The ‘Tourism Minotaur’
Addressing Key Destination Policy and Strategy Challenges

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The Legend of the Minotaur and the Labyrinth...

A Tale About the Monster of Prosperity and the Complexity of Managing it!
The Tourist Experience Labyrinth...

Many ‘Little Minotaurs’ between Holiday Components and Satisfaction

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Tourism Policies or Strategies are not the cause of tourism's economic Failure. Their Absence and lack of Accountability is!
INTRODUCING THE EXPERIENCE ENCOUNTER

*Being in the Shoes of Theseus!*
Every interaction between a tourist and a destination’s surroundings and its people (locals and tourists)

\[
\text{Holiday Satisfaction} = \sum (\text{Experience Encounters}) - \text{Expectations}
\]

- If Expectations > Sum of Experience Encounters \(\rightarrow\) Dissatisfaction
- If Expectations < Sum of Experience Encounters \(\rightarrow\) Satisfaction
Great things are done by a series of small things brought together.

Vincent Van Gogh
UNDERSTANDING

A Journey through the ‘Destination Labyrinth’
For an economy stuck in depression-era recession, dependent on emergency bails and seemingly locked in a perpetual fiscal vice, tourism is vital. A record 23.5 million holidaymakers visited Greece in 2015 - generating €14.2bn in direct receipts, or 24% of gross domestic product. In 2010, at the start of the country’s debt crisis - which has seen it struggle to avert default and remain in the euro - revenues from tourism were €10bn, or 15% of GDP.

But while price wars have played a role in securing bookings this year, industry figures also worry about the leftist-led government’s business plan and its appetite for raising tax rates.

But other countries’ loss could be Greece’s gain. And it could not come at a better time: tourism provides one in five jobs in Greece, at a time when unemployment in the effectively bankrupt nation has hovered stubbornly around 25%. Youth unemployment stands at an astonishing 67%.

Much of the upsurge is linked to Greece’s safety record. Tourists are staying away from resort in Egypt, Tunisia, Turkey and elsewhere in the wake of high-profile attacks. Countries whose economies are also dependent on holidaymakers have suffered incalculable damage following a severe drop in arrivals. Travel advice from governments and fears of fresh violence are simply keeping tourists away.
The tourists held by Greek police as illegal migrants

By Chloe Hadjimatheou

At least 50 British families among 800 people struck down by violent vomiting bug at five-star hotel in Rhodes

- Outbreak has lasted ten days but staff are still letting people check in.
- One family of three was treated for dehydration.
- Another guest said: “It’s a complete mess.”

By LEON VARTON

Here’s Proof That Greek Taxi Drivers Scam Tourists

Taxis take the scenic route ✓
Tourists get scammed ✓
Rich people are targeted ✓
Greeks are corrupt ✓

Nothing surprising in a study we came across last year, but it is gratifying to see proof.

From ‘What Drives Taxi Drivers?’ by professors from the department of Economics and Statistics at the University of Innsbruck:

Greece 2015 Crime and Safety Report: Athens

Travel Health and Safety, Transportation Security, Stolen Items, Theft, Burglary, Fraud, Counterfeiting, Assault, Anarchist; Left-wing, Maritime; Anti-American sentiment; Improvised Explosive Devices; Foot/Civil Unrest; Earthquake; Waterways; Intellectual Property Rights Infringement, Racial Violence/Intolerance, Drug Trafficking, Kidnapping, Financial Security Etc. Greece > Europe > Greece > Athens

2/18/2016

Overall Crime and Safety Situation

Crime Rating: High

Crime Threats

Rates of street crimes (pickpocketing, purse snatchings, and other crimes of opportunity) continue to be high, and statistics show an increase compared to 2013. These cases overwhelmingly involve pickpocketing and theft, mainly within the popular tourist areas and on the Metro system (both rail and bus). Many of the incidents involve multiple perpetrators using various efforts to distract their victims.
‘Understanding’: Beyond Quantitative KPIs... Qualitative Research Necessary

- What drives tourists to visit?
- On what basis do they decide?
- How do they compare alternatives?
- On what are they willing to spend?
- How do they feel about their purchases?
- How does their spending differ from their usual holiday behaviour?
- How will they describe their holiday to others?
- What factors determine their daytime activities?
- How do they allocate their daytime?
- How will they describe their holiday to others?
- What factors determine their daytime activities?
- Why would they revisit?
- What do they associate with the destination?
- How do they allocate their daytime?
REGULATING

‘Slaying the Minotaurs’
‘Regulating’

Legislation plus Enforcement!

- Safety standards
- Hygiene standards
- Crowd control
- Pollution control
- Tourist harassment control
- Foreign language-enabled information, aid and support
- Environmental Standards
MANAGING

A Journey through the ‘Destination Labyrinth’
‘Managing Clusters’
*Don’t Forget the Locals!*

- Local Authorities
- DMOs (Destination Management Organisation – e.g. Atlantic Alliance)
- TNCS (Transnational Corporations / Cruise Operators)
- Local Tourism Companies & Suppliers
- Educational Organisations (e.g. Universities)
- Core Resources & Attractions
- Port / Destination Management
- Accessibility (Transportation system, Travel infrastructure)
- Attractions (Natural & created)
- Activities (Special events, festivals, entertainment, shopping)
- Amenities (Accommodation, Catering, Tourist Info)
- Ancillary Services (Telecommunications, Banks, Medical services)
- Availability (Marketing the destination supporting domestic demand)
- Complementary Conditions

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Accountability for Coordination and Management is Key

The DMO of the Future

Today

National Tourism Organisations

- Promotion / Advertising
- Tourist Info Provision / Material
- Supply of Services (Accommodation bookings)
- Certification / Training

Tomorrow

National DMO Networks

- B2B Representation Abroad
- Cluster Co-ordination (Innovation, Internal Marketing, Financing Support)
- Research & Education
- Standard Development & Implementation
CAPITALISING

Preventing Tour-olonisation
‘Capitalising’
Watch Out for Tourism Cartels... Avoid Tour-olonisation!

Phase I: “The Promise”
- Issue Group A: “Understanding Tourism”
  - Developing Local Economies (“Tourism Potential”)
- Issue Group B: “Growth & Sustainability”
  - Rising Demand – Restricted Capacity (Beds & Infrastructure)
- Issue Group C: “Political Myopia”
  - Tourism-Related Subsidies to Support Tourism (Tax2Business)
- Issue Group D: “Strategic Intent”
  - Partnerships with Tour Operators for Source Market Access

Phase II: “The Dependency”
- Focus on Operations, Reduction of Investment, Product, Dev. & Marketing
- Standardisation & Service Quality Reduction
- Price Competition & Cost Pressures
- X-Destination Competition (Capacity Utilisation Risk)

Phase III: “Tour-olonisation”
- Economically Unattractive Capacities (i.e. Hotels)
- Tour Operator Participations & Acquisitions (Vertical Integration)
- “Share-of Wallet” Control (All-Inclusive)
- Resort Economic Deterioration (and TO Horizontal Integration)

Increasing Dependency on Tour Operators (Control of Flight Capacities and Access to Source Market)

Given subsidies, capacity can be sold at a low price without resulting to private loss

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‘Tour-olonisation’ Resistance... Some Examples!

Visitors think they are in a kind of Disneyland: Berliners call for touris-free times and silent suitcase wheels in protest against partying holidaymakers (Mail Online).

BRITISH holidaymakers travelling to Majorca are furious about the imposition of a controversial “eco-tax” from May 1 this year. (CNN Travel).

By David Abram
12:01 AM GMT 23 Feb 2002

Amsterdam for tourists: What’s legal? (CNN Travel).

Majorca eco-tax is an insult, say tourists

Venice cruise ship ban to go ahead as planned

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“Privatise Tourism Revenue – Nationalise Capacity Risk”
- What is subsidised? And what is taxed?
- Refrain from ‘Black or White’ Debates...
  - All-inclusive yes / no
  - Mass vs. Individual Travel
  - Cost-Leadership vs. Differentiation
- Architecture + Governance is Key!
  - Smart Legal framework (Policy vs. Measures)
  - Tourism Education vs. Training
  - Long-term planning (i.e. Beyond a legislation period)

“Economy in the service of Tourism”
- Indirect + Intangible impact management & controlling
- Tourism integration with other income generating sectors
  - Consideration of entire tourism value-chain plus interface to other value chains
- Avoidance of tourism (and / or economic) ‘monocultures’
  - Physical space (e.g. ‘Tourism Ghettos’)
  - Conceptual space (e.g. ‘Promotion of Standardised National Stereotypes’)

“Enjoy Dependence, Dream Independence”
- PPP as a ‘Tour / Cruise Operator Lock-in’
- TO/CO Vertical integration also means Co-Dependence
- ROI (Return on Investment) is not the same as ROP (Return on Promises)
- Beyond just ‘pushing the destination to the end-customers’... Also ‘Pulling the Tos/Cos to the destination’!
  - Tourists do not just visit Greece because it is beautiful... They visit Greece because Tos / Cos make profits in Greece

High Concentration in the Source Markets
TO / CO ‘Cartel-Type Activity’ & ‘Supply Chain Power’

“if you can’t live with them, but also not without them... Ensure that they feel the same”
3 Cardinal Mistakes in Tourism / Cruise Development

‘Holistic Pragmatism as a Development Principle’

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“Experience a Venue”

Develop Tourism Economy (not just generate guests and income)

Foster Co-Dependence, be a ‘Co-Investor’ (not just a supplier)

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In a Nutshell...

Sustainable Tourism Development

Tourism Strategy
- Management Accountability for Tourism Clusters
- Tourism Development Architecture and Dependencies

Tourism Policy
- Monitoring and Researching Tourists’ Experience Encounters
- Regulation & Enforcement in Tourism Regions

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