value for their money (Swarbrooke 2007, p.297.).

#### **2.6.4. Awards and Achievements**

In the following few sentences, the author will present only a few awards that the CCL hard earned.

Carnival Cruise Line won the ‘Cruise Critic Editor’s Pick Awards’ in 2012, taking first-place honors in three categories – Best New Ship (Carnival Breeze), Best Bar (Alchemy Bar) and the Best Cruise Line Value (Carnival, 2015).

CCL’ Cloud 9 Spas were named ‘Best Cruise Line Spa’ in Spa Magazine’s 2011 Silver Sage Reader’s Choice Awards. The juries were the readers of the magazine who were asked to rank spa facilities in cruises, and Carnival’s Cloud 9 Spas received the most votes among the cruise liners category (Carnival, 2015).

CCL was the big winner at the annual Cruise International Awards in three categories – Best Cruise Line, Best Innovation (Thrill Theatre) and Best Cruise Blogger (Senior Cruise Director John Heald) (Carnival, 2015).

## **2.7 Mediterranean Shipping Cruises**

Mediterranean Shipping Cruises (MSC) is an Italian; family-owned cruise Line Company with a fleet of 12 vessels, operating voyages to the Mediterranean and seasonally in the Atlantic Ocean, the Caribbean, the Indian Ocean, Northern Europe, South America and South and West Africa. The godmother of the fleet is the famous actress, Sophia Loren. The color scheme and the design is sophisticated Mediterranean elegance (Shipdetective.com, 2015).

### 2.7.1 The short history of the Mediterranean Shipping Cruises

The Mediterranean Shipping Company is a privately owned corporation, it was founded in 1970 by Gianluigi Aponte, a young Italian seaman who had the bravery to purchase his first ship, *Patricia*; and headquartered in Geneva. He bought an even bigger ship in 1970 that he named after his wife, *Rafaela*; followed by a new vessel in 1973, the *Ilse*. These three cargos characterized the pioneering introduction of MSC, which has since grown to become the 2<sup>nd</sup> largest container carrier in the world, with more than 465 vessels (MSC CRUISES – The Mediterranean way of life, 2015).

MSC Cruises made a proclamation in 1988, in which they said that they would make an entry into the cruise business by purchasing their first ocean liner, the *Monterey*. Shortly afterwards, MSC took over the structure of Lauro Cruise Line in honor of the mentor of the founder member, the Italian shipping magnate Achille Lauro. Just after the next two vessels – the *Rhapsody* and the *Melody*, were bought, MSC Cruises was formally established as a subsidiary of the MSC Group (MSC CRUISES – The Mediterranean way of life, 2015).

“MSC Cruises boasts one of the most modern and dynamic fleets in the world, thanks to a massive € 5.5 billion investment programme started in 2003” (MSC Cruises – The Mediterranean Way of Life, 2015). During the next decade, the corporation has built 4 magnificent ‘Lirica’ class vessels, followed by 4 impressive ‘Musica’ class liners and the 4 marvelous ‘Fantasia’ class ships. All of them characterize the elegance and contemporary design of the MSC Cruises’ trademark (MSC CRUISES – The Mediterranean way of life, 2015).

In 2008, the MSC Cruises was the first cruise company in the world which got the award of ‘6 Golden Pearls’ for its significant standards in safety, health and environmental protection. This unique award was given by the international classification agency Bureau Veritas. The company continues commitment in connection with protecting the marine environment and ensuring excellent quality for its guests (MSC CRUISES – The Mediterranean way of life, 2015).

In 2014, the MSC Cruise launched an ambitious € 5.1 billion investment plan, which contains the order of seven new ships and the enlargement of four existing ships of



the MSC Cruises fleet. Thanks to the ‘Renaissance Programme’, the ‘Lirica’ class ships are being enlarged and renewed (MSC CRUISES – The Mediterranean way of life, 2015).

### **2.7.2 The fleet of Mediterranean Shipping Cruises**

MSC Cruises fleet can be divided into four main groups. The first category is the so-called ‘Mistral Class’, which involves four vessels – ‘*MSC Armonia*’, ‘*MSC Sinfonia*’, ‘*MSC Lirica*’ and ‘*MSC Opera*’. The Armonia and the Sinfonia, which were acquired from the non-functioning ‘First European/Festival Cruises’ and were formerly called ‘European Vision’ and ‘European Stars’, were built in 2001 and 2002. Characterizing the new era for MSC is its first new-building, starting with MSC Lirica, followed by the MSC Opera a year later (MSC CRUISES – The Mediterranean way of life, 2015).

The second group is the so-called ‘Musica Class’, which contains four cruises as well, like the ‘*MSC Musica*’, ‘*MSC Orchestra*’, ‘*MSC Poesia*’ and ‘*MSC Magnifica*’. This class has started in 2006, when the MSC Musica was launched with an innovative new design, and new features were introduced as well; for example a wider range of dining venues, higher number of balcony cabins and sprawling spa. In 2007, the MSC Orchestra was launched, while in the next year the MSC Poesia. The last ship in this category, the MSC Magnifica was introduced in 2010 (MSC CRUISES – The Mediterranean way of life, 2015).

The next group is the so-called ‘Fantasia Class’, which involves four vessels as well, the ‘*MSC Fantasia*’, the ‘*MSC Splendida*’, the ‘*MSC Divina*’, and the ‘*MSC Preziosa*’. These ships carry at least 3300 passengers and are at least 113500 tons. The MSC Fantasia was debuted in December 2008, MSC Splendida was launched in 2009; MSC Divina was introduced in 2012, while the cruise line’s largest vessel, the MSC Preziosa was debuted in March 2013 (MSC CRUISES – The Mediterranean way of life, 2015).

In March 2014, MSC reported that two new-builds (maybe altogether four, but it is not fixed yet) would be launched in 2017 and 2019 – these are yet unnamed ships.

The plan is that in case of the capacity, these two boats became the second-largest ships in the world, after Allure and Oasis of the Seas, by Royal Caribbean International. In these vessels there will be 2250 cabins (among them cabins specialized to families) and the maximum capacity will be 5700 passengers with 1536 crew members. “The line also said the ships will be more environmentally friendly, with a hull and propulsion system optimized for energy efficiency and fuel scrubbers to reduce CO2 emissions” (Your Ultimate Cruise Guide – Cruise Critic, 2015).

### **2.7.3 Customers of Mediterranean Shipping Cruises**

In Europe, it is typical that mostly the European crowd is attracted (U.K. - and Ireland – based cruise customers are becoming more and more represented), while in the Caribbean sailings the travelers from the USA and Canada are the main representatives. With the newer and newer fleet, the company attracts numerous numbers of senior citizens during the winter season, while during the school holidays and summer; it attracts families, which means that there are a lot of kids at those times, so the company employs a lot of employees who care for children. MSC’s more classic ships, which sail on longer, more exotic itineraries, are attracting the older generations (Your Ultimate Cruise Guide – Cruise Critic, 2015).

## **2.8 MAHART**

In the beginning, the author has to make it clear that under the brand of MAHART there are three different subsidiary companies. First of all, the Mahart PassNave Passenger Shipping Ltd., which is the largest, market leader passenger shipping company of Hungary. The second one is the Mahartlog – Mafracht Ltd., which has achieved a dynamic growth in the areas of road transportation and logistics. Finally, the third subsidiary company is the Mahart Tours, which is the travel agency of MAHART PassNave Passenger Shipping Ltd.

MAHART PassNave Passenger Shipping Ltd. is among the first opportunities appearing on the internet, when typing in ‘cruising in Budapest’ on an international search website like ‘Google’ or ‘Yahoo’. It is not surprising that the most well-known company in connection with the Hungarian river cruising is the MAHART.

In this part of the dissertation, the author will dealing with the MAHART PassNave Passenger Shipping Ltd. because it has the connection with the topic of the thesis.

### **2.8.1. The history of the MAHART – PassNave Passenger Shipping Ltd.**

In 1886, when Gábor Baross was appointed Minister of Trade and Transportation, a new period began in Hungarian transport policy, which resulted in favorable changes not just for the railway but also for shipping. The updating of Hungary’s sea port in Fiume started in this era. The regulation of the Upper Danube continued in 1886 and the regulation of the Iron Gate in 1890. In 1888, Baross Gábor created the Navigation Company of the Hungarian State Railways in order to “lengthen the rails of MÁV to the water” and to fulfill, at least partly, the demand of the country’s public transportation on water. That company transported 166000 passengers, 1200 wagons of swine and approximately two million tons of commodities by 12 steamboats and 40 barges (Mahart Passnave, 2015).

The ancestor of the Mahart PassNave was the Hungarian Shipping Company, which was established on January 1, 1955. At an early stage, the corporation started its business activity with the old vessels it had inherited, but in the end of the 1950s the company started the modernization of the fleet. First of all, they had to develop the ship-building industry, which involved the upgrading of the shipyards of Balatonfüred, Újpest and Tápé (Mahart Passnave, 2015).

When the company made the transformation to the use of diesel engines, the old banners were rebuilt and the paddle-wheeler tugboats were retired from service. Between 1962 and 1968, 33 river barges were built and the passenger boats were reconstructed (Mahart Passnave, 2015).

During the 1960s, the company was sorting out of the classical side-wheeler passenger steamboats. The “Pearls of the Danube” finished their career in the salvage yard. In 1956, the first diesel-powered passenger boats appeared in the dockyard of Vác. These boats were the water buses. The next main step was the introduction of the 600-seater river cruise ships developed by the MAHART. These ships (the ‘*Rákóczi*’ and ‘*Táncsics*’ in 1964, and the ‘*Hunyadi*’ in 1966) were built in the Dockyard of Újpest (Mahart Passnave, 2015).

In 1962, the service of hydrofoil was started, between Budapest and Vienna, which service became a popular tourist attraction. Between 1945 and 1995, the vessels of the company carried on average, 3 million passengers and 2 million tons of cargo year by year. In 1995, the fleet of the corporation included 58 liners, 54 river-going and 6 ocean-going cargo ships, 9 tankers and 144 barges (Mahart Passnave, 2015).

MAHART has favorably served the interests of the Hungarian economy since its establishment. Its history gives back the changes in the country during the past century. The company experienced losses from time to time, but it could always handle the crisis, so it always survived. From the 1980s, the shipping industry in Hungary found itself in a critical situation, as a result of the completion of ship-building in Hungary and the greater extent of the less fortunate economic climate and several conflicts in connection with shipping on the Danube. After the change of regime, MAHART was operated as a holding company including various independent units and companies that were following different activities (Mahart Passnave, 2015).

In 2003, the Free Port Company has become a public limited company and finally ocean shipping was terminated in Hungary. In 2004, MAHART- Duna Cargo Ltd., which dealt with river burden shipping, was privatized (the present name of it is DDSG (Donau-Dampfschiffahrts-Gesellschaft) Duna-Cargo) (Mahart Passnave, 2015).

MAHART PassNave Passenger Shipping Ltd. was established on January 1, 1994 as the subsidiary of MAHART. In 2005, the Hungarian state owned the majority of the company (exactly 51%), and the rest was held by professional investors. Nowadays, 84% is owned by MASPED Inc., 10% is owned by Operational and Consulting Ltd., and the last 6% is owned by Employees Holding Ltd (Mahart Passnave, 2015).

The fleet of MAHART PassNave includes 19 passenger ships and 10 hydrofoil boats, and carries approximately half million passengers' year by year (Mahart Passnave, 2015).

### **2.8.2 The main pieces of the fleet of MAHART PassNave Passenger Shipping Ltd.**

The MAHART PassNave boasts with riverboat fleet and hydrofoil fleet as well. First, the author will represent the riverboat fleet, and later the hydrofoil fleet (Mahart Passnave, 2015).

The '*MS BUDAPEST*' was built in 1988, in Giessendam, in the Netherlands. The former name of the ship was '*EUREKA II*'. It is a double deck vessel and the maximum capacity of passengers is 500. It is ideal for different events and conferences, because it is well equipped with all the sound and visual technique, like phones, computers, projectors etc. It is also air-conditioned and it is suitable for disabled people as well (Mahart Passnave, 2015).

The '*MS RÁKÓCZI*' was built in 1964 and renewed in 2006. It is able to carry maximum 230 passengers. This vessel is suitable for conferences and events, too. It has two decks with restaurants (Mahart Passnave, 2015).

The '*MS TÁNCICS*' was built in 1963 and it was renewed in 2010. It is a comfortable riverboat to carry maximum 500 people onboard. It has a restaurant on the main deck (Mahart Passnave, 2015).

The "*MS HUNYADI*" was built in 1966. From 2010 it is used to do trips between Budapest and the Danube Bend. The vessel has a restaurant on the main deck; this service offered by MAHART Catering Service. It is a perfect place for cocktail parties or different meetings (Mahart Passnave, 2015).

The '*SÓLYOM II*' and '*SÓLYOM III*' are the biggest hydrofoils of the company with the capacity of 112. It is often said that these are "airplanes on the water". These hydrofoils boast with open side stepping, onboard bars, comfortable passages and three large refurbished passengers' halls. The average of the speed limit is 60 km/h;

the maximum is 65 km/h. The hydrofoil vessel is perfect in case of longer journeys as well (Mahart Passnave, 2015).

## **2.9 AmaWaterways**

AmaWaterways is a family-owned and operated company, which was launched more than a decade ago by river cruise pioneers. Nowadays, AmaWaterways is the top river cruise company operation on Europe' rivers – Danube, Douro, Main, Mosel, Rhine, Rhone and Seine (Brochure of AmaWaterways, 2015).

### **2.9.1. The history of AmaWaterways**

Rudi Schreiner, the founder of AmaWaterways, was involved in various major river cruise companies before launching his own corporation in 2002, with two of his partners, Kristin Karst who is cruise industry executive, and Jimmy Murphy who is the owner of Brendan Worldwide Vacations. The former name of the company was 'Amadeus Waterways'. AmaWaterways has grown rapidly in the previous few years to become one of the main companies in the European river cruise market (River Cruise Advisor, 2015).

The company boasts a fleet of 12 modern river cruise ships: *AmaDagio* (2006), *AmaLegro* (2007), *AmaCello* (2008), *AmaDante* (2008), *AmaLyra* (2009), *AmaDolce* (2009), *AmaBella* (2010), *AmaVerde* (2011), *AmaCerto* (2012), *AmaPrima* (2013), *AmaReina* (2014) and *AmaSonata* (2014) (River Cruise Advisor, 2015).

### **2.9.2 A few reasons why tourists choose AmaWaterways**

AmaWaterways boasts almost with the newest vessels of any river cruise company, and these ships are designed particularly for the English-speaking market. The newest services are very popular among the travelers, like the Twin Balcony staterooms, complimentary wine and beer served with meals, multiple dining venues,

massage and beauty salon, a heated pool, free in-room internet, complimentary WI-FI access and bicycles for guests to discover the cities (River Cruise Advisor, 2015).

AmaWaterways operates a wide-range of itineraries in Europe and in Russia (on the Volga, Svir and Neva rivers). The company operates two vessels in Vietnam and Cambodia – *La Marguerite* and the brand-new *AmaLotus*. The management invented a new product as well, the Christmas Market Cruises from late November through December (River Cruise Advisor, 2015).

In 2006, AmaWaterways redefined the concept of luxury river travel with the launch of AmaDagio. In the lobbies, hallways, spa facilities, multiple dining venues (on the newest vessel) and marble-appointed bathrooms the traveler can admire the contemporary artworks. All the staterooms are equipped with flat-screen TV, internet access and French balconies. The ships have sun deck with walking track and bicycles, and elevators as well. Furthermore, supplementary to the huge selection of red and white wines from Europe's great wine regions, the customers can enjoy the complimentary bottled water, cappuccino or espresso daily in their stateroom (River Cruise Advisor, 2015).

In the first-ever 'Berlitz River Cruising in Europe' travel guide, approximately 300 vessels were rated based on hardware, accommodation, cuisine, service and other miscellaneous features. All eleven AmaWaterways ships that were evaluated earned the highest rating given and collected higher scores than any other cruise line. The AmaPrima was rated the highest of any ship (River Cruise Advisor, 2015).

According to Rudi Schreiner, his company's main selling point is the gourmet cuisine served aboard its riverboats. The cruise line belongs to the impressive culinary corporation, 'La Chaine des Rotisseurs' (25000 members included in it, from which 7000 people are professional chefs and culinary experts), and travelers have the choice of eating in four specific dining areas (Loverseed 2015, p.35.).

There is the main dining room as well, but the passengers can find the outside bistro, the private dining area in the Wine Room and a Chef's Table, where customers can observe how the chefs are preparing a special tasting menu. In the dining area, a sommelier can also be found, which explains the wines and suggests food pairings (Loverseed 2015, p.35.).

In 2006, AmaWaterways will put 36 wine-related cruises on the market. They will include learning by seminars and the enjoyment by tastings and visits to vineyards and wine cellars (Loverseed 2015, p.35.).

## **2.10 Summary**

This introductory literature review session served as the background of the study. The topics and data that were mentioned here are important for the reader to understand the basis of the dissertation, the survey and interviews, which later will be presented and analyzed in the fourth chapter.

The river cruises, ocean cruises and the main differences between them were presented. Moreover, the main companies and their history, fleet, the typical customers were introduced to the reader to serve as an overview of the topic area of the dissertation.

To understand the next chapters of the thesis, these are significant as these pieces of information contribute to the bases of the interviews and the questionnaire.

The following chapter will provide background information about the 'Methodology', which serves to demonstrate how the primary and secondary data was collected.



## **3 METHODOLOGY**

### **3.1 Introduction**

During the data collection process, the secondary research was completed first, which was followed by the primary research. In order for the author to be able to accept or reject the hypothesis of the dissertation, which states that “Ocean and river cruises are more popular around the world and it is true for the Hungarians too. However, due to financial restraints, the number of Hungarian Travelers does not change or only changes in small percentages”, a detailed research has to be applied to evaluate these changes of Hungarian customs of marine or river cruises.

In this chapter of the dissertation the author will introduce how the different researches were carried out. Both the primary and secondary research methodologies are described here, with the applied data collection methods during the research progresses.

### **3.2 Secondary data research**

Secondary data research includes all the already published information by someone else in connection with the topic. In this case the researcher relies on information, which has already existed. The data was collected from the library, articles, books, different publications, the Internet and statistics.

The main function of it is to serve as a basis, to help the researcher collect enough information to understand and to be aware of the field of the study to complete the own research and in the end of the dissertation be able to make a conclusion and give some recommendation.

Before the actual writing of the dissertation the author had a long literature search and reading process with the help of the Internet and different available materials, for example books, newspapers and magazines, publications, information from library and on-line data bases and catalogues.

In the beginning the Internet sources were checked, because this was the fastest and the most comfortable way of data collection. The main method of the online research was to use headline in different searching programs and hit information within the topic of the dissertation. It provides an easy access to the information needed and in most cases the most up-to-date data is only available there. On the other hand, these information, which have been found on the Internet cannot guarantee that they are completely true so the researcher sometimes had to double check them.

The author visited the Tourism Library of Budapest Business School at Klauzál Square, Budapest many times, during the searching period and during the actual writing period as well. The helpful staff recommended various books and articles in connection with the river- and ocean cruising, which serve the basis of the Literature Review part of the dissertation. Not just book and articles, but publications, newspapers and magazines were also gathered.

What is more, the researcher read previous written, former students' thesis in similar topic, which gave assistance to the writing of the author's own dissertation.

### **3.3 Primary data research**

Primary data research is the direct gathering of data, establishments and facts, which have not existed already, so, we cannot find them in articles, books, journals, reports, or on the Internet. During the primary research, the researcher collects original, first-hand information. At the time of the secondary research process, the researcher gains knowledge about the area and after that the primary research is done; which can be undertaken through questionnaires or direct observations and personal or telephone interviews.

‘An essential prerequisite of survey design is to know what kind of information is needed, to describe the parameters of the population or to test hypotheses and analyse variance’ (Finn, Elliott-White and & Walton, 2000, p.89).

It is also written by Finn, Elliott-White and Walton (2000) on page 93 that any survey must have a focus, or a central issue to which most items in the survey relate.

Based on the collected information during the secondary data research process the questions of the interviews and questionnaire were composed as part of the primary data research.

The questionnaire was designed to examine the consumer side of the travel market. The questions were requested to be answered by the general public to be suited to analyze the general travelling habits of the travelers, but most of the questions were specified to the river – and ocean cruising – how often they travel, whether they tried or not the marine or river cruises etc.

On the other side, during the interviews some experts on the tourism field were asked to answer a few questions. They were asked to explain their opinions and suggestions. Most of the questions were about the Hungarian customers and their demand on the river and ocean cruises.

The primary data research instruments used for the writing of the dissertation are interviews and questionnaire as it was mentioned earlier.

First of all, a questionnaire was created by the researcher. The main reason why an online site, more precisely the - <http://www.ripet.hu> / - was used, because it is a time and cost - effective method of gathering information as against of the costly and time-consuming method of preparing, making customers fill these papers out, and then collecting these printed papers. On this site, the author could choose between many different types of questions, like matrix, multiple-choice, free-text question or drop ordering; and between different layout and style.

In his book, Majoros Pál (Majoros 2004, p.110-111) writes about the most common question types. There are open and closed questions as well. If it is an open question the respondent answers in his or her own words, it is very informative, but it is difficult to process. While in case of closed questions, the respondents answer to the multiple choice questions with one or more options. The so - called, yes or no questions belong to this category as well. The disadvantage of this type of questions is that the researcher formulates the questions, but on the other side, they are easier to be answered by the respondent and easier to be analyzed and organized into diagrams.

The author created closed questions during the making of the questionnaire.

Before the launch of the questionnaire to the public, it was piloted. As it is said in one of the sources from the internet, ‘a pilot survey is a strategy used to test the questionnaire using a smaller sample compared to the planned sample size. In this phase of conducting a survey, the questionnaire is administered to a percentage of the total sample population, or in more informal cases just to a convenience sample’ (Explorable – Think Outside The Box, 2015). During the test of the author’s questionnaire, family members and friends were asked to fill it in. Thanks to the pilot survey, the author could check whether the questions were understandable and not misleading.

After the process of pilot survey, the real survey could be started with the final, examined questions. The site (<http://www.ripet.hu/>) generated a link, which was launched to the public. It was sent in email message to the acquaintanceship of the researcher and it was posted on the Facebook account of the author.

The analysis of the answers was facilitated by the site, because it presented the total number of responded surveys and calculated percentages. Thanks to these data, the author could make the charts and some other diagrams as well. The most important findings and conclusion are investigated and described in Chapter 4 – Research Analysis and Research – of the dissertation, while the list of questions can be read in the Appendix 3.

At the time of the survey, to assemble further primary research, the personal and email interviews were conducted with experts in the topic.

During the first interview the author had the opportunity to record the whole conversation and to make notes. The transcript of the above mentioned interview can be found in Appendix 4.

The second interview was via e-mail, the transcript of it can be found in Appendix 5.

The first interview was made with *Kristóf Sztojanovits*, marketing director of MAHART PassNave Passenger Shipping LTD and with *Gabriella Tolnai*, one of the sales directors of the Mahart Tours. They were very helpful and provided meaningful responses to the questions.

The second interviewee was *Nikolett Lázár*, who is one of the Guest Service Supervisors at Carnival Cruise Line. She answered the questions in e-mail, since she has now been working aboard Carnival Breeze, which is one of the newest vessels of the company. She was also very kind, helpful and ready to answer any further questions in written form.

The outcomes of the interviews and the introduction of the interviewees will be presented in Chapter 4, while the list of questions can be read in the Appendix 2.

### **3.4 Data Analysis Methods**

‘The process of evaluating data using analytical and logical reasoning to examine each component of the data provided. Data from various sources is gathered, reviewed, and then analyzed to form some sort of finding or conclusion’ (Business Dictionary, 2015).

The data analysis methods have two types – the qualitative and the quantitative method. ‘Quantitative research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviors, and other defined variables – and generalize results from a larger sample population’ (Snap Surveys, 2015). On the other hand, there is the qualitative research method, which is more about investigation. ‘Qualitative research is designed to reveal a target audience’s range of behavior and the perceptions that drive it with reference to specific topics or issues. It uses in-depth studies of small groups of people to guide and support the construction of hypotheses. The results of qualitative research are descriptive rather than predictive’ (Qualitative Research Consultants Association, 2015).

Majoros Pál writes in his book (2004) that in case of economics researches most of the research results are quantitative data that can be analyzed and organized in charts and tables by different methods, like statistical and mathematical. The researcher should use simple, clear numbers to be able to prove the aim of the analysis.

During the evaluation, the author analyzed the questionnaire by the previously mentioned web-site and a few investigations were made by the author as well.

The answers of the interviews were analyzed individually and then were compared with each other.

### **3.5 Summary**

On completion of the collection of primary and secondary researches, it can be seen that the easiest way of collecting data is through the Internet, but the information that were collected from it have to be double checked. Sources from different articles, books, journals and publications are also very useful.

In addition, the gathering of the materials has to be started well in advance, because time is needed to collect the perfect amount of literature, and then to analyze and evaluate both in case of primary and secondary research.

Following this chapter, the 'Research Analysis and Results' session comes which will introduce the analysis of the questionnaire and the demonstration of the interviews.

## **4 RESEARCH ANALYSIS AND RESULTS**

### **4.1 Introduction**

In the ‘Literature Review’ which was the second session of the dissertation, the author presented the secondary data which was collected from articles which are in connection with the river and ocean cruises, books, and from the Internet.

In this part of the dissertation the primary research findings of the author will be presented, more precisely the presentation of the interviews and the analysis of the questionnaire.

In the first part, the evaluation and investigation of the questionnaire survey responses and results will be presented, followed by the presentation of the two interviews and their corresponding answers to the questions.

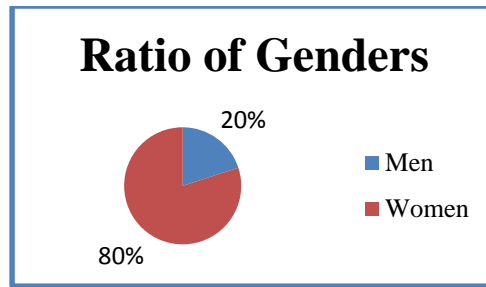
### **4.2 The Questionnaire**

As it was mentioned in the third session of the dissertation, titled Methodology, the survey was carried out through the Internet by the help of the online webpage, <http://www.ripet.hu/>.

In this part of the thesis the analysis and the introduction of the results are illustrated with different charts and diagrams.

#### **4.2.1 Results of the Questionnaire**

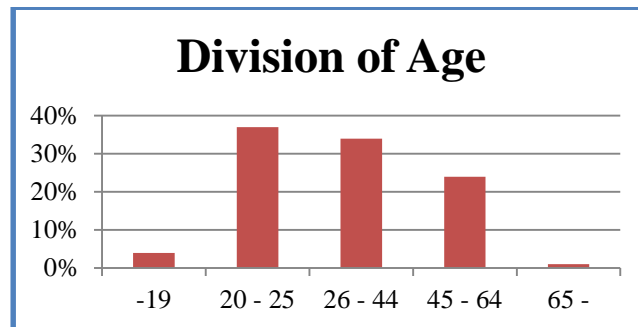
The questionnaire was filled out by 157 people, 80% of which respondents – 126 people – are women, while the rest 20%, 31 people are men.



*Chart 1 – Ratio of Genders*

*Source: Survey carried out by the author*

The majority of the responders are in the age group between 20 and 25 years with 37%, then following the elder ones between 26 and 44 ages with 34% and people with the age between 46 and 64 has the third biggest population with 24%. People below 19 and above 65 were represented only in small percentages, with 4% and 1%.



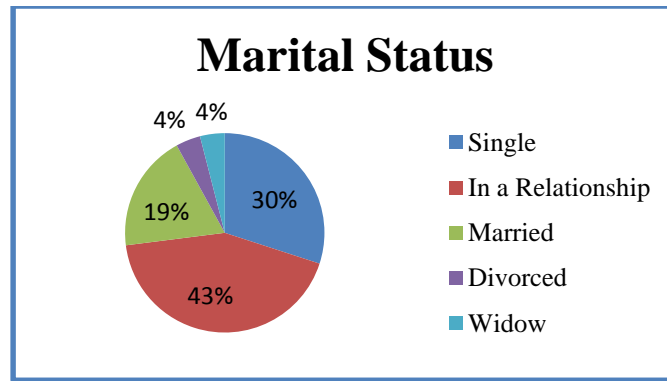
*Chart 2 – Division of Age*

*Source: Survey carried out by the author*

No significant conclusion can be drawn from this proportion, although one of the reasons could be the freedom of movement in the younger generations. In most cases, people between the age of 18 and 30 have fewer obligations in their life, like in general they have no children or they are not married. That is why it can be seen that there is a gap between the younger and elder generations who are less able to go on longer journeys, like river or ocean cruises.

Concerning the marital status the majority of the people with 73% is either single (30%) or in a relationship (43%). Only the 19% of respondents are married. The rest 8% split between the divorced and the widow with the same ratio.



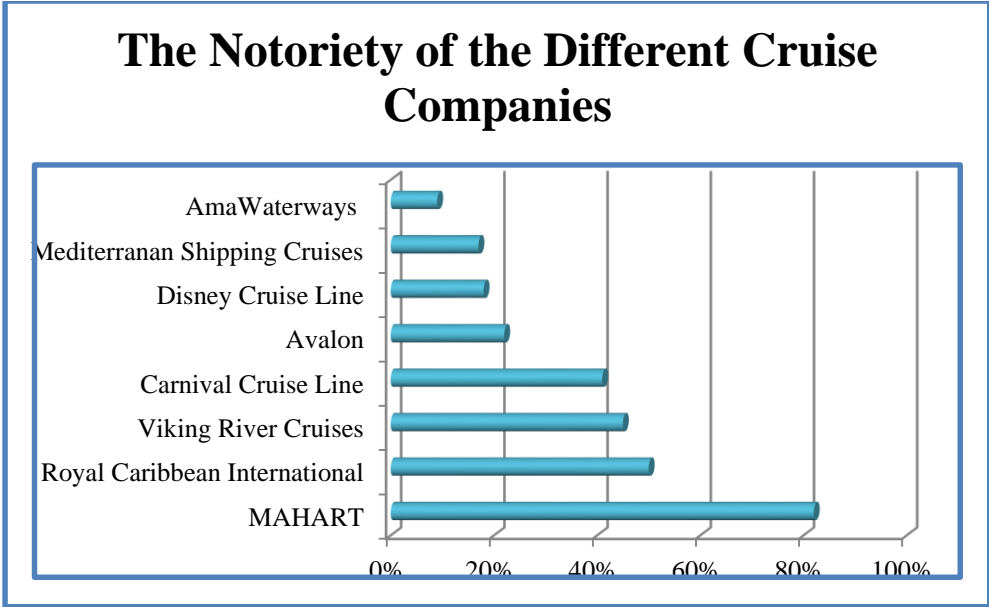


*Chart 3 – Marital Status*  
*Source: Survey of the author*

Most of the respondents' permanent addresses - exactly 98 people – is in Budapest, but the questionnaire was filled out by people from Bihartorda, Budaörs, Dabas, Debrecen, Dunakeszi, Dunaújváros, Érd, Fort Lauderdale, Fonyód, Gödöllő, Győr, Gyula, Herceghalom, Kecskemét, Kőszeg, Malaga, Martonvásár, Miskolc, Nyíregyháza, Órbottyán, Solymár, Szeged, Szigethalom, Szigetszentmiklós, Szob, Tahitófalu, Tata and Újhartyán as well.

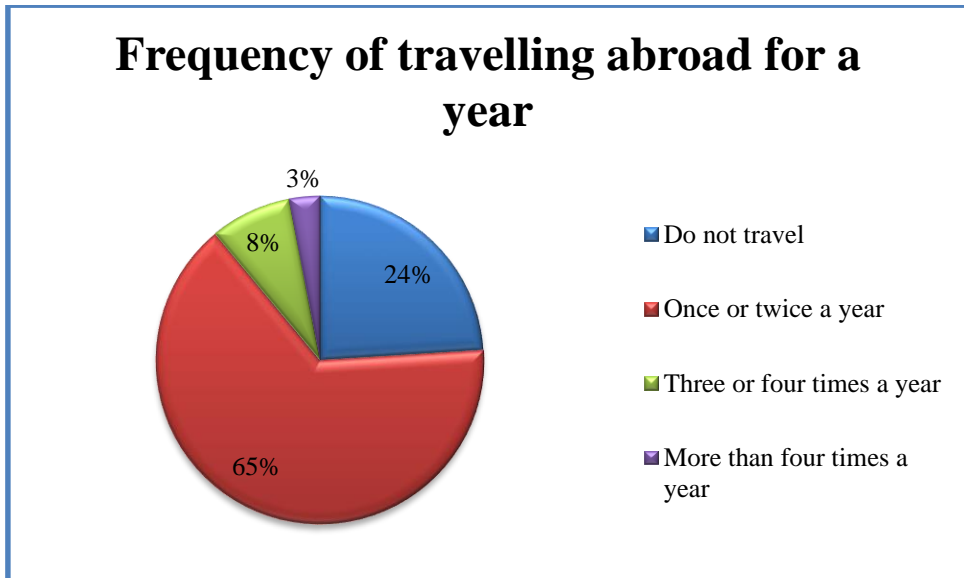
The next question was whether the respondents had previously heard about the ocean – and river cruises or not. The results were surprising for the author because 5 % of the respondents had not heard about it. The author knows that 5% is not a big percentage, but she thought that this topic was more prevalent.

The following question was meant for the other 95% who heard about the river- and marine cruises. The main point of the question was about which companies are familiar to the respondents. (They could choose more than one answer from the list). Far and away the best known is the MAHART with 82% followed by the Royal Caribbean International with 50% and the Viking River Cruises with 45%. The next company which was well known among the respondents is the Carnival Cruise Line with 41%. Then come the rest, less well known companies like the Avalon with 22%, the Disney Cruise Line with 18%, the Mediterranean Shipping Cruises with 17%, and finally the AmaWaterways with 9%.



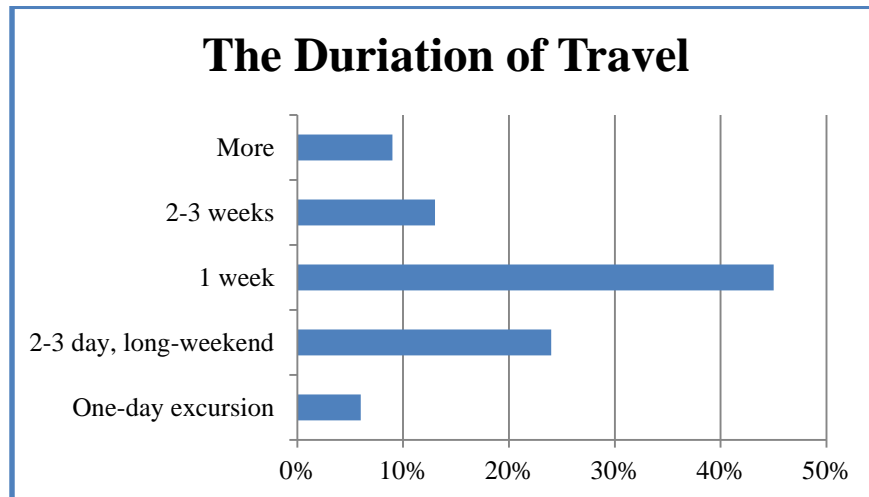
*Chart 4 – The Notoriety of the Different Cruise Companies*  
*Source: Survey carried out by the author*

The next chart will show the frequency of travelling abroad for a year – how often the respondents can afford to travel outside Hungary. Unfortunately one quarter of them cannot afford to travel abroad. The majority of the respondents travel at least once a year; small percentage of the people said that they travel 3 or 4 times aboard a year while only a few respondents said that they travel more than 4 times within a year.



*Chart 5 – Frequency of travelling abroad for a year of the surveyed sample (n=126)*  
*Source: Survey carried out by the author*

The previous question is in close connection with the next issue that was examined which was about the duration of travels. (The respondents could choose more than one answer from the list). If they travel, 6% of them travel for one-day excursions, and 24% of them take part on 2-3 day long or long weekend holidays. Most of the respondents, with 45%, travel for one week. There are others who travel for longer period up to 2-3 weeks or a little bit more but in general they only travel once a year, for example during one of the vacation periods.



*Chart 6 – The duration of travel*  
*Source: Survey carried out by the author*

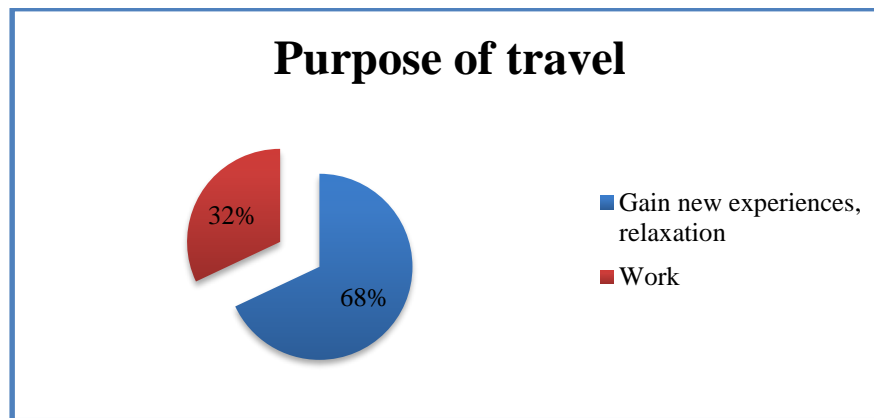
Most of the repliers, with 88%, stay within Europe during their vacation, but 25% of them like to travel outside Europe. (The respondents again could choose more options during their answer process).

From the next question came the more specific questions, which are in close connection with the topic of the dissertation. First of all, the author has to know whether the repliers had taken part before in river – or ocean cruises or not. 29% of the respondents had already been at least on cruise before while 58 % of the repliers have not been, but they would like to go. The rest, 17%, have not been before and what is surprising, they would not like to go.

All together 61% of the respondents have not been before none of the cruises. Among the rest 39%, the participation of river and ocean cruises is almost the same; 20% of the travelers participated in river cruises at least once, while 19% of the repliers took part in ocean cruises.

The next question examined the reasons; why the big part of the respondents has not taken part none of the cruises. 72% of the repliers answered that the journey on either on river- or on ocean cruises was too expensive. 16% of the respondents said that they are not interested in this kind of travel form while the rest 12% stated that they have no enough time to travel.

The author thought that the reason behind the purpose of travel is very important. Most of the travelers go on holiday to gain new experiences and to have a rest. But thanks to a lot of opportunities, and labour exchange offices, the younger and middle generations have the chance to work on these ships as well. The 32% of travelers choose this option to see life.



*Chart 7 – Purpose of Travel*  
*Source: Survey carried out by the author*

In connection with the selected companies, one of the respondents said that they traveled with the Avalon, also on repliers said that he or she chose Blue Star Ferries in Greece. Three of the travelers took part in one of the Royal Caribbean International cruises, while one passenger chose the Viking River Cruises. Most of the respondents traveled with the Carnival Cruise Line of with the Mahart PassNave which means than 12 repliers took part at least once in the Carnival Cruise Line' journey and 16 passengers chose at least once the Mahart PassNave.

The last question of the questionnaire was in connection with the average spending propensity on a journey for a week. 63% of the respondents said that they would spend between 100000 and 150000 HUF for a week, while 22% was 0willing to spend between 150001 and 200000 HUF. Only 11% of the travelers said that they

were able to spend between 200001 and 250000 HUF, while rest 4 % is content to spend more than 250000 HUF for a week.

### **4.3 The Interviews**

#### **4.3.1 Kristóf Sztojanovits and Gabriella Tolnai from MAHART**

The first two interviewees of the author were Kristóf Sztojanovits and Gabriella Tolnai on 28 October, 2015. Kristóf Sztojanovits is the new marketing director of MAHART PassNave Passenger Shipping Ltd. and he was the marketing director of 'Magyar Turizmus Zrt.' for almost two decades, while Gabriella Tolnai is one of the sales directors of Mahart Tours.

During the interview they were very helpful and content to answer in detail to the questions of the author. Furthermore, they told the interviewer that if she had any questions after the interview, she should send it to them, and they would answer.

In the course of the interview the following ideas were been discussed.

In the beginning, the author has to make it clear that under the brand of MAHART there are three different subsidiary companies. First of all, the Mahart PassNave Passenger Shipping Ltd., which is the largest, market leader passenger shipping company of Hungary. It started to deal with the previously mentioned activity about 120 years ago. The second one is the Mahartlog – Mafracht Ltd., which has started its operation in 1991. Since that time it has achieved a dynamic growth in the areas of road transportation and logistics. Finally, the third subsidiary company is the Mahart Tours, which is the travel agency of MAHART PassNave Passenger Shipping Ltd. Its operation has started 20 years ago.

During the interview, the author and the interviewees talked about the Mahart PassNave Shipping Ltd. and the Mahart Tours, because these are in connection with the topic of the dissertation.

For the first time, the author would like to introduce the operation of the Mahart PassNave Shipping Ltd. and all the main information which were collected during the interview in connection with this subsidiary company.

The ancestor of the Mahart PassNave was the Hungarian Shipping Company, which was established on January 1, 1955 (as it is already written in the literature part of the dissertation). The headquarters of the company is located in the Belgrád rakpart 22, 1056.

For the operation of the docks on the Danube within almost the whole territory of Budapest, the Mahart PassNave Shipping Ltd. is responsible. Before them, unfortunately this activity had been very chaotic.

For the question about the size of the fleet and the type of ships they have Mr. Sztojanovits said that boast approximately with 25-30 vessels, among which there exist riverboats and hydrofoils as well. The riverboat fleet is perfect for different events, sightseeing in the territory of Budapest or excursion outside of Budapest, for example to the Danube Bend. With the hydrofoil fleet they organize trips within the territory of Hungary and outside Hungary as well. He said that the level of the water is very important, because the draught of the hydrofoils is between 2 and 2, 20 meters (against the draught of the river cruises which have between 1, 30 and 1, 40 meters).

In connection with the demand on their products (mainly amongst the Hungarian travelers), he mentioned that for the trips on schedule to Visegrád, Esztergom or Szentendre the 90% of the customers are Hungarians either with riverboats or with hydrofoils. On the other hand, there are the international journeys, which are mainly popular amongst foreigners. For example neither the price, nor the duration of the journey to Vienna are competitive against the train (the duration is 6, 5 hours – the speed of the vessel is maximum 60 km/h, which is the fastest on the Danube - and the price is 109 euro).

In relation to the labor force, he said that on the ships of the Mahart PassNave Shipping Ltd. there were approximately 3-30 employees per ship of whom 100% are Hungarians.

Regarding the marketing of the company, he answered that they advertise their programs through catalogues; on their web page; they use the social media, like Facebook; on TV; on the different means of transportation in Budapest; through different newsletters (for example they send it to their partners, their old customers) and in different newspapers as well.

Hereinafter, the author would like to introduce the operation of the Mahart Tours, which is the travel agency of the Mahart PassNave Shipping Ltd. During the interview the author talked with one of the sales director of the subsidiary company, Tolnai Gabriella.

The operation of the company has started 20 years ago. Since that time the same four sales directors have been working for the company, Németh Edit, Tolnai Gabriella, Tirtsné Völgyi Fruzsina and Selényi Beatrix.

The Mahart Tours is dealing with the sale of tickets to ocean, - and river cruises and to international ferryboats as well. It offers the products of different companies for sale, for instance the MSC Cruises, the Costa Cruise Line, the Norwegian Cruise Line, the Carnival Cruise Line, the Royal Caribbean International, the Celebrity Cruises, the Disney Cruise Line, the Viking River Cruises, the Uniworld, the AmaWaterways, the Avalon, the Blue Star Ferries, the Superfast Ferries, the Irish Ferries, the P&O Ferries and etc.

Ms. Tolnai said that the capacity is at its maximum nowadays on the Danube in connection with the river cruises. The vessels of the different companies arrive to Budapest at the same time, each with 180-200 guests, which sometimes means 20-25 vessels in the decks in the downtown (it can be happen, that 3 ships land next to each other).

It is important to highlight that there is no Hungarian boat hotel! On the other hand, a lot of international companies have these floating hotels. Most of the companies' vessels are in the four and five-star category, like Viking River Cruises, Avalon or AmaWaterways. These developed companies generate newer and newer ships as well almost every year.

Ms. Tolnai stated that the 99% of the buyers of the Mahart Tours were Hungarian. Among them the Mediterranean Sea is the most famous, followed by the Caribbean

Area. Amongst Hungarian travelers the demand on ocean cruises is bigger than on the river cruises, which can be explained by the price of the cruises (the price of the river cruises is much more expensive than that of the ocean cruises), but Ms. Tolnai said that the demand on river cruises was growing.

In relation to the target market, she said that the river cruises specialized in the elder or senior citizens, while on the ocean cruises all the generations can be found. She bespeaks that on the market a few river cruise company exist where only the elder generations can participate in the journeys, families with children are not allowed on board. The reason behind it is that the participants would like to rest during the trip.

In connection with the capacity, she mentioned that on the river cruises the maximum is between 200 and 300 people, while on the ocean cruises this number can be 5,000 people. She also mentioned that on the river cruises the companies try to sell the tickets for a trip to people from the same nation, to maintain the calmness and the peace, because it is, against the ocean cruises, a small vessel, with approximately 180 meters length, and the travelers have to be together for one or two weeks. For example the Scenic River Cruises try to open to the market of Russia and China. That is why they sometimes give their vessels to charter service, because they do not want to mix the nations on board.

Regarding the demand of Hungarian customers, she also said that the number of Hungarian travelers is growing year by year. Two kinds of traveler exist in the market. The first is the provident, who buys the voyage and the services in advance, while on the other side there is the traveler who is waiting for the discounted price, which can be one or two weeks before the trip. In case of river cruises the customer can buy on discounted price the trip only if they buy it in advance, at least 1.5 – 2 years before the trip. But in connection with the ocean cruises the customer can buy the voyage even with 50% discount. It is true that in this case they have to be flexible, because they will know the information about the product one or two weeks before.

She also mentioned that the Hungarian travelers like to take advantage of the location of Budapest. In general they would like to get onto these vessels in Budapest, but unfortunately it not always easy to solve.



The Mahart Tours is in the top five in connection with the market share in Hungary. It is a very good position if we compare it with other travel agencies who exist all over Hungary (Mahart Tours has an office only in Budapest).

Mahart tours cares for their travelers. A so-called “frequent traveler club” is existent. The already mentioned 4 sales director of the company know the name of the frequent travelers and in most cases the customers cotton on to them. These clients have used the services of the company at least four times. Recently there was a meeting for these travelers, on one of the ships of the Mahart PassNave Shipping Ltd.

In relation to the labor force on these ships, the author was curious about the ratio of Hungarians. Ms. Tolnai said that on river cruises approximately 50 employees can be found of whom 90% are Hungarians, while on ocean cruises the number of employees is almost 4,000 from whom 30-40% are from Eastern Europe.

The marketing is almost the same like in case of Mahart PassNave Shipping Ltd. The Mahart Tours also use catalogues, their website, the social media, and different newsletters to their previous customer or to their partners, TV, and the Internet as well.

The target market of Mahart Tours can be divided into two categories. It was previously mentioned that in case of river cruises the target market is mainly the elder generation. On the other side, for the ferries and for the ocean cruises the demand is mixed.

The author was curious about the programs that the travelers can do on board, or when they are in a city. Among the customers of river cruises in Budapest the most popular activities are the sightseeing of the main sight, or sightseeing in the Jewish district or in the hidden part of Budapest, or the visit of the different thermal spas, but they offer programs outside of Budapest as well, like the visit of the Grassalkovich Castle in Gödöllő or the visit of Lázár Equestrian Park. In case of the ocean cruises between the in lands programs for example the sightseeing tour, the swim with dolphins or the visit of the ruins of Mayas. The on-board programs are almost the same in both type of cruises. Swimming pools, spa facilities, different restaurants, gym, massage etc. can be found on these vessels. On the ocean cruises

some additional activities can be done, thanks to the slide-way, casino, cinema, theatre or camp for the kids. Some of these programs are included in the price, but for example for the massage, casino and in special restaurants the travelers have to pay extra fees.

#### **4.3.2 Nikolett Lázár from Carnival Cruise Line**

The second interview was made via e-mail with Nikolett Lázár who is one of the Guest Services Supervisors of the company. She started at the company almost four years ago in April, 2012 after finishing her studies at the Budapest Business School, Faculty of Tourism and Hotel Management.

She started at the company as Guest Services Trainee in the Guest Services College on the Carnival Ecstasy. After two months she got promoted to Guest Services Associated and now, for the last two years, she has been working as Guest Services Supervisor working her way up to be promoted to Senior Guest Services Supervisor.

The author was curious how a person from a small country can take one of the main positions on a big ocean cruise ship. She mentioned that after finishing her studies, she was looking for a job abroad to gain further experience in international environment and to practice foreign languages. First, she wanted to return to Barcelona, Spain where she had spent her industrial placement in a hotel. However, she found an advertisement from a Hungarian Agency that recruits crew to different cruise lines. She applied to them and had an interview with the former Vice President of Guest Service Department of Carnival Cruise Line. Within two months of her application to the company, she was already onboard the Carnival Ecstasy doing her training.

She has been working on all classes of ships from the smallest to the biggest and newest ones of the fleet, like Carnival Ecstasy, Carnival Magic, Carnival Glory, Carnival Miracle, Carnival Sunshine, Carnival Dream and currently the Carnival Breeze, the newest ship in their fleet until the newest ship, the Carnival Vista comes out in May, 2016. During these years, she has had the opportunity to travel around

the Caribbean Sea, to do a Panama Canal Transit, to go to Hawaii and to do a full contract in Alaska.

They at Carnival as “The World’s Most Popular Cruise Line®” with 24 ships are operating 3 to 16-day voyages to Caribbean, The Bahamas, Mexican Riviera, Europe, Alaska, Hawaii, Canada, New England, Bermuda, Australia, New Zealand and the Pacific Islands. And the company just recently announced that there would be ships operation in China from 2017.

Carnival Cruise Line offers a wide array of quality cruises, and prides itself on delivering memorable vacations to their guests at favorable price. A “Fun Ship” cruise features day and nighttime entertainment like stage shows, musical performances, casinos and more.

She said that the prices depending on the destination, length of the cruise, and class of the ship, season, and cabin category. Even with these just listen, most of the time the vessels are completely sold out due to the fact that company is offering cruises at a more favorable price to their clientele than other cruise lines. There are always hundreds of different kinds of promotions and sales available that guests can choose from. The most popular ones are the Military discounts for former military members, Early Savers promotion, onboard credits from price reduction, or promotional credits from Travel Agencies. What is more, the company retails the cruise packages through Personal Vacations Planner (PVPs, who are Agents directly working for Carnival Cruise Line), as well as Travel Agencies throughout the country and the world.

In addition to the previously mentioned promotions, the company advertises itself through online and land-based travel agencies, TV and radio commercials, and travel bloggers. Many times they have VIP guests traveling onboard the vessels from radio or TV stations to gather their experience and then advertise the company in their shows. As well as, the Public Relations department invites bloggers onboard to share their experiences.

At the same time, there is a designated person onboard, the so-called Future Cruise Expert who is in charge of arranging and selling future cruises onboard. He has a Future Cruise presentation about every cruise highlighting the different promotions

of sales available, and he has his designated desk hours whilst he assists the guests to book their future voyages still onboard. Most of the time, these bookings come with onboard credit, which is a serious incentive to the clients.

She would not be able to highlight or specify which cruises are the most popular ones; as she has mentioned most of the time the ships are sold out. However, she can tell that during holiday times in all cultures they have a lot of family onboard, resulting high guest counts. At some point, there can be over 4,500 guests onboard a vessel, plus the number of crew. Hence, the total counts can reach nearly 6,000 on the biggest ships in the fleet.

According to her, the short, 3-to-5-day cruises are the most popular amongst young adults and college students. Meanwhile, cruises to Hawaii or to Alaska are mostly attended by elderly or retired guests who have more free time and income to spend on vacation, due to those cruises are the most expensive ones. Families with children or active workers cannot afford to travel for a long period of time, due to limited vacation time. Hence, these people usually choose cruises up to 8 days. In the United States workers only have 14 free days to spend on vacation in every year, hence this time is very precious to them.

Ms. Lázár said that the most unique cruises the company is offering recently are the cruises to Australia, New Zealand and the Pacific Island based in Sydney. And as it was mentioned previously, just a few weeks back the company announced that there would be ships sailing out of China from 2017 to attract to the Asian clientele.

According to the interviewee, in general the highest ratio of their clientele is from the USA, followed by the guests from Canada. However, cruises are very popular amongst guests from the United Kingdom, Australia, Germany, India, Japan and Mexico.

She would say during the years she has been working for the company, she recently sees a higher count of Hungarian guests. In the last few months, they have had Hungarian guests every week. Their number is not significant compared to other nationalities, as it never goes over 10 guests. However, more and more Hungarians choose their company to travel with.

She has met Hungarian clients mostly on cruise ships on the East coast of the United States. She thinks it is mainly based on the airfares. She can tell having vacation on a cruise ship, or to go for a vacation in Hungary to a 4-5-star-hotel for a week is almost the same price. The major part of the costs is to get to the States and to obtain the proper documents to be able to enter the country. From her personal experience, when she invited her family with the cruise ship she had been working on, price of the airline tickets to get to the United States from Hungary and then back home was more than twice as expensive as than the cruise fare itself.

According to the interviewee, in general not North America is the most popular destination to Hungarian tourist due to the high costs involved. However, she can see an increased number of guests travelling with them.

Regarding the number of employees, she said that depending on the class or size of the ship, the number of crewmembers can differ from 950 to 1,350. The company has over 45,000 crewmembers in rotation on all the vessels. Presently Carnival Cruise Line has 24 ships in the fleet, and currently they are building the 25<sup>th</sup> ship, the Carnival Vista that will set sail the first time in May 2016 from Italy. And there is another, new vessel scheduled to set sail in 2017 as well.

Return to the price of the cruise, she said that is mainly determined by the length, the destination and the class of the ship. Cruises on the newest ships that are usually longer in period are more expensive than shorter voyages on the older ships. Cruise prices are the combination of the cruise fare (that includes the accommodation and basic food services) and the port fees and fuel taxes. On the top of the basic price, guests get charged for gratuity fees onboard, or transfer fees and shore excursions if they would like to take advantage of them. However, these services that can be pre-paid with the cruise fare based on individual request.

Onboard the vessels, the guests have the opportunity to take part in different entertainment activities throughout the day. During the day, the ships' Entertainment Staff entertain the guest with different Trivia Game, activities at the pools or Bingo. During the evening, all the ships have the Las Vegas-type shows, Comedy shows, live band concerts with different selection of music to satisfy all guests' needs. The ships also have fly on entertainers, like jugglers, magicians or hypnotist who come

on board in a port of the night show and leave the ship in the next port of call to do their shows on a different ship the following day.

Onboard the Carnival Breeze, where the interviewee is currently working, guests also have the opportunity to go the 4D movie theatre, use the water slides or the sky course. The ship also has a basketball court, where guests can play football or volleyball as well; mini golf course, jogging track, in-door and out-door gym and two swimming pools. During the nights, there are two movies shown on the big screen to further entertain the guests. What is more, the ship has several Deck parties hosted by the Cruise Director.

The author was curious whether the travelers prefer the travel packages or the programs which they can buy separately. Ms. Lázár said that he so called travel packages the company does not offer. However, their guests have the option to arrange their flight and cruise together as part of a package. In this case the company reserves the flights for the guests and arranges transportation for them from the airport to the cruise ship terminal and at the end of the cruise back to the airport.

As it was mentioned previously, guests can have shore excursion, transfers, dinner reservations arranged prior to coming on board. However, these are not part of a traditional travel package, which is usually known from Tour Operators.

The interviewer asked the interviewee about the importance of the window or terrace to the travelers. She said that it differs from guest to guests. Some guests, even repeating cruisers do not mint the cabin category. As for them, they just need a room to sleep in, as they spend most of their time out of the room, and do not want to pay a huge amount for a room that they just use to sleep in.

On the other hand, there are a lot of guests who are very picky about room selection. For a lot of them, it is very important to have a window, or even a balcony where they can sit out and enjoy the view. Some guests want bigger room space, hence they are willing to pay high amount for a suite room.

In general, guests need to bear in mind that the cabins on a cruise ship are usually smaller than a room in a land-based hotel, due to the limited space.

Ms. Lázár also expressed her opinion about the popularity of working on a cruise ship. Her personal opinion about this question was that this job is mostly popular amongst young people. However, there are a lot of crewmembers who have been with the company for a long time, even over 20-25 years.

This job is a great opportunity to gain work experience and later gives them the chance to get a better job. At the same time, whoever chooses to work on a cruise ship needs to bear in mind that working on a vessel is a tough job. They work every day 8-10 hours during their contract of 6-8 months. This is not a job for everybody, and requires commitment and insistence. However, it pays off and gives the opportunity to travel around the world.

She does not regret being there. It is not easy for her to be away from her home and family. However, she has met great friends who have become her onboard family, and she can share her moments with.

#### **4.4 Summary**

In most cases, both the questionnaire and the questions of the interviews were designed to discover the demand amongst Hungarian customers on the river, - and ocean cruises. A lot of practical, significant and helpful information was gathered during the evaluation of these surveys by the author of the dissertation. Those pieces of information, which had been collected from various books, publications and different articles, have been also useful during the writing of the dissertation, but the primary research contributed to a deeper research process.

The author was very grateful to the interviewees for taking their time to answer for the questions of the interviewer. They shared their opinions, ideas, suggestions about how they see the present situation in connection with the demand on river and ocean cruises of Hungarian travelers.

## 5 CONCLUSION

### 5.1 Introduction

The aim of the dissertation was to give a detailed overview of river and ocean cruising in general and amongst Hungarian travelers as well through not just the already existing literature but through the analysis of interviews and questionnaire.

The history, the fleet, and the products what the companies, namely Carnival Cruise Line, Mediterranean Shipping Cruises, Mahart Ltd. and AmaWaterways, offer were investigated.

This chapter of the dissertation includes the conclusions and evaluation of all the research made by the author previously. The main question of this part of the thesis is whether the hypothesis would be accepted or rejected based on the gained information in the ‘Literature Review’ part and the collected ideas, opinions and results of the interviews and questionnaire.

Last but not least, some recommendations will be presented in this chapter, as well, with the introduction of some forecast based on the primary data. In the very last part of the dissertation some suggestions and inspirations will be given.

### 5.2 Conclusion of Analyzed Results

The aim of the dissertation was to analyze the demand for ocean and river cruises amongst Hungarian travelers, with the help of the introduction of the four most popular cruise lines in Hungary, like the Carnival Cruise Line, the Mediterranean Shipping Cruises, the Mahart Ltd. and the AmaWaterways. The five objectives were the direction in which the analysis was expected to be carried out. In the following, the introduction of the five objectives will be described.

1<sup>st</sup> - To provide an overview of what the difference is between the river cruise and the ocean cruise.



The first objective was carried out through the description of the river cruising and the ocean cruising, which can be found in the 'Literature review' part of the dissertation. The author could say that during the writing of this part of the thesis, the most useful material was one of the articles in the Travel & Tourism Journey by Helga Loverseed. It was followed by the introduction of four companies – the Carnival Cruise Line, the Mediterranean Shipping Cruises, the Mahart and the AmaWaterways. In that part, the author illustrated the history of these companies, the fleet which they have and the products that they offer to the costumers.

It can be seen that the entire cruise market in the world, either river cruise or ocean cruise generates more and more passengers year by year. In 2013 the global cruise industry generated revenue of 36.27 billion U.S. dollars, and it was expected to increase over 37 billion by the end of 2014.

2<sup>nd</sup> - To analyze customer habits in general; what influences it?

The second objective was dealing with the customer habits. Unfortunately during the research process the author could not find any information about the demand on the ocean and river cruising of Hungarian travelers in the already existent materials. But during the evaluation of the questionnaire the author learnt a lot about the Hungarians' travel habits, like how often they travel within year to abroad, or if they travel they stay in Europe or fly outside Europe; are they familiar with the topic of cruising or not; have they tried the cruising already or not, etc. All these information are evaluated in the 4<sup>th</sup>, the "Research Analysis and Results" part of the dissertation.

In the different materials the author found information about the foreigners' travel habits in connection with the cruising. The author can state that the main target market of the river cruises is the American market while in case of the ocean cruises it is more complex.

It is also visible that it is not only the nationality that is mixed in case of ocean cruises, but the age-group as well. There are different programs offered to the children at a young age as far as to the seniors. On the other side, there is the river cruise, where most of the participants are over 50; they are in their retirement age. And that is why the programs are organized for this age-group.

3<sup>rd</sup> - To discover the demand and what type of tours Hungarians like the most.

During the interviews the author learnt a lot about the demand of the Hungarian customers. Sztojanovits Kristóf, the marketing director of the Mahart PassNave Shipping Ltd. told during the conversation that the Hungarians like the sightseeing cruises within Hungary; they enjoy traveling to the Danube Band as well; and thanks to the different promotion of the company (like buy one ticket and the second one is gratis), the evening cruise with dinner and live music is very popular as well.

Gabriella Tolnai, one of the sales directors of Mahart Tours told the author during the personal meeting that the most popular cruise destinations to the Hungarian travelers are the Mediterranean Sea and the Caribbean area. She also mentioned that Hungarians prefer the ocean cruises in the face of river cruises. Even though the passengers have to travel more to reach the starting point of the ocean cruises, it is still cheaper than the river cruises.

During the conversation with Nikolett Lázár, she mentioned the same as Ms. Tolnai, that is, the Caribbean area is popular amongst Hungarian travelers. She explained this phenomenon with the fare of the airline tickets (from Europe to travel to the Eastern part of the United States is costly, but to travel to the Western part is still more expensive).

4<sup>th</sup> - To find out what the most successful way of selling ocean and river cruises is.

The author could recline upon the interviews as well. All three interviewees agree on the importance of marketing. Both companies, Mahart and Carnival Cruise Line use different promotions to reach the target market. They use the power of social media; TV or radio commercials; they send newsletters to the partners and to the guests who have already participated at least once in a cruise and they produce catalogues as well.

Mahart Tours and Carnival Cruise Line care for their travelers. In case of the Mahart Tours a so-called 'frequent travel club' exists. It gives different discounts to the returning guests. In case of the Carnival Cruise Line, the VIFP club exists, which offers the guests who keep on coming back great benefits.

5<sup>th</sup> - To conclude the current situation and make suggestions.

This objective was carried out with the help of the primary research, the questionnaire and the two interviews and some secondary research was also useful, which was publicized in the previous few years.

The questionnaire and the interviews were designed to be able to investigate the two sides of the market. The demand side of it was examined with the help of the questionnaire. The author was curious what the travelling habits amongst Hungarians nowadays are; whether they make inquiries about the different cruises. On the other side, the interviews investigated the opinions of the professionals, how they see the current situation; what their opinions are; and what expectations they have of the future of the cruise market.

After the analysis of the different interviews and the evaluation of the questionnaire some suggestions can be formulated.

### **5.3 Recommendation**

The author gives some recommendations in the following, during which she concentrated on what should be promoted better; how the demand of the Hungarian travelers could be increased because this is one of the aims of the dissertation.

A few recommendations will be presented in the following few sentences.

1<sup>st</sup> - Promotion of the better price-value ratio in the face of other means of transportation

On a cruise ship, either ocean cruise or river cruise the traveler can enjoy a lot of services free of charge, because it is already part of the participation fee, like the food, the different spa facilities, slip-way and gym etc. And while in case of the airplane the traveler can sit in her own place, and maybe they can look out of the window (which in case of the overseas journey is impossible, because they have to pull down the drapery); aboard the cruise the traveler can catch films, and can participate in the different programs.

2<sup>nd</sup> - To travel on a cruise is a good experience

Within one or two weeks the participants can visit a lot of cities and countries, they can recognize the cultures of the different sites and they can participate in different programmes in the port-towns. And when they are at sea or on the river, as the author mentioned before, they can participate in different programs, or they can enjoy the facilities of the vessels.

3<sup>rd</sup> - To travel on a cruise is a “must have” at least once in a lifetime

Since Hungary has no sea or ocean, for a lot of people this experience is unimaginable. Despite the fact that Danube flows in the territory of Hungary, unfortunately the prices of river cruises are very expensive. The big ocean cruise companies try to reach the market of the Eastern – European region as well, that is why they offer a lot of discounts, like if the passenger is flexible, and they can travel in one week, they can buy the ticket even with 50% discount.

4<sup>th</sup> - The knock-off of the fear

A lot of people, not just in Hungary feel that the prices of the main European capitals or American cities are too expensive for them, and they feel that they cannot afford to sit in a restaurant for example in Paris, or to do shopping in Venice. These people have to know that it is not compulsory to get off the ship, because the facilities are still available in these times as well.

1. To get to know some friendly people who may become your friend

Since during these cruises the traveler is furl with a lot of people, it can happen that they will get to know some friendly people. After the journey they still maintain the relationship and maybe they can become friends.

## **5.4 Reflection and Evaluation of Research Methodology**

The author of the dissertation is grateful for the lot of the help during the writing of the dissertation. During the research of the already existing materials the associates of the Tourism Library in the Klauzál Square were always ready to help with finding

the proper materials from different books, newspapers or publications. During the interviews all the three interviewees were ready to answer the questions of the interviewer and told her that if she had any questions after the interview, she should send it to them, and they would answer.

All in all the author of the dissertation is content with the different results of the research, because they show that there is demand amongst Hungarian customers for the different cruise products.

### **5.5 Suggestions for Further Research, Inspirations**

According to the author, the topic of the dissertation is very interesting, that is why it should be observed from different aspects as well.

Since there is demand on the cruises, but not in a huge percentage, it can be examined why it is so. A much more detailed market research should be carried out about the travel habits of the Hungarians, for example why they are willing to spend on a lot for a winter journey to the Alps, and why not to these cruises.

In the ‘Research Analysis and Results’ part of the dissertation, the author mentioned that there is no Hungarian floating hotel. According to the researcher it can be observed that if a Hungarian boat hotel would exist, the demand whether grows or not.

### **5.6 Summary**

In this chapter the author made conclusions and recommendations in connection to the whole dissertation work.

The final step is the acceptance or rejection of the hypothesis.

The hypothesis of the dissertation is the following – *“Ocean and river cruises are more popular around the world and it is true for the Hungarians too. However,*

*due to financial restraints, the number of Hungarian Travelers does not change or only changes in small percentages”.*

After the evaluation of all the researches and results, the author of the dissertation can accept the hypothesis stating that ocean and river cruises are popular in all over the world. Despite the fact that these trips cost a lot, it can be said that amongst the Hungarian traveler there is demand for these cruises.

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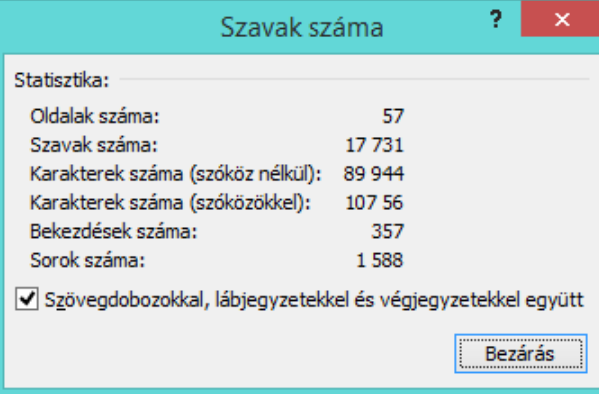
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## APPENDICES

### Appendix 1 – Statistical Report

Number of words without Table of Contents, Bibliography and Appendices:

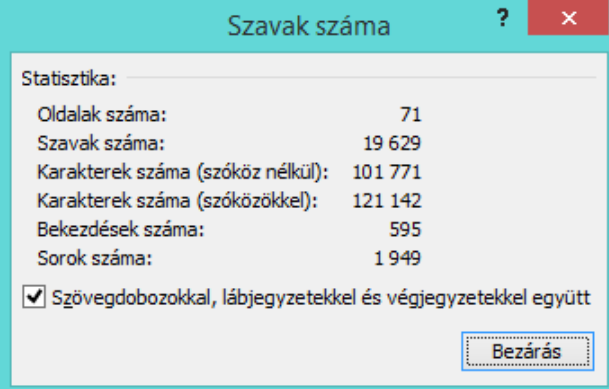


The screenshot shows a window titled "Szavak száma" with a teal header bar containing a question mark icon and a red close button. The main content area is titled "Statisztika:" and contains the following data:

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Szavak száma:	17 731
Karakterek száma (szóköz nélkül):	89 944
Karakterek száma (szóközökkel):	107 56
Bekezdések száma:	357
Sorok száma:	1 588

Below the table is a checked checkbox with the text "Szövegdozozokkal, lábjegyzetekkel és végjegyzetekkel együtt". A "Bezárás" button is located at the bottom right of the window.

Number of words with Table of Contents, Bibliography and Appendices:



The screenshot shows a window titled "Szavak száma" with a teal header bar containing a question mark icon and a red close button. The main content area is titled "Statisztika:" and contains the following data:

Oldalak száma:	71
Szavak száma:	19 629
Karakterek száma (szóköz nélkül):	101 771
Karakterek száma (szóközökkel):	121 142
Bekezdések száma:	595
Sorok száma:	1 949

Below the table is a checked checkbox with the text "Szövegdozozokkal, lábjegyzetekkel és végjegyzetekkel együtt". A "Bezárás" button is located at the bottom right of the window.

## **Appendix 2 – Interview Questions**

1. What is your name?
2. What is the name of the company you working for?
3. What is your position at the company?
4. How long have you been working at the company?
5. Why did you choose this company?
6. What type of tours do you sell at the company? At what price do you sell it?
7. Which tours are the most wanted?
8. What is the ratio of the Hungarian travelers?
9. Which tours are the most beloved amongst Hungarians?
10. What special tours do you offer to people? Are Hungarians looking for these?
11. What are the most extreme destinations Hungarians are willing to travel to?
12. To what extent do you think Hungarians can afford taking part in one of the company's voyages?
13. What is the average crew number in your company's cruise?
14. How many vessels can be found in the fleet of the company?
15. What kind of marketing techniques do you generally use?
16. What is the target market? How do you try to reach them?
17. What kind of activities can the travelers do onboard?
18. Do the travelers prefer the prearranged packages or the ad-hoc activities?
19. How important is the accommodation for the travelers?
20. Do you think working on a cruise is popular among the younger generation?

### Appendix 3 – The Questionnaire Questions

1. What is your gender?
  - a) man
  - b) woman
2. Which age group do you belong to?
  - a) -19
  - b) 20-25
  - c) 26-44
  - d) 45-64
  - e) 65-
3. What is your marital status?
  - a) single
  - b) in a relationship
  - c) married
  - d) divorced
  - e) widow
4. What is your permanent address?
5. Have you ever heard about the river-, and/or ocean cruises?
  - a) yes
  - b) no
6. If yes, which companies are familiar to you?
  - a) AmaWaterways
  - b) Avalon
  - c) Carnival Cruise Line
  - d) Disney Cruise Line
  - e) Mahart
  - f) Mediterranean Shipping Cruises
  - g) Royal Caribbean International
  - h) Viking River Cruises
  - i) Other

7. How often do you travel abroad within year?
  - a) I do not travel to abroad
  - b) Once a year
  - c) Twice a year
  - d) 3-4 times a year
  - e) More times a year
8. When you travel to abroad, for how long?
  - a) I do not travel to abroad
  - b) One-day excursions
  - c) 2-3 days, long-weekends
  - d) A week
  - e) 2-3 weeks
  - f) Several times a year
9. When you travel to abroad, what is your destination?
  - a) I stay in Europe
  - b) I travel outside Europe
10. Have you ever been on a cruise ship?
  - a) Yes
  - b) No, but I would like to go
  - c) No, and I would not like to go
11. If you have already been on a cruise ship, was it on river or on ocean cruise?
  - a) I did not travel
  - b) Ocean Cruise
  - c) River Cruise
12. If you have not been on a cruise ship, why not?
  - a) I have been on it
  - b) I do not have enough time
  - c) It is too expensive
  - d) I do not care
13. What was the reason behind your journey?
  - a) I did not travel
  - b) Entertainment, Relaxation
  - c) Work

14. If you have traveled with at least one of the cruises, which company was your choice?
15. How much are you willing to spend for a week to travel with a cruise?
- a) Between 100,000 HUF and 150,000 HUF
  - b) Between 150,001 HUF and 200,000 HUF
  - c) Between 200,001 HUF and 250,000 HUF
  - d) More than 250,000 HUF

## **Appendix 4 – Transcript of the first interview**

- Date: 28 October, 2015
- Personal interview
- Interviewees: Kristóf Sztojanovits (new marketing director of MAHART PassNave Passenger Shipping Ltd.) and Gabriella Tolnai (one of the sales directors of Mahart Tours)
- First part of the interview: The clarification of what subsidiary companies are included in the brand of MAHART - First of all, the Mahart PassNave Passenger Shipping Ltd., which is the largest, market leader passenger shipping company of Hungary. The second one is the Mahartlog – Mafracht Ltd., which has achieved a dynamic growth in the areas of road transportation and logistics. Finally, the third subsidiary company is the Mahart Tours, which is the travel agency of MAHART PassNave Passenger Shipping Ltd.
- During the next session of the interview, the author was curious about the Mahart PassNave Passenger Shipping Ltd. – a little history, size of the fleet, type of the ships, demand on their products (mainly amongst Hungarian travelers), their labor force and the marketing of the company were the main points.
- The introduction of the Mahart Tours was the final step during the interview – a little history, companies with whom the Mahart Tours is dealing with, the distribution of the customers (99% of the customers are Hungarian), the demand of the Hungarian travelers, the target market of the company, in general the capacity of the different ocean, - and river cruises and the marketing activity of the company.



## **Appendix 5 – Transcript of the second interview**

- Date: 26 – 30 October, 2015
- via e-mail
- Interviewee : Nikolett Lázár (one of the Guest Services Supervisor of Carnival Cruise Line)
- The conversation started with a few personal information about the interviewee. The author was curious how a person from a small country can take one of the main positions on a big ocean cruise ship.
- Then the presentation of the Carnival Cruise Line was implemented – the size of the fleet, the marketing activity of the company, the occupancy of the different ships (most of the time the ships are sold out), the most popular cruises, the unique cruises, the highest ratio of their clientele (it is from the USA, followed by the guests from Canada, then UK, Australia, Germany, India, Japan and Mexico), the number of employees (on a ship it is between 950 and 1350, which in case of the whole company is over 45000 employees), the possibilities of entertainment on board and ashore as well.
- Finally, the author was curious about the demand of the Hungarian travelers as well – higher count of Hungarian guests year by year, mostly on the East coast of the United States.