



INTERNATIONAL TOURISM CONSULTANTS

T H R

COMPONENTS OF THE MARKETING PLAN FOR GREEK TOURISM AFTER THE OLYMPIC GAMES

Presented by:

THR, International Tourism Consultants

In cooperation with:

SETE, Association of Greek Tourism Enterprises



12/10/04

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THR

- Basic facts

1 Greece is an important world tourism destination

Greece receives more than 14 millions international tourists spending 46 millions overnights

- The average length of stay is 3,6 nights

In the last years:

- the arrivals have been continuously growing,
- while the overnights have shown a more constant pattern

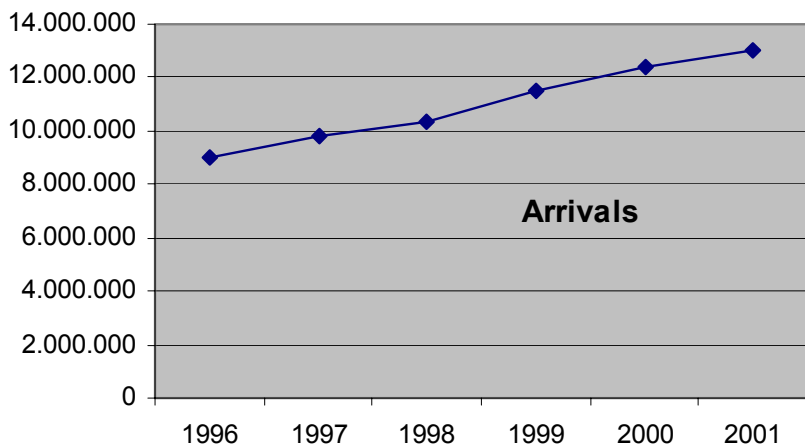
Evolution of tourist flows in Greece

Years	Arrivals	Overnights
1996	9.042.306	35.497.834
1997	9.771.482	39.991.655
1998	10.329.864	42.565.008
1999	11.491.027	45.803.360
2000	12.378.282	46.636.293
2001	13.019.202	46.573.553

Source: Greek National Tourism Organization, 2004

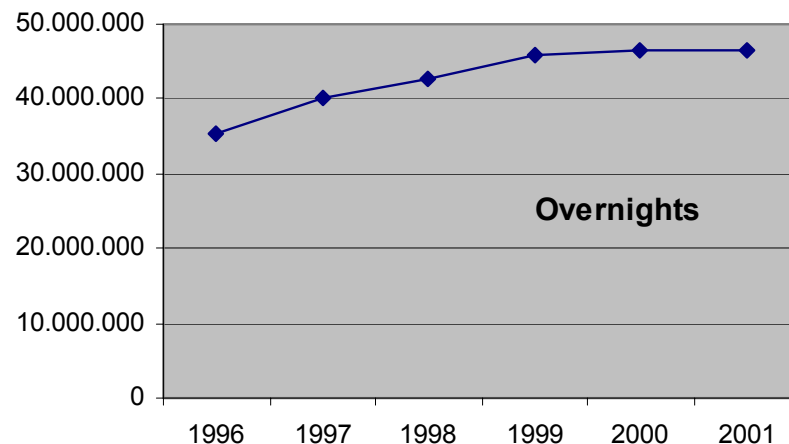
* Note: Data on Albanians excluded, as they are properly considered "frontier workers" and not tourists

Evolution of tourist arrivals in Greece '96-'01



Source: Greek National Tourism Organization, 2004

Evolution of tourist overnights in Greece '96-'01



Source: Greek National Tourism Organization, 2004

2 10th destination in terms of tourism receipts

Greece currently is:

- 15th destination in terms of international arrivals

Arrivals

Rank	COUNTRIES	MARKET SHARE 2000
1	France	10,8%
2	United States	7,3%
3	Spain	6,9%
4	Italy	5,9%
5	China	4,5%
6	United Kingdom	3,6%
7	Russian Federation	3,0%
8	Mexico	3,0%
9	Canada	2,8%
10	Germany	2,7%
11	Austria	2,6%
12	Poland	2,5%
13	Hungary	2,2%
14	Hong Kong (China)	1,9%
15	Greece	1,3%

Source: WTO (2002)

- ...and 10th destination in terms of tourism receipts

Tourism Receipts

RANK	COUNTRIES	US\$ BILLION 2000
1	United States	82,0
2	Spain	31,5
3	France	30,8
4	Italy	27,5
5	United Kingdom	19,5
6	Germany	18,5
7	China	16,2
8	Canada	10,7
9	Austria	9,9
10	Greece	9,2

Source: WTO (2002)

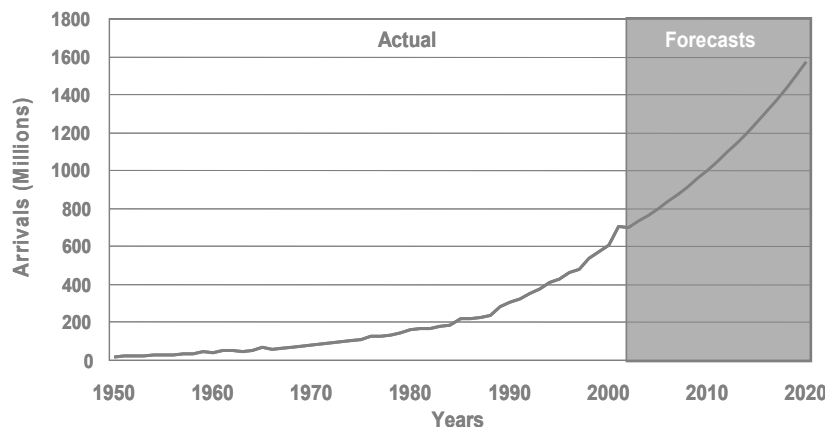
According to the World Tourism Organisation, the present 700 millions tourists will grow to:

- 1 billion in 2010
- 1,5 million in 2020

Tourism will become the biggest sector of world economy

Greece has the opportunity to take advantage of this growth, developing the tourism industry as the main engine of national economy

International tourist arrivals



Source: WTO (2002)

3 Tourism contribute to 8% of Greek national GDP

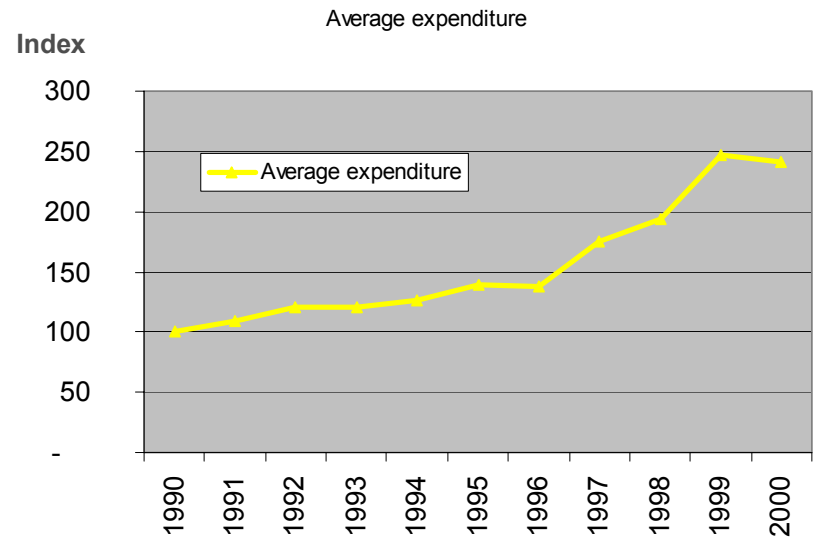
Tourism receipts in Greece reach almost 10 billion US dollars: that correspond to the 8% of national GDP

- In the last 10 years the average expenditure has grown, but mainly due to a change in the way of calculation of receipts

Evolution of Receipts and expenditure in Greece

Year	Receipts (millions US\$)	Average per capita expenditure (US\$)
1950	5	141
1960	49	141
1970	194	155
1980	1.734	361
1990	2.587	292
1991	2.567	319
1992	3.272	351
1993	3.335	354
1994	3.905	367
1995	4.136	408
1996	3.723	403
1997	5.151	512
1998	6.188	567
1999	8.782	722
2000	9.221	704

Source: GNT0, NSSG (2003), Bank of Greece (2002)



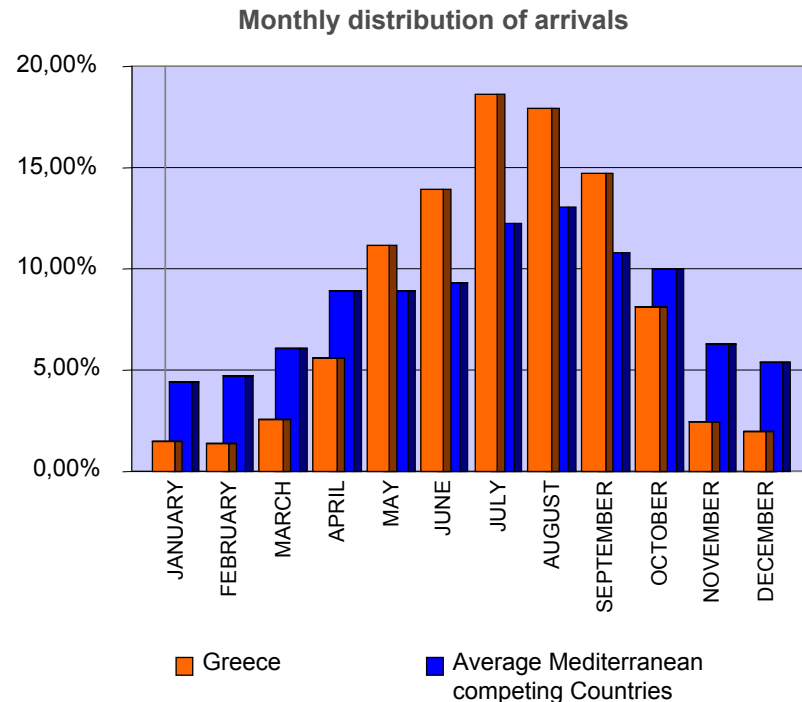
Source: SETE (2004)



4 Greek tourism is very seasonal

Greek tourism flows show a great concentration during summer season: the 4 months from June to September concentrate 65% of total annual arrivals

- Even though this is a common issue for other Mediterranean countries characterised by Sun and Beach tourism, the comparison highlight a higher seasonality of Greek tourism



Monthly distribution of arrivals (2000)

Months	SPAIN	TURKEY	CYPRUS	PORTUGAL	EGYPT	GREECE
JAN	4,35%	3,20%	2,37%	5,31%	6,78%	1,52%
FEB	4,75%	3,40%	3,25%	4,79%	7,35%	1,42%
MAR	6,15%	4,18%	5,04%	5,30%	9,61%	2,62%
APR	9,07%	6,92%	8,26%	10,50%	9,89%	5,58%
MAY	8,41%	9,47%	11,14%	8,34%	7,49%	11,19%
JUN	9,75%	10,36%	11,24%	7,82%	7,38%	13,86%
JUL	13,31%	14,64%	13,49%	10,49%	9,19%	18,63%
AUG	13,19%	13,62%	13,28%	15,75%	9,38%	17,87%
SEP	10,92%	13,13%	12,28%	9,35%	8,20%	14,69%
OCT	9,51%	11,31%	11,19%	8,80%	9,04%	8,15%
NOV	5,52%	5,71%	4,97%	6,25%	8,76%	2,47%
DEC	5,07%	4,05%	3,49%	7,30%	6,92%	2,00%

Sources: INE-Spain (2002), TYD (2002) , CTO(2002), DGT-Portugal(2002), Hotel Chambers of Egypt(2002), GNT0(2003)

Sources: INE-Spain (2002), TY (2002), CTO (2002), DGT-Portugal (2002), Hotel Chambers of Egypt (2002) GNT0 (2003)

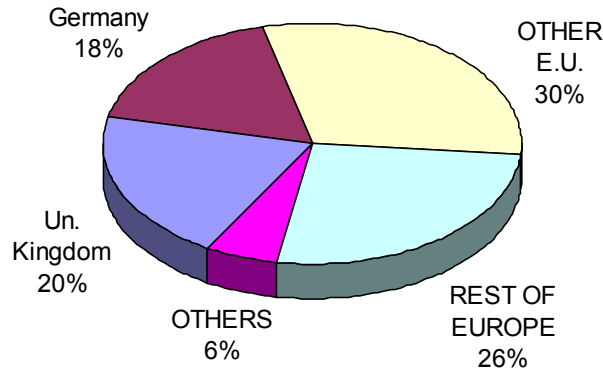


5 Europe is the main market for Greece

The main feeding market for Greek tourism is Europe: 94% of the arrivals are from this region

- UK and Germany sum up 38% of total arrivals
- Albania count a great number of arrivals, even though they are not to be considered as leisure tourist, but more properly as “frontier workers”

Arrivals in Greece per Country of Origin (2002)



Source: Greek National Tourism Organization, 2004



Arrivals in Greece per Country of Origin (2002)

Country	Arrivals
UN. KINGDOM	2.858.360
GERMANY	2.510.849
ALBANIA	1.255.738
ITALY	805.008
FRANCE	735.568
NETHERLANDS	721.413
BULGARIA	470.232
SWEDEN	465.772
AUSTRIA	461.672
BELGIUM - LUX.	358.010
DENMARK	342.966
FYROM	309.607
POLAND	235.704
SWITZERLAND	220.476
YUGOSLAVIA	190.814
NORWAY	181.383
OTHER EUROPE	1.252.018
TOTAL EUROPE	13.375.590
ASIA	470.429
AFRICA	52.800
AMERICA	217.369
OCEANIA	63.811
CRUISES	738.178
GRAND TOTAL	14.918.177

Source: Greek National Tourism Organization, 2004

6 Most of tourists arrive to Greece by plane

In terms of mean of transport, it is important to notice that 70% of international tourists arrive by plane

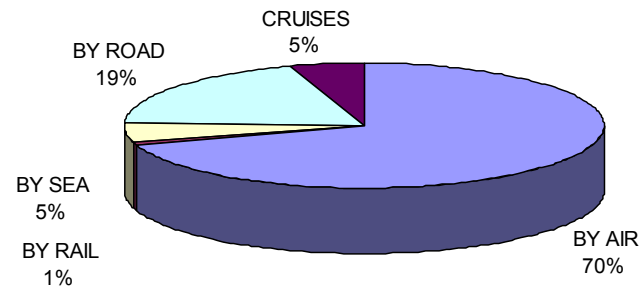
- This is more similar to data of South Mediterranean destination than Northern Mediterranean ones
- Road means of transport are anyway relevant counting for the 20% of the total

Arrivals in Greece by mean of transport (2002)

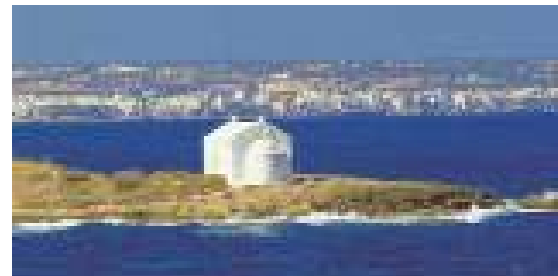
Mean of transport	Arrivals
BY AIR	10.437.911
BY ROAD	2.855.818
BY SEA	797.017
CRUISES	738.178
BY RAIL	89.254
TOTAL	14.918.177

Source: Greek National Tourism Organization, 2004

Arrivals in Greece by mean of transport



Source: Greek National Tourism Organization, 2004



7 Greek hotel supply has grown 40% in the last decade

The accommodation supply of Greece have registered a growth of 40% in the last decade.

The present structure is characterised by a considerable weight of secondary establishments:

- 8.000 hotels;
 - average of 74 beds per hotel
 - 68% of the hotels are of middle categories (B and C)
- 28.0000 secondary establishments (avg.: 16 beds)
- 352 campings



Greek hotel accommodation offer (1990-2000)

	Hotels 1990	Hotels 2000	Rooms 1990	Rooms 2000	Beds 1990	Beds 2000	Growth beds '00/'90
AA	45	83	10.718	18.686	20.231	36.117	79%
A	470	792	50.163	78.816	94.293	149.782	59%
B	1.571	1.499	64.591	76.207	122.269	145.097	19%
C	2.722	4.027	75.511	111.501	140.662	209.414	49%
D	948	1.080	15.742	19.386	29.998	36.882	23%
E	667	592	8.157	8.397	16.207	16.698	3%
TOTAL	6.423	8.073	224.882	312.993	423.660	593.990	40%

Source: Hellenic Chamber of Hotels (2002)

8 But the rate of growth has been progressively decreasing

Greece tourism has grown faster than the rest of Europe and even the rest of the World in the decades until the year 1990

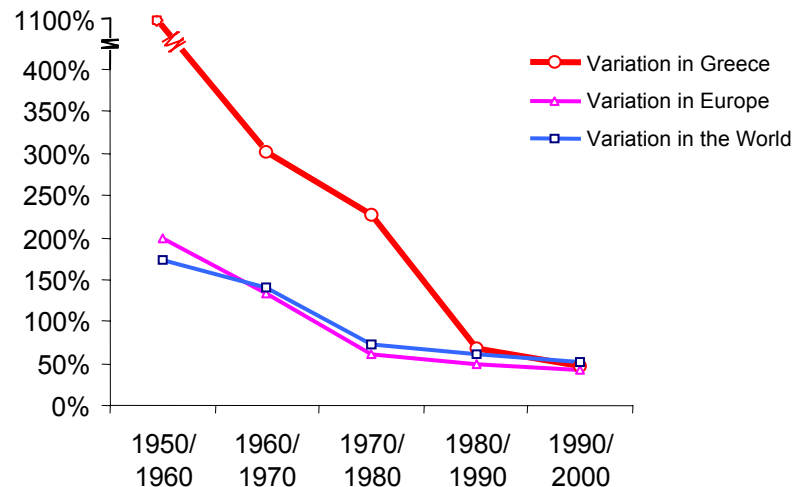
- But the growth rate of the visitors' arrivals to Greece has been progressively reducing: in the last decade, the increase has been lower than the average of Europe

Evolution of arrivals

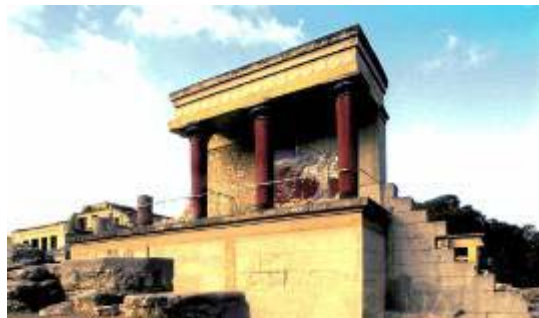
Years	World (millions)	Europe (millions)	Greece (thousands)
1950	25,3		33,3
1960	69,3	50,4	399,4
1970	165,8	117,3	1.609,2
1980	286,0	188,3	5.271,1
1990	457,2	282,7	8.873,0
2000	696,8	402,5	13.095,6

Source: WTO (2002), GNT0 (2003)

Evolution of arrivals



Sources: WTO (2002), GNT0 (2003)



T H R

- Now or never!



1 The great success of the Olympics can lead to a new track

The media coverage during the period of the Olympic Games has promoted Athens and Greece worldwide on a plateau of millions of potential tourists

- 4 billions audience
- 21.500 media representatives
- 3.800 hours of broadcasting

The Country, the organisational effectiveness and the infrastructural improvement have been highlighted internationally, presenting a new image of a modern and efficient Greece

The local tourist resources, the pleasant climate and the traditional customs have been communicated both directly and indirectly

Thousands of journalists have been positively influenced

The impact correspond to the most powerful promotional campaign: a “subliminal” and very effective campaign

- ... almost impossible to be replicated with common marketing tools!

2 The positive effects of the Games generate new opportunities

Positive effects for Greece

- Improvement of the perception of the country internationally:
 - on culture, organizing ability, equipments and technology

- Reinforcement of the brands:
 - increased awareness of Greece and Athens

- Enhancement of local identity:
 - better self-esteem of local population

- Creation of a favourable milieu within the tourist sector:
 - more relations among operators and confidence in the future

Opportunities generated:

- ⇒ Stimulation of sales
- ⇒ Differentiation from competitors
- ⇒ Association of the brand with positive attributes
- ⇒ Increase of esteem and loyalty
- ⇒ Exploitation of positive attitudes extending the improvements
- ⇒ Implementation of development projects with a wide consensus

What to do:

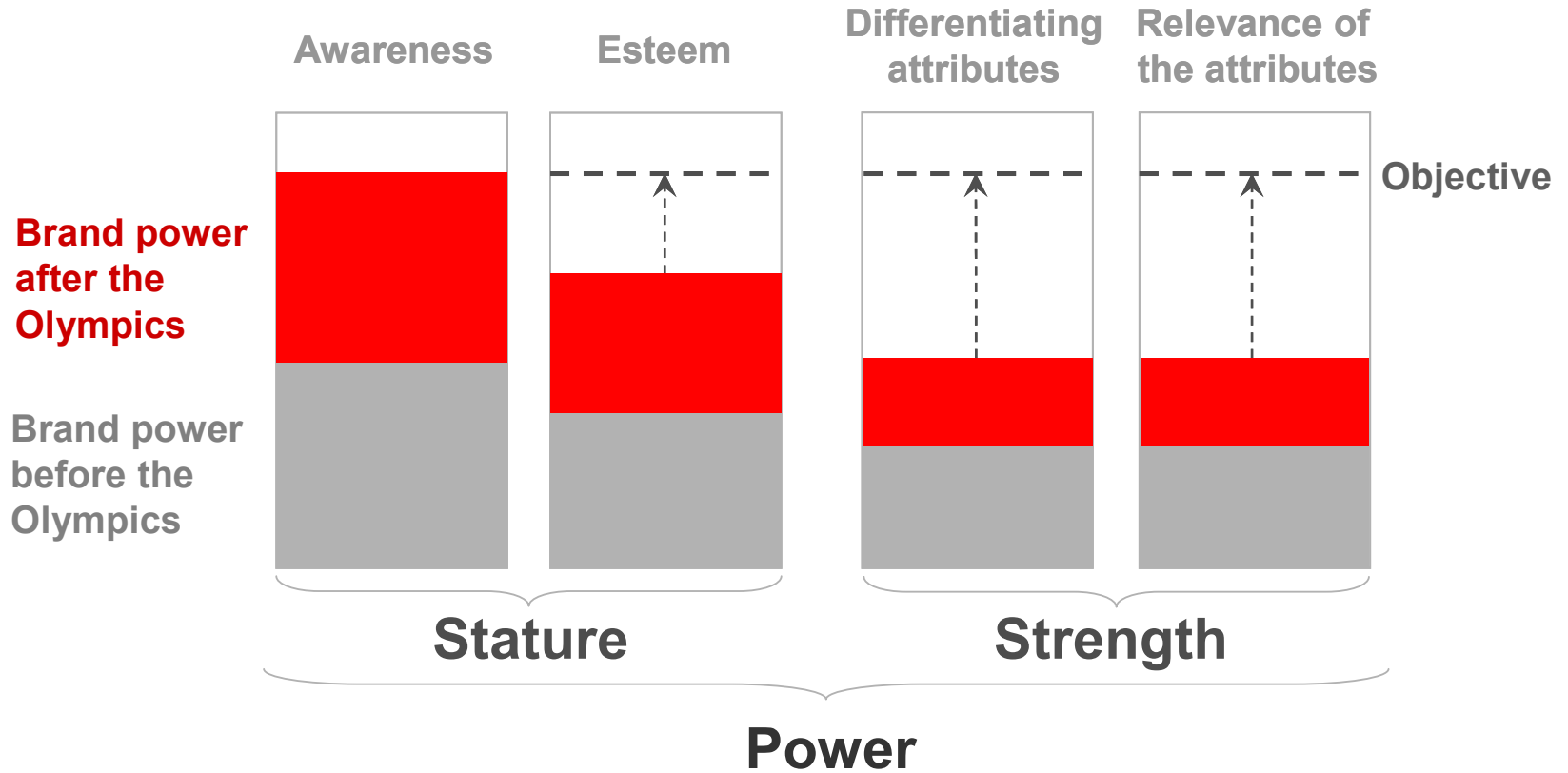
- Learn from cases of success to...
- Implement actions of great efficacy

3 The brand awareness has strongly increased

The Olympics generated a strong increase in the Brand awareness of Greece

- But the other 3 elements that define the power of the brand were not so positively influenced
- The ideal situation would be to have the same high level for all the 4 elements

Components of a powerful Brand



4 An opportunity to capitalize on ...but NOW OR NEVER!

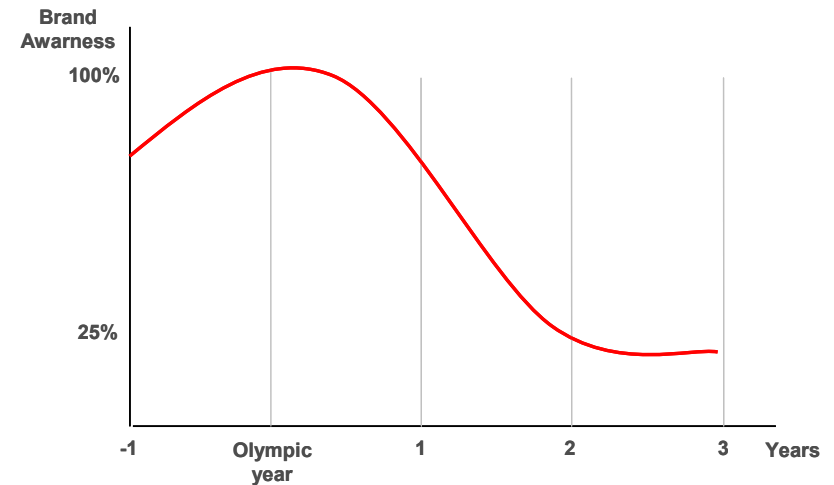
The fact is that, according to what happened in previous Olympics' host destinations, the awareness generated will expire in few (2-3) years

... and Greece will not have a similar opportunity for decades

Therefore Greece has to capitalise on the Olympics positive impacts as soon as possible!



Evolution of brand awareness in relation to the Olympic Games



Source: THR basing on different sources

T H R

- Lessons from Barcelona and Sydney

1 Methodology undertaken for the study

The information presented in the following pages derives from an investigation conducted by THR in two previous Olympics' hosting cities: Barcelona and Sydney

- These two cities have been chosen because of their renown success in exploiting to tourism purposes the positive effects generated by the Olympic Games



The investigation has been carried out through:

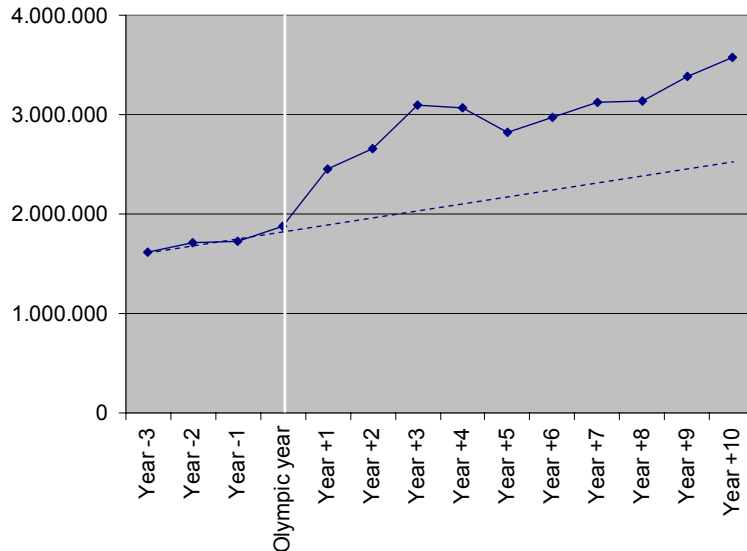
1. Analysis of existing tourism data, statistics and publications
 - Aimed at identifying the real impacts of the Olympic Games and the effects on local tourism
1. Direct interviews with key local players
 - aimed at defining the key success factors and the marketing / competitiveness actions that were undertaken in order to take advantage of the Olympics' positive impacts
1. On line survey
 - realized through an automated self-filled questionnaire (see annex 1), with the objective of obtaining quantitative evaluations on specific topics related to the post-Olympic tourism

2 Barcelona and Sydney: a low level of fame before the Olympics

In past editions, some host Countries took more advantage than others in exploiting the Olympics to tourism purposes

Some less renown destinations have benefited more by the Olympic spotlight: Barcelona and Sydney

Evolution of arrivals in Barcelona



Source: Patronat Municipal de Turisme, Barcelona

Note: Data on Sydney's flows are not included due to occurrences after the Olympics that affected global tourism as well as the specific Sydney's tourism flows

Barcelona

- Its dimensions and population number are more typical of medium sized city than of a huge metropolis
- Before the Games was perceived as an industrial city
- In comparison with other tourist capitals has a limited number of basic tourist attractions

Sydney

- It is “down under”: far from most of the main tourism origin markets
- Before the Games -as the rest of Australia- was assimilated to the “Crocodile Dundee” image: an amusing, but underdeveloped place to be discovered
- It has no ancient history attractions
- The tourist welcoming tradition is quite recent in comparison with other destinations

3 Main findings of the survey

The Games contributed to strengthen the brand awareness; but the positive impact was mainly for the host city brand; while the regional / state and national brands were only partially affected

- In the case of Australia, also the awareness of the national brand was affected by the Olympics exposure

After the Games, the tourist flows registered a partial improvement in terms of seasonality with a better evenness throughout the year

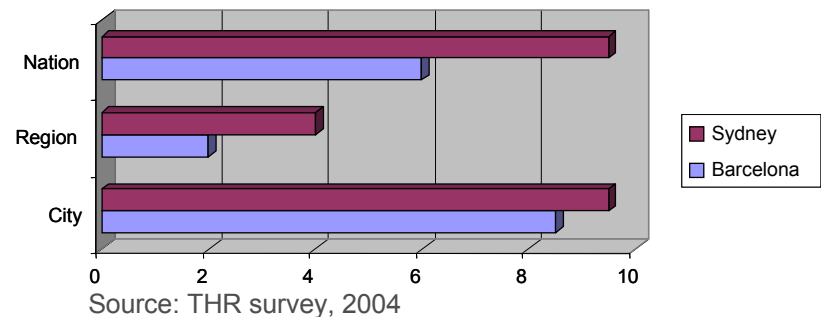
The tourist sectors that have increased more their relative weight after the Olympics have been related to events and entertainment activities

- In Barcelona also sightseeing tours, meetings and conventions sectors have increased greatly

The games contributed to improve the attitude of local tourism players: the main impacts were on the consensus on main objectives, as well as the perception of the need for bigger marketing efforts, for a better tourism organisation and for cooperation

- In Barcelona the perception of the need for a more efficient tourism organisation had a specific relevance

How much did the Games contribute to strengthen the tourism brand awareness of the following destinations in the international market?



Main findings of the survey (cont.)

In order to exploit the post Olympics tourism opportunities it was necessary the collaboration of many tourism sectors' players

- In Sydney the cooperation of International Tour Operators was a key success factor
- In Barcelona the initiative of the Chamber of Commerce, the Local Tourism Board and the local Government was essential

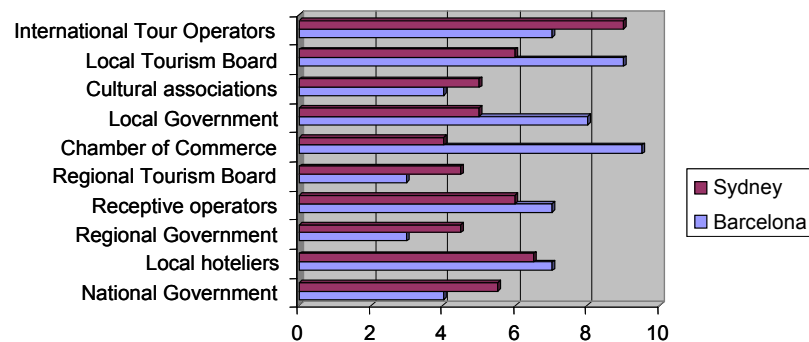
Various factors contributed to the success in exploiting the opportunities for the tourism sector generated by the Games:

- the cooperation among private operators and public and private sectors
- the image improvement and the generation of brand awareness
- the creation of experiences and the infrastructures improvement

According to the results of the survey, to optimise the exploitation of tourism opportunities it is necessary to:

- Develop a new, rewarding system of experiences in the destination
- Create a destination marketing agency managed professionally
- Invest a marketing budget big enough to exploit the momentum

How much did the following players contribute to really exploit the post Olympics tourism opportunities?



Source: THR survey, 2004

4 The lessons from Barcelona and Sydney

The investigation conducted in Barcelona and Sydney underlined 5 main factors that contributed to the success of these Olympics editions and that should be taken as lessons by the operators of Greece and Athens:

1. The change of image
2. The urban improvement
3. The creation of new attractions
4. The new attitude of the operators
5. The structuring of an efficient management



4.1 Lesson 1: The change of image

The organisation of the Olympic Games helped in communicating a new image both in Barcelona and Sydney

- The positive impact on the perceived image of the destination has been much more strong for the hosting cities than for the Countries
- While the hosting regions / states (Catalonia and New South Wales) registered only a slight improvement of the perceived image and a small increase in the awareness

In Barcelona, in specific, the relative efficiency of the Olympic preparation gave a new image counteracting the stereotype of Mediterranean “amusing... but disordered” destination

- Some tourist segments (Congresses, Conventions, Incentives) are particularly sensitive on this issue and the new image helped much in attracting specialised operators

Sydney achieved in be presented as a modern, open and lively city

- It has become one of the worldwide must-see metropolis



4.2 Lesson 2: The urban improvement

The urban improvements on infrastructures and transportation services have been critical to show a restyling and to generate a renewed appeal of the Olympic destination

- The Games have been a justification to accept extended works by the local population

These restructuring have created a new feeling of pride among the population and a more welcoming environment

The planning doesn't finish after the Olympics:

- In Barcelona, in order to preserve the accommodation offer, it was not allowed to re-convert the hotels:
- The enterprises that received public financial support for the construction / renovation and the hotels that that were created for the Olympics circumstances were not allowed to modify the destination of the structure (e.g. offices, hospitals, etc.) in order to maintain the actual level of tourist services



4.3 Lesson 3: The creation of new attractions

The attractiveness of the hosting destination doesn't come simply by the fact of being the Olympics organiser

New tourist products and attractions were created, before & after the Games:

- **Sydney 2000 Dinner Cruise**, floating restaurant navigating throughout the Sydney Harbour
- **MareMagnum** of Barcelona, a commercial centre with attractions and entertainments for tourists and local population
- **Port Vell**, restructuring and adaptation to tourism purposes with different attractions of Barcelona's old port
- **Port Olimpic**: creation of a new marina for private sailing and motor boats with a Casino, restaurants, night bars and discotheques
- **Public beaches**: creation and enlargement of a sandy coastline

As well as new services for tourist exploitation:

- **Bus turistic**: development of a bus service dedicated specifically to tourists, on 2 lines stopping in the main tourist attractions; guided tours accompany the transfers from site to site; daily tickets, combined with discounts on the entrance in tourist sites, simplify the tourist consumption
- **Shopping line**: shops with a special quality label and a line of fancy buses (stylishly decorated) going through the main routes of shopping of Barcelona
- **Sydney and Beyond Smartvisit card**: a "package" card allowing the entrance in the most interesting tourist attractions of the city and the surroundings



4.4 Lesson 4: The new attitude of the operators

The Olympics represented an occasion to restructure the accommodation supply:

- The number of hotels and beds have strongly increased both in Barcelona and Sydney
- The quality of the offer was enhanced in terms of higher hotel categories
- The variety of types of accommodation increased



... but, mostly, the circumstances have helped to change the mentality of the operators of the host cities:

- Professionalism: the tourism players have moved from a traditional family-run business management to a more skilled and modern management
- Long term vision: the entrepreneurs have started to expand and extend their objectives
- Shared objectives: the goals of tourism have been collectively defined
- Marketing approach: the way of promoting and commercialising has been modernised and tailored
- Collaborative attitude: the operators have begun the process of thinking and defining collectively the objectives and the strategies, as well as marketing actions were jointed
- Organization of the system: the tourism system has been efficiently structured

4.5 Lesson 5: The structuring of an efficient management

The Olympics have been an occasion for the local tourist players to start discussing and operating jointly

The success in improving and increasing the tourism flows has been greatly related to the implementation of an efficient pre and post-Olympic organisation

- **Barcelona Promoció**
 - private foundation for the management of the Olympic structures and for the promotion of the city both nationally and internationally
- **Turisme de Barcelona**
 - agency for the integrated marketing of the city (see next page)
- **Barcelona Convention Bureau**
 - to promote and assist the realisation of congresses and incentives
- **Sydney Olympic Park Authority**
 - to manage the Olympic venues
- **Sydney showground**
 - to organise events in the Olympic structures
- **Sydney CVB**
 - to inform visitors and promote the realisation of meetings and conventions



The case of Turisme de Barcelona

Turisme de Barcelona was founded in 1993, following the guidelines of a Strategic Plan developed after the Olympics

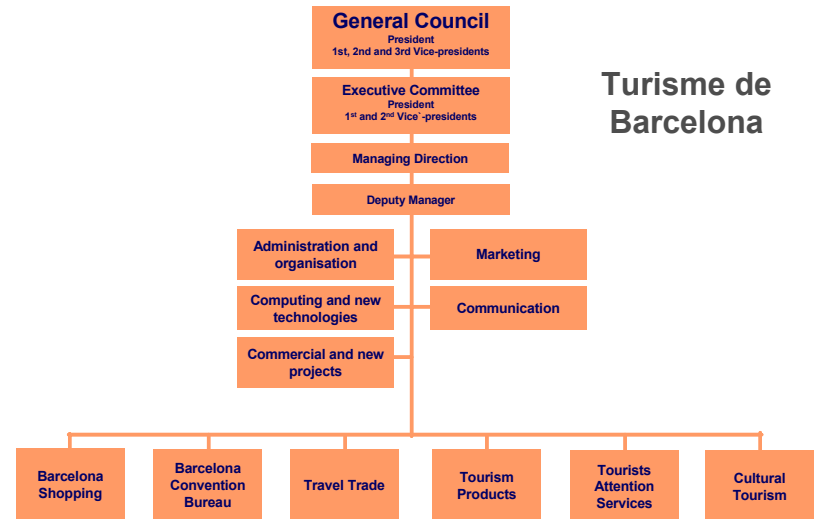
- It is a consortium participated by the City Council, the Chamber of Commerce, Barcelona Promoció and private funds

The agency operates as a private company, directly managing tourist services like the Bus turistic, walking tours and the Barcelona Card

The Convention Bureau is a branch of Turisme de Barcelona

Its budget for the year 2002 was 12.7 million €

- 82% of the budget is self financed through:
 - provision of services and sale of products, like the management of the Tourist bus, the merchandising, etc.
 - publications and information materials sold to tourists
- It is worthy to be noticed that Turisme de Barcelona doesn't foresee a budget to advertising: the communication is basically focused on the publicity and the media relations



T H R

- Winning the game: the 10 top recommendations

1 Exploit the actual pride and positive attitudes

Exploit people's actual pride!

- Take advantage of the positive attitude generated among the population by the success of the Olympics and by the fact of being internationally recognised as an efficient host Country
- Implement internal marketing actions aimed at increasing the perceived importance of tourism and the welcoming attitude
- Develop training programmes for the human resources to improve supply competitiveness and guests satisfaction



Enhance tourism operators' performance!

- Take advantage of Olympics' committees, round tables, formed partnerships and collaboration to create the structure of a national Marketing Agency
- In Athens, where the interrelations created by the Olympics have been stronger, create a model of Marketing agency participated by both private and public sector and operating as a private company
- Subsequently structure the other tourist regions similarly, facilitating the creation of Destination Management Companies for the marketing and competitiveness at local level



2 Insist in communicating the modernization of Greece

Change stereotyped perceptions on the resources of the Country!

- Remove the present tourist “sticky labels”
- Greece has much more to offer than the renown “Sun&Beach” destinations and archaeological sites
 - These products should be kept, but structuring the modality of the offer according to the “Dream society” needs, enhancing the quality of the offer and creating experiences
- Start by defining internally a clear and collectively shared positioning, resuming the new image and describing the compound of attributes to be communicated
- Prioritise the sectors/products to be promoted, giving precedence to the ones better developed
- Realize a repositioning advertising campaign to spread the awareness of the new positioning and target different segments of the demand
- Realize products’ specific advertising campaigns to communicate that Greece has a whole gamma of products to offer



Insist in communicating the modernization of Greece (cont.)

Follow up with the media!

- Exploit the chance to have hosted some 20.000 journalists during the Olympic period
- Organise the database of contacts and send periodically information through a newsletter
- Organise conferences / meetings abroad to finally communicate the organisational achievements and future propositions
- Invite the most active journalist to press trips aimed at presenting less known Greek tourism resources



Communicate the modernization also of the Greek tourism offer!

- Tourist trade and travel intermediaries had the possibility to understand the new sport, transport and technological infrastructure
- Now it is the time to communicate specifically the improvements on tourist supply and services
- Starts an email campaign to selected intermediaries and travel specialists to explain the enhancements
- Organise educational tours for the trade



Insist in communicating the modernization of Greece (cont.)

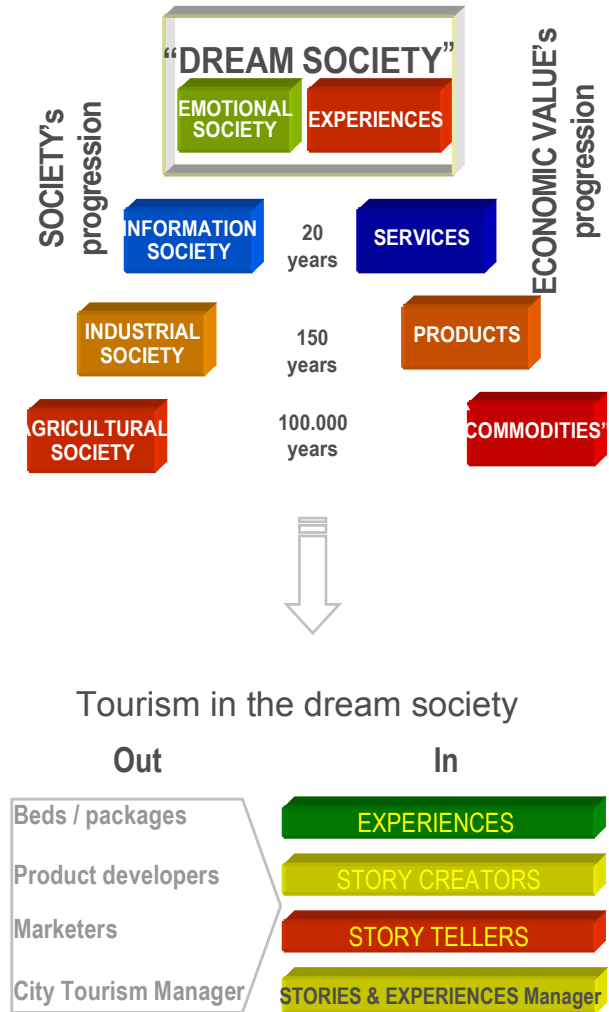
Develop new products and experiences!

- Facilitate the creation (or directly implement and manage) of new services to exploit the resources:
 - Tourist guided bus in Athens
 - Greece / Athens / Thessaloniki / Islands / etc. visitor cards to facilitate the entrance to tourist attractions, the use of transportation and public services, buying in the best shops, etc.
 - Daily and multi-days cruises on small boats among the islands
- Develop new tourist products in the form of experiences

The society is changing, we are entering the “dream society” era: people look for emotions and experiences rather than simple services

A modern tourism system should adapt to this change by developing new products in the form of consumable experiences

To do so, it is necessary to structure a stimulating tourist environment where the visitor feels involved and directly participates with true and inspiring emotions. Even more important is the change of professionalism and attitude of the human resources that should learn on how to involve customers by creating and narrating exciting stories



Insist in communicating the modernization of Greece (cont.)

Promote the conversion of Olympic structures!

- Exploit the Olympic venues and infrastructures as a multi-purpose locations
- Create private-run companies to manage efficiently, flexibly and profitably the venues for tourism functions
- Develop and broaden the competencies of the human resources for the organisation of different types of events
- Continue to organise minor events that, even without the exceptionally great impact of the Olympics, would keep Athens on the stage.
Examples:

- Sport competitions
- International forums
- Thematic congresses on worldwide sensitive themes (environment, peace, religions/cultures encounters etc.)
- International presentation of modern / technological products (by agreement with leading companies in each sectors)
- Regattas
- ...



3 Develop a new marketing culture



Develop a Marketing Plan!

- Generate a wide consensus among tourism operators on the necessity of a Plan for Greek tourism system
- Collaborate in the definition of main strategies and actions to be undertaken
- Develop a structure of Plans, with one umbrella Marketing Plan and a series of specific Marketing Plans for each of the strategic tourist sectors/products
- Create synergies in the implementation of the plan
- Revise and control periodically the results and the achievement of objectives



Implement an efficient brand policy!

- Define a distinctive brand, logo and slogan
 - Promote it consistently, with a continuity of many years and renewing it only in specific occasions
- Define the integration with regional and products' brands
 - Create a structured and rationalised system of trademarks, brands and labels
- Evaluates periodically the power of the brands

Develop a new marketing culture (cont.)



Adjust market strategies!

- Diversify the basins of feeding markets taking advantage of the exposure during the Olympics that increased the awareness of Greece worldwide
- Reduce the relative dependency from present markets, at least attracting new demand segments within the same countries
- Reduce the seasonality of tourist flows targeting different segments, in terms of motivation of travel and socio demographic profile