

Tourism industry of greece



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INTRODUCTION

Greece has enjoyed a reputation as one of the prime tourism destinations in the world during the last two decades. Despite the fact that Greece's tourism sector is set for a couple of difficult years ahead with the global economic downturn and the international fear of the H1N1 virus hitting the industry hard, further threatening the country's fragile economy, Greece has no option but to remain optimistic about its tourism evolution.

Greece continues to be a preferred tourism destination because of its safe, low-crime, tourist-friendly environment. In addition, the successful Olympic Summer Games that Greece hosted in 2004 brought increased optimism regarding the future of the Greek tourism sector. Indeed, since the travel and tourism market affects, directly and indirectly, all sectors of the Greek national economy, the World Travel & Tourism Council (WTTC) estimates that the real impact of the industry accounts for 14.5% of Greece's GDP and represents over 16.5% of total employment.

This study is divided into four chapters. The first chapter of the project defines tourism and outlines the significance and importance of tourism using material of classic text. Produces different definitions of Tourisms and help us to understand Tourism as an International Phenomenon, as well as the Tourist product itself. We also discuss the political significance, educational significance, cultural significance and economic and social significance of Tourism.

The second chapter tries to analyze and appraise the current situation of the Greek tourist industry and in detail produce a statistical analysis which

shows the market structure, the types of holidays, the holiday facilities and the different types of tourists in Greece.

The third chapter focuses on the prospects and new trends of the Greek Tourist industry and on the different strategic objectives and planning initiatives necessary for a competitive tourist industry. It is a fact that tourism is fundamental to the Greek economy and revenue from the industry helps to offset an otherwise adverse balance of payment because of the absence of heavy and competitive industry and the present and unfortunately long-lasting crisis in the shipping industry. Bearing in mind and despite the ever-changing tourist environment (strong euro, weak British sterling and American dollar) the future of the industry is optimistic and the forecasts favorable but pitfalls are always there.

It is also tried to give a picture of the changing face of tourism in Greece, its potential and its future by discussing the alternative forms of Tourism. With the term « alternative tourism» or « tourism of specified interests» we define the summation of the completed tourism services, which are characterized by specialized work according to the specific needs and preferences of their customs, apply to a specialized public and count on ecologically permissible and mild activities, while they show off the natural beauties of the landscape without destroying it. Such sort of tourism is the Rural Agrotourism, the Cultural, Ecological Tourism e. t. c

The forth chapter discusses a marketing analysis and planning, that focuses on the characteristics of the Greek islands and Greek coastal line, using the information, data and analysis of the previous chapters.

Finally the conclusion summarizes the main points of all chapters and outlines the different factors which are very important and which dictate the tourism development in Greece. Tourism development is a very sensitive subject with several uncertainties. In addition, sufficient attention is not always given to the various problems that arise nor to the integration of tourism into the whole economy and society.

CHAPTER 1

DEFINITIONS AND SIGNIFICANCE

OF TOURISM

INTRODUCTION

The first chapter of the project defines tourism and outlines the significance and importance of tourism. Produces different definitions of Tourisms and help us to understand Tourism as an International Phenomenon, as well as the Tourist product itself. We also discuss the political significance, educational significance, cultural significance and economic and social significance of Tourism.

Defining Tourism

In a project dealing with tourism, it is sensible to begin by defining Tourism, before we go on to examine the different forms which tourism can take and the statistics related to it. In fact, the task of defining tourism is not as easy as it may appear and can be rather confusing and complicated.

While it is relatively easy to agree on technical definition of particular categories of tourism or tourist, the wider concept is ill-defined. Firstly, it is important to recognize that tourism is just one form of recreation, along with sports activities, hobbies and all of these are discretionary uses of our leisure

time. Tourism usually incurs expenditure, although not necessarily so. A cyclist or a hiker, out for a camping week-end, carrying his own food, may contribute nothing to the tourism revenue of a region.

Tourism is further defined as the movement of people away from their normal place of residence. But again, we must specify how far people must be expected to travel before they can be counted as tourists.

One of the first attempts to define tourism was that of Professors Hunziker and Krapf of Berne University. They said that tourism should be defined as “the sum of phenomena and relationships arising from the travel and stay of nonresidents, in so far as they do not lead to permanent residence and are not connected to any earning activity”. This definition helps to distinguish tourism from migrating, but it makes the assumption that it must necessarily include both travel and stay, thus precluding day tours. The weakness of this definition is that it appears not to include business travel, because it is connected with an income activity, even if that income is not earned in the destination country.

In 1937 the League of Nations recommended a definition of “tourist” as one who travels for a period of 24 hours or more in a country other than that in which he usually resides. This was held to include persons traveling for pleasure, domestic reasons or health, persons traveling to a meeting or on business and persons visiting a country on a cruise level (even if for less than 24 hours). The principle weakness here is that it ignores the movement of domestic tourism. At the United Nations Conference on International Travel and Tourism, held in Rome in 1963 they considered recommendations

put forward by the IOUTO (now the World Tourist Organizations) and agreed to the term “ visitors” to describe “ any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation, remunerated from within the country visited”.

This definition was to cover two types of visitors.

1. Tourists who are classed as temporary visitors staying at least 24 hours, whose purpose could be classified as leisure (whether for recreation, health, sport, holiday, study or religion) or business, family, mission or meeting;
2. Excursionists, who were classed as temporary visitors staying less than 24 hours, including cruise travelers but excluding travelers in transit.

A working party for the proposed Institute of Tourism in Britain (now Tourism Society) attempted to clarify the concept and reported in 1976: “ Tourism is the temporary short-term movement of people to destinations outside the places where they normally live and work, and activities during their stay at these destinations; it includes movement for all purposes, as well as day visits or excursions.”

This broader definition was reformulated slightly without losing any of its simplicity at the International Conference on Leisure - Recreation - Tourism, held by the Tourism Society in Cardiff in 1981: “ Tourism may be defined in terms of particular activities selected by choice and undertaken outside the home environment. Tourism may or may not involve overnight stays away from home.”

Significance of Tourism

Tourism brings together people of different countries and backgrounds, has a political significance, educational significance, cultural significance and economic and social significance. The degree of significance achieved depends on the opportunities offered to tourists to meet freely with nationals of the host countries and the ability to converse in the relevant languages. In the ideal situation, tourism enhances awareness, knowledge and ultimately understanding between people of different nationalities. The importance of tourism was underlined by the United Nations resolution that “ Tourism is a basic and most desirable human activity deserving the praise and encouragement of all people and all governments.”

In creating a better appreciation of other people’s ways of life and institutions tourism may create goodwill for a country. Each year many tourists travel to participate in particular events ranging from congress to athletic events. Their visits also provide opportunities to improve co-operation as well as to project an image of a country to the outside world.

When traveling away from home, tourists come into contact with the places they visit and with the people living there and social exchange takes place. Their presence and their social background affect the social structure and way of life at the destination. Tourists are in turn affected by the experience and often carry back home with them new habits and a new outlook on life.

Tourism has an educational significance. In the widest sense it has altogether beneficial effects which bring contact between people of different races and nationalities. In a narrower sense, much tourist activity takes the

form of study trips and attendance at courses and conferences with specified educational aims in view.

Tourism is often accompanied by cultural exchanges and by cultural enrichment of those who travel as well as those at the receiving end.

Cultural factors attract tourists to destinations – architecture, historical monuments and birthplaces of famous people- are some places visited by tourists; festivals and exhibitions rely heavily on visitor traffic for their audience and attendance.

In bringing together people of different backgrounds from different countries it therefore has a political and social significance. But the manifold significance of tourism does not arise only when people visit other countries. Internal, domestic tourism promotes similar interaction, between people and places to that knowledge and awareness which may enhance understanding.

The main economic significance of tourism – thus money earned in places of normal residence is spent in places visited – is common to all tourism, whether international or domestic. Each year vast sums of money are transferred from the economies in which they are earned, to economies in receiving areas where they provide a source of income, a means of livelihood and amenities for the resident population. The outstanding economic effect of tourism lies in the purchasing power generated in receiving areas through the expenditure of visitors who tend to spend at a much higher rate than when they are at home. The flow of money generated by tourist expenditure finds its way into the overall economy of the tourist destination as the money is turned over and re-spent.

But international tourist expenditure introduces an additional aspect of economic significance as countries which are separate political and economic entities have to balance their transactions with the rest of the world. International tourism, therefore, enters into the balance of payments accounts of individual countries and is of major significance in international trade for countries which generate tourist traffic, it represents an import in much the same way as do the importing of merchandise. For countries receiving tourist traffic, it represents an export in much the same way as do the exports of merchandise. Globally, tourism constitutes a major item in the world which has shown a much faster rate of growth in recent years than world trade in goods. Tourism as a source of employment is particularly important for areas with limited alternative sources of employment . as is often the case in non-industrial areas like Greece, deficiencies in natural resources other than diverse and scenic attractions.

In addition to being a source of income and employment, tourism is frequently a source of amenity for the resident population of the tourist destination. The provision of income, jobs, and amenities for the resident population may be regarded as the main three beneficial effects of tourism which applies to a greater or lesser extent to any tourist destination.

They are of particular significance to developing countries like Greece and to rural regions of the country. In comparison with other forms of economic development an improvement in living standards may be generated through tourism and its expenditure relatively quickly. No sophisticated technology is required to establish the basic facilities. As much of the industry is labour-intensive, tourism can absorb unemployed labour resources, which is

particularly valuable in areas with surplus unskilled labour. Many operational skills are relatively simple and can be rapidly developed by inhabitants. To say this, is not to minimize the amount and quality of planning required to establish a tourist industry in a new area but to indicate some of the advantages and attractions it may have as compared with other types of developments.

The challenge is clear for a region to decide:

1. Whether it wishes to become a tourist destination.
2. How to maximize the economic and other advantages of tourism.
3. How to manage the problems and changes from the growth and development of tourism.

CHAPTER 2

GREEK TOURISM ANALYSIS

INTRODUCTION

The second chapter tries to analyze and appraise the current situation of the Greek tourist industry and in detail produce a statistical analysis which shows the market structure, the types of holidays, the holiday facilities and the different types of tourists in Greece. The statistical data that will be collected from the different sources is going to be analyzed in order to specify the characteristics of Greek tourism, and the preferences and particulars of the tourists. Further on in the project this data will be used in order to conduct a development plan for the Greek s tourism and a marketing analysis. Special attention will be given to the islands and coastal areas of Greece.

TOURISM DEVELOPMENT IN GREECE

GENERAL CHARACTERISTICS

In Greece the Tourism development started after the end of the Second World War. The tourism arrivals from 210. 000 in 1956 were increased to 8. 351. 000 in 1988 and to 18, 754, 593 in 2007. The 85% of the tourism movement takes place on May-October while the full months, when the 50% of the tourists visits our country, are July, August and September which demonstrates intensively the seasonal characteristic of tourism in Greece. The specific data concern mainly coast areas and islands, which either are specialized in foreign tourism and possess big hotel units, or are specialized in local tourism, mainly under the form of summer residence. The visitors in Greece come mainly from Europe and especially, from countries of the European Union (Germans and British) and, in a smaller percentage, from N. America. Thus, we notice the dependence on the international tourism in our country. The main tourism destinations are: Rhodes, Corfu, Crete, Calchidiki, Mikonos and Santorini as well as Attica (Athens) - however lately there is a series of other smaller destinations.

The large number of islands, the archaeological and historical sites in combination with the excellent weather conditions, constitutes some of the most important elements of Greek tourism, which have played a significant role in the country's effort to attract more international tourists and establish Greece as a country unique in welcoming and providing hospitality services to them. However, all the elements of tourism mentioned above combined with establishments, infrastructure and an ' ideal' picture of tourism in the country have certain vulnerable points, which should be attributed to the

uncontrolled, unscheduled and sometimes anarchic tourism development of the country dating back to the '70s and early '80s.

Despite all problems, however, tourism has managed to put Greece in the list of those host countries, which attract the greatest numbers of international tourists and receive the largest revenue from tourism while its contribution to the gross national product is approximately between and 10%, and to the domestic product approximately 14%.

ECONOMIC AND TOURISM DEVELOPMENT OF THE GREEK ISLANDS AND COASTAL AREAS

Geographically, the numerous Greek islands have their own particular characteristics. It would be no exaggeration to support the view that insular Greece has a ' Polynesian character', since 20% of its ground consists of big, medium and small, developed or underdeveloped, inhabited or uninhabited islands. Greece has 227 inhabited islands in all, 164 of which are in the Aegean Sea. According to the official census of the National Statistical Organization of Greece, in 1991 only 78 of these islands were inhabited by more than 100 people and 1600 Km coastal line.

Despite the fact that there has recently been a growing concern about the economic development and modernization of the country's regions, it cannot be supported that considerable accomplishments have been made toward that direction. Especially as concerns the islands, it should be pointed out that the effort for their economic development and growth has always focused on tourism, mainly due to an inability to expand present economic activities or develop new ones.

The Greek islands of the Aegean Sea and the Ionian Sea and the coastal line areas have undoubtedly set quite significant tourism goals and are greatly attractive to tourists. The tourism development on those areas is of two kinds, there are those , such as Crete, Rhodes, Chalkidiki and Corfu, which seek to attract tourists, package tour buyers, and others which seek to attract individual tourists, non package tour buyers, travelling usually from one island to the next, from one place to an other.

There are Greek islands, which have achieved both economic and tourism development faster than others. Most of them are part of an insular complex and, naturally, income per capita and therefore the standard of living of the inhabitants is higher compared to other islands. Generally speaking, tourism in most Greek islands is a developing economic activity, and those involved directly or indirectly in the production and promotion of tourism goods and services, i. e. tourism demand, take advantage of it.

However, apart from tourism, certain islands have developed other economic activities equally well. That means tourism on those islands has not been developed unilaterally against other economic activities, but in a balanced and harmonious way.

Undoubtedly most of the Greek islands should develop new economic activities wherever possible, as well as alternative forms of tourism, which can contribute to strengthening their economies and generally to a further economic development and evolution. Those islands, however, which have a limited economic activity and no possibility of development or expansion, should focus on a tourism development within their limits. To achieve this,

however, certain prerequisites will have to be set. In other words, what they need is the necessary tourism infrastructure and superstructure, and then they will have to choose the right alternative form of tourism development.

GREEK TOURISM STATISTICAL DATA ANALYSIS

General Tourism Characteristics analysis

1. Entry Points analysis

2. The statistical data by G. N. T. O (Greek National Tourist Organization) was carried out at the Greek airports (Athens, Zakynthos, Iraklio, Thessalonica, Kavala, Kerkyra, Kefallinia, Kos, Mykonos, Rodos, Samos, Thira, Skiathos, Chania, Other Places), the Greek seaport (Elefsina, Igoumenitsa, Iraklio, Thessaloniki, Kerkyra, Patra, Rodos, Pireas, Other Places), the road crossing points (Doirani - Kilkis, Evzoni- Kilkis, Kakavia -Ioannina, Kastaneae -Evros, Kipi- Evros, Krystallopogi - Florina, Niki- Florina, Ormenio - Evros, Promachon- Serres, Sagiada - Thesprotia) and the train stations(Dikea - Evros, Idomeni- Kilkis, Promachon- Serres, Pythio- Evros) . In this way, the survey covered all those tourist who came to the country by air, by sea, by train and by road.

Of the total tourist in 2007 68, 51% (in 2006 71. 76%) came by plane, 24, 86% (in 2006 21, 45) by road, 6, 09 (in 2006 6, 30) by boat and the remaining 0, 54% (in 2006 0, 49) by train.

The airports of Athens and Iraklion showed the greatest amount of traffic (22, 10% and 11, 91% respectively). Next in order of magnitude were Rhodes (7, 91%) and Corfu (4, 79%).

3. Foreign tourists by nationality and country of permanent residence analysis
4. Arrivals from Europe, which holds the biggest share of the tourist market (92. 7%), showed an increase by 9. 9% in comparison with 2006. Arrivals from the European Union increased by 20%. This growth arises from the fact that the total of the European Union includes for 2007, the two member states, Bulgaria and Romania. The majority of foreigners, who are EU citizens, like 2006, came from the UK (15%), Germany (12. 9%) and Italy (6. 6%). In comparison with the previous year and taking into account the share they hold in the total arrivals, the highest increase is presented in the two members, Bulgaria (62. 4%) and Romania (83. 1%). Concerning the other European Union countries, there are some minor changes in Germany and UK, a remarkable increase by 5. 9% in Netherlands and a reduction by 2. 6% in Italy. In the other continents there is a significant increase in the countries of America (12. 9%) and remarkable reductions in Asia (-6. 1%), Africa (-9. 3%) and Oceania (-6. 1%).
5. Purpose of visits (Principal reason) analysis
6. Holidays, business or visiting friends and/or relatives are the main factors which decisively influence the decision of travel. The survey data suggests that 83% of tourists came to Greece just for holidays. With regard to the nationality of those who declared " holiday" the data attributed the highest percentage to the Norwegians (92%) followed by the Austrians (91%), the Swiss and the British (89%), the Dutch (83%) and so on.

Business as an exclusive reason for visiting Greece accounted for only 7%-of all respondents. Visiting relatives or a combination of holidays and visiting relatives were reasons cited mostly by Americans, (8%) and Australians (7%) and more specifically persons of Greek origin who come to spend their holiday and at the same time visiting their relatives.

7. Type of accommodation analysis

8. The survey showed that 63% of all tourists stayed in hotel-type accommodation (this included apartments). 29% in villas, rented rooms and campsites, 4% with friends and relatives and the remaining 3% in other places (ship, under the stars, etc. etc,) and 1% were transit passengers.

Foreigners' preferences with regard to class of hotel showed 33% opting for luxury (five star and ?' class hotels), approximately 30% for intermediate class hotels and the remainder for lower class hotels.

In terms of nationality, 58% of the British stayed in hotels and the rest in villas, rented rooms and campsites. Of the British who stayed in hotels, 32% chose luxury and ' A' class hotels and 26% chose intermediate class hotels. A significant percentage 13%) stayed in furnished apartments while 10% plumped for villa and country houses.

9. Average duration of stay analysis

10. In calculating the length of stay in Greece we took into consideration the tourists' dates of arrivals and departures. An analysis of the relevant data showed that the largest percentage of tourists (35%) stayed in Greece for between 11 and 14 days, whereas 18%

stayed for 15 to 21 days, 36% for less than 10 days and the remaining 11% for more than 22 days. From this distribution we calculated that the average length of stay in each phase of the survey was 14 days.

The average duration of stay has risen by approximately 1.5 days over the last 6 years. This is because over this time period the number of tourists arriving on charter flights has increased and most of them stay for more than 13 days. The length of stay varied according to nationality, thus 53% of British, 48% of Norwegians, 47% of Swiss and 38% of Germans stayed in Greece for approximately 2 weeks.

11. Average expenditure per person in € analysis
12. During his stay in Greece, according to statistics from the Bank of Greece, each foreigner spends an average of 74,3€ per day and 847,3€ per stay.

It is interesting to look at the average daily expenditure by nationality. Below, I present the percentage of the various nationalities per category of average daily expenditure and expenditure per stay.

TOURISTS' CHARACTERISTICS ANALYSIS

1. Sex and age analysis
2. The distribution by gender of the surveys respondents showed 9% imbalance in favors of the men. Thus, out of the total number of respondents, 54.5% were male and 45.5% female. The distribution by age statistics shows the 16-25 and the 26-40 age brackets predominating with 32% and 38% respectively.

The distribution by gender and age produced a different picture, 41% of male respondents were in the 26-40 age bracket, whereas 30% were

aged 41 to 65. Conversely, 33% of women were between 16 and 25 years of age, while 36% were between 26 and 40 years.

Male tourists from the following- countries outnumbered their distaff compatriots by the following ratios:

Yugoslavs: 77. 3 : 32. 7

Dutch: 57.3 : 42. 7

Austrians: 57. 2 : 42. 8

Italians: 55-3 : 46. 6

British : 55. 1 : 44.9

Germany: 55. 1 : 44. 9

3. Occupational Grouping analysis

4. In the analysis of the occupation groupings, use was made of the international double digit coding system to identify particular types of occupations. More specifically, the following occupational groupings were used:

Groups Occupation

0 Engineers, Chemists, Teachers, Agronomists, Doctors,

Lawyers, Economists, Accountants, Journalists, Artist

(Commercial, applied and fine arts).

1 Managers and Senior Cadres (In public authority organizations and businesses).

2 Office employees (In the Civil Service organizations and businesses) .

3 Traders and sales people.

4 Students

5 Unspecified professions.

6 Those engaged in the communications sectors (Seamen, Airline personnel, road and rail transport workers, Post Office and telephone workers, etc., etc.)

7 Craftsmen (and blue collar workers).

8 Those employed in the service industries (Barbers, photographers, hotel staff, etc.)

9 Other unclassifiable occupations (Armed Forces, etc)

37% of the British tourists fall into Group 2 (Engineers and professionals) and 14% into Group 4 (Students). This means that more than half of the total number of tourists visiting Greece belongs to the occupational grouping with an above-average level of culture. Group 2 members (Office employees) also accounted for a significant part (14%) of all tourists. The remaining occupational groupings represented 35% of the total and their distribution was virtually uniform.

5. Tourist preferences by occupation and type and class of accommodation analysis

6. The results of the survey showed 37% of the managerial class stayed in four star hotels, whereas 21% stayed in five star hotels. Students,

not unexpectedly, showed a marked preference (39%) for pensions, hostels, boarding houses, rented rooms and campsites.

A' Class hotels absorbed 33% of those respondents who did not specify professions (groups) and 28% of trade and sales people.

34% of office staff, craftsmen and laborers stayed in intermediate class accommodation, whereas the respective figure for those in the engineering sector, the professional and the Civil Service was 31%. Of the self-employed, 7% stayed with friends and relatives, while 5% of those engaged in the transport and accommodation industry stayed in other forms of lodging (ships, etc.)

7. Cost of stay analysis

8. More than half (55%) of all the tourists polled come to Greece on a packaged holiday. 66% of the British asked to comment on the cost of their stay in Greece found it reasonable and within their budget, 25% thought it low (cheap) and only 5% found it high (expensive).

9. Reasons for choosing Greece as a holiday destination analysis

10. The climate and the classical sights were the principal reasons (75%) given by British queried for choosing Greece for a holiday.

11. Publicity media and other factors influencing tourists' choice of Greece on their first visit analysis

12. An analysis of the data shows that 32% of the tourists visiting Greece for the first time acquired information on the country from friends and relatives. This conclusion is particularly significant as it shows that a large proportion of first-time visitors to Greece go home

satisfied and recommend Greece as an ideal holiday destination to their friends and relatives.

The second most important source of information was travel agents, who influenced 40% of the British.

Publicity (Newspapers, magazines, radio, Internet etc.) acquainted 49% of all British with Greece, other sources (Posters, books etc.) accounted for 7%.

Finally, 17% had heard about Greece from more than one source (e. g., friends, internet and media).

13. Places visited and stayed at analysis

14. The statistics say, 33% stayed in the greater Athens area, (Athens, Piraeus, Attica coasts, Saronic Gulf Island). Other main areas of preference were Rhodes (25%), Crete (21%) the Peloponnesian and Ionian Islands (Corfu excepted) 17%. The Cyclades 14% and Corfu 14%. The favorite destinations of the British continues to be Corfu (40%) followed by Rhodes (26%), Crete (19%) and the Athens region (15%).

15. Tourist Mobility within Greece analysis

16. As regards tourist mobility during the period of the survey, the following was observed: Every tourist polled on average visited and stayed in 1.5 places. More specifically 66% of the tourists visited and stayed in only one area, 19% stayed in two and the remaining 15% in three and more than three areas.

In terms of nationality, 87% of the British stayed in one area. This virtual immobility on the part of the British is due to the fact that as the majority of British holiday makers come to Greece on organized charter flights, they do not stay far from their resort area.

Following the British in the immobility stakes are the Japanese (85%) the Norwegians and the Swedes (84%), the Yugoslavs (77%) and the Austrians with (72%). Finally, more than one area was visited by the Spaniards (72%), the Canadians (70%), the Americans (64%), the French (62%