



**viadonau** is convening

Danube Business Talks - Vienna, 10 - 11 October 2018

## “Potentials and Trends regarding Danube River Cruises”

Burghart LELL, Avalon Waterways



## Introduction

“from rowing boats to River Cruise Vessels”



## Markets

-  development
-  trends
-  future developments



## Product

-  restrictions
-  general developments
-  influences on Avalon Waterways product
-  trends (brand profiles)
-  future developments






## Operational Challenges

-  navigation, docking, etc (to be continued in the afternoon)



## Destinations

-  General considerations
-  Analysis
-  To do list



## Conclusion

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photo: Lugano Tourism



## Introduction

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1928

row boats on Lake Lugano, Italian Switzerland

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**Introduction**

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2001

9 / 11





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*First in the industry:*

**French Balconies on two decks**

2004

Avalon Waterways is being launched.



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## THE BLUE DANUBE DISCOVERY

14 days

Spend three nights in Budapest, cruise to Nuremberg, then spend three nights in Prague

**Day 1 (Thu)** Board your overnight transatlantic flight.

**Day 2 Arrival in Budapest, Hungary. (Fri.)** Time to rest or start exploring Hungary's fascinating capital city.

**Day 3 Budapest. (Sat.)** Morning full-day guided sightseeing includes historic Buda Castle, from where you have a splendid view of the twin cities of Buda and Pest spread over both banks of the Danube. Also see 500-year-old Matthias Church, St. Stephen's Basilica and distinctive Fishermen's Bastion. (BB)



**Day 4 Budapest. (Embarkation). (Sun.)** Free morning in Budapest. This afternoon transfer to your luxurious river cruise ship docked in the center of the city. Tonight gather on board for a Gala Welcome Dinner with Gypsy violins. (BB,D)

**Day 5 Cruising: Budapest-Bratislava, Slovakia-Vienna, Austria. (Mon.)** Around midnight the ship slips away from Budapest and continues to Slovakia. A guided morning tour of Bratislava reveals the city's major sights, including the Old Town Hall, stunning Mirbach Palace, the Gothic St. Martin's Cathedral. From 16th-century Bratislava Castle you'll enjoy breathtaking views overlooking three countries-Slovakia, Austria and Hungary. Free afternoon to shop or explore on your own. An eventful day is followed by an evening filled with an enchanting music performance on board. After midnight depart for Vienna. (F&L,D)

**Day 6 Vienna. (Tue.)** Arrive after breakfast and enjoy a wonderful day to savor the captivating baroque elegance of romantic Vienna. A guided sightseeing tour includes the lavish Hofburg Palace, the impressive Vienna Opera House, the majestic Ringstrasse and awe-inspiring St. Stephen's Cathedral. Free afternoon to stroll along Kärntnerstrasse or sample Vienna's famous pastries. Tonight explore the vibrant Austrian capital on your own, or come along for an optional Mozart and Strauss concert. (F&L,D)


**Day 7 Cruising: Vienna-Dürnstein-Melk-Linz. (Wed.)** After midnight depart Vienna and reach the Wachau Valley early this morning. Stop in Dürnstein and marvel at the magnificent blue facade of the baroque Stiftsbücherei. Above town you'll spot the ruins of the castle where Richard the Lionheart, the King of England, was imprisoned in 1192. Your walking tour through medieval cobblestone streets reveals 16th-century town houses and wine taverns. At lunchtime, continue on a short cruise to Melk. A guided tour takes you to the town's magnificent Benedictine Abbey, one of Europe's largest baroque monasteries. An evening wine tasting highlights your visit to the Wachau Valley. Before midnight, continue to Linz. (F&L,D)

**Day 8 Cruising: Linz-Passau, Germany-Regensburg. (Thu.)** After breakfast, take an optional full-day excursion to fascinating Salzburg and the *Sound of Music* sights, or cruise through Upper Austria to Passau in Germany. In Passau the rivers Inn and Ilz join the Danube. During your walking tour, gaze at the fairy-tale city founded more than 2,000 years ago. At dinner time depart for Regensburg. (F&L,D)

*Budapest's Chain Bridge over the Danube*

\* Passau, where the rivers Inn and Ilz join the Danube



**Day 9 Cruising: Regensburg-Danube Gorge. (Fri.)** Morning arrival in Regensburg, one of Germany's best preserved medieval cities. A guided tour will show you the city's architectural highlights, including the Old Town Hall, and the Porta Praetoria - gates to an ancient Roman fort built in 79AD. Marvel at beautiful churches and one of the oldest bridges crossing the Danube. At lunchtime, continue up the Danube to Kelheim, and embark on an exciting boat trip through the lovely Danube Gorge to Wiltenburg Abbey. Tonight, Bavarian folklore entertainers will come on board for some hearty "Danubian" music. (F&L,D)

**Day 10 Cruising: Danube Gorge-Nuremberg. (Sat.)** This morning enter the Main-Danube Canal and relax during a leisurely cruise through the beautiful Altmühl Valley. The Main-Danube Canal straddles the Franconian Alps via 16 locks, truly a fascinating feat of modern engineering. After lunch, a short drive through the pastoral countryside brings you to Nuremberg, the capital of Franconia. Enjoy a guided tour of this historic city with its fabulous Gothic churches and elegant patrician houses. See the storybook 900-year-old ramparts that surround the city, the Imperial Castle and the Justice Palace where the War Crimes Tribunal sat in 1946. Moor overnight in Nuremberg. (F&L,D)

**Day 11 Nuremberg-Prague, Czech Republic. (Sun.)** Disembark after breakfast and transfer to Prague and check into your hotel. The remainder of the day is at your own leisure. (FB)

**Day 12 Prague. (Mon.)** Morning sightseeing reveals why Prague is considered one of Europe's most attractive cities. See thousand-year-old Hradcany Castle, the Old Town, the Jewish ghetto and many other major sights. The afternoon and evening are free to mix with the locals at Wineous Square, shop for souvenirs or enjoy one of the charming cafes or restaurants. (BB)

**Day 13 Prague. (Tue.)** A relaxing day to wander along the banks of the Vltava River; relax at an outdoor restaurant, or shop for local handicrafts and art work. (BB)

**Day 14 (Wed)** Your homebound flight arrives the day after tomorrow.

Tour WG: Danube									
Ship	Dep. City	Arr. City	Days	Days	Days	Days	Days	Days	Days
Serenade	0814	Thu	13 May	2005	2005	2005	2005	2005	2005
Serenade	0821	Thu	23 May	2005	2005	2005	2005	2005	2005
Serenade	0811	Thu	13 Jun	2005	2005	2005	2005	2005	2005
Serenade	0702	Thu	01 Jul	2005	2005	2005	2005	2005	2005

**operated by:**

**AVALON WATERWAYS**

**FEATURES:**  
• Superior Dining  
• Superior Service  
• Superior Entertainment  
• Superior Accommodations  
• Superior Sights  
• Superior Value

**INCLUDED FEATURES:**  
• Superior Dining  
• Superior Service  
• Superior Entertainment  
• Superior Accommodations  
• Superior Sights  
• Superior Value

**PRICED FROM \$2,099\***

\* Pay only \$162 per day

**NOTES:**  
• \*Based on the first time charter to Central Europe  
• Seven nights' cruise from Budapest to Nuremberg  
• Outside cabin with two single beds  
• Nightly port/muse onboard

**AVALON WATERWAYS**

**19**

Avalon becomes the "river cruise specialist" within the "family". . .

## Introduction

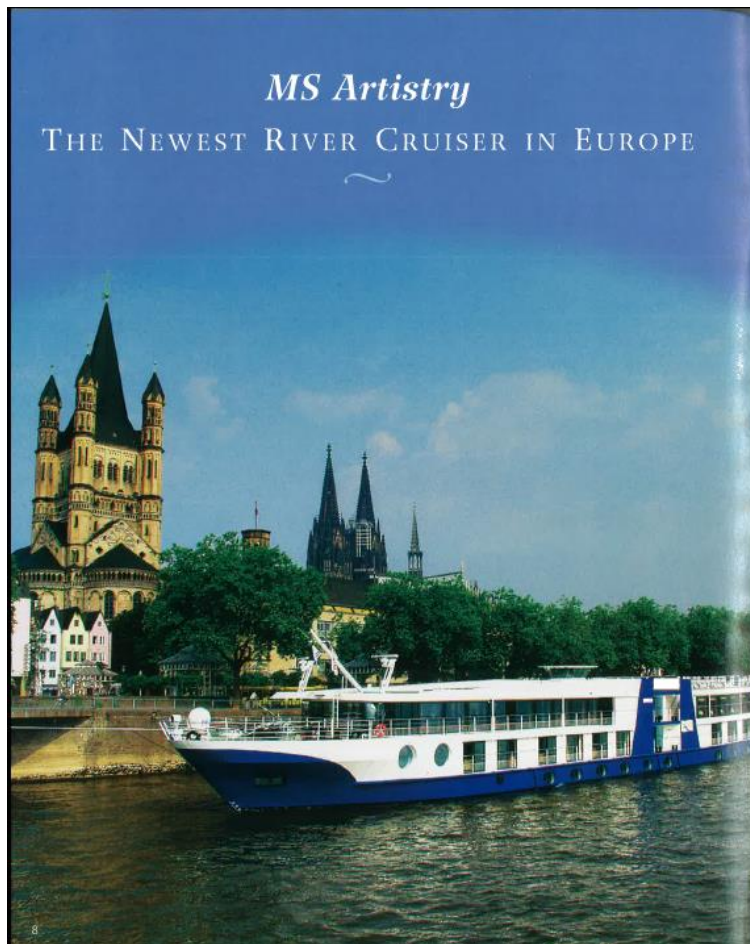
## Markets

## Product

## Operational Challenges

## Destinations

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# MS Artistry

## THE NEWEST RIVER CRUISER IN EUROPE



A LIGHT, AIRY INTERIOR

staterooms (at 172 square feet) of any river cruiser; they are all outside staterooms. Some have picture windows, while 70% have a unique French balcony from which to enjoy the passing scenery. The ship accommodates 178 passengers.

The dining room, lounge and other recreation areas are spacious and airy with both the dining room and lounge offering glass from floor to ceiling so passengers can enjoy panoramic views. Unique to the **Artistry** is the glazed lobby that is open through to the Sky Deck with a central glass cupola—a sparkling welcome to passengers. The exercise room is outfitted with fitness equipment and a whirlpool that can accommodate six people. Massages are also offered.

This is the inaugural season for the **Artistry** and the minute you step on board, you know she's different. The gleaming two-story lobby, lit by a central glass skylight, is a preview of the light, airy feel and the spectacular views you'll enjoy on this modern, spacious ship. And the friendliness and unsurpassed personal service of the English-speaking staff on board and on shore always make you feel welcome.

All rooms are designed by the famous architect Hans Sabert. There are two junior staterooms (258 square feet) and the vessel boasts some of the largest



ON THE SKY DECK

### Included values on board the Artistry are:

- ✦ Relax at the Sky Bar or in the Club Lounge
- ✦ Enjoy the onboard gift shop, hair salon and exercise room
- ✦ Enjoy personal service from our English-speaking staff
- ✦ Open seat dining with one sitting
- ✦ Wine included with all onboard dinners
- ✦ Coffee and tea are available throughout the day
- ✦ The Sky Deck is fitted with newly developed shade systems, which are lowered and guaranteed to be in position immediately after passing under a bridge



STATEROOM

- ✦ All staterooms feature spacious granite bathrooms, large closets, individual climate control, telephone, color satellite TV, radio, minibar, safe and hair dryer
- ✦ All staterooms have internet access
- ✦ All staterooms are outside; some have picture windows; 70% have a French balcony. There are no portholes
- ✦ Beds may be configured as two twins or one queen
- ✦ Connecting rooms are available
- ✦ The interior of the ship is non-smoking



FITNESS CENTER

... and profits from the reputation of the

**GLOBUS®**  
*family of brands*





AVALON AFFINITY



AVALON VISTA



AVALON IMPRESSION



AVALON TRANQUILITY II



AVALON FELICITY



AVALON VISIONARY



AVALON POETRY II



AVALON IMAGERY II



AVALON LUMINARY



AVALON ARTISTRY II



AVALON ILLUMINATION



AVALON PASSION



AVALON PANORAMA



AVALON EXPRESSION



AVALON TAPESTRY II

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2018

15 ships



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## Operational Challenges

-  navigation, docking, etc (to be continued in the afternoon)



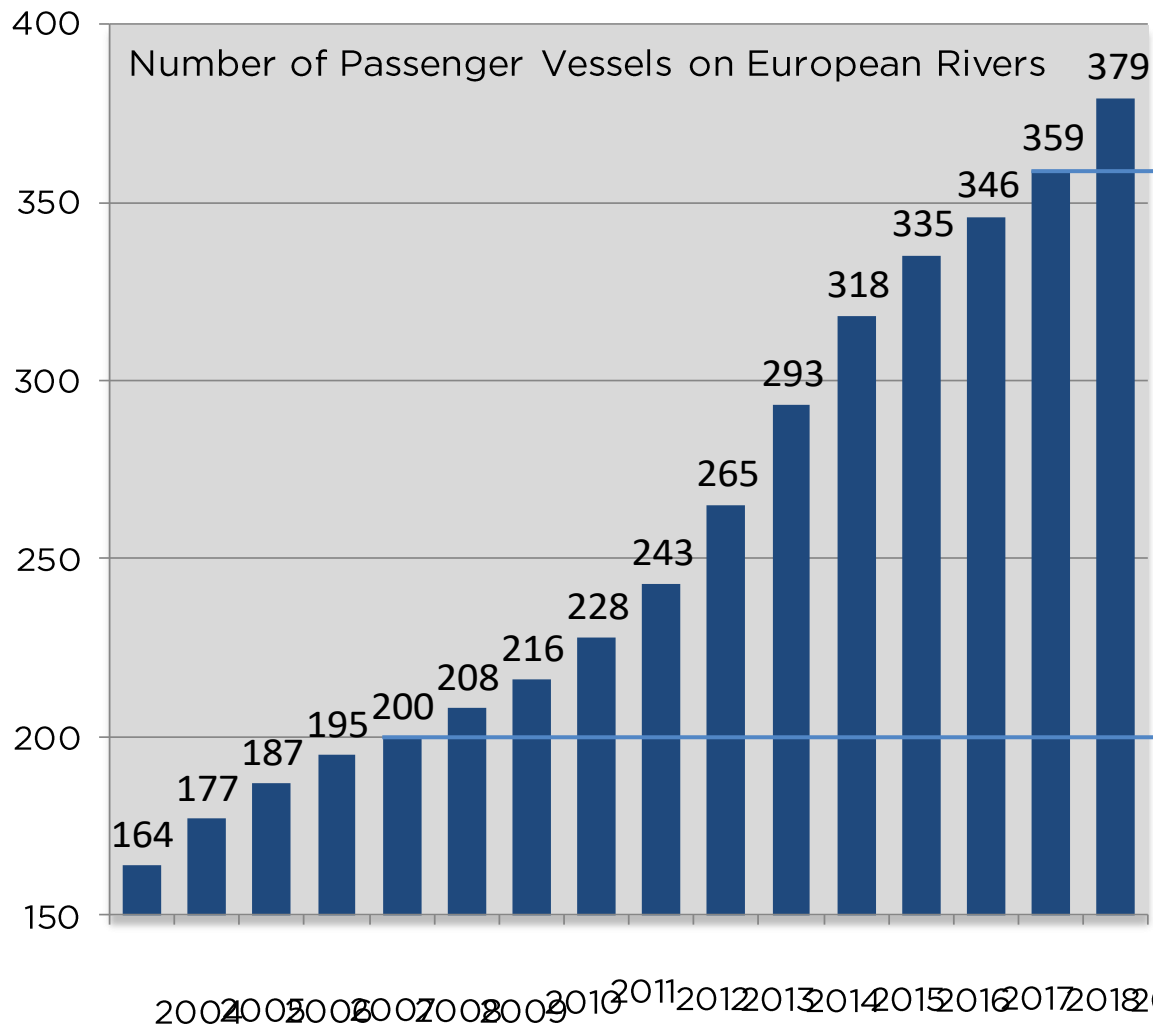
## Destinations

-  General considerations
-  Analysis
-  To do list

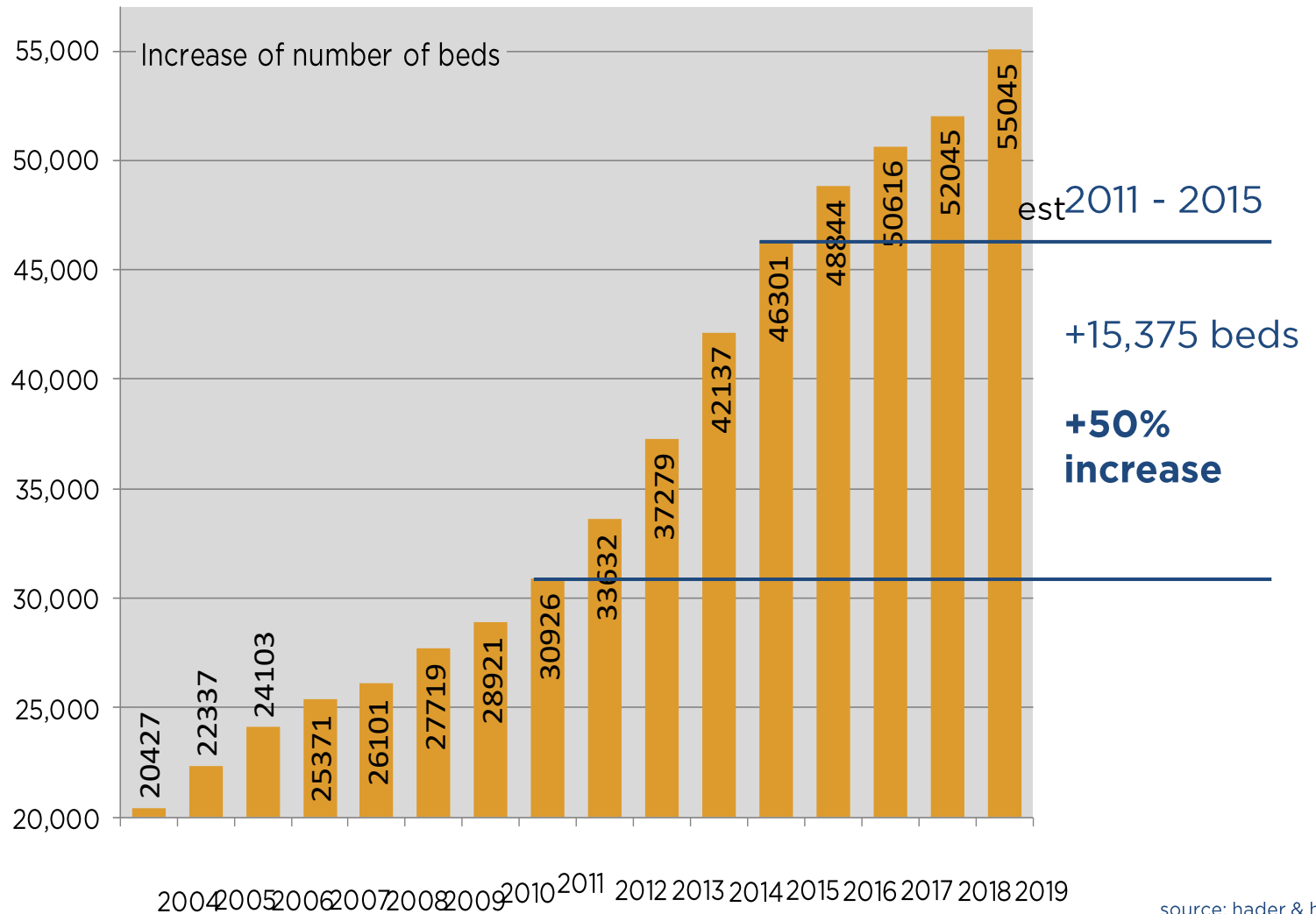


## Conclusion





2009 - 2018  
**+151 ships**  
= 72% increase









## The Average **English** Speaking River Cruise Guest

-  Mid/Late 60's
-  Married
-  Upper Income
-  Retired
-  Empty Nesters
-  Well-traveled
-  Most have toured
-  Heavy cruisers

## Market Specific Trends & Developments

-  In the last decade the number of passenger vessels has increased by 70% and the available beds on passenger vessels has doubled
-  New ships are bigger and offer more beds per vessel.
-  Although older ships are being replaced, the market continues to grow (especially for English Speaking guests)
-  The boom of building new vessels (2011-2015) has slowed down over the last 3 years but it continues!

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## Market Specific Trends & Developments

 We may assume that the product is moving towards a late phase of its **growth stage**. Signs are :

Competition on prices (i.e. discounts)

Add-on offers (i.e. free flights, two for one)

Introduction

Trends

USPs

New Markets

Developments

Challenges






Improvement

Developments

Conclusions



## markets will continue to **GROW!**

-  The Classic German Market is still healthy.
-  New products for younger Baby-Boomers and Generation X appear.
-  From the North American Continent 60 mio travelers show interest in River Cruises.
-  Italian and Spanish markets (including South America) are still developing (not much product is available).
-  Arabic travellers show strong interest (no product has been made available yet)

## markets will continue to **GROW!**



China is actively looking for ships to charter.

Signs indicate that Chinese operators intend to create their own operational infrastructure for river cruises in Europe.



Other Asian countries are discovering river cruises.

The late booking habits of Asian travellers makes it difficult to find capacity from international operators. First Asian only products are being offered.

*many more ships and river cruise tourists can be expected in the coming years along the Danube corridor*



## Introduction

“from rowing boats to River Cruise Vessels”



## Markets



development



trends



future developments



## Product



restrictions



general developments



influences on Avalon Waterways product



trends (brand profiles)



future developments



## Operational Challenges



navigation, docking, etc (to be continued in the afternoon)



## Destinations



General considerations



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To do list



## Conclusion



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Rivers dictate the area of operation



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Introduction

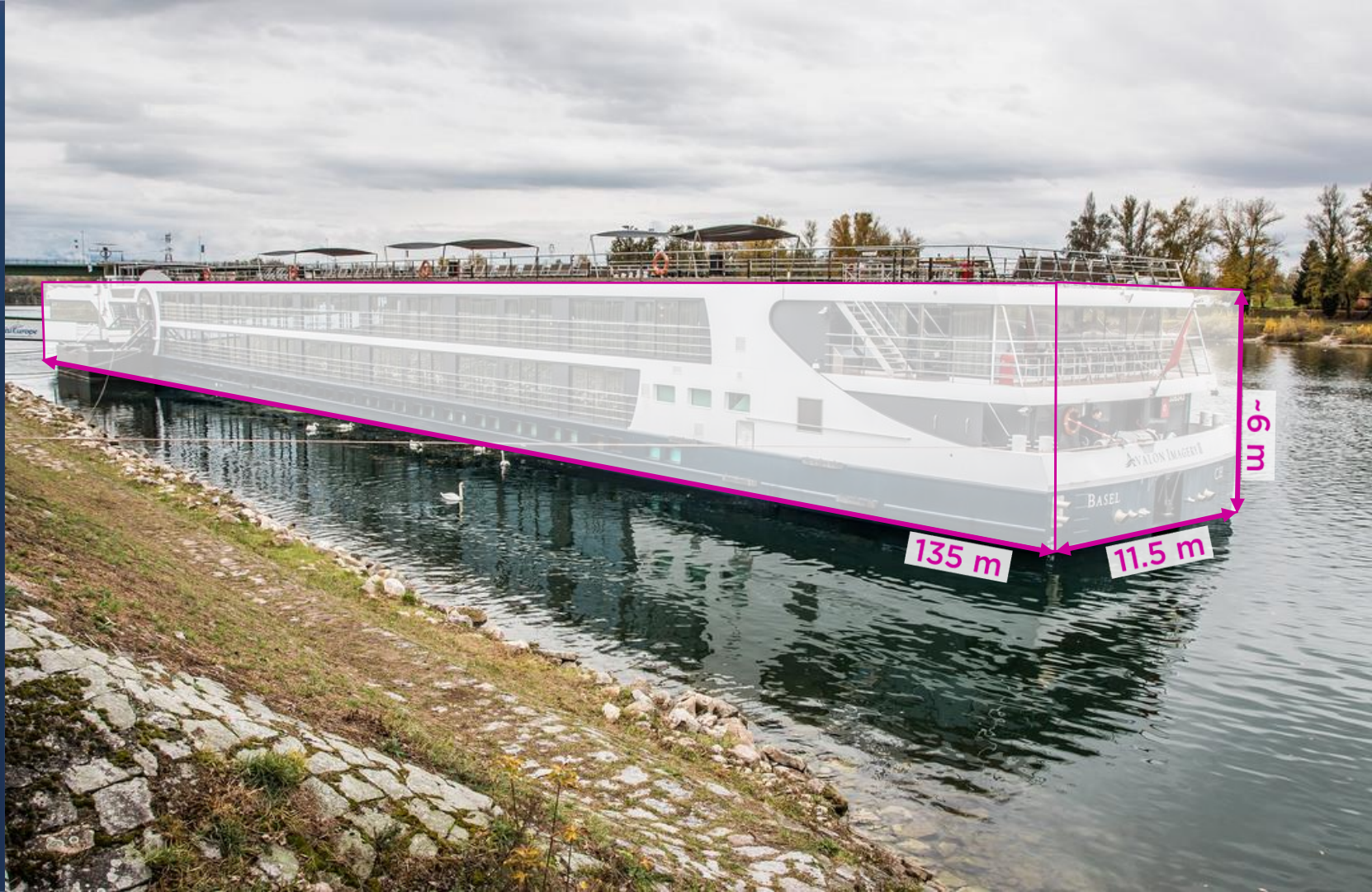
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2008

Scenic introduces the first “space” ship with balconies on 2 decks

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2011 -

**USP:** Avalon launches the first ship with Panorama Suites



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2011 -

**USP: “View”** – Avalon’s beds face the windows





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2011

**USP:** Spacious Bathrooms



# RIVER CRUISING FROM A UNIQUE POINT OF VIEW.

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**THE VIEW IS JUST  
THE BEGINNING**

We know even the smallest details make a big impression. That's why we didn't just turn the boat to face the incredible views. We also opened up the stateroom and made it luxurious. Every one of our Panorama Suites™ includes our unique Open-Air Balcony® with wall-to-wall windows that open a full 7 feet wide letting you invite the outside in any time of the day or night. And we didn't stop there, from spacious bathrooms with marble countertops to included wine with dinner and handcrafted cuisine. We think big so you won't miss a single sip, site or step!

## Brand Developments

-  Emphasis on “marginal” product differences (i.e. balconies)
-  Direct communication with consumers (i.e. direct sales)
-  Differentiation of brands (i.e. brand profile / recognition)

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Luxury



Casual

All Inclusive



Basics & Add-on

Old Style



Modern

Aged Clientele



Young Guests

No Kids



Family Friendly

One Language



Multi Ethnic

Haute Cuisine



Casual Food

Large Offer



only Main Itineraries

Classic Tours



Active Excursions

Expensive



Budget

Formal



Casual

All Inclusive



Basics & Add-on

**Old Style**



**Modern**

**Aged Clientele**



**Young Guests**

No Kids



Family Friendly

One Language



Multi Ethnic

Haute Cuisine



Casual Food

Large Offer



only Main Itineraries

Classic Tours



Active Excursions

Expensive



Budget

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2017







## Introduction

“from rowing boats to River Cruise Vessels”



## Markets



development



trends



future developments



## Product



restrictions



general developments



influences on Avalon Waterways product



trends (brand profiles)



future developments



## Operational Challenges



navigation, docking, etc (to be continued in the afternoon)



## Destinations



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To do list



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## Low Bridges

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## Low Water

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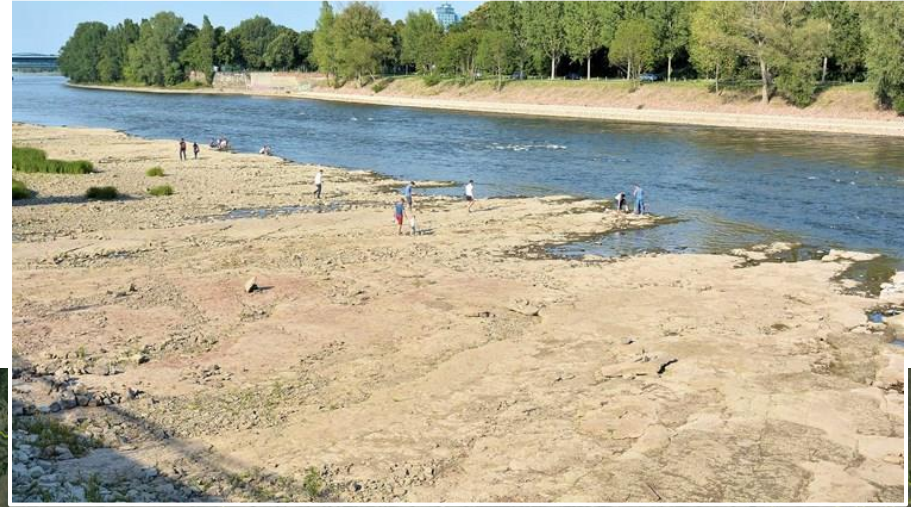
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## Locks

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## Contingency Situations



Water Levels

(forecasts)



**Intervention Time**

(asap)



**Proactive Communication Strategy**

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# NAUTIC

## Docking Positions

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**Access**

(public interest ↔ passenger safety)



**Layout & design**

(security / distance / coach access / parking)



**Equipment**

(water, power access, waste recycling)



**Maintenance**

(Cleaning, repairs, passenger access)



**Assignment**

(ship type / communication / overcrowded)



**Management**

(preferential treatment, commercial space...)





## Introduction

“from rowing boats to River Cruise Vessels”



## Markets



development



trends



future developments



## Product



restrictions



general developments



influences on Avalon Waterways product



trends (brand profiles)



future developments



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navigation, docking, etc (to be continued in the afternoon)



## Destinations



General considerations



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To do list



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*Do we want...*

**to be...**



**or NOT to be...**

***a River Cruise Destination?***

## General Considerations

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-  Strong interest from the markets leads to additional growth
-  Some markets have not yet been addressed
-  Fleets expand – more vessels are built than retired
-  New products appear for new market segments
-  Brand & product diversification (niche markets)
-  Parallel docking of ships due to increased demand
-  Lack of docking positions

→ good opportunity & time to attract River Cruise travellers and operators

→ the industry is looking for new destinations!

# DESTINATIONS

## Analysis

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## OPPORTUNITIES

- 🌊 guests spend money / operators buy services
- 🌊 creation of jobs → more taxes → funds for projects
- 🌊 standard of life attractive for new inhabitants (i.e . young families)
- 🌊 better infrastructure for all

## THREATS

- 🌊 too many guests visit destination → overtourism ?
- 🌊 loosing authenticity and charm of destination
- 🌊 majority of the inhabitants need to support idea – need to assure that the community profits and not only single ones
- 🌊 difficult and costly to withdraw once started
- 🌊 profits might move away from community



# DESTINATIONS

## Must See Sights

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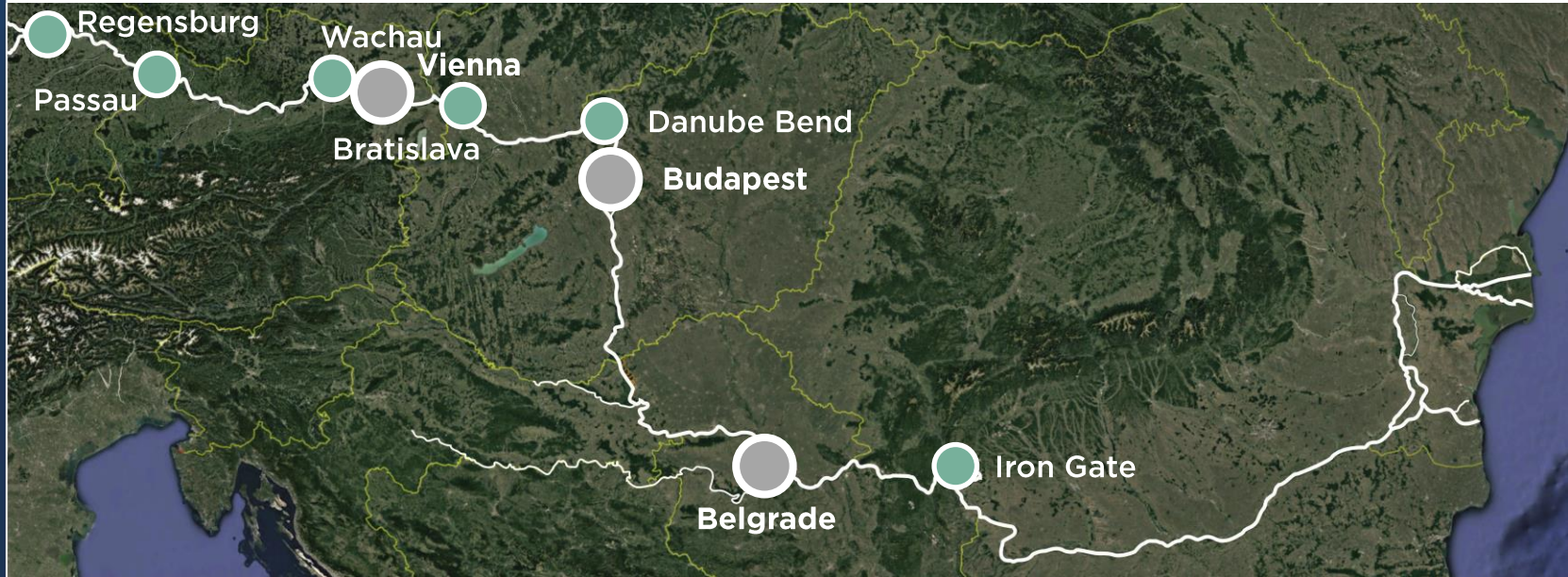
Conclusion



need to be featured – no matter what!

# DESTINATIONS

## Known and famous sights



are attractive!

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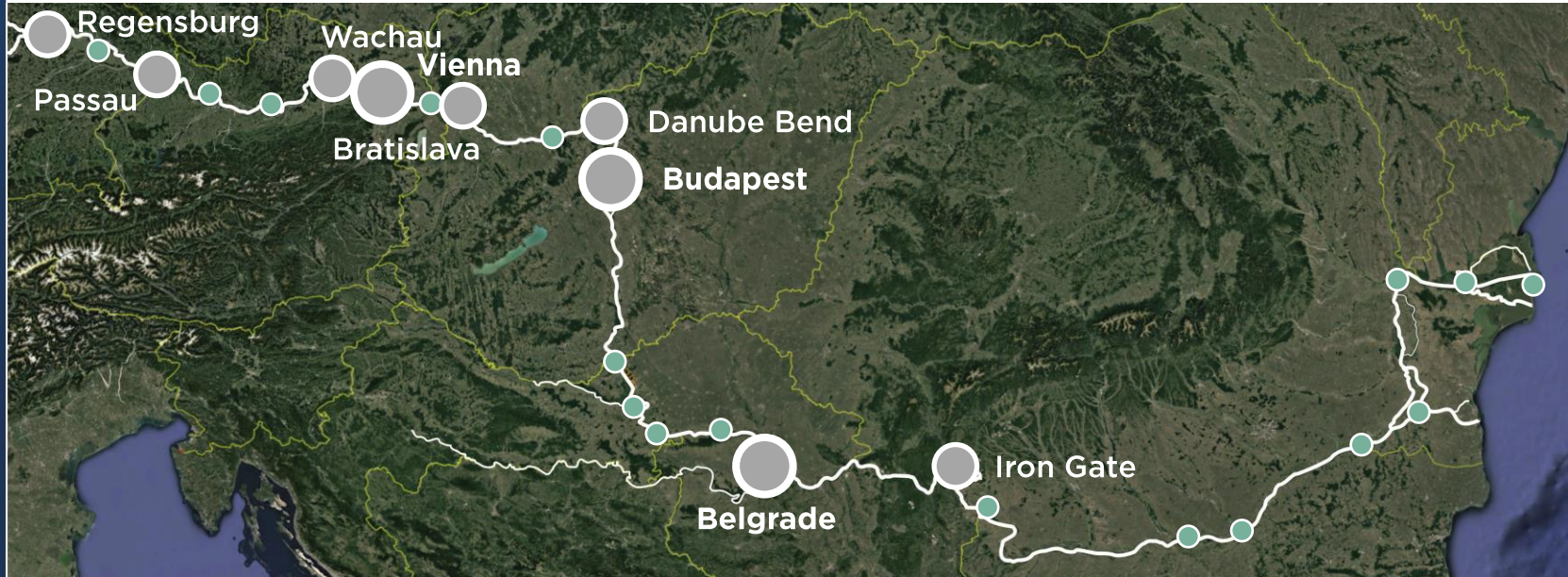
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# DESTINATIONS

Many smaller destinations and lesser known sights



make the difference!

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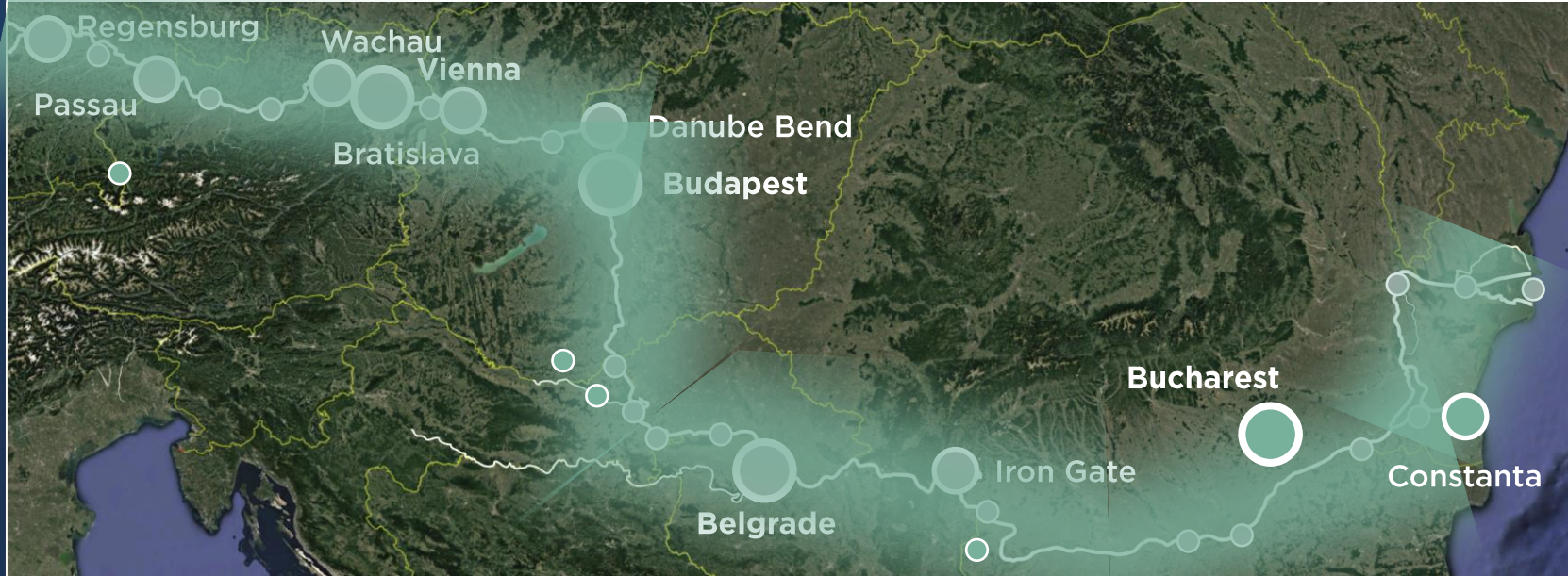
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# DESTINATIONS

But even destinations located not directly at the river



have their appeal!

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## What operators are looking for:

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### *Destinations, that:*



#### ***have something interesting to offer!***



History by itself is no longer enough!



Professional presentation and staging!



Leave a long-lasting positive impression



#### ***can offer more than one land-excursion!***



Alternatives for different interests!



Working with nearby sites to diffuse massing!



Have features for every time of the day!



#### ***share the idea of a sustainable tourism approach!***



Environmentally friendly!



Socio-culturally viable!



Economically fair!



#### ***welcome visitors from other cultures openly!***



no Xenophobia towards tourists or foreigners!

## What operators are looking for:

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Conclusion

### *Destinations, that:*

#### ***seek openly the communication with all parties!***






-  To provide the necessary infrastructure!
-  To discuss how we can support each other!
-  Anticipate possible problems and address these upfront

#### ***can potentially provide other services as well!***

-  Food produce for catering on board!
-  Entertainment features!
-  Repair and maintenance services!

#### ***are open to develop the partnership!***



-  ***More ships and more visitors are to be expected in the years to come!***
-  ***The nautical infrastructure needs to grow hand in hand with this development***  
*Locks / Docking Positions (and its infrastructure)*
-  ***A sustainable approach is needed in each destination to control and direct visitors accordingly (alternatives, cooperation with other communities)***
-  ***Communication among destinations (communities) / river authorities / Operators are essential for a positive & responsible development***
-  ***River Cruise Passengers can add to the standard of living and income of locals and communities.***





**viadonau** is convening

Danube Business Talks - Vienna, 10 - 11 October 2018

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