

■ **TOURISM SERVICES MARKETING
PROBLEMS AND PROSPECTS FOR SUSTAINABLE
SOLUTIONS**

Ioannis Mylonakis
Doctor of Business Administration

Alexandra Fragoudaki
Lecturer of Marketing and Air Transport Economics
Faculty of Economic Sciences
University of Athens

1. Introduction to Services Marketing

Through the last decades the need for services marketing has been spread all around the world. Companies have realized the importance of being able to sell, but also being able to satisfy their customers in order to “bind” them with their services or/and the company itself. Services marketing became the tool to sell in a greater volume, to keep the customer happy and even a way to achieve high organizational goals that would make the company stronger and ready to face difficulties and competition. A services company without a marketing department, nowadays, is like an unorganized company, with no potential for further growth.

The need for marketing practice on physical goods led to the creation of an extensive theory around the marketing of services. Until then, services were not something that needed a special promotion, because the meaning of service was not merely profitable. When the service became a way to gain profits, then the need for marketing became crystal clear. Companies that sold services, like banks, private hospitals, insurance companies and universities, practiced marketing principles and the results were quite impressive. It is also proposed that a country can get involved into a Marketing procedure. Every country has a marketing policy, in order to promote its goods, services, even the country itself for political, tourism or other reasons.

The aim of this paper is to explain how a country can promote itself and which problems can be met. The example of Greece is taken as a country that can promote its culture and tourism and via real data we will attempt to propose an overview of how a governmental body can practice a Country Tourism Services Marketing Policy. The reason that we choose to work on tourism is because tourism takes a great part of the country’s GDP and it is a sector that has great potential to grow and become a leading sector of the Greek economy.

2. Tools and Theoretical Models

A Marketing Policy in a commercial company implies the use of the marketing mix, the four well-known P's. Product, Price, Promotion and Place, as defined by McCarthy, are the basic guidelines for a company to organise the production, distribution and promotion of its products. But, when we refer to services, three additional P's can be added, because the nature of services is different from this of the physical goods. Four characteristics of services describe this difference: *intangibility, variability inseparability and perishability*. Due to this differentiation, Booms and Bitner suggested three additional P's for service marketing: people, physical evidence and process.

For a Country Tourism Services Marketing Policy rather than a simple services provider, such as an insurance company, the scene becomes quite complicated and the internal organization, physical environment, and contact personnel are related to a much larger scale of operations and are far more difficult to be measured accurately. For this reason, when a Country Tourism Services Marketing is examined a couple of different tools are used and not only the classic marketing mix tools.

The first tool will be the GAP theory, introduced by Zeithmal, Berry and Parasuraman, who formulated a service quality model that highlighted the main requirements for delivering high service quality. The model is shown in Figure 1 and identifies five gaps that cause unsuccessful delivery:

- Gap between consumer expectation and management perception (GAP 1).
- Gap between management perception and service-quality specification (GAP 2).
- Gap between service-quality specifications and service delivery (GAP 3).
- Gap between service delivery and external communications (GAP 4).
- Gap between perceived service and expected service (GAP 5).

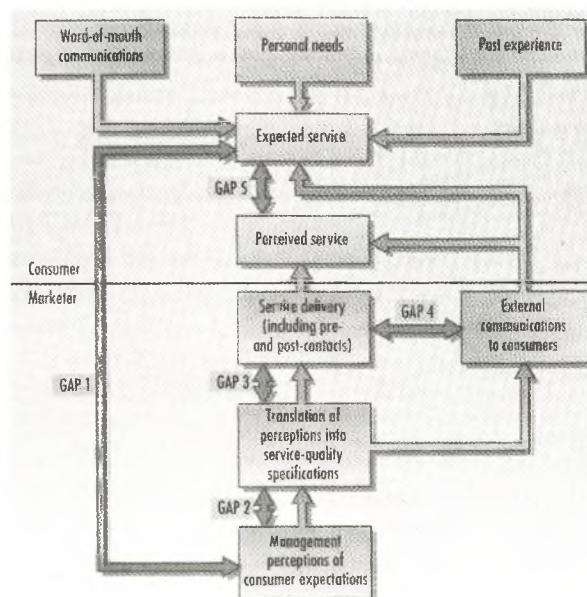


Figure 1. Service-Quality Model.

Adapted from Zeihaml, Berry and Parasuraman, 1988

The same researchers put forward five determinants of service quality. These are presented here in order of importance.

- Reliability:* The ability to perform the promised service dependably and accurately.
- Responsiveness:* The willingness to help customers and to provide prompt service.
- Assurance:* The knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy:* The provision of caring, individualized attention to customers.
- Tangibles:* The appearance of physical facilities, equipment, personnel and communication materials.

The GAP theory will be used in order to understand the problems of communication and implementation, which appear from the moment that a government sets a Country Tourism Services Marketing Policy, until the moment that someone visits the country and forms a certain opinion.

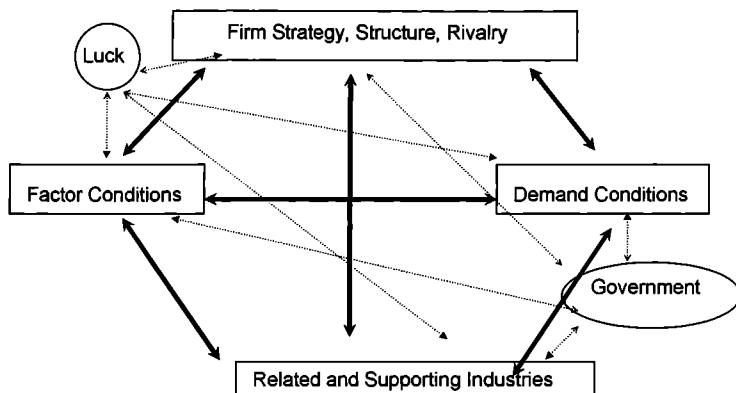


Figure 2. Porter's Diamond.

The second tool we will use is the Model of Porter that describes the conditions under which a government can promote a specific sector. Porter wondered; why some countries show a competitive advantage in some sectors and others do not? The answer that he proposed was that each country could create and maintain its competitive advantage. This opinion was totally opposed to the Ricardo's Theory of Comparative Advantages and introduced a new theory in the field of International and Development Economics.

Porter wrote that one could distinguish 4 broad categories that shape the environment in which the companies or governments can move, promote or prevent the national competitive advantages:

1. **Firm Strategy, Structure and Rivalry:** The targets, the strategies and the organizational system, vary from country to country. Nevertheless, each country can create advantages out of these simple, but important, functions.
2. **Factor Conditions:** This category includes the resources that each economy holds. The resources (human, physical, technical, capital, etc.) are a very important piece of the competitive advantage of a country and their preservation or even recreation consist a determinant factor of success in the competitiveness game.

3. **Demand Conditions:** The Aggregated Demand, most of the times, affects the shaping of the competitive advantages of a country, through multiple mechanisms.
4. **Related and Supporting Industries:** To create a competitive advantage in a specific sector, you need to have the supporting industries that will supply and help in the real promotion of the final product.

To the above four elements Porter claimed that someone could also add:

- **Luck:** Some incidents happen just by luck and none can predict them. Their results can sometimes be very positive for a country or company, but other times can prove to be dramatically negative.
- **Public Policy:** The state can improve or even aggravate the competitive advantages, through a broad spectrum of interventions.

The Model of Porter is used in order to propose some movements, under which a government can improve a certain sector, and create a strong competitive advantage

3. General Outlook of Greek Tourism

Greece stands in the 15th place in the world classification of tourist destinations, having received just over 14 million tourists in 2002 (National Statistical Service of Greece). The majority (88.7%) originates from Europe (72.8% from the 15 EU countries). Almost two thirds (74%) of foreign tourists came to Greece by plane. The total number of nights spent in hotel accommodations by foreign and domestic tourists in 2001 (61.567.209) marked a 0,43% increase compared to 2000. The accommodation capacity of the 8.209 hotels was 601.034 beds (January 2002). Some 28.000 secondary accommodation establishments provide another 450.000 beds. There are also 351 camping sites with 30.643 pitches and 949 bungalows. Besides the Hotel, Restaurants and Catering sector, there are 7.500 travel agencies, rent-a-car agencies, and yacht-brokers. Tourism contribution to the GDP is estimated up to 18%. The tourism receipts in 2001 were 9.121 millions USD (or 10.248 euros). Employment in

the tourism sector is estimated to reach 10% (6,1% direct employment and 3,9% indirect) of the total employment in Greece.

It would be very helpful to have a look at the most important statistics for tourism. In order to move further and propose some solutions, we first have to identify the problems. The problem of the Greek tourism does not require to be proved by numbers. It is quite clear that the Greek tourism has entered a phase of crisis (structural, administrative). The foreseen recession led to the cancellation of important investing programs by the tourist companies. The final outcome is the expected reduction in the revenues by the tourist sector.

On the other hand, the optimists view holds that one can already see some signs of recovery and that we should all expect further improvement in the period before and after the Olympic Games of 2004. The Centre of Programming and Research (KEPE) claims, through one of its projects, that there will be a long-term improvement in the tourist sector and tourist flow due to the Olympics. Furthermore, KEPE foresees, in the most optimistic scenario, that Greece will have an increase of 800.000 tourists in 2005 and this number will reach 1,5 million in 2010. The most pessimistic forecast, predicts that this increase reach the number of 200.000 in 2005 and 300.000 in 2010.

Table 1 below shows the arrivals of foreign tourists at frontiers by region of origin in the period 2000-2002, as provided by the National Statistical Service of Greece.

The table depicts mainly the tourist flows in Greece from all around the world. There has been a 10 % overall increase between 2000 and 2002. However, there is a striking decrease of 27.5 % of visitors from America reflecting the effects of terrorist acts of September 11th 2001 and subsequent war and events. The figure showing arrivals from America includes both the US, Canada and South America. US visitors alone account for about 68% of total visitors from America. Demand for Tourism Services by American nationals has always been of primary concern to the Greek Tourism Authorities, as Americans are considered as high spending tourists. About 93% of visitors to Greece originate from Eu-

Table 1. Tourist Arrivals to Greece by Region of Origin.

Arrivals from	YEAR			Total	% in 2002/01	% Difference 2002/00
	2000	2001	2002			
Country						
Europe	12.080.21	13.088.224	13.236.510	88,73	1,13	9,57
Asia	586.569	607.640	609.509	4,09	0,31	3,91
Africa	60.955	58.104	52.800	0,35	-9,13	-13,38
America	300.213	231.675	217.639	1,46	-6,06	-27,51
Oceania	67.597	71.688	63.811	0,43	-10,99	-5,60
Total						
Foreign						
Tourists	13.095.545	14.057.331	14.180.269	95,05	0,87	8,28
Cruises	471.908	621.357	738.178	4,95	18,80	56,42
Grand Total	13567453	14678688	14918447	100	1,63	9,96

Source: NSSG

ropean countries (geographical Europe), out of which 70 % from EU countries. UK and German tourists are the largest groups visiting the country followed by Albanians, Italians French and Dutch. Visitors from Asia are mainly Cypriots (2.3%), Turks (1.3%) and Japanese (0.6%) are the largest groups originating from Asia (the percentages showing their contribution to total tourist visits to Greece).

Depending on the country of origin, visitors use different modes of transport to visit Greece. Table two below shows the distribution of tourist visits by mode of transport.

Clearly the great majority (70%) of tourists visiting Greece arrive by plane. The geographical location of Greece in South-east Europe justifies this and, furthermore, it is well known that the majority of visitors arriving by air (about two thirds of total air arrivals), come to Greece on charter flights which are part of their holiday package. Furthermore, the cost of flying has decreased considerably in the last years allowing more visitors to come by air even for shorter visits.

The improvement of the other means of transport in Greece is a crucial matter and currently under development. The rail network of Greece is regarded as very problematic

Table 2. Tourist Arrivals to Greece by Mode of Transport.

Tourist Arrivals by Mode of Transport	Year				% in	%	%
		Total	Difference	2002/01	2002/00		
By Air	10.454.089	10.841.059	10.437.910	69,97	-3,72	-0,15	
By Rail	63.969	86.070	89.254	0,60	3,70	39,53	
By Sea	836.010	808.165	797.017	5,34	-1,38	-4,66	
By Road	1.741.477	2.322.037	2.855.818	19,14	22,99	63,99	
Total Stations	13.095.545	14.057.331	14.179.999	95,05	0,87	8,28	
Cruises	471.908	621.357	738.178	4,95	18,80	56,42	
Grand Total	13.567.453	14.678.688	14.918.177	100	1,63	9,96	

Source: NSSG

and The National Railway Network is a very poor and cannot support or complement in any way the tourism sector. Nevertheless, the E.U. has promoted some programs, especially for young people, and has started giving incentives to them to travel by rail. In addition, Rail Developments programs funded by the EU are expected to drastically change the scene in Greek rail by 2008.

The geographical location of Greece in the Balkans is really negative towards a sustainable development of the rail network. The regional conflict in the Balkans has hindered traveling through Bulgaria, Albania, FYROM, or the countries of former Yugoslavia. A positive sign is the increase of tourists that have visited Greece by road. These positive results have occurred due to the development in transport through the Balkans. The improvement of the National Road Network and the significant national road works, namely Attiki Odos, Egnatia Odos and the Rio-Antirio Bridge will further improve this figure.

The flows of visitors to various regions within Greece are presented in table 3 below, distinguishing between Greek visitors on domestic visits and foreign tourists visiting Greece.

Table 3. Distribution of nights spent in hotels by region.

Year	2001		2001 % in total	2001 % in total	2001
	Greeks	Foreigners			
Region	Greeks	Foreigners	Greeks	Foreigners	
<i>East.</i>					
Macedonia& Thrace	1.046.721	495.011	7,00	1,06	
Central Macedonia	1.966.977	3.439.951	13,15	7,39	
West Macedonia	347.347	47.825	2,32	0,10	
Epirus	730.713	270.265	4,88	0,58	
Thessalia	1.110.105	709.084	7,42	1,52	
Ionian Islands	872.829	5.793.179	5,83	12,44	
Western Greece	796.705	770.747	5,32	1,65	
Sterea Ellada	891.140	592.033	5,96	1,27	
Attica	3.217.674	4.770.542	21,50	10,24	
(Athens)	1.733.126	3.364.304	11,58	7,22	
Peloponnese	1.064.484	1.209.430	7,11	2,60	
North Aegean Sea	577.094	1.441.465	3,86	3,10	
South Aegean Sea	1.433.883	15.362.108	9,58	32,98	
Crete	907.984	11.671.913	6,07	25,06	
Total Greece	14.963.656	46.573.553	100,00	100,00	

Source: NSSG

As regards Greek visitors, Attica and Central Macedonia, the regions where the two principal cities of Greece—Athens and Thessaloniki are located, show the highest demand in hotel accommodation, followed by South Aegean Sea, a very popular holiday region for Greeks as well as foreigners. On the other hand, foreign visitors show clear preference to regions on the periphery, reflecting organized holidays flows to South Aegean Sea and Crete. More than one third of foreign visitors chose the South Aegean Sea for their holidays. This includes the complex of the Cyclades and the Dodekanese islands. Ionian Islands are a distinctive holiday destination both for tour operators and charter flights as well as visitors from the neighbouring Italy. Tourism infrastructure in these areas is well developed as regards numbers of beds and recreation outlets; however quality of services offered has frequently been an issue which requires

firm control. The development of the roads system, which will provide a network for quick and good access and links to destinations on the mainland, is likely to influence the flows of both Greek and Foreign visitors, particularly if the authorities plan the development of infrastructure in these areas in order to promote different types of tourism such as eco- and agro-tourism and experience-seeking tourism.

3. Problems and Prospects

The nature and Problems of Greek Tourism

As mentioned in the introduction, Tourism is the most important service industry for the Greek economy, accounting for 16.3% of the country's GDP. Tourism as a sector of the national economy is interrelated to many other sectors of the economy. It also has a close relationship and influences the final product and the quality of Hotel services; restaurants and banks are also affected by tourism. It is estimated that an increase of 10% in the demand of hotel services and restaurants, can lead to an increase in the supply of tradable goods for around 1%, of air travelling for around 17%, of telecommunications for 18% and can finally cause an increase of 8% in the revenues of the cultural and entertainment sector.

Nevertheless, the problems of Greek tourism have become quite intense and difficult in recent years and everyone wonders, why Greece faces such problems, when it has such great physical and cultural potentials and can gain so much from tourism? Greek tourism share in the European economy has exhibited a significant decrease over the last years. The explanation of this, implying the decrease in the competitiveness of the Greek tourism, whether this is viewed as a price, as total quality or as value for money, can be found in the elements that shape the cost and generally the quality of the tourism product, or as Porter calls them, in the Factor Conditions and the Relating and Supporting Industries.

According to a project carried out by the Institute of Tourist Research and Forecasts, the greater problems faced by the Greek tourism are:

- **The amount of money to invest in the tourist sector.** The basic characteristic of the Greek hotels is the family character and practice in which they work. Furthermore, the lack of a financial program for the development of the tourist sector, in the past, has caused the nowadays lack of capital for investments.
- **Inefficient Management.** The management in Greece is really inefficient, excluding only the hotel branches, whose management is not run by domestic companies, but by multinational and their subsidiaries companies.
- **The size and the category of the hotels.** The average capacity of beds in a hotel of Spain is 130 beds, while in Italy the same amount reaches only 53 beds. In Greece, the corresponding figure is 76 beds. The problem though in Greece is that the tourist sector is comprised mainly of 3rd Category Hotels. Greece shows an important lack in 2nd and especially 1st class Hotels.
- **Human Resources.** The human factor plays a significant role in the supply of the tourist product, from the side of productivity, but also from the side of quality. The supply of the tourism product from the employee has to be comprised of professionalism, good communication, understanding, patience and specialization. A large part of the labour force that works in the Greek tourist sector, presents a lack of these characteristics. In this field Greece can claim that it adopts all these characteristics, only when compared with Portugal.
- **The tax Policy.** Each room is taxed in Greece with an 8% on price, while in Spain is taxed with 7% and in Portugal with 5%. Our country is the last in the matter of tax charge.
- **The Labour Cost.** Greece is in a really negative position in this subject. Spain, Portugal and France have a lower labour cost than Greece in the tourist sector. Especially, Turkey, that concerns Greece greatly, has even lower labour cost, which also neutralizes the high labour productivity in Greece.
- **Public and Private Infrastructure.** Low quality infrastructure and in many cases abandonment or with serious delays infrastructure projects.

- **Geographical position of Greece.** Unfortunately Greece is comparatively far, compared to Spain and Portugal, from the homes of most of its tourists. The Balkans countries space prevents Greece from having a close relationship with the other EU countries.
- **The seasonality of Tourism.** The main tourism period is shortened and limited to 3 to 4 months a year,
The problem areas presented above, lead to measures and actions that Greece has to take in order to increase the competitiveness of its tourist services. It is evident that substantial funds will be needed for improvements in the various areas.

Proposals to a Sustainable Solution

It is not easy to propose a solution to a chronic problem and to a sector totally divided. Tourism is something far from a problem. It should be a matter of national prestige and respect of the country's heritage. It is attempted here to present through two or three model-tools, which appears to be the possible suggestions for sustainable change and development in the tourism sector.

A. Factor Conditions

The Competitive advantage model of Porter gives a basic guideline for someone to suggest some solutions to certain development problems. In the case of tourism, the first and perhaps most important, would be the change in human resources, including not only quantitative, but also qualitative aspects. Greece has always been regarded as a very hospitable country. Thus, the comparative advantage of Greece has to be hospitality. The way people behave is the best advertisement about the country, because this depicts the whole culture and mentality of the country's gender. A change towards this direction is really sustainable, especially after the creation of university departments and programs that lead to relevant degrees such as Tourism Studies.

People, the other element of the services marketing mix, and particularly those involved in tourism, have to be educated as to how to behave "tourist orientedly" and learn the main principles of behaving on a "customer driven" basis.

In the adverse case, the result is the development and enlargement of GAP3, in which Greece currently finds itself. Greece clearly faces GAP5, that is the difference between the expected, by the customer, service and the delivered service. According to Services Marketing basic principles, the direct interactions between tourists and service providers present problems. The Ministry of Labour could organize through the local offices of OAED, training seminars all around Greece. Greek companies have to start facing tourism as a serious profession and not as a chance to work for three months and live burden free lives during the rest of the year. Responsiveness is a very important factor when considering quality of services offered, especially tourism.

The good profile of the service in the market creates many positive outcomes, like word-of-mouth marketing, that help in the promotion of the service. Services customers counteract with each other, and secondary interactions take place, between them and the different services. A high opinion about Greece abroad promotes the country and so marketing is starting to get into practice.

Another element that needs to be put forward is the cost of the labour force. In Greece the labour cost is quite high, thus Greece is losing its competitiveness even in comparison to countries such as France, Spain and Turkey. In the past, several proposals have been put forward suggesting that the syndicates and the various labour associations have to come in terms with a better labour cost. Further, the government can supplement these costs through financial aid which could lead to drastic and serious development moves in the tourist companies.

As for the financial aspect, the government should adopt a more friendly tax policy and reduce the taxation on tourist companies. For example, tax relief measures can be given to companies that invest in tourism. In this way companies can afford greater profit margins and this means further investment.

Furthermore, the protection of the natural resources should be a guideline for the Greek tourist industry. Nature is one of the most important elements for tourist development and in the case of tourism, nature and sceneries con-

sist the physical evidence of the service. The Greek National Tourism Office (GNTO) is already moving to this direction in the last years. (Eco-tourism, Ecological Parks, etc.).

Culture and national heritage are the key factors of the other element of the services marketing mix, the Greek Physical Evidence. The cultural sites of Greece are unique and the Ministry of Culture has to revise its policies on the organization and repair of all the historical sites. The unification of the archaeological sites of Athens is one of these moves.

Infrastructure is a crucial factor in all tourism programming and scheduling. Fortunately, due to the Olympic Games, Athens has entered a thorough renewal and development program. The metro, the new airport, the tram, the urban railway and the national roads are works of utmost importance and can substantially change and improve the city of Athens, the "Olympic Cities" and the whole of Greece.

Finally, the problem of the capital resources is one of the main obstacles that have to be overcome. Loan interests have moved into a very positive direction and it has become easier for many companies now to take out a loan in order to renovate or even create new firms. However, the government has to give more financial incentives for the creation of new tourism-related firms. On the other hand, the European Community Structural Funds provide a very good aid towards sustainable change in the competitiveness of Greek tourism. The international practice, however, has taught governments that they must have a closer look and control as to the ways in which these funds are used. Absorption rates and efficiency in funds use are criteria for the development of the country.

All the factors mentioned above, representing the elements in the services marketing mix, describe the key factors in Greek Tourism Services Marketing. By taking those into consideration when planning tourism services marketing policies and at the same time holding a firm hand of control on implementation, the authorities can achieve quite profitable results in offering improved tourism services.

B. Demand Conditions

An important tool, in the demand management process is promotion and in particular, advertising. Greek National Tourism Office, accepting the importance of this tool has moved towards this direction and the launching of a new campaign, "Greece: Beyond Words" that has been put into practice since 2000, seems quite effective.

In addition, another element of the promotion mix, personal selling, is being used in tourism promoting efforts. Each country participates in various conferences, fairs and exhibitions that take place around the world in order to present and promote its tourism services.

One of the most important problems of the Greek tourism is seasonality. This is something that poses additional burden on infrastructure, raises costs and deteriorates quality of services offered during certain periods in time, in particular in the two summer months (July & August). Efforts are made in order to overcome this. Greece has all the natural resources and also has developed inter-resorts infrastructure, so it can support winter tourism. This promotional activity has to be done in cooperation with tour operators abroad. A very good way to meet seasonality problems is the introduction of all different types of tourism activities, such as Conference tourism, Sports tourism, Cultural tourism, Religion tourism, etc.

Greece has to adapt rapidly to the changing world tourism conditions. The differentiation of the tourist product is the only answer to the sustainable tourism industry development. Until recently, Greek Tourism has developed under the "3S" concept, which means, Sun, Sea and Sand. The time that Greece delighted the revenues from these three elements only has come to an end. The tourist product has to be diversified and augmented. There is a clear tendency for other "3S" to start developing: Same Problems, Same Suggestions and Same Solutions. All tourism places in Greece want Conference Halls, Marinas, etc. So there has to start an organizing procedure and each place (region) to find or, better, develop a kind of tourism in which it has a comparative and competitive advantage.

Finally, demand is also affected by political and social

circumstances. Greece has faced this problem and is most likely to continue having this problem due to its location in the Balkans and being near the Middle East. It is only being realistic to accept that Greece, in this aspect can not enjoy the status or it cannot enjoy a competitive advantage as Austria or Luxembourg for example.

C. Firm Strategy, Structure and Rivalry

The firm itself is a very important unit that can cause waves of development, through the enforcement of its competitiveness. The Greek tourist companies, which are mainly comprised of Hotels, Bungalows, Restaurants, Entertainment Firms, Parks and many others, are regarded internationally as companies facing many problems and mainly organizational ones. None can claim that this argument is only a myth, because even statistics and some international ratings prove it. So this area is a challenge for Greece. It has to enforce the competitiveness of its enterprises, through organized schemes and according to the market needs.

The first matter that has to be under program is the size and the category of the hotels. It is already stated the problems that Greek Hotels have shown with the accommodation size and the category of the services that they supply. Many small hotels have followed with renovations and are willing to upgrade the category of their hotels. According to the "Attica Hotels Association", 54, 9 % of their members have started renovation activities and the 86% of them are going to operate as Luxury Hotels. The last and maybe most important element in this area is that hotel owners have to overcome the family-run business mentality and run the hotel under a more professional and market oriented and customer-driven approach. This can become, through the transition from family owned Hotels to the Big Hotel Clusters.

For Hotels, but also for all the tourism-related companies, like restaurants, a second move is quite important. The government has to define some quality standards that would be stable and every company must follow. In this way it will be very easy to ensure the stability and quality among the companies, and so and the competitiveness. A certain num-

ber of hotel resorts have applied ISO 9001, ISO 9002, or ISO 14001 standards, on a voluntary basis. The standardization of production and quality offered always inspires reliability, which in services is really important due to their intangibility.

Furthermore, quite useful would be the firms to create adequate channels of communication with their suppliers. In this way, they would be able to minimize transaction costs and economies of scale that may occur.

5. Conclusions

Tourism deals with human activities which involve travel from an originating area to a destination for pleasure or business purposes. Service starts with an attitude. This attitude prompts you to 'make it ready, make it right, make it to the customer's satisfaction, and do so with courtesy and professionalism. Tourism is a highly diverse and fragmented industry that encompasses all the businesses serving the needs of people who are away from home. Tourism and hospitality markets around the world are evolving rapidly. According to the World Travel and Tourism Council, the travel and tourism industry now accounts for more than 6 percent of the world gross domestic product, employs 1 in every 15 employees and account for 7 percent of the world's capital investment and 13 percent of consumer spending worldwide.

Marketing is one of the essential ingredients in the overall success of any business. Understanding the phenomenon of tourism and formulating policy requires the consistent measurement of tourist flows and knowledge of the structure of the tourist sector. Further, understanding how tourists and travellers decide, purchase and evaluate tourism services is important for the design and management of service delivery and also for the development of consumer theory in the service sector. As tourism services are usually consumed at the point of production, the tourist (consumer) becomes involved in the production process. The tourist arrives with a set of needs and expectations about the product

and the environment in which the service will be delivered. Tourism managers need to understand the service interaction dynamics for their type of operation and the important implications for staff recruitment, selection and training. This is because the highly personalised form of interaction during service delivery can exacerbate the problem of service variability.

In terms of output and employment, the tourism industry became increasingly dominant in Greece influencing strongly a lot of other economic sectors. For this reason much of the strategic thinking and planning of businessmen, tourism organizations' heads, administration staff and political leaders must be concerned with managing and marketing services. Identifying trends and detecting market opportunities and threats are fundamental tasks in proactive management and marketing planners. Greek managers and people occupied in the tourism industry should realize that tourism services are positioned and compared using a continuum approach by tourism services consumers. Tourism managers should understand that service marketing is a managerial process of anticipating and satisfying existing and potential visitors' needs and wants more effectively than competitive suppliers or destinations either in the country or few miles away.

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