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Managing Cruise Tourism for Sustainable Development in Dubrovnik: Revisited

Doris Urban^a, Sasa Radas^b

Abstract

The world cruise market is notably dynamic, characterized by frequent shifts in both supply and demand. Dubrovnik, as a leading Mediterranean port, encounters significant challenges related to the high concentration of ships and passengers within short time frames. Addressing these challenges requires a multifaceted approach to effectively manage cruise tourism and ensure sustainable development. One key aspect of managing cruise tourism in Dubrovnik involves implementing strategies to handle the influx of ships and passengers. This can be achieved through scheduling measures that distribute arrivals more evenly throughout the day or week, thereby reducing peak-time congestion. Coordinating with cruise operators and port authorities to stagger ship arrivals can help regulate the flow of tourists more efficiently. Additionally, enhancing port facilities to accommodate larger volumes of passengers and ships is crucial. Upgrading infrastructure, such as expanding terminals and improving transportation links, can alleviate congestion and improve the overall visitor experience. Managing the movement of tourists within the city is also essential to prevent overcrowding at popular attractions. This might include timed entry to key sites, guided tours with regulated group sizes, and improved signage to direct visitors to less crowded areas. Sustainable practices must be integrated into these efforts to preserve Dubrovnik's environment and cultural heritage. This involves promoting eco-friendly cruise operations, managing waste effectively, and implementing measures to protect local ecosystems and historical sites. Looking toward the future, strategic planning is critical for aligning cruise tourism with the city's long-term goals. This plan should address infrastructure development, environmental sustainability, and community engagement. Engaging with stakeholders, including local authorities, cruise operators, business owners, and residents, is important for coordinated decision-making and problem-solving. Regular consultations can ensure alignment and address any concerns that arise. Expanding the range of attractions and experiences available to cruise tourists can also enhance their stay and reduce pressure on popular sites. Developing new cultural, recreational, and culinary experiences that showcase different aspects of Dubrovnik can diversify the offerings. Effective marketing and promotion are essential for positioning Dubrovnik as a premier cruise destination. Highlighting the city's unique features and offerings can help attract high-quality cruise lines and passengers. Finally, continuous monitoring and evaluation of the impact of cruise tourism are necessary for adapting strategies and policies as needed. Regular assessments can help identify issues, measure progress, and ensure that tourism practices remain sustainable and beneficial for all stakeholders. A modern port management system must be designed and operated in a way that effectively addresses and meets the diverse needs of stakeholders while ensuring operational efficiency and sustainability. This involves implementing a complex, integrated management system that encompasses both quality and environmental management standards. To meet stakeholder requirements, the management system must first be robust and organized, providing a clear framework for addressing various interests and expectations. This requires an understanding of the needs of different stakeholders, including port authorities, shipping companies, local communities, and environmental groups. An integrated management approach ensures that all stakeholder requirements are considered and balanced, leading to more effective and inclusive decision-making. Quality management serves as the foundation of this integrated system. It involves establishing standards and processes to ensure that port operations are conducted efficiently, safely, and to a high standard of service. This includes implementing best practices in port logistics, maintenance, and customer service, and ensuring that these practices are regularly reviewed and improved. Environmental management is another crucial component, necessitating an upgrade to meet modern standards. Ports must address environmental concerns related to air and water quality, waste management, and ecological impacts. This involves adopting measures to reduce emissions, manage waste responsibly, and protect local habitats. An effective environmental management system should include regular monitoring, reporting, and compliance with regulations to minimize the environmental footprint of port operations. Integrating these management systems requires a holistic approach that aligns quality and environmental goals with the overall strategic objectives of the port. This includes fostering collaboration between different departments and stakeholders, utilizing advanced technologies for monitoring and management, and ensuring continuous improvement through regular assessments and audits.

Keywords: Cruise Tourism, Sustainable Development, Port Management

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1. INTRODUCTION

Dubrovnik stands out as Croatia's premier destination for cruise tourism, significantly contributing to the Croatian

^a Department of Economics and Business Economics, University of Dubrovnik, Croatia

^b Department of Economics and Business Economics, University of Dubrovnik, Croatia

Adriatic's economic turnover, accounting for approximately 80%. Its appeal stems from a combination of cultural and historical resources, natural beauty, and a strategic geographic location between Venice and Greece. This position has made Dubrovnik a key stop on cruise itineraries in the eastern Mediterranean. As the leading cruise destination on the Adriatic Coast, Dubrovnik is experiencing a period of substantial growth. This growth highlights the need for sustainable development to balance tourism benefits with effective management. Despite the advantages that cruise tourism brings, the influx of large numbers of cruise ships and passengers in brief periods presents challenges. These challenges necessitate improved organization in managing arrivals, enhanced coordination among stakeholders, and the establishment of a dedicated authority to oversee cruise tourism in Dubrovnik. Local organizations involved in cruise tourism development report a satisfactory level of organization concerning maritime, security, and administrative functions. However, to ensure the effective and rational management of the passenger port, it is crucial to review and evaluate all factors that impact its operations. This review should encompass both direct and indirect elements affecting the port's functionality.

To address these needs, it is proposed to establish the Dubrovnik Cruise Management Centre (DCMC). This center would serve as a managing, advisory, and coordinating body aimed at harmonizing the interests of all stakeholders involved in cruise tourism. Its main objective would be to facilitate close cooperation between the port and relevant city and county institutions, government bodies, and businesses. By aligning these interests, the DCMC would help ensure that Dubrovnik's cruise tourism continues to develop sustainably while meeting the needs of all involved parties. A modern port management system must be meticulously organized and managed to ensure that the needs and expectations of stakeholders are recognized and met. To achieve this, there must be a shift towards a more integrated approach to process control. For the Port of Dubrovnik, future development should focus on establishing a comprehensive system that integrates all aspects of port operations. In 2010, the Port Authority of Dubrovnik introduced a Quality System based on ISO 9001. This step demonstrated the port's commitment to meeting high-quality standards and its readiness to improve continuously. The Quality System aims to enhance customer satisfaction and align with broader social interests, which are essential for successful business operations. The integration of such a system reflects the port's dedication to both operational excellence and ongoing improvement.

2. THEORETICAL BACKGROUND

Cruising emerged as a significant phenomenon in the tourism industry with the introduction of purpose-built cruise ships in the 1970s, a trend that gained considerable momentum during the 1980s and particularly the 1990s (Mancini, 2000). Sea cruises, characterized by their reliance on vessels and sailing, are classified under nautical tourism (Institute for Tourism, 2007). Mancini defines a cruise vacation as a trip taken by ship that is distinct from other sea travel purposes, such as business trips on cargo ships, private sailing, or using ships merely as a means of transport. The essence of a cruise vacation lies in fulfilling the desire for a leisurely escape from everyday life. Passengers seek out cruises for various reasons including relaxation, new experiences, learning opportunities, adventure, and enjoyment. The complexity of the term of sea cruising as a specific form of tourist offer is pointed out by numerous authors as well as numerous definitions of this phenomenon: Cruise ships are increasingly viewed as floating hotels or resorts rather than mere modes of transportation (Middleton and Clarke, 2002). This perspective highlights their transformation into floating resorts that compete directly with land-based accommodations, offering an array of facilities akin to those found on land (Kasper et al., 1999). According to Coulson (2001), cruising meets diverse customer expectations by providing exotic destinations, luxurious staterooms, high standards of service, opportunities for social interaction, gourmet cuisine, and comprehensive onboard activities and entertainment—all included in the cruise price.

Bagot (1998) describes cruises as a tourist product designed for organized stays within the ship's environment. Cartwright and Baird (1999) further characterize cruising as a multi-centre holiday, where passengers carry their accommodation from one destination to another. These definitions collectively emphasize that the ship itself has become a primary attraction, with the experience onboard being central to the vacation, rather than the ship serving only as a means of transport. Cruise tourism has experienced remarkable growth over the past decade, demonstrating a significant increase in demand across various markets. This growth underscores the cruise industry's dynamic expansion relative to international tourism, reflecting its status as one of the fastest-growing segments in the tourism sector.

Table 1: International demand for cruises (mil. passengers)

	1999	2005	2007	2009	2010
North America	5.86	9.96	10.45	10.40	11.11
Europe	1.88	3.15	4.05	5.00	5.54
Rest of the world	0.85	1.21	1.37	2.10	2.25
Total	8.59	14.32	15.87	17.50	18.8

The table 1 outlines the international demand for cruises from 1999 to 2010, broken down by three regions: North America, Europe, and the Rest of the World, with the total demand presented for each year. From 1999 to 2010, there is a clear growth trend in cruise demand across all regions. North America consistently represents the largest market for cruises, starting at 5.86 million passengers in 1999 and growing to 11.11 million by 2010. This significant increase reflects the steady popularity of cruises in this region, though the growth rate appears to slow down after 2007. Europe shows a rapid increase in cruise demand over this period, rising from 1.88 million passengers in 1999 to 5.54 million in 2010. This

region experiences significant growth, especially between 2005 and 2010, indicating a growing interest in cruises within European markets. The "Rest of the World" category, which includes regions outside North America and Europe, also sees growth, though at a slower pace. Starting with 0.85 million passengers in 1999, this segment more than doubles by 2010, reaching 2.25 million passengers. This suggests an expanding interest in cruises in other global markets, though the total number of passengers remains smaller compared to North America and Europe. The total global demand for cruises increases substantially over the period, from 8.59 million passengers in 1999 to 18.8 million in 2010. The growth is steady, with notable jumps in demand between 2005 and 2010, driven largely by the rising popularity of cruises in Europe and gradual increases in the "Rest of the World" markets. The data reflects a growing global interest in cruises, with North America leading in total demand but Europe showing the fastest growth rate, and other regions gradually increasing their participation in the global cruise market.

In the early 1980s, the cruise industry had just under two million passengers (World Tourism Organization, 2003). By 2010, this number had surged to 18.8 million, reflecting a dramatic increase in popularity. The North American market led this growth, accounting for 59% of cruise passengers, while Europe was the second largest market with a 29% share in the same year. Several factors contribute to this high average annual passenger growth rate (Peručić, 2010). First, cruising has evolved into a mass phenomenon, attracting a broad audience. The internationalization of cruise companies, with three major corporations dominating the market, has also played a significant role. The industry has embraced gigantism, with the construction of increasingly larger ships driven by economies of scale and rising demand for cruise vacations. Additionally, large cruise ships have transformed into uniquely deterritorialized destinations, affecting tourist destinations, capital, and labor. The high value for money and the successful implementation of targeted marketing strategies further support the industry's growth and appeal.

The trend towards gigantism in the cruise industry has been largely driven by economic factors and a consistent increase in demand. Over half of the world's active cruise fleet now consists of mega ships, each larger than 80,000 gross tons and capable of carrying more than 2,000 passengers (Shipping Statistics and Market Review, 2011). The market is predominantly controlled by three major corporations, which collectively hold 77% of the global cruise berths. Among these, Carnival Corporation and Royal Caribbean Cruise Lines are the two leading global players, commanding 69% of the total lower berths in the world's cruise fleet. Star Cruises follows with an 8.1% share. These three multi-brand groups cover all market segments and operate highly modern fleets, with an average age of 11.4 years (Shipping Statistics and Market Review, 2011). The Study Report "Tourist Facilities in Ports: Enhancing Sustainable Growth of Cruise Tourism in Europe" identifies several key trends in the cruise industry: The trend toward shorter cruise durations is becoming more common, with cruise holidays generally becoming shorter in length. This shift is accompanied by a rise in experienced cruisers who have previously explored many major tourist destinations, leading to an increased interest in new and diverse experiences. Additionally, the budget tourist segment has gained prominence, representing a shift from traditional luxury cruise tourism to more affordable options.

The industry is also seeing an increase in ship capacity, as larger vessels benefit from economies of scale, resulting in lower operating costs per passenger. Alongside this, there is a growing interest in unique and personalized cruise experiences, with a smaller yet increasing number of tourists seeking distinct adventures rather than mass-market offerings. Another notable trend is the decline in the average age of cruise passengers, reflecting a broader demographic appeal. Emerging markets, particularly in China and India, are becoming significant sources of new cruise tourists, driven by the growing economies in these regions. Moreover, there is a trend toward extending the cruise season, especially in the Mediterranean, where favorable climate conditions allow for longer operational periods. Lastly, ports are required to adhere to stricter safety protocols under the International Ship and Port Facility Security (ISPS) Code, which was established in response to the September 2001 attacks on the United States. The Caribbean remains the leading region for cruise tourism, with the Mediterranean following closely behind. Cruise tourism in the Mediterranean began to grow rapidly in the 1990s. Between 1993 and 2010, the demand for cruise trips in the Mediterranean surged from 3.6 million passenger nights to 27.69 million passenger nights. Despite this growth, seasonality remains a significant issue; the cruising season typically spans from March or April to October or November. To address this, some European cruise lines keep their ships in the Mediterranean year-round, promoting the concept of year-round cruising.

The expansion of the Mediterranean cruise market is evident in the increasing number and capacity of ships. The number of lower berths available in the region more than doubled from 85,242 in 2001 to 190,114 in 2010. This growth reflects the rising demand for Mediterranean cruises, driven partly by North American markets and the development of European source markets. As a result, cruise lines are deploying larger ships to the Mediterranean, vessels that were previously more common in the Caribbean. The benefits of cruise tourism are substantial for home ports, ports of call, and coastal regions. These benefits include economic gains from tourism spending and increased regional visibility. The ongoing expansion and increasing capacity of ships in the Mediterranean highlight the region's growing importance in the global cruise industry. The presence of cruise ships in ports, even for just a day or a few hours, results in considerable economic benefits for the cities and regions they visit. Tourists arriving on these ships contribute to increased local spending on a variety of services, including tours, food, drinks, and visits to cultural and historical sites. This heightened activity brings several positive impacts to the visited ports. The cruise industry significantly enhances the economy of port regions, cities, and countries, with substantial direct spending by cruise lines, passengers, and crew. In Europe alone, the cruise industry generated €35.2 billion in total output in 2010, with €14.5 billion coming from direct spending. This sector also created over 307,000 full-time equivalent jobs and contributed €9.3 billion in employee compensation. Additionally, cruise tourism helps promote ports and cities, raising their profile as travel destinations and generating considerable employment opportunities. It serves as a means for passengers to sample destinations, which often leads to repeat visits for land-based

vacations, further boosting the local economy.

However, the growth of cruise tourism is not without its challenges. The influx of tourists can lead to overcrowding in ports and popular attractions, negatively impacting the quality of land-based tourism and affecting the local residents' quality of life. Environmental concerns also arise, as cruise tourism can contribute to pollution and strain on local ecosystems. Furthermore, the rapid expansion of the cruise industry has created capacity issues in ports and their surrounding areas, placing pressure on infrastructure and services. Despite these challenges, the significant economic benefits of cruise tourism are pivotal in the tourism development strategies of many Mediterranean countries. The industry's contributions to local economies are substantial, even as it presents challenges that require effective management to promote sustainable tourism practices.

3. CRUISE TOURISM IN DUBROVNIK

The development of trade and the introduction of the railway in Dubrovnik highlighted the need for a new seaport. Initially, the port was designed to handle both cargo and passenger traffic. The layout included a dedicated passenger wharf and a separate area for cargo ships, complete with cranes for loading and unloading cargo. Additionally, there was a terminal for managing the transfer of railway wagons, which transported various goods throughout the former Yugoslavia. Dubrovnik's status as a premier tourist destination is well-established due to its rich tourism resources. However, the maritime cruise market demands a more refined and sophisticated offering. This includes not only functional and high-quality service components but also exceptional service capabilities. For maritime companies, the focus is on several critical service elements. These include the shipping and travel receptive capacity, the quality of port infrastructure, and the provision of essential travel and supplementary services. Efficient port operations, handling procedures, and additional services such as ship supply, excursion programs, and transfers are crucial to meeting the expectations of cruise operators and their passengers.

Dubrovnik stands out as a significant destination in the contemporary mega-cruise segment, marked by brief ship stays and inclusion in the itineraries of most major Croatian ports. It ranks highly among the most frequented destinations for mega ships, which are characterized by their mass appeal, short stays, and a focus on onboard facilities, with typical cruise durations ranging from three to seven days. In 2010, the analysis of cruise turnover by segment revealed that the contemporary segment was the most prominent, accounting for 42.5% of the total. This segment predominantly sees cruise traffic from April to October. The destination-oriented cruise segment and the luxury segment followed closely, each representing 17.8% and 17.2% of the traffic, respectively. The premium segment contributed 16.3%, while the budget segment was the least represented, making up only 6.2% of the cruise traffic.

4. MANAGING, ADVISORY AND COORDINATING AUTHORITY

Local service organizations involved in tourism development for cruising have demonstrated a satisfactory level of organization in terms of maritime, security, and administrative functions at the local level. However, managing the marine passenger port effectively and rationally requires a comprehensive review and evaluation of all elements impacting its operations. The synergistic effect of addressing these elements can yield numerous benefits, including increased passenger traffic at the port, a rise in cruise passenger numbers, the creation of new jobs, and additional revenue generation. The management of the port is guided primarily by port law and associated maritime and traffic regulations, which define aspects such as distribution, ownership, and port management. Therefore, it is essential to consider these regulations, along with general business conditions and port usage guidelines, when developing an integrated tourism management model for cruising.

To facilitate close cooperation among the port, city and county institutions, government bodies, and businesses, it is crucial to establish a governing and coordinating entity, such as the Dubrovnik Cruise Management Centre (DCMC). The DCMC's main goal would be to align the interests of all stakeholders involved in cruise tourism development. Given the significant role of cruise tourism in extending Dubrovnik's tourist season and increasing tourism revenue, developing a management model for cruise tourism should focus on strategic, long-term management, with a strong emphasis on marketing. This approach will ensure that Dubrovnik continues to benefit from its position as a major cruise destination. The primary challenge in designing a management and coordination body for cruise tourism in Dubrovnik stems from the extensive range of stakeholders involved in various segments of the cruise tourism sector. This includes state bodies and institutions, county and city governing bodies, the Port Authority, shipping companies, and numerous local entities such as travel agencies, shipping agencies, and chambers of commerce. Additionally, non-governmental organizations (NGOs) and the local population also play crucial roles. A significant issue is the current low level of organization and poor coordination among these diverse stakeholders, which hampers the development of cruise tourism. This lack of effective organization and inadequate road infrastructure contributes to severe traffic congestion, a major problem for Dubrovnik. In response to these challenges, the City of Dubrovnik has initiated a series of systematic measures aimed at improving service quality for tourists, alleviating traffic congestion, and promoting sustainable tourism development. Since February 2007, a dedicated team has been working on these issues, comprising representatives from all relevant city departments, the city administration, port authorities, maritime agencies, traffic police, and the Dubrovnik Tourist Board. This collaborative effort aims to enhance the efficiency of tourist services, manage traffic loads better, and ensure the preservation of the city's sustainability as tourist numbers, especially from cruises, continue to grow each year.

To enhance Dubrovnik's appeal as a cruise destination, the city established a Cruise Office in January 2010 in collaboration with the Port of Dubrovnik and the Dubrovnik Tourist Board. This initiative aims to improve passenger services by standardizing procedures and conditions for their reception, as well as providing vocational training for staff

involved in these processes. The Cruise Office is tasked with monitoring the cruise market and engaging in marketing activities through specialized media and exhibitions such as Seatrade Miami and MedCruise. The office's priorities include improving the overall passenger experience by proposing better transportation options, setting up information desks, and organizing entertainment programs and local product offerings. It also focuses on arranging excursions, health and recreation services, and analyzing passenger satisfaction. These efforts are intended to boost Dubrovnik's attractiveness as a cruise destination by ensuring high-quality service and streamlined operations.

In January 2010, the Mayor of Dubrovnik established Destination Management Dubrovnik, an organization tasked with proposing and implementing strategic objectives for the development of Dubrovnik as a tourism destination. This body was created to address specific assignments and deadlines related to the city's tourism development. Although Destination Management Dubrovnik operates under the City of Dubrovnik, it is anticipated that it will function within the Dubrovnik Tourist Board framework in the future. The Tourist Board, chaired by the Mayor as per the Law on Tourist Offices (NN 152/08), is responsible for promoting Croatian tourism and managing the tourism destination. It is financed through membership fees and a portion of tourism taxes. While Destination Management Dubrovnik does not have formal legal authority, its role is advisory. It contributes to the strategic development of the destination and guides activities that are ultimately directed to professional bodies with legal mandates, such as the City of Dubrovnik and the Mayor's Office.

When formulating the strategic intent for the Port of Dubrovnik, including its vision, mission, goals, and strategies, it is crucial to consider the dynamic, turbulent, complex, and volatile nature of the external environment. This involves assessing factors using the PEST model, which examines the political, economic, social, and technological contexts that can significantly influence the operations of all stakeholders involved in cruise tourism. These factors can either support or restrict the development and effectiveness of the sector. The managerial, advisory, and coordinating body known as the Dubrovnik Cruise Management Centre (DCMC) must have a clearly defined strategic intent. This will ensure that its actions are focused on delivering high-quality services to passengers and fostering the sustainable growth of cruise tourism. The DCMC should work towards aligning the interests of various stakeholders, including port authorities, municipal authorities, travel agencies, shipping agents, tourist offices, and the police.

Given the continuous growth in cruise demand, addressing the challenges of cooperation among all participants in the cruise process is essential for maintaining a seamless cruise experience in Dubrovnik. The establishment of the DCMC is pivotal in harmonizing the diverse interests of all parties involved, ensuring that the development of cruise tourism is both effective and sustainable. The Dubrovnik Cruise Management Centre (DCMC) can be structured in several ways according to the models proposed by Ban et al. One approach is to integrate it within the existing framework of Dubrovnik Destination Management, functioning as part of the city's broader tourism management system. Alternatively, the DCMC could be incorporated into the Dubrovnik Tourist Board, specifically under the Cruise Office, focusing on enhancing cruise tourism through targeted marketing and operational improvements. Another option is to establish the DCMC as an independent entity, potentially a nonprofit organization dedicated to cruise tourism.

In collaboration with Destination Management Dubrovnik and the Port Authority of Dubrovnik, the decision has been made to embed the DCMC within the organizational structure of Destination Management Dubrovnik. The DCMC will operate at the middle management level and work through the Mayor's Office, aligning its activities with the city's tourism strategy. Looking forward, the development of the Port of Dubrovnik should be guided by an integrated process control system. The Port Authority's adoption of the Quality System based on ISO 9001 in 2010 highlights its commitment to high-quality standards and continuous improvement. This commitment supports the application of Total Quality Management (TQM), which is fundamental for creating a comprehensive quality system. To establish an integrated management system, it will be necessary to reorganize the current structure, evaluate organizational strengths and weaknesses, and focus on improving customer satisfaction and overall business performance. This requires a thorough understanding of the organization's processes and resources, integrating them into a cohesive system that enhances management efficiency and service quality.

In 2010, the Port Authority of Dubrovnik initiated the standardization of its business procedures by dividing its operations into several sections, each with clearly defined tasks, powers, duties, and standardized documents and procedures for handling them. This organizational restructuring aimed to improve efficiency and ensure consistency in operations. The use of the F4B programming tool, supported by the Port Authority's Information System (IS), played a crucial role in this process, laying the groundwork for the integration of business processes and ISO certification. Despite these advancements, achieving Total Quality Management (TQM) requires more than just adopting ISO standards. A true TQM system integrates not only quality management but also environmental management, safety management, and social responsibility. Globally, organizations are moving towards integrated management systems that combine various aspects of management. The TQM model often includes ISO 9001:2000 for quality management, ISO 14001:1996 for environmental management, OHSAS 18001 for occupational health and safety management, and ISO 26000 for social responsibility. This holistic approach ensures that quality improvements are aligned with environmental sustainability, safety standards, and social responsibilities, leading to a more comprehensive and effective management system.

Analyzing organizational approaches through a systematic lens reveals that an organization is a complex assembly of structural elements essential for executing business processes. These elements include a strategic document that articulates the organization's commitment through its mission, vision, strategy, policy, and management of both general and specific goals. Additionally, the organizational structure outlines the hierarchy and division of responsibilities, while business processes define the workflows and procedures needed to achieve the organization's objectives. Resources refer to the assets, including human, financial, and physical, required for operations, and partnerships involve relationships with external entities that support the organization's goals. Information and communication are critical for ensuring that

relevant data is shared effectively across the organization. To drive improvement in business results, the organizational system should focus on several key aspects. It is important to establish clear links between strategic objectives and operational processes to ensure alignment and coherence. A results-oriented approach emphasizes achieving objectives and business outcomes, with mechanisms in place to address instances where goals and expected results are not met. Fostering a culture of continuous improvement requires creating awareness and a proactive attitude toward ongoing enhancements. Involving a broad range of people in adopting simple and understandable methods further supports effective implementation and operational success.

5. FUTURE DEVELOPMENT DIRECTIONS OF DUBROVNIK PORT AUTHORITY

In 2010, the Dubrovnik Port Authority took on several key responsibilities to enhance its business operations, including managing annual business and marketing plans, periodic reporting, and adhering to international accounting standards through a partnership with the European Bank for Reconstruction and Development. To improve its operations, the Port Authority focused on several crucial elements: reorganization to clearly define business processes, allocation of tasks and responsibilities, development of comprehensive documentation, and establishing a reporting system that supports management decisions. To manage the daily flow of business processes effectively, the Port Authority divided its work area into several sections. Each section had clearly defined tasks, responsibilities, and standard procedures, which included detailed documentation. Most business processes were supported through an integrated information system designed for the Port Authority, known as IS Dubrovnik. This system comprises several modules covering specific business areas, including protocol and post office, accounting and finance, concessions, contracts, archive documents, operational records, human resources, logging, card issuance, and planning and monitoring. The system utilizes a central database to manage data, provide access to authorized users, facilitate reporting, and support internet access and archiving. The documentation system within IS Dubrovnik enables efficient protocol management, document distribution, and archiving. Users can access documents based on granted permissions, and the system allows for quick searches by various criteria. Data entry is multifunctional, meaning once data is entered, it can be utilized in subsequent operations. A significant advantage of this setup is the ability to generate management information systems, providing users with detailed insights into all aspects of the business. This system includes a series of reports for decision support, offering a comprehensive view of activities, including revenue centers and financial aspects. Effective cruise tourism management requires specific prerequisites, including the establishment of a managing and coordinating authority, an organizational structure focused on processes, advanced computer support, and knowledge of methodologies such as Six Sigma, Benchmarking, and Lean. These elements are essential for implementing integrated management models and ensuring the success of cruise tourism initiatives.

Organizations, including the Port of Dubrovnik, function as open dynamic systems within a turbulent business environment. Understanding and responding to this environment is crucial for improving the likelihood of success, and tools such as SWOT analysis are fundamental for this purpose. Effective information and communication play a critical role in every step of this model, ensuring that the organization can adapt and thrive. The process of implementing an integrated management system at the Port of Dubrovnik begins with strategic management. This initial phase involves defining the strategic plan, which includes setting a vision, mission, goals, strategies, and policies. This foundational step is essential for developing a clear conception of the organization's future direction and positioning. Once the strategic plan is established, the next crucial step is the formation of the Dubrovnik Cruise Management Centre (DCMC). This body will oversee the implementation of the strategic plans, managing key processes and addressing potential issues. The DCMC will provide advice for continuous improvement, which is vital for successfully introducing and maintaining an integrated process management system at the port.

Given the inherent complexity of port operations, adopting this model of integrated management processes is often the most viable solution. It helps ensure that the Port of Dubrovnik can effectively navigate its dynamic environment, meet its strategic objectives, and enhance overall operational efficiency. To establish an effective integrated process management system at the Port of Dubrovnik, it is essential to focus on continuous improvement and the needs of a diverse group of stakeholders. These stakeholders include passengers, tourists, visitors, employees, suppliers, customers, creditors, government entities, competitors, partners, governmental and non-governmental organizations, trade unions, and the local community. Compliance with standards such as ISO 9001, ISO 14000, OHSAS 18001, and ISO 26000 guidelines is crucial for meeting these needs and ensuring a comprehensive management approach. The integrated management system should be designed to enhance the effectiveness and efficiency of the organization by aligning interrelated processes with the organization's goals. A well-implemented system based on ISO 9001:2000 can significantly impact business performance by improving overall operational processes.

Furthermore, incorporating an environmental management system according to ISO 14000 brings numerous advantages. It helps the port gain a more favorable market position, addresses the needs and requirements of users and stakeholders, and fosters better communication within all levels of the organization. This system also improves public relations, reduces accident risks, and offers more favorable terms for loans and insurance. Additionally, it simplifies the permit acquisition process, enhances cost management, and lowers waste management costs. Improved working conditions for employees are another significant benefit, contributing to a safer and more productive work environment. The implementation of a health and safety management system based on OHSAS 18001 specification is critical for managing risks related to health and safety, showcasing a commitment to sustainable development, and addressing the challenges posed by globalization. While OHSAS 18001 focuses on these areas by providing a structured approach to managing risks and ensuring a safe working environment, ISO 26000 offers guidelines rather than requirements. It helps organizations understand and adopt

socially responsible practices but does not provide certification.

ISO 26000 guides organizations in behaving responsibly by considering the definitions and concepts of social responsibility, understanding the environmental trends and characteristics, and integrating socially responsible practices into their operations. This standard emphasizes the importance of social responsibility, without setting certification requirements, focusing instead on encouraging good practices in behavior and implementation. To effectively apply these standards, management needs to develop a comprehensive strategy for the integrated management process. This strategy should align with the established vision and mission, continuously improve the effectiveness of the Integrated Management System, and achieve high levels of customer satisfaction. It must also focus on establishing a high level of security, demonstrating socially responsible behavior, fostering cooperation with the local community on environmental issues, and ensuring adherence to laws and regulations. Additionally, the strategy should provide a clear framework for setting and evaluating the Integrated Management System's performance and be understandable and accessible across all organizational levels. For the Port of Dubrovnik, establishing integrated management processes will enhance relationships, service quality, and business results. Given its pivotal role in the cruise tourism industry, this approach will positively impact the industry's sustainable development, supporting both operational excellence and long-term growth.

6. CONCLUSION

The proposal suggests establishing an authority, specifically the Dubrovnik Cruise Management Centre (DCMC), to develop a fundamental strategic plan for the Port of Dubrovnik. This plan would include creating a generic model of an Integrated Management System tailored to the port's needs. Such a model is deemed the most effective solution for guiding the future development of the port and enhancing its role in sustainable tourism. The DCMC would be responsible for setting strategic objectives and implementing the Integrated Management System, ensuring that it aligns with sustainable tourism development goals. This approach aims to create the necessary conditions for effective strategic management, promoting long-term growth and sustainability for the Port of Dubrovnik. The integrated system would encompass various standards and guidelines, including ISO 9001 for quality management, ISO 14000 for environmental management, OHSAS 18001 for occupational health and safety, and ISO 26000 for social responsibility. By adopting this comprehensive management framework, the port will be better equipped to handle the complexities of cruise tourism, improve service quality, and foster sustainable development in Dubrovnik. Dubrovnik's positioning as a leading Mediterranean cruise destination is underscored by its exceptionally high growth rates in cruise traffic. The future development of cruise tourism in Dubrovnik hinges on effectively addressing several critical issues. These include managing the scheduling of ships and passengers more efficiently, enhancing the organization of reception, travel, transfer, and sightseeing services, and establishing a dedicated authority to oversee cruise tourism in the city. To sustain and build on this growth, it is crucial to implement solutions that balance the influx of cruise traffic with the city's capacity to handle it. This involves improving logistical coordination and optimizing the overall visitor experience. The creation and functioning of a specialized management authority will be pivotal in streamlining these processes and ensuring that Dubrovnik continues to thrive as a premier cruise destination. In addition to managing its operations, the Port of Dubrovnik focuses on fostering business cooperation and implementing policies aimed at the sustainable development of cruising. This includes promoting active participation in international fairs and maintaining memberships in various international organizations. By engaging with global platforms and adhering to sustainability policies, the Port aims to enhance its reputation and influence within the cruise industry, ensuring that Dubrovnik remains a leading destination while contributing to broader environmental and social goals.

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