

Executive NewsWire 13

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TOURISM

in the Heart of Greece, Today and Tomorrow

TODAY, international tourist arrivals to destination countries in the Mediterranean reached a record of 306 million, **nearly one-third of total arrivals worldwide**. For Greece, the development of Tourism is closely related to the country's future. Tourism contributes **16.5% to the GDP, 18.4% to employment** and to the well-being of **758,300 individuals**. In 2012, arrivals were estimated to be **16 million**, the 2013 target is **17 million**, whereas the sector has a potential to contribute another 2 or 3 units into the GDP during the next 2-3 years reaching **20 million** visitors. The vast majority of entrepreneurs and top executives in the sector believe that Tourism can contribute to the recovery of Greece and can be the **leading contributor** in the GDP. To achieve that, there are key **strategies** which can accelerate Tourism development such as **the strengthening of the competitive position of Greece in its traditional markets**, the expansion in **emerging markets**, the **redefinition of its commercial strategy and the marketing of the "product"**. On the other hand, there are various **obstacles** which constrain the development of Tourism i.e. the **political instability, bureaucracy, lack of quality infrastructure, investments and sophisticated tourism Marketing, low usage of technology and definitely the recession**.

During the last years, the **performance** of the sector has been mainly affected by the **recession**, the **pricing pressures from the external environment** and the **cost consciousness within the corporate content**. **On the people side**, undoubtedly, **executives demonstrated key competencies such as: flexibility & adaptability, leadership, customer orientation, strategic orientation and team-building**.

What about **TOMORROW?** **On the executives' side**, in order to achieve their career goals, they must focus on **"their own brand development"**, in other words to increase their visibility in the marketplace and to **develop their own marketing plan** (Source: Stanton Chase Tourism survey, October 2012).

In a world that is changing at an accelerated speed, the Tourism sector couldn't stay still. From the travel agencies to e-ticketing and from photos to virtual tours, travel has changed dramatically following changing consumer patterns and new business models. In addition, demographic change is influencing travel patterns. Tourists are also increasingly opting for independent travel facilitated by the rapid growth of online distribution and promotion. Today, the **usage rate of smartphones is 25% and it is projected to be 50% by the end of 2013**. Facebook, Twitter, Google Plus will be the key points of contact where travelers will exchange experiences. There are already many sites where one can submit a request (e.g. 5 days in Santorini, double room 70-90 euros) and then get an offer submitted by the interested hoteliers. **Tourism professionals who use technology are today 10%-15%** and they all have enjoyed better total results. Thus, the challenge is for operators and destinations to adjust strategies in order to cater for these new demands. The training in technology can play a significant role to both the professionals' and travelers' side. Greece is mainly using off-line channels (travel agencies, acquaintances, mouth-to-mouth information), however **the use of technology is increasing. And this is not an option; it is the future!**

Enjoy your reading!

Stanton Chase Athens

How will we travel
in the future?

www.dopios.com

Alex Trimis, 30 y.o. based in San Francisco, is the CEO and co-founder of www.dopios.com. Before that he completed his Master's studies in Engineering at **Stanford University** and worked with companies like Survey Monkey. He is an **entrepreneur at heart** who thrives in merging Product Management with Interaction Design and loves ideas that challenge our way of thinking. **Mobile technologies** have brought new functionality to travelers' back pocket while the adoption of social networks has enabled them to easily communicate with their peers. The next generation of travelers is comprised of individuals who take the above as granted, they **grew up online, they have global networks of friends** and they are accustomed to most of what they see being curated to their "likes". **The days of "one-size fits all" group tours are over:** the new travelers want a more personal experience -but they are not sure where to find it. **In search of that personal and customized travel experience, Alex and his partners created "dopios"**. This is a platform where travelers and locals can connect, based on their travel style, both for advice before the trip and for experiences once they reach their destination. **With "dopios", travelers go from being an innocent bystander, observing a new culture and landscape, to being an active participant in their travel journey.** Good luck to www.dopios.com!



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FIRST Tourism Survey 2012, by Stanton Chase Athens

In this issue, Stanton Chase provides insights on one of the most important sectors of the Greek economy, Tourism.

The development of Tourism is closely related to the future of our country. Tourism contributes 16.5% to the GDP, 18.4% to employment and to the well-being of 758,300 individuals (Source: SETE Facts & Figures 2011). Greece ranks No 17 in global arrivals, No 19 in receipts and No 29 in competitiveness. In ten years' time, Tourism could contribute as much as all the other sectors of the economy together, no matter how ambitious this target may sound.

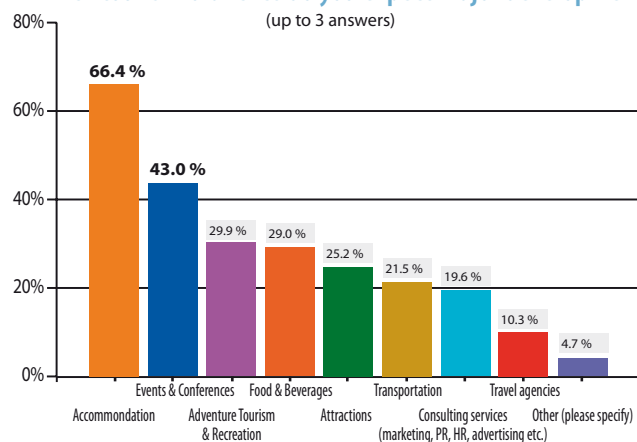
The survey took place in October 2012 among **600 participants**. 50% were at the C-level (President, CEO, MD, GM, Entrepreneur) and the other half at the Director level (Sales, HR, Marketing, Finance and Hotel Directors).

The vast majority of respondents believe that Greece will see the first signs of economic recovery after 2 years (52%), a 34% foresees recovery within 3 years while a 14% within 12 months. In this context, **76% of respondents believe that Tourism will contribute significantly to the recovery of Greece and 98% that Tourism can be a leading contributor to the GDP in the next 5-10 years.**

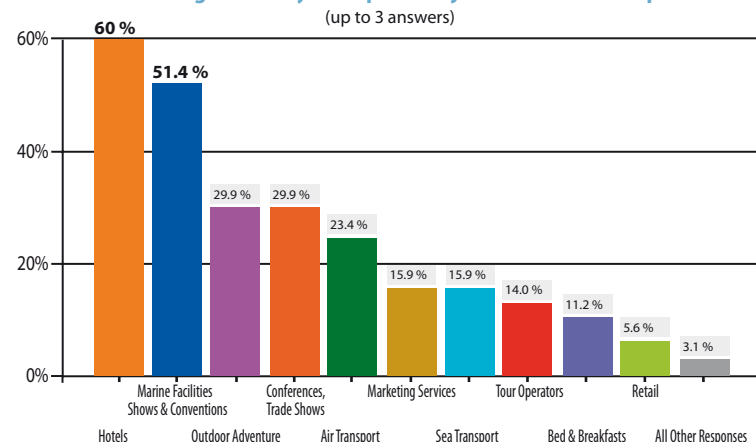
An important topic is the key branches where the major developments in Tourism are expected in and in that question they replied -in order of importance- **Accommodation** (66%), **Events & Conferences** (43%), **Adventure & Recreation** (30%), **Food & Beverages** (29%), **Attractions, Transportation** and in **Consulting services** (marketing, PR, HR, advertising etc.).

Concerning the respective developments in product categories, those are expected in Hotels (60%), Marine Facilities (51%), Outdoor Adventure & Ecotourism (30%), Conferences, Trade Shows & Conventions (30%), Air Transport (23%), Marketing Services (16%), Sea Transport, Tour Operators, B&B, Retail etc.

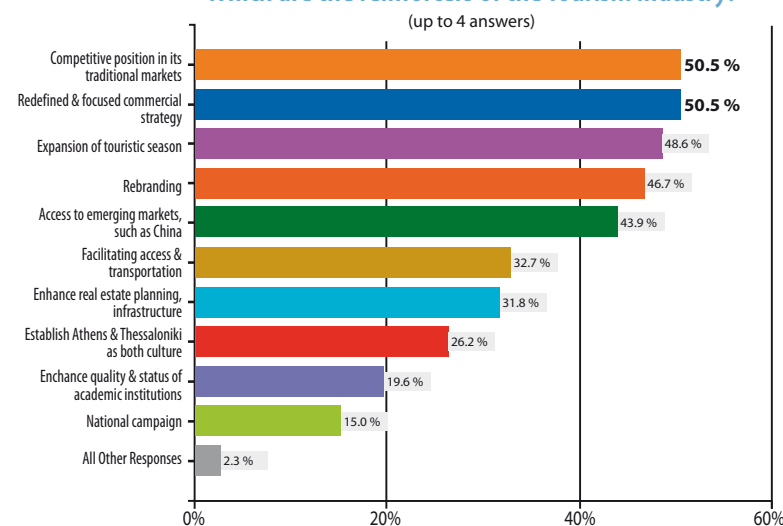
In which tourism branches do you expect major development?



In which categories do you expect major tourism development?



Which are the reinforcers of the Tourism industry?



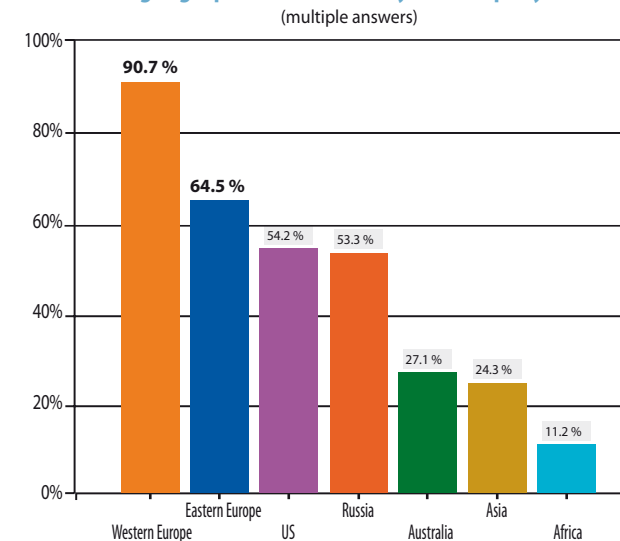
Nowadays, management teams and senior executives in Tourism are undoubtedly required to manage complex problems in an unstable and quite difficult environment. Reinforcers able to accelerate Tourism development do exist though and according to the research those are: Competitive position of Greece in its **traditional markets** (50%), **Redefined & focused commercial strategy** (50%), **Expansion of touristic season** (49%), **Rebranding** (47%), **Access to emerging markets, such as China** (44%), **Facilitating access and transportation** (33%), **Enhance real estate planning & infrastructure** (32%), Enhance quality and status of academic institutions, National campaign etc.

On the other hand, there are various obstacles which constrain the development of Tourism in Greece with Political instability rated as by far the number one obstacle. Respondents also mentioned

Sample Profile Gender Male: 70.1% / Female: 29.9%
Age 30-40: 38.3% 40-50: 37.4% 50+: 24.3%

No of employees in the company
• 1-49: 28% • 50-99: 11.2% • 100-499: 33.6% • 500-999: 9.3% • 1000+: 17.8%

From which geographical areas does your company host visitors?

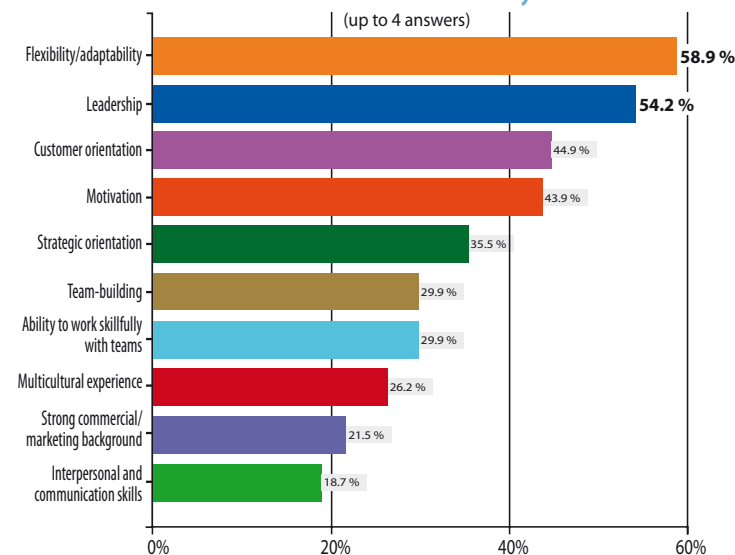


other obstacles such as Restrictions & Bureaucracy, Commercial strategy, Lack of quality infrastructure and investments, Tourism Marketing, Recession, Access & Transportation, Competition and Lack of proximity to emerging markets.

Overall there is great opportunity in the development of Tourism across geographical areas. Indicatively Western Europe is a quite mature source (91%) while there is plenty of room for improvement in destinations such as **Eastern Europe, US, Russia, Australia, Asia and Africa.**

With regard to the priorities of various departments (Operations, Finance, Marketing, HR etc.), in the first place we find Cost consciousness. The improvement of the visitor's experience comes second followed by Marketing and Sales support. Other priorities mentioned are: Managing internal change, Access to international market information, Recruitment of high performing teams, Strengthening cooperation with state services etc.

What competencies are required for a successful Management team in Tourism Industry?



During the last year, the performance of Tourism senior executives has been affected by **Recession, Pricing Pressure, Cost consciousness, Competitiveness and Restructuring.**

In such a deep recession, the **competencies** required are: **Flexibility/Adaptability** being by far the most important (59%) with **Leadership** ranking at 2nd position (54%). Other competencies are: **Customer orientation, Motivation, Strategic Orientation, Team-building, Strong Commercial/marketing background, Interpersonal communication skills etc.**

If we had to rate the importance of departments, the hierarchy would be as follows: Sales, Operations, Customer Service, Marketing, Human Resources Finance, PR/Communications, F&B, Credit control, Accounting.

It is also interesting to record which **positions will be in demand** in the next 12 months: **First comes Sales with 51%, second comes Marketing with 38%, third comes Operations with 37% and fourth comes Customer Service with 35%,**

while respondents believe that the available job opportunities for their next career step are more likely to be found in the sectors of: **1. Professional Services (64%) 2. Retail (34%) 3. Consumer Products (34%) 4. Logistics & Transportation (21%) 5. Energy (17%) 6. Technology (16%), Pharmaceutical, Financial Services etc.**

Tourism Executives would consider **a career move** provided that they are offered an increased compensation package (40%), possibly with an implied international assignment (36%), or on a more entrepreneurial role (35%).

The percentage of Tourism Executives who wish to explore the possibility of a new career is quite high: 39%. The most common and effective way to search the market for possible openings is **through Networking (65%),** followed by **Executive Search Consultants (41%).**

Remarkable willingness is observed in exploring opportunities for **relocation abroad** (65% responded positively to this possibility). With greater ease, these executives would move to the nearest more familiar markets of **Europe (88%)** and to the **Gulf Region (45%).** Other destinations score lower (**Eastern Europe, Asia, Latin America, Africa and CIC countries.**)

Finally, respondents have spotted those skills needed in order to achieve their career goals and those two ranking first are related with their **"own brand development"**, in other words **to increase the ability to become more visible in the market (52%)** and to **develop their own marketing plan (50%).** Last but not least the development of personal skills, the alignment with Executive Search Consultants, the development of technical skills, the enrichment of their academic background and a possible move to another sector were also rated as quite important for career advancement.



Focused strategies, motivation and innovation, but, above all, teamwork and coordinated efforts



Yannis Paraschis,
CEO, ATHENS INTERNATIONAL AIRPORT

As the premier company within the Tourism industry, what are the new challenges that you are currently facing?

Starting in March 2001, Athens International Airport (AIA) managed to renew old concepts and practices and soon gained international recognition creating a multi-role entity of 300 enterprises and 15,000 employees, with significant impact on employment, entrepreneurship, tourism and society. Today, with modern airports operating in an extremely challenging and competitive environment, issues such as the recent overwhelming politico-economic turbulences and airline network uncertainty (exacerbated by high fuel costs and the consequent lowering of yield) add however to the general volatility. And while AIA's concession model has been successful in a positive environment, or even in a market of moderate and corrective volume reductions, in our state of abrupt change to the demand & supply side, an airport having high fixed costs related to its capital intensive nature, has to reinstate its position considering new parameters and factors.

What are the necessary actions that should be taken in order to sustain the company's welfare in such a demanding era?

Despite the macroeconomic environment, AIA is consistent in offering value for money services and remain a healthy enterprise. We focus on a) protecting revenues b) reducing costs and c) investing in adding-value activities. In the revenue side in particular, we aim at defending volumes and protecting margins; our basic strategic principle has always been to forego short-term profit maximisation in favour of long-term development.

What are the challenges in today's new policy directions regarding the Tourism sector as Greece faces its most severe economic and fiscal crisis?

Tourism remains a key sector of our economy, accounting for approximately 15% of Greece's economic output, including direct and indirect impact, and has proved to be extremely resilient to the severe financial crisis. In fact, according to recent studies, tourism could deliver an incremental annual tourism demand of €25 bn by 2021. We are determined to work hard and cooperate with all stakeholders towards realising these ambitious targets. However, they cannot be met unless they go hand in hand with the corresponding developments in the aviation sector.

Internationally, great paces of advancement have been made with the liberalisation of Bilateral Air Services Agreements and Open Skies Issues. The fact that Greece has several times stated its firm commitment towards further liberalization of the bilateral framework and alleviation of visas restrictions, in order to foster route development, especially towards emerging economies, is considered to be the appropriate way forward.

Nowadays Greece cannot ensure a high standard of living for its residents. Generally speaking it seems that the country is not a pleasant place to be; within this environment, do you believe that we can "promote" Greece and attract tourists? Are the marketing efforts behind the "brand Greece" enough?

With the crisis's new reality burdening the extremely volatile sectors of aviation and tourism, Athens was the Greek destination that suffered the most, an important factor being of course the tarnished image of the city and its "brand".

At AIA, by developing strategically focused synergies (a recent example is the "Athenspotlighted" initiative, a city-card distributed free of charge to our incoming tourists) and by constantly upgrading our internationally acclaimed airline support programmes, we are ready to join forces with those who, even in the heart of the crisis, see the prospects and have a vision for the future.

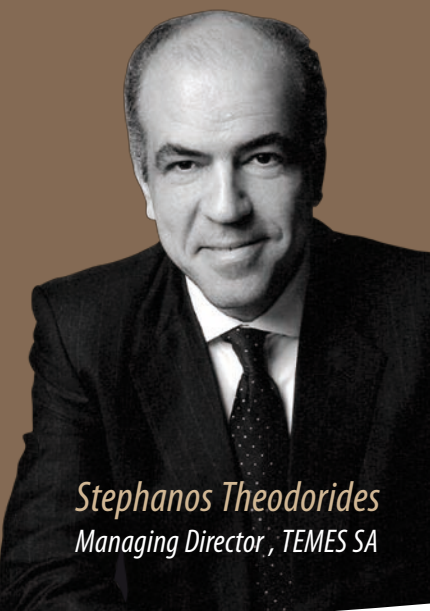
Taking everything into consideration, are you confident about the future?

Absolutely. Riding the "vehicle" that will drive us to the future, I would select my fellow passengers to be: focused strategies, motivation and innovation, but, above all, teamwork and coordinated efforts.

As the premier company within the Tourism industry, what are the new challenges that you are currently facing?

We are certainly affected by the financial crisis, however we see this as a challenging opportunity to improve the quality and value of what we offer to our guests. The political and financial stability of our country is extremely important for the tourism industry in general, a sector that is a driving force for the Greek economy.

As a company, we are very pleased with this season's outcome as we had an increase in visitors coming from abroad, mainly from Europe. Furthermore, we shouldn't forget that we have a long-term vision and that we are here for the long run. We are developing four distinct mixed-use resort areas covering more than 10 million square meters, integrating deluxe hotels, signature golf courses, world-class spas, state-of-the-art conference facilities, sports, outdoor and leisure activities. Of course the development of high-end private residences within the first two areas we have launched (Navarino Dunes and Navarino Bay) is among our priorities.



Stephanos Theodorides
Managing Director, TEMES SA



COSTA NAVARINO

Messinia: a world-class, high-end destination

TEMES S.A. is a premier developer of luxury, mixed-use resorts. Through Costa Navarino, its flagship development in the Greek region of Messinia, TEMES contributes to the establishment of Messinia as a world-class, high-end destination.

At the heart of the company's philosophy is its strong commitment to environmental responsibility, along with genuine respect for local traditions and communities.

The first phase of Costa Navarino has been developed in two distinct seaside landscapes, "Navarino Dunes" and "Navarino Bay". **Navarino Dunes** is the setting for "The Romanos, a Luxury Collection Resort", and "The Westin Resort".

The Dunes Course, Greece's first signature golf course, was designed by former US Masters Champion and Ryder Cup Captain Bernhard Langer in association with European Golf Design and is set in a diverse landscape with amazing sea and river views. The Bay Course, designed by the legendary Robert Trent Jones Jr. is located at the nearby Navarino Bay site. Both courses are managed by world-renowned Troon Golf.

Navarino Dunes also features the 4,000m² Anazoe Spa, offering a full range of specialist treatments inspired by ancient Greece, the House of Events, a multi-purpose and highly versatile conference center accommodating up to 1,700 people, the Cocoon care center for infants, the SandCastle, a specially designed youth hub offering exciting recreational/educational activities, the Agora authentic village center, Navarino Natura Hall by Hellenic Postbank, an interactive environmental exhibition centre, as well a wide range of sports and cultural activities for all ages.

The second phase, **Navarino Bay**, situated approximately 10 km away, next to the picturesque town of Pylos, will showcase in the near future a Banyan Tree all-pool villa resort, the first of its kind in Europe, as well as another five-star hotel to be announced shortly.

The design of guest accommodation has been inspired by the oldest local architectural form, namely vaulted construction. The basic design concept seeks to achieve optimum utilization of natural elements, resulting in a unique living experience that fully respects the environment and conserves nature's precious resources. Navarino Bay will be the first earth-sheltered mixed-use resort in Europe.

Two further phases, **Navarino Hills** and **Navarino Blue**, will open at a later date. The four distinct mixed-use resorts will cover 1,000 hectares overall, and the total cost of the development will surpass 1 billion Euros.

Costa Navarino adheres to strict environmental protection guidelines and management principles, recognizing the significant contribution of a pristine natural environment to the development of a sustainable tourism product. TEMES has developed several environmental programs in conjunction with the University of Stockholm, the Academy of Athens, the Hellenic Ornithological Society and other NGOs.



GRECOTEL

HOTELS & RESORTS

N. Daskalantonakis Group



Thirty years since its formation, the N. Daskalantonakis Group represents the most dynamic tourism group in Greece. Recognised as the **market leader in the hotel sector** with brands including GrecoTel Hotels & Resorts, the Group has successfully expanded to include **30 hotels in Greece** in exclusive, luxury and premium market segments.

Its portfolio is diversified geographically and benefits from a healthy mix of new developments and operating assets as well as resort and city hotels that span several product segments. Growth has been realised through acquisitions, partnerships and greenfield developments to diversify the asset base.

The group builds value by developing, acquiring and actively asset managing high quality hospitality real estate properties that are leaders in their competitive market sectors. **The group's business model is executed by operating GrecoTel S.A., the leading hotel management company in Greece owned jointly by N. Daskalantonakis and TUI AG and an industry focused, highly specialised Construction and Development Division.**

GRECOTEL HOTELS & RESORTS is the largest hotel real estate investment company in Greece focused on prime airport tourism destinations. The company strategy is based on a diversified portfolio and on a country specialised business model. Business and development risks are diversified through geographic spread, property type and customer base.



GrecoTel manages **20 luxury & 4-star resort hotels in Crete, Corfu, Mykonos, Attica, Kos, Rhodes, Peloponnese and Halkidiki.** The exclusive hotels, including a Leading Hotel of the World, meet the highest standards of the international traveller; the luxury hotels are recognized for high quality service and facilities whilst the family all-inclusive product at some hotels appeals to families of all ages.

Nikos Daskalantonakis, the founder and chairman, remains at the helm of all Group investments and in late 2010 consolidated his real estate investments and hospitality companies under the direction of his daughter, **Mari Daskalantonakis.** **Over 2,500 personnel are employed in the N. Daskalantonakis Group**, making it the most significant employer in the Greek hospitality sector.



Q&A with



TUI

Hellas



1 *As the premier company within the Tourism industry, what are the new challenges that you are currently facing?*

We only see **opportunities**, not challenges. The global tourism market has changed dramatically in the past decade. Today, travellers are much more experienced and sophisticated, they **“go online”**, they have individualized demands and expect differentiated services. In other words: Tourism is rapidly changing **from an “offer market” to a “demand market”**. TUI is perfectly positioned to meet and exceed those demands, based on our vision of **“Making travel experiences special”**. TUI has evolved from a pioneer of world class package holidays to a global leader in providing a wide range of differentiated and personalized travel services across the entire value chain and different client segments. At the same time **we are constantly increasing our share in online business** with our online accommodation platforms Hotelbeds, Beds online and Hotelopia. We are happy to see that our clients recognize our efforts here in Greece and abroad.

2 *Which are the most important corporate values of your company in this transformation period as well as the most pressing challenges?*

We have one vision and a set of values, together known as **“TUI Spirit”**, which unite us and support us in delivering our goals. We are **“Customer Obsessed”** and believe that there is no such thing as mass market but a huge market of individuals. **“Responsible Leadership”** expresses our commitment for sustainable growth. We celebrate local differences, protect and promote them. We are **“Value Driven”** while focusing on entrepreneurial leadership and profitability. We seek opportunities that have a commercial advantage and constantly work on new trends and ideas that add value to our customers’ experience. We **“play to win”** and are passionate about being the best. We want to do something new everyday and, most importantly, we love what we do.

3 *Can you please identify the difference between the leadership profile that a CEO/Owner appears to have during peaceful times versus deep crisis?*

I believe that there is no such thing as peaceful times. There is no times where customers expect less quality or competitors decide to be less competitive. Hence, **the point is about how we adjust to changing environments**. When you don’t cope with this, eventually you will fail -in peaceful times as much as during deep crises.

4 *There are both “big” and “small” issues to be dealt with in the frame of the new policy directions regarding the Tourism sector. What is your opinion about the two “big” issues?*

Attracting investments and improving the business environment on the one hand and modernizing and re-booting the brand name “Greece” on the other hand are, as I believe, the two major issues. For attracting investments, many things have been already put in place: Fast Track procedures and support for strategic investments will for sure have a positive impact. **We also really welcome the initiative of SETE for establishing a new marketing company with both public and private support. We believe that a “New Marketing” is required to adapt to the new environment where customization, destination experience and intensive use of technology and interactivity are going to become key factors for success.**

5 *Taking everything into consideration, are you confident about the future?*

I think that everyone who lives and works in Greece today is well aware about the turbulences the crisis goes along with. **And there is no doubt that the current circumstances do rather tend to create ill feelings than to inspire optimism**. However, this situation will not last forever. And what I do for my part is to **look ahead and focus on our strengths and the excellent potential this country has**. That is the very reason why I am confident about the future. What is needed, I think, is **a new paradigm** and a culture based on certain values: **Honesty, credibility, reliability, team spirit, mutual respect, extraversion and hard work. As a matter of fact, these values are not new to us Greeks. We know them very well. Let us recall them! Let us bring them back to life!**

*Michalis Mavropoulos,
Managing Director, TUI Hellas*



Greek tourism competitiveness

Staying resilient - building the true potential

The Association of Greek Tourism Enterprises (SETE) has the pivotal role of constantly boosting competitiveness and demonstrating the key role of Tourism in the Greek economy. Founded in 1991, SETE represents the sum of the associations of tourism enterprises in Greece, as well as independent companies operating across the broader tourism sector. The State's inability to resolve the chronic problems in the sector and devise a long-term strategy, the lack of representation for tourism entrepreneurs and their inactivity in undertaking initiatives, created a risk of degradation for the tourism product and reduction of the country's competitiveness. It was imperative to bring together those tourism enterprises that were characterized by high quality services, to set up an association that would express the sector's views dynamically and close the representation gap. Since its establishment, SETE has proven -with documented positions based on research and surveys- the concrete contribution of tourism to the Greek economy and society, and has focused its efforts on upgrading the quality of services provided, in view of improving the competitiveness of Greek tourism. Today, consistent with its

philosophy and principles, the Association has succeeded in gaining recognition from the State and entrepreneurs.

Whenever anyone refers to Greece, one of the first things that come to mind is Tourism. For the international public, Greece is and always has been famous for its rich tourism resources. For us Greeks, our country's self-evident and perpetual endowment has now taken on another dimension. Greek society now recognizes tourism, not just as a recreational activity, but mainly as an economic activity with clear social and environmental dimensions. This realization has been particularly pronounced over the past two years, following the shrinkage of the overall economic activity and the increase in unemployment.

One of the few economic axes which managed to sustain its position through the continuous financial crisis in our country is Tourism. 2011 was a record year both in international arrivals (16,5 million tourists) and in international receipts (10,5 billion Euros), contributing the 16,5% of GDP. We all knew that 2012 would be very difficult, but despite the harsh beginning, the bookings lost during the two election periods, the extremely negative publicity that our country faced by the majority of the international media and the endless discussion about "Grexit", Greek tourism remained resilient. All reports forecast that by the end of the year we will be able to reach our initial 2012 goal for international arrivals (16 million tourists).

Greek tourism sector has a great potential to contribute another 2-3 units into the GDP the next 2 to 3 years reaching 20 million visitors. But this is not our complete vision. Our vision for 2020 sees Tourism playing a central role in the effort to promote Greece's economic and social development. We envision a country that above all ensures a high standard of living for its residents, a country where people from all over the world would like to live, either on a temporary or permanent basis. A country that is pleasant to its permanent residents, therefore pleasant and appealing to its visitors, the temporary residents.



Towards 2020, Tourism should:

- Connect the values and concepts of Greek culture with modern needs and with the expectations and notions of the globalized society, highlighting Greece's place at the forefront of the new age.
- Contribute to the improvement of the standard of living for Greece's residents by creating employment and generating income.
- Inform and protect tourists-consumers whilst ensuring everyone's right to quality vacations.
- Take initiatives for the protection and management of the environment, as well as prepare to cope with climate changes.
- Create quality infrastructure all across Greece, in order to contribute to balanced regional development.
- Upgrade the status of entrepreneurship in society while at the same time ensuring the viability and profitability of enterprises.
- Add prestige to tourism jobs and give those employed in them reason to be proud.
- Develop synergies with other sectors and branches of the economy, thus creating and spreading even more benefits to every region of Greece and to larger sections of the population.
- Boost Greece's competitiveness through a tourism product that offers quality, value for money and world-class "Greek lifestyle experiences".

With this vision in mind, the "Gross Domestic Product" for Greece in 2020 should be referred to as the "Gross Domestic Prosperity" and with regard to tourists the "Average Spending per Person" ought to be "Average Satisfaction per Person". Based on this vision, tourism should become the Greek governments' primary tool, in the effort to achieve their economic, social and environmental policy targets.

One of the vehicles we wish to use towards the implementation of the 2020 vision is the launch of the company "**Marketing Greece**". **This State/SETE joint venture will re-brand Greece as a tourist destination, positioning our country among the top 10 tourist destinations in the world. The purpose of the company will be to develop a concrete branding, marketing and PR strategy that will boost a unique positive image throughout the world and, in the long run, safeguard our tourism reputation.**

Now is the time to revamp our collaborative power, work together and conquer our mutual targets. We believe that the State is today ready more than ever before to grasp the tourism potential of the country and realize that our sector will be the national arsenal towards development and growth.



Dr. Andreas A. Andreadis

President, Association of Greek Tourism Enterprises

Born in Thessaloniki in 1953, Dr. Andreas A. Andreadis studied Civil Engineering at the Aristotelian University of Thessaloniki and continued his studies at the University of London where he received his PhD.

He is currently CEO of SANI S.A. Tourism and Development Company that owns the Sani Resort Cassandra, Halkidiki, the Pallini S.A., which owns the Oceania Club, and the Andreadis-Zisiadis S.A. construction company which undertakes public and private projects.

He served from 1990 to 2000 as President of the Halkidiki Hotel Association, from 2006 to 2011 as President of the Pan-Hellenic Federation of Hoteliers (POX) and today he is President of the Association of Greek Tourism Enterprises (SETE), covering a range of 50,000 tourism businesses and offering more than 350,000 jobs.



aldemar

HOTELS & SPA

Tourism Diplomacy: The way to a viable prosperity model in Greece

Alexandros Aggelopoulos, Vice President, ALDEMAR HOTELS & SPA

Tourism, in general and in particular in Greece, has always been a collective activity of national caliber. It functions as an umbrella over a multitude of crucial features of a country. **Tourism as a means of communication amongst different cultures is a vital part of a country's foreign policy, whereas, as an economic activity, it functions as the binding thread amongst all sorts of different disciplines and professions.** Last but not least, as an **experience generator**, Tourism is this experiential feeling that we all keep in our hearts, yet few of us have managed to rationalize.

Using the example of the domino effect, we are aware that any type of action (economic, political or social etc.) generates a series of reactions in all social strata and -to a greater or lesser extent- all sectors of economic activity. It is self-evident that, in these harsh times we live in, we are asked (both as citizens and entrepreneurs) to position ourselves within this complex mechanism and act positively and rapidly. No time left for idleness. IF we do not practically highlight and promote Greece's positive features, we will end up with a disorientated, and in the end, utterly destroyed social fabric.

At this point the concept of Tourism Diplomacy* joins in; this, I use when I wish to describe Tourism as the missing link between Greece and its partners, or between business and society, as well as between present and future.

Our Ministry of Tourism is at the bottom end of the hierarchy of ministries... Yet, this is of little concern to me, as long as we could agree on the vital unifying role that Tourism holds. Tourism has the power to bring closer the metropolis to the periphery, Greece to other countries, business to politics (to name but a few), in a tangible way, creating the basis for development of true prosperity in the society.

If a prosperity model is the issue, then Tourism is the answer! Any other attempt has been destined to fail, as history proves, since it has been based on multi fragmented and contradicting microeconomic models: in Greece, all aspects of economic activity have been approached with short terms and in a fragmented way (exports, infrastructure, small industry, agriculture, primary sector in its whole, marine tourism, air transport and the list is endless...). The issue here is a model of macroeconomic approach, on the basis of which a tangible and viable future will be developed and all economic activity can be interlinked. Tourism activity can and must be the binding thread of all others, on the basis of a macroeconomic model. Tourism should no longer be approached as a mere means of development, but should develop into a macroeconomic model of prosperity!

It is worth mentioning that, during these past four years of Greece's international slump, it was images from all over Greece that in the end saved... our image! Images depicting the diversity of land and sea, images of people from all over rural Greece sharing moments of communal celebrations, and daily toil over land and sea; images of creative and modern Greece as well as images that bring forward features of our heritage and cultural identity... all functioned as a Deus ex machina... and what is important is that most of those images were not constructed or manipulated... they were simply communicated!

Nowadays, it is a fact that the citizen of rural Greece functions as an attractive and positive lifestyle model to the Greek urban population whose life standards are deteriorating. This fact, we should be in the position to acknowledge, value and communicate! What is the point of trying to convince ourselves and the rest of the world, for this matter, on what Greece is NOT, rather than reinforce the view of what really Greece IS, today! **And in this case we will then use Tourism Diplomacy, in order to deliver this one, powerful and positive message; which will then function as a bearer of a series of positive images, policies and ideas that symbolize the authentic, the positive and the beautiful aspects of this country.**

To conclude, considering Greece's "day after" is a much simpler process than that of solving the Rubik's cube!

With a realistic and technocratic approach, we must put together the images and messages communicated inside and outside this country. Equally realistically, we should resolve all structural issues that modern Greece suffers from, today. And from that point onwards, we can travel the world with confidence and success...

** The term "Tourism Diplomacy" is admittedly not the most appropriate and one I coined in my effort to explain with as much clarity as possible, what, in my opinion, is the way out of stagnation and towards prosperity.*



Analyzing the challenges in today's new policy directions regarding the Tourism sector

According to recent study of IOBE (Foundation of Economic and Industrial Research) the overall effect on the Greek economy from the tourism and investment spending associated with tourism, estimated in 2010 at 34.4 billion euros or 15% of GDP.

In Greece, the Tourism employment estimated at 46,000 employees with a total of 714,000 jobs, meaning that 16% of total employment in the country is supported by the development of tourism.

SETE has set a goal of 17 million international arrivals for 2013, (compared to about 16 million in 2012), meaning 11 billion euros direct revenue and 40,000 new jobs.

We believe that these goals will be realistic under the following prerequisites:

- positive outcome of the negotiations
- certainty that Greece remains in the Eurozone
- rapid advancement of structural changes
- upgrade of the country's international image
- the continuous improvement of the value for money Greek tourist product

Admittedly, there has never been a concrete unified model applied to Greek tourism, only some fragmented measures taken ad hoc. Now more than ever, we need a united front in Tourism in terms of policy, initiatives, marketing campaigns and relevant issues. **Tourism is Greece's main GDP contributor and an ace in our sleeve, should we chose to use it wisely and efficiently.**

Regarding the economic and business growth of the country in the next 12 months, the business activity in Greece is directly related to the state of negotiations and the determination with which the European Union will try to overcome the recession and the stagnation in the countries directly affected by the crisis.

Every company should strive to be at the forefront of developments, reducing unnecessary costs and focusing on both comparative advantages and business development opportunities. All companies work towards surviving the financial downturn; in that respect we also abstain from making any new investments, we maintain a conservative policy in our day-to-day business dealings, keeping though an optimistic mindset. During a deep crisis, a company leader should focus to the organization of the company, to innovation, being able to operate "beyond the norms". To achieve that, deep knowledge and assessment of existing reality in conjunction with understanding the company goals are the main cornerstones. Our approach is built on respect, trust, being consistent, productive and building long-lasting relationships with our people and the people we collaborate with. Having said that, building trust and respect under the current market conditions is as challenging as ever.

My final message is that Greece has a comparative advantage in Tourism which, even in difficult economic conditions, still retains its dynamics. I can only be confident about the future; I believe we should all be, as well as realists, pragmatists, hard-workers and thinkers. Confidence is a driving force.



George Vernicos,
President & Managing Director,
VERNICOS YACHT

hotelBrain

MANAGEMENT • DEVELOPMENT • CONSULTING

Panos Paleologos,
President & CEO HOTELBRAIN



From 2000 to date, HotelBrain has evolved from a small management company in Santorini to a key player in Greece's hotel market. The firm currently operates fifty six (56) luxury and 4-star properties under hotel management agreements in 16 Greek destinations -Katikies and Chromata in Santorini, Bill & Co in Mykonos, Yria in Paros, Imaret in Kavala, just to name few of them.

In 2010, HotelBrain's President & CEO, Mr Panos Paleologos, signed a partnership agreement with Luxury Hotel Partners (the Management Company of the Small Luxury Hotels of the World International Consortium). As a result, Panos is currently working on setting up the new HotelBrain offices in co-operation with the company's local partners in Lebanon, Turkey, Dubai and Cyprus. In 2012, Mr Panos Paleologos has received a major acclaim, having been elected a member of the Board of Directors of Small Luxury Hotels of the World prestigious organization.

Apart the Hotel Management Contracts with the 56 Greek hotels, HotelBrain currently works with COCO-MAT on the empowerment and consolidation of the International Affiliation Brand of COCO-MAT Hotels & Resorts Worldwide. In addition and in co-operation with Maestro Group, HotelBrain recently established its HotelBrain Braining Centre, the company's new model Centre of Practical, Real and Experiential Training which aims to prepare the future key players of HotelBrain's Management Teams.

*"I do not feel I am managing a business. I feel I am managing hotels -each one of the 56 hotels individually. We do management the hard way. We do not simply recommend changes or ways of operation to the hotelier, nor do we just submit proposals. We work together with the hotelier in real time and real place. **Greece as a tourism product is an international top model.** Even though, from now on we all have to encourage collaborations and synergies. The "one man show" way is over. I do know that as we are getting more and more value for money (and value for experience) destination, we will attract more and more visitors. We are an amazing country and we can offer more... much more than decent services"*



Domotel

HOTELS & RESORTS

particularly adverse environment of political instability, with the two elections in the beginning of summer “freezing” reservations, and also under circumstances of economic crunch for all enterprises.

At this particular moment, in Domotel we tried to give the best of ourselves and compete other countries having a long tradition in quality propositions and we also tried to contribute, as much as we could, to the establishment of an attractive tourist product with value for money.

When the hotel becomes a destination per se, there is no better proof that we have attained our goal

Domotel is a strictly Greek chain of luxury boutique hotels, each one of which has established its own concept, in line with each destination.

Our hotels hold a leading position in their respective areas. The city hotels of the chain are located in three major Greek cities: **Thessaloniki, Volos and Karditsa (Domotel Les Lazaristes, Domotel Xenia Volou and Domotel Arni** respectively). **Domotel Neve Mountain Resort & Spa and Domotel Agios Nikolaos** are located respectively in privileged areas of breathtaking natural beauty such as **Palaios Agios Athanasios (Kaimaktsalan ski resort) and Sivota, Prefecture of Thesprotia**, this being a unique destination of the Ionian Sea.

During the last few years, we managed to create a strong brand name and **establish a wide and robust sales network**. We have the know-how, the infrastructure, the relations as well as an organized operating system of central services. This is why we can confidently and swiftly help each unit included in our chain operate efficiently and effectively, even under extreme crisis circumstances, like the current one.

The major dynamics of the group stimulates its continuous expansion to other destinations in Greece, since the development, restoration, enhancement and assumption of hotel unit management are some of the company's principal activities. Recently, Domotel Mantania, close to Meteora, was added as the sixth link of the chain, in one of the most profuse natural settings in Europe.

Having developed a hotel culture which is based on customized professional services, we have arrived at a systematic and effective development and operation of lively hotels that are open to local societies, through entertainment and wellness services, in order to help visitors spend their leisure time in a multifarious manner.

Each destination dictates the respective themes such as wine, cuisine, spa and many other activities. However, no matter which destination each visitor chooses, they all enjoy a many-star accommodation and services offered by Domotel people who show genuine interest and care, focusing on their specific needs, irrespective of whether they visit our hotels on a business or pleasure trip. What really matters most for us is to let our guests explain the reasons they chose us for, during check-out.



*Konstantinos
Alexopoulos,
CEO DOMOTEL*





Katerina Tzicha,
Director of Human Resources, HOTEL GRANDE BRETAGNE

Tourism & Hospitality Industry - HR point of view 2012

Tourism & Hospitality Industry is one of the major sectors of the Greek economy and one of the main GDP contributors. The sector has been growing for a decade with Greece being a traditional “sun & beach” destination which competes with other Mediterranean countries. The City of Athens, as a travel destination was very promising with high hotel occupancies, stable environment and high labor demand, creating a constant demand for new positions.

Greece’s image and especially Athens’ touristic profile was severely damaged, during the last 5 years, by frequent demonstrations and the current affairs taking place in the city center. Austerity measures, recession and the long lasting political uncertainty reflected and continue to reflect a deepening downturn on revenues.

Hotel occupancies dropped from an average of 70% to 45% and many jobs have been lost. Unemployment ratio currently exceeds 25%, while new additional austerity measures are expected. Additionally, a new reality has emerged of a limited tourist season which now is concentrated mostly from May thru September. As a result, a lot of the traditionally full time contracts have been converted to definite or part time contracts.

With this declining business environment and no immediate growth in sight, we clearly live in an age where flexibility, pro-activeness, resilience and strategic human resources planning are of the most importance.

At the **Hotel Grande Bretagne**, during this recession, our efforts focus on how we balance the increasingly difficult emotional state of our associates (employees), due to their declining wages and the uncertain future of the labor market and maintaining a motivated work force which provides high standards of service and product.

The role of the GB Human Resources Department is very specific: **1) To attract, recruit, train, develop, motivate and retain the best & suitable people, in such a demanding Industry, 2) To contribute in the creation of an exceptionally motivational working environment, 3) To be a strategic partner for profitable growth & sustainable performance.**

As HR Professionals we need to be business savvy, build a steady level of cooperation with the CEO & General Manager and communicate effectively within the organization by walking around & interacting regularly with the associates.

Our strategic priorities are:

- **Training & Development (GB Academy):**

As we aim to deliver consistently great services, our mission is to have fully-informed & well educated associates. We invest in our Associates, in terms of knowledge, skills, competencies and behaviors through Starwood’s training programs, while developing local HR training initiatives.

- **Talent & Performance Management:**

For us, each associate is a professional with a specific talent in what he/she does. It is important to define their talent, evaluate their performance, develop and retain them. This is the only way to be ready for the future and our next generation of leaders.

- **Working environment and Internal Communication:**

Our vehicle to success and development is our working environment within the GB family and our Internal Communication is the key requirement. In order to motivate our associates, we regularly communicate and promote our Compensation & Benefits Policy, balancing on one hand the New Labor Law and Collective Agreements with wage & salary reductions, reminding them on the other hand of our competitive benefits (Staff cafeteria, Group Medical Insurance Program, accommodation at Starwood Hotels at very low room rates, staff discounts through corporate suppliers, stores etc.). We organize internal events in order to celebrate success, enhance recognition, reinforce collaboration and team spirit.

*Specific care is given to enhance **Innovation and creativity**, by Best Practice approaches (Butler service & Pre-arrival guest service are some of GB Best Practice Initiatives). Additionally, we give the opportunity to our associates to express their ideas through an internal procedure on New Innovative Ideas (on how we can improve our policies & procedures, Customer Service, Environmental sensitivity).*

- We support **Young People and Next Generation** through our GB Internship programs by hiring trainees from different Hospitality, Culinary and Business Administration Institutions, Colleges & Universities. Each year 10-15 trainees participate in this program.

Finally, in order for us to continue delivering our excellent guest experience while retaining our excellent working environment we use the following measuring tools: **1) Guest Experience Index-satisfaction Survey , 2) Annual Employee Engagement Index-Opinion Survey and 3) Participation in competitions for awards & recognitions, in order to evaluate our Hotel performance, celebrate success and keep the morale up.**

HR trends for 2013-14

- *Effective usage of flexible working terms & conditions, HR technology & social media, cost management & usage of HR metrics are definitely our short term HR priorities.*
- *Leadership development, employee engagement and retention are our top medium term priorities throughout 2013 & 2014.*



The future of Greek tourism

Greece has been on the “wrong side of the news” for quite a while now. On the other hand, one could quote A. Onassis who used to say that **“it doesn’t matter what they say about you, as long as they talk about you”**.

The fact that there has been a lot of negative publicity for Greece is not something we can change. But by looking at the Greek reality today as far as Tourism is concerned, we definitely have to translate all that has happened over the past few years in terms of growth potential.

Greece offers today a value for money that it has not seen for decades. In the meantime, the competitiveness is growing very fast, especially through the liberalization of markets that have been protected all over the years. On top of that, we have to bear in mind that **Tourism (along with a couple of other sectors of the economy) is definitely the way out of the crisis.**

I strongly believe that the Greek government has realized that and is focusing on the ways we can improve our competitiveness furthermore. Entrepreneurs have a strong role to play in that process as well but we mainly expect several political decisions within the next few months that will give the possibility to expand markets in which we have not been able to position ourselves in a competitive way so far.

Tourism needs decisions more than it needs investments at this point since the basic infrastructure and product are already in place. The changes occurring in Greece today will provide us with the much needed “tourism friendly” environment and that will bring investments on its own.

I am totally confident about the future of Greek Tourism, our company proves that state of mind by investing in Greece in spite of the conjuncture.

Alexandros Vassilikos

*President & CEO of Airotel Group
President of the Athens-Attica Hotel Association*





Agapi Sbokou,
Director of Sales & Marketing



Tourism Trends: The experience

The **global tourism market** is moving full speed towards creating authentic experiences. Due to the dramatic changes that have taken place, travelers crave for authentic choices when visiting a foreign destination.

A **Greek authentic experience** is sailing on board a traditional wooden caique, visiting a local village fair, diving in the clear blue waters from a suite built at the water's edge, a traditional breakfast, a Greek wine tasting accompanied by local cheeses and products, island-hopping and far more. Any one of these experiences can transform our holiday from ordinary to extraordinary and make us want to relive similar moments and return to such places.

However, I feel that we often present our guests an **overused and cliché aspect of our country** that we think is more close to their taste. Investments that have followed this path turned Tourism into a commodity that competes on the basis of a lower price, and will always come second to newer and more modern investments.

"In the midst of these difficult times, all parties need to align towards a common direction".

It is imperative to recognize and take advantage of the **plethora of unique experiences** we can offer them and upon which we need to build our brand for the next decades.



At **Sbokos Hotel Group** we firmly believe that our biggest asset is the local environment in which our hotels operate. As such, we focus our efforts into protecting, supporting and promoting the local communities around us as much as we can. Most recently, we launched a new restaurant which uses mostly products from the surrounding area. We organize visits to local producers, where cheese and wine makers are encouraging our visitors to learn more about our local culture. We proudly serve local delicacies and indigenous recipes in our breakfast buffet and organize daytrips aboard our traditional caique. The local wine tastings hosted in the hotel resulted to Travel + Leisure magazine (August '12 issue) admiring the wonder of Cretan wines. We actively integrate local themes and traditions into the services, ranging from using local herbs to our spa services, to presenting honeymooners with the way Cretan families celebrate nuptials. Therefore, why spend so much energy searching for something new when we simply can work together on something obvious and within reach?

Agapi Sbokou is the Director of Sales and Marketing at Blue Palace, a Luxury Collection Resort & Spa and a Member of the Board of SETE.

Sbokos Hotel Group is a family run company which owns and manages the properties Agapi Beach, Cretan Malia Park, Blue Palace, a Luxury Collection Resort and Spa, Village Heights Resort and Koutouloufari Village Holiday Club in Crete. In addition, it co-owns Sheraton Rhodes Resort.

*"Our **uncompromised dedication** to exceptional service, tradition of authentic Cretan Hospitality and our commitment to ecological responsiveness exceed our guests' expectations. As part of our company culture, our well trained staff serves our guests with warm, friendly and personalized service, creating memorable experiences as well as loyal, returning guests", **Yiannis Sbokos, group founder and CEO.***

Face To Face...

with **George Drakopoulos,**

Director General of **SETE**

Tourism and the Human Factor



Tourism is an activity focused on man. As much as the technology advances and the degree of automation of some services increases, the human factor is the one that makes or can make a difference, especially when referring to experiences.

Within the context of a **proposal for economically and socially sustainable tourism development**, the human factor must be approached both at the level of employees as well as at the level entrepreneurs.

Such an approach is necessary for three reasons: First, the self-employed individuals in the tourism industry are far too many. Second, the relatively small average size of the Greek tourism business allows, if not demands, the rationale of entrepreneurs as part of its human resources system. Third and most important, **the dominant challenge in a new development effort is the change of mentality**, a common need, both for professionals and for entrepreneurs.

The role of the human factor in the new model of tourism development should also be examined at three levels:

- policies (employment policies for tourism and employment strategy for tourism)
- education and training of human resources and
- image and social status of entrepreneurs and professionals.

In this prolonged and negative current situation, employment issues dominate the social dialogue, **with an agenda that is almost limited to the labor cost**. Employees are anxious about their future. Entrepreneurs are preoccupied about the survival of their businesses. Employees, fortunately not all, usually overlook the fact that without businesses there is no future. Entrepreneurs, also fortunately not all, forget that without professionals there is no business. Employees want to maintain what they have acquired until now, under previous laws; entrepreneurs want to reduce or control costs.

Nobody is concerned with productivity increase and with quality improvement. Yet, in these difficult times, we must all show the required maturity and choose sustainable solutions that will improve our competitiveness in the long run and not just to meet temporarily the corporatism demands, from wherever they come from.

Many thanks to all the contributors of this issue for their insights and to all survey respondents for their time. A special thanks to SETE.

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