University of Crete
Department of Computer Science

Customer Relationship Management

Topic: "Understanding Customer Needs in the Tourism Industry"

Instructor: Xevelonakis, E.

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Group Names:

Name	ID	Email
Gkirtzou Aikaterini	1478	gkirtzou@csd.uoc.gr
Zachopoulos Antonis	1470	zachop@csd.uoc.gr
Kapravelos Alexandros	1535	kapravel@csd.uoc.gr
Livadas Georgios	1469	livadas@csd.uoc.gr
Michou Maria	1269	michou@csd.uoc.gr
Papavasileiou Vasilikh	1574	papavas@csd.uoc.gr
Papadakos Panagiotis	MET	papadako@csd.uoc.gr

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INTRODUCTION

The importance of tourism in the Greek national economy is high, with tourism accounting for 18% of total Greek GDP, while 800,000 people are employed in tourism-related operations. Moreover, tourism represents a significant source of foreign exchange in the country.

The Greek travel and tourism industry in 2004 is characterised by two contradictory factors: the successful organisation of the Olympic Games and the simultaneous decrease in both tourist arrivals and tourism spending. Positive growth factors for Greek tourism came from the 2004 Olympic Games, with the consequent development of facilities and infrastructure, as well as the introduction of new forms of tourism, such as marine, sports and spa tourism. However, the slowdown in the global economy, in combination with competition from low-cost Mediterranean countries and the dependency of hotel operations on European tour operators, prevented more dynamic growth.

Incoming tourists prefer to visit popular seaside resorts, such as the islands of Crete, Corfu and Rhodes, while the Cycladic islands are also commonly visited. Domestic tourists prefer the same destinations, but Attica was the most popular destination, as it provides many alternative destinations for short-term weekend trips. Travel accommodation saw growth in both value and volume terms over the review period. Hotels, which accounted for the largest share of value sales, saw revenue increase by 28% in 2004 over the previous year, to account for 63% of travel accommodation value in 2004. Hotel revenues were positively affected by the Olympic Games, while self-catering sales value was negatively impacted by the reduced tourist inflow during the rest of the 2004 season.

More generally the use of new technology is likely to boost travel and tourism, while the promotion and enhancement of alternative forms of tourism by the Greek government could also provide opportunities to private investors.

Competition

The phenomenon of peoples' temporary migration on amusing purpose (tourism) has its origin in the Mediterranean Sea. Today the 1/3 of global tourist visit Mediterranean Sea, in the center of which Crete is placed. Crete refrains from Europe 100km, Asia 175km and Africa 300km so it is a popular destination for Mediterranean Sea's tourists. In addition Crete has an extremely varying environment, scenic villages, mountains, valleys, uplands, unspoiled beaches and resorts. Considering all these facts it is obvious that there will be a great competition in tourist industry.

A large number of, big and luxurious hotels are placed all over the Cretan land. As we can see on the Table 1 the percentage of category's "A" hotels is was 14.2% during the 1999 in Crete, however the percentage of the beds was 39.1%. This shows that the luxurious hotels outweigh the other types of hotels in Crete and that they are the main part of local tourist industry. In particular the percentage of theses hotels among the prefectures of Crete are:

- Herakleion   46%
- Chania   17.8%
- Rethimno   19%
- Lasithi   17%

It is worth to mention that during the 2002 the 68% of night of accommodation were in luxurious hotels, 13.92% in category "AA" and 54.31% in category "A".

Table 1: Hotels in Crete during 2002

Class	Hotels	Beds	Average Size*
AA	21	10.247	488
A	177	36.947	209
B	284	27.880	98
C	728	40.492	56
D&E	156	5.100	33
Total	1366	120.666	88

Source: Region of Crete. *Beds per Hotel.

Total nights of accommodation nights in Create haven't chanced between 2000 and 2002 at a level of 12 million according to the data shown on Table 2.   However there was a reduction in comparison to 1999 when the accommodation nights were 1.31 million. Tourists manly go to Herakleion, then to Rethimno and Chania and finally to Lasithi according to Table 3.

Table 2: Accommodation Nights

Year	Nights	Variation %
1998	12.893.7.7	2.9%
1999	14.116.526	10.9%
2000	14.457.367	-5%
2001	13.579.879	1%
2002	13.206.116	-3%

Source: Region of Crete 2002.

When it comes to competition of Cretan tourism to the rest of Greek tourism, according to Table 3 Crete is very competitive because not only there is a large number of hotels but also they are usually full.

Table 3: Hotel Usage

	2000	2001	2002
Herakleion	83.28	76.01	77.08
Rethimno	72.98	66.63	65.77
Chania	86.07	79.01	77.33
Lasithi	73.14	77.10	73.43
Crete	79.94	75.12	74.41

Source: National Tourism Organization of Greece.

Profitability

Tourist Industry is a major part of the Cretan Economy. By being almost the 50% of the total business in Crete, Tourist Industry is traditionally one of the biggest infant that offers economic growth opportunities. So the analysis of the Cretan Tourist Industry and its profitability is extremely vital and interesting. The methodology of this analysis is based on a cross reference and a statistical analysis of the financial pointers of every company.

This analysis will judge the main tourist companies on sever criteria which are listed below.

- Sales / Assets
- Gross Profit / Sales
- Sales Cost / Average Level of Fund
- Quick Assets / Near Future Obligation
- Basic Period of Vitality
- Self Funds / Self Funds + Obligations

- Total Obligations / Period of Self-Liquidation

The outcome of this analysis is presented on the Table 4 by checking 500 different scenarios by taking into consideration the 7 criteria and their importance.

Table 4: Main Tourist Companies of Crete.

| Company	2000	2001	2002
CRETA TRAVEL BUREAU	15	13	16
CRETAN HOLIDAYS	9	16	14
CANDIA	11	8	12
DASKOTELS	8	11	12
HELLENIC ISLAND SERVICES IRAKLIO	10	10	8
EL GRECO	13	15	11
HOTELLS	16	14	15
SUMMERLAND	14	15	13
SEVE STARS	17	16	14

Source: National Tourism Organization of Greece.

There is also observed the main hotels have increased their assets by 27.5%. This increase was funded 50% from self-funds and 50% from foreign funds. The totals sales have reduced by 8.5% during the 2000 – 2002 (from 4.474.236 euros during 2000 to 4.112.443 euros during 2002) for the general tourist companies. On the over hand hotels have increased their infants by 11.4% during the period 2000-2002.

Customer Orientation

During the last five years the tourism market in Crete has been quite stable, counting about 12.000.000 accommodation nights per year. It is remarkable that the vast majority of accommodation nights regard foreigners, whose participation on the total number of nights varied about 93% during those years.

Table 5: Tourism orientation in Crete

Tourism orientation in Crete
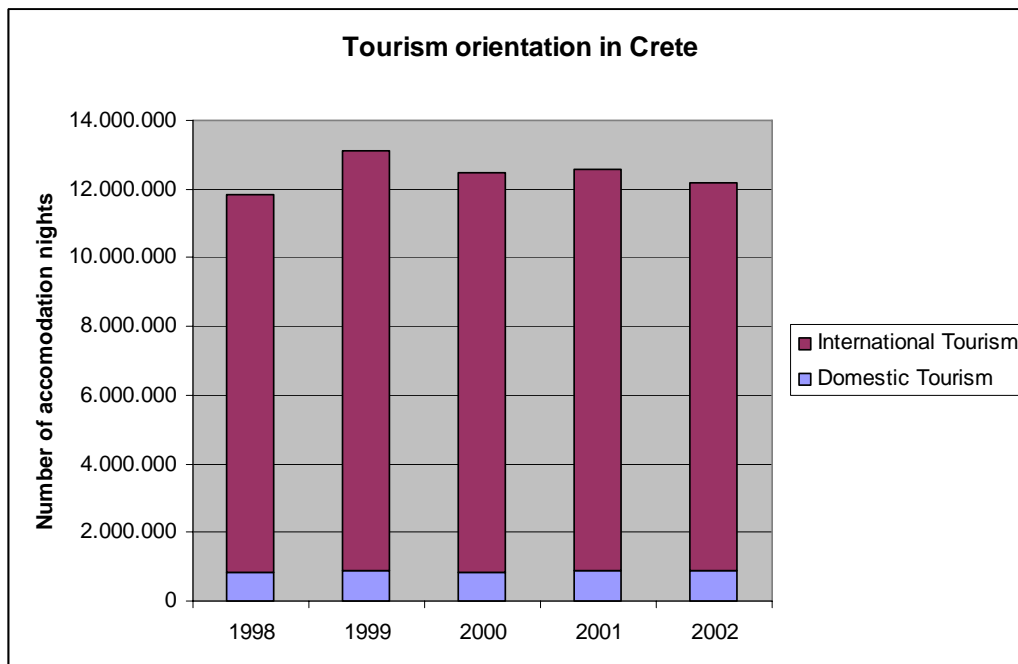
Source: Greek National Tourism Organization, 2003

The major sources of international tourism in Crete are, in order of contribution: Germany, Great Britain, Scandinavia, France and Netherlands. It is obvious that Northern and Central Europe contribute the most to the total of international tourism in the island, in contrast to southern European countries, such as Spain, Portugal and Italy, which are hardly represented at all.

Table 6: International customers' orientation

International Customers' Orientation
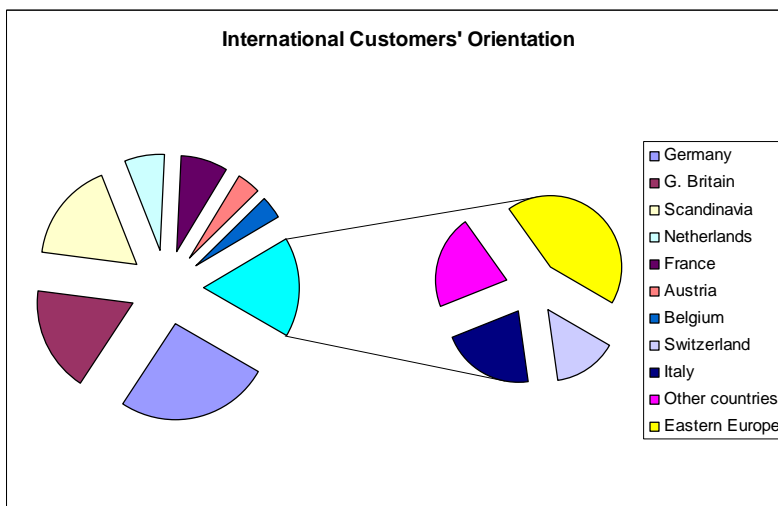
Source: Region of Crete, 2003

Possible causes of that situation could be either low promotion of Greece as a vacation destination at those countries, a possibly low income of southern Europeans which does not allow them to travel abroad, or the fact that Greece shares similar

scenery and geomorphology with those countries, causing their residents to choose other destinations. The percentages of arrivals of charter flights at the two major airports of Crete appear in Figure.

How to collect and analyze customer data

Collecting customer information in the Tourism Industry is the starting point of building a valuable customer list. Information to collect can be basic; from names and addresses to more in-depth demographic data such as income or age. Data groups can include:

- Customer Name
- Complete Address
- Contact Information: Phone, e-mail, etc.
- Purchase Data: How often they buy, when they buy, etc.
- Marketing Data: How they first learned of your product or service
- Demographic Information: age, geography, and income

Customer data collection does not just have to be information that has been collected internally. Finding relevant, external customer data can provide additional profitable insight and help the company market to similar customers. For instance, demographic data and statistics can be acquired from relevant government research.

After the data has been collected, it should be sorted and analyzed, so that certain assumptions can be made. A part or all of the customers should be cross-referenced with demographic data to determine what they have in common (orientation, type of business they belong in etc.). Purchase patterns should be sorted to determine who is buying the most. Maybe a certain customer group spends twice as much as the typical customer. Finally, marketing channels should be identified. The bulk of a tourism company's customers could come from its website, or other referral sources.

However the company should be very alert on privacy laws and issues in concerning customer data. Business solutions such as customer data mining should not be abused.

There are various commercial tools available for companies to aid them analyse the data they have collected, including:

- **Microsoft Access** - Excellent for growing company environments.
- **FileMaker Pro** - For the technically challenged small business.
- **Lotus Approach** - Provides a growing small business an alternative to MS products.
- **Corel Paradox** - Fits with growth companies planning an investment in technology for managing customer information.
- **My Database** - For the many one-person companies. It is a simple and quick solution.

Transition from product centric to customer centric view

Many companies approach their communications from a product-centric perspective. In other words:

1. Here are our products and/or services.
2. Here is why we think they are great.
3. Do you want to buy them?

In contrast, a customer-centric approach solves a prospect's problem, fulfils a need, or shows relevance and understanding about their situation.

Given the above realities, expecting prospects to immediately convert from awareness or consideration to purchase is analogous to asking someone to marry on the first date—it isn't likely. Middle ground options are needed to propel the prospect from introduction (first date), to interaction (subsequent dates), and ultimately to purchase (the "marriage proposal"). Middle ground interaction further qualifies prospects, accelerates the sales cycle and nurtures prospects who are not yet ready for the direct sales force involvement.

The only way for a business to remain competitive in this emerging environment is to focus on developing and managing customer relationships rather than a specific product market. This paradigm shift requires businesses to be able to deliver 24/7 sales and service 365 days a year. In order to be successful, a business must also be able to understand and react to customers on a one-to-one basis. Understanding the company's current best customers and making them feel special, while acquiring new future best customers is known as CVM or Customer Value Management. Understanding customers begins with identifying them.

Customer-centric still sounds like utopia — and it's hard to chase utopia when today's agenda is all results, all the time. Results are the name of the game, no matter how far the company has evolved past product-centric. But many companies have found that results for the short term and profitable customer-centricity for the long term aren't mutually exclusive. It's a matter of mastering the steps before you go out and try the dance.

These 10 milestones show "proof of concept" and build acceptance of customer-centric ideas. Achieved more or less in order, they propel you toward customer-centric and keep everyone tapping their feet in time with the music.

1. Collect customer data

Customers leave clues about themselves at every touch point. And each morsel of data the company collects, helps build a picture of its customers' behaviours, motivations and intentions. The company should be warehousing:

- **Legacy data:** Transactional information, demographics, credit scores, etc.

- **Call center data:** How often do they call? And for what reason? What is the result?

- **Promotion response:** Who responded? How quickly? Via what channel?

- **Third-party data:**   Psychographics, lifestyle ...
- **Qualitative data:**   Surveys, focus groups, etc.
- **Online data:**   Profiles, polls, transactions ...

2. Combine multiple sources of data

Assembling disparate pieces of information will lead to revelations about the customers. Information from each contact should be combined across channels, departments and divisions to help the company get a better handle on each customer and create a seamless experience across all touch points. When retailer Eddie Bauer combined data from its catalogue, store and Internet silos, it was able to create communications and benefits that helped increase profit per customer, spending per customer and sales channel penetration.

3. Analyze customer relationships

Now's the time to start mining the data for transactional, attitudinal and behavioural patterns that get you closer to the right message/right customer/right time ideal. In a tourism industry, it matters whether the customers want to spend their vacations on an island or an isolated place. If it is a married couple with children, they would probably want to go to a place where their children would spend their time playing, while their parents enjoy the peacefulness of such a place. Nevertheless, a newlywed couple would want to enjoy their "new" life in a more cosmopolitan place.

4. Identify the best customers

Enterprises everywhere are reaping greater ROI simply by focusing on most profitable customers. Data analysis should include lifestyle data-appending that reveals who its best customers are — and who would become best customers.

5. Provide avenues for customer feedback

Rarely does one-way communication garner the insight the company needs to become more profitable. Consider all possible touch points: email, Web, POS, call centres and even quick surveys nested into promotional materials. Then invite feedback via the most appropriate channels for specific customer segments. You'll underscore your company's view that each customer's opinion matters — an important way to nurture and deepen relationships.

6. Talk to customers like customers

The more you speak to customers in a way that reflects their unique needs, the more you'll create relevance for them and give them reasons to be "bonded" to the company. The customers aren't just a way to make money, not anymore; the company has to develop new ways of communicating with them.

7. Test personalization

Personalization has been shown to generate a 300 percent ROI in a single year, notes Jupiter Communications. So it's worthy of testing on our customers. The company should give targeted offers based on history and demographics.

8. Recognize best customers

Simply acknowledging best customers is a high-impact way to promote the right behaviour and build loyalty. In a hotel for example, the manager should recognize their best customers and lent them a car for a couple of days for their convenience or something more cost-effective; the hotel could give their best customers a special discount card for specific shops.

9. Say thank you

This obvious yet often-overlooked gesture is cheap and effective. And it can take many forms — from a simple card to a special service such as private shopping hours. For example a card that will be sent on a special occasion, like Christmas or on the customer's birthday.

10. Create an ad hoc customer committee
Forming a committee or position that focuses solely on customers and the interactions with them solidifies and protects the customer-centricity the company has achieved.

Keep it up

By the time the company has reached the Customer Loyalty stage, it is customer-centric from the inside out. But CRM is a continuous process. Revisit, refresh and refine each step to uncover new opportunities and reframe objectives.

Customers' segmentation: techniques

When choosing market segments it is needed to ensure that the segments are:
- easily identifiable and distinct from the mass market
- large enough to make targeting them worthwhile
- easy to reach - either because they are geographically close to you or there are obvious and established channels of distributions and media through which you can target them;

In tourism market it is important not to rely only on the demographic information of the customers but also on the behavioural. Having this in mind the segments can be identified through these techniques:

- **demographics** – age, income, family status, education. People choose different products according to their age and activities. However, this should not be the only criteria
- **economic status** - for example budget accommodation providers will target people who are travelling on a restricted income
- **purpose of travel** - reason for travel and any special needs. For example, a business traveller will look for efficiency and prompt service whereas a family are more likely to look for fun activities
- **nationality** - as the section about overseas marketing indicates, some nationalities have a greater propensity to travel or indulge in certain activities than others
- **geographic location/origin** - instate, out-of-state, local. For example, visitor attractions usually find that most visitors come from within one hours' travelling time from the place where they live or are staying;
- **lifestyle, consumer attitudes and behaviour** - price, quality, quantity. There are numerous studies and reports which break populations down into smaller sub-groups according to aspirations, attitudes and general lifestyles.
- **equipment ownership/use** - RV's, sailboats, canoes, tents, snowmobiles

When prioritising market segments, there are three main questions to ask:
- **How attractive is the segment?**

This usually means that the segment is of variable size, prepared to pay the market price for the product on offer, and fairly aware of the product.
- **How easy is the segment to reach?**

Segments which are easy to reach are usually clearly defined, can be persuaded to not choose competing products, and can be reached through established and affordable media and distribution channels.
- **How much will it cost to reach the segment?**

The deciding factor will often be the marketing budget. It isn't possible to address every segment so it is essential to determine which ones will cost most money to reach and how accessible they really are. A sensible approach is to identify short and long term markets.

Using these segmentation techniques and having the three above questions in mind there are seven customer bands that can be identified and that are especially important for Crete:

1. **Young Free and Singles**

This group is mainly aged 16-24. Many are students and so there is a strong bias to the college holiday periods. This group is characterised by a quest for new experiences. Especially at the younger end, a holiday in the Crete may be a first taste of independence away from families whereas many of those at the older end will have taken a gap year and travelled the globe. The holiday experience is an opportunity to socialise and to try out things not available where they live e.g. surfing, extreme sports, off the beaten track activities. These customer bands are likely to travel with friends. They are experience driven rather than just wanting to see the icons. They have grown up with the Internet and are highly receptive to e-communication. Peer group influence is also important.

2. DINKS (Dual income, no kids) and SINKS (Single income, no kids)

This group is made up primarily of people aged 25 –35. Many are in demanding jobs and are reasonably affluent. Time is often the most important commodity to them. They are cash -rich but time -poor and so a holiday represents an important opportunity to recharge batteries. For couples, their relationship is a maturing influence, whereas the solos are more self indulgent in their pursuits. They work hard, have good incomes and can reward themselves. As they do not have families, they can put their own needs and desires first and create their own holiday itineraries without having to compromise. They enjoy the planning of the trip and use the holiday as an opportunity to increase their understanding of themselves. For most, Crete will be a second holiday (out of peak season) or short break destination, with weekend breaks of particular appeal to this group and last minute planning and booking a key characteristic. The Internet will be a prime source of inspiration and information. They are looking to escape from everyday reality for a while, enjoy a slower pace of life and have time and space to re-bond with partners and old friends – as well as rediscover themselves and regain a sense of perspective.

3. Families with children at preschool age

For parents of preschool children, life is one of extremes. On the one hand, it is a very special and life-enriching period, with pleasure and delight in their young children and their development. On the other hand, it is very physically and mentally demanding, with young children making huge time demands on parents. Holidays can present as many challenges and difficulties as they do opportunities for enjoyment. E.g. finding family-friendly places to eat, carrying around buggies and bottle sterilizers etc. This group are likely to travel out of the main school summer holiday period e.g. early summer, early autumn and their Crete holiday is more likely to be a main holiday. This is an important target band because if this group have a great time in Crete, they are especially likely to be repeat visitors.

4. Families with children at primary school

This band of customers are tied to the school holiday periods, - especially the

summer break and half terms. 'Pester Power' is now an important influence and most activities will be geared around what the children will enjoy and tolerate. The beach is a prime draw, with indoor pools and theme parks also important, due to their all-weather provision. Parents of children this age have largely forgotten how to enjoy 'Me-time' without guilt and are used to putting their children's needs and desires first. This means that they will especially value any time available on holiday to follow their own interests and put themselves first for once. The parents in this band may also sometimes take out of peak season short breaks, without the children, (leaving them with relatives or friends.)

5. Families with secondary school age children

Families with older children are more likely to go abroad for their main holiday and the children will be under peer group competitive pressure regarding going somewhere 'cool' /exotic for their holiday. A trip to Crete is therefore more likely to be a second holiday or short break. As the children are now more independent, there is the opportunity for them to 'spread their wings' and try out new experiences in a controlled environment and for parents to have more of a say about activities they would like to do themselves. Parents will try to strike a compromise so that everyone gets to do what they want. Children are more likely to be interested in faster paced activities than adults, who want a mix of active and restful activities. The parents are likely to increasingly value family holidays as it dawns on them that there is only a short time left before their children will be independent.

6. Empty Nesters

This group are mainly aged between late forties and sixties. Their children have left home and they have time and money to spend on rediscovering old interests and finding new ones. They do not feel old and are not ready to give up on adventure. They are likely to take holidays outside the main summer holiday period and (like the DINKS and SINKS) are likely to book last minute holidays. Many of this band will be seeking to reinvent or find themselves through the holiday experience. This includes the 'Children of the Sixties' Baby Boomers generation and there is a significant interest (amongst women especially) in a holistic approach to health and well being – as well as in health and beauty maintenance. They like to amble, are eager to explore and they enjoy trying new things and soft adventure. They have a growing interest in maintaining health and fitness and are looking for a revitalising, refreshing holiday experience. Many will still be working in high pressure jobs and will be
fatigued and ready to escape the rat race for a while. They are likely to be tracked by the comfort zone of Crete (easily accessible and safe). They have an interest in quality products, comforts and luxuries.

7. Third Agers (Usually 70+)

This group are mainly aged 70+ and many will be in reasonably good health. As people get 'old' later, it is important not to stereotype this sector as doddery and frail! (The 70s are the new 60s, the 40s are the new 30s etc.) Many will be still looking for new experiences on holiday, although clearly this is likely to involve more gentle activities. There will be a certain degree of personal nostalgia and interest in visiting places they used to visit when they were younger, as well as interest in visiting iconic attractions so they have 'done it'. However, their tastes are increasingly sophisticated and the new generation of 'Golden Oldies' is likely to be well travelled and discerning. Personal comfort is a primary travel concern. A recent marketing survey by Datamonitor coins the term WOOFS (Well Off Older Folk) and advocates exploitation of the 'grey pound.

Historical data for developing effective models

Customers want to feel special. They are no longer comfortable with being just a name or a number and they are looking for personalization in all of their business interactions. The success of new marketing campaigns, sales promotions, and customer support initiatives that focus on the customer rather than the product therefore hinge on a business knowing its customer.

Understanding the customer needs is crucial. Treating different customers differently could achieve a competitive advantage in the market. Customers have specific characteristics, customs and preferences, and we should provide them the appropriate proposals. In order to create effective models for the tourism industry we have to take into consideration historical data for every single customer we are targeting, and based on them we should make our proposals through the appropriate channels.

First of all we have to know the nationality of our customers. Greek people have different needs than people from other foreign countries. They won't have any language problems since they will speak their native language and they are accustomed to the Greek temperament and customs. On the other hand people from other countries, especially those who don't speak English may need to have a translator with them in order to communicate and satisfy their needs. Also it will be beneficial to us, if we try to make a good impression on them by contacting them in their native language.

Secondly it is important to try and estimate the financial position of our customers in order to make affordable and appropriate proposals. We can make an estimation based on their occupation, their marital status and any other information we may have available about their previous vacations, or their property. Especially it is important if we are targeting wealthy people, to provide a suggestion which will be appropriate for their social standing. Maybe we could also learn some information about their preferred payment way and make sure that it is provided by us.

Moreover we should take into account that some people prefer to be on vacations a specific season, such as during the winter or summer, and try to contact them in the appropriate time and with the appropriate arguments. Also it is important to always have in mind that people from the north hemisphere have the opposite season from those that live in the south hemisphere. So for example we could propose

to Australian people "white Christmas", since in Australia it is summer during the Christmas period.

Also some people prefer to spend their vacations in a mountain and others by the sea. Crete has the advantage of combining both of them, fulfilling the needs of every customer. In addition many would like an organized beach/mountain, with facilities for sea ski, scuba diving, windsurfing, beach volley, ski, snowboard, mountain climbing or rafting, things that we should also take cognizance of.

It is also important to try and provide all the facilities and services people might need. For example some might want to keep in touch with their country, so there should be available newspapers from their country. Others might be interested in sports like golf and tennis, so the appropriate facilities should be available. Finally some others might be friends of the technology and would like to have access to the Internet, so we should provide them the appropriate equipment should be available. For them also a good channel to communicate would be through the Internet, with an e-mail for example.

Furthermore, it would be really helpful to try and find out if they prefer an organized vacation, where people travel in groups and everything is set up by the travel bureau or they like to travel on their own, with their friends, family or their mate and feel free to go and do whatever they want. In such a case we could also make it easy for them to rent a car.

Also some of them might be interested in history, and would like to visit historical monuments and museums. It is up to them to decide if they prefer a guided tour or prefer to visit places that interest them on their own. Others might be interested in the everyday life of people who still live in a traditional way, in villages and are not influenced by the anxious rhythms of the life in a town. Most of these people would also like to taste traditional food but some others would prefer tastes they are used to or junk food.

It is also important to learn how the persons we are targeting like to spend their time after the sun goes down. So it would be helpful if we knew what kind of music they are listening to, if they enjoy clubbing, live entertainment and shows or bands playing local music or if on the other hand they prefer a more placable course of life, like romantic dinner, or a night cruise.

Another important aspect is the timing of our proposal. It would be positive for us if we made our suggestion during a period where an event which might interest our customer was taking place, for example a conference. Or we could make our proposal as a honeymoon if we knew that our customer gets married or suggest a trip as a surprise to their mate for their anniversary.

Finally it would really be appreciated, if we took into consideration people with disabilities. They are not different than any other normal person, but require accessible facilities. Likewise we should provide appropriate medical care to people that have problems with their health in case they need it.

Next Best Offer Model

Revolutionary changes within the tourism industry brought about by the Internet meant the model needed to overhaul its tourism-promotion strategy to focus

directly on individual tourists and niche markets. Information technology—especially the Internet—is assuming greater importance for the tourism industry. Tourism is already the largest category of products and services sold over the Internet, and the Web is also a widely-used resource for researching and planning travel. Readily-available information on destinations and products empowers tourists to compare offerings, put together their own holidays, and make direct bookings. The role of travel agents and distribution intermediaries is thus decreasing while new business models, such as low-cost airline carriers, are emerging. Many industry observers, including the ***European Travel Commission*** (ETC), predict that the Internet's impact on tourism is poised to increase even further. The ETC says that it and its member organisations need to become "information brokers", providing targeted market intelligence, e-marketing, and operational excellence to the tourism industry. This includes the application of customer relationship management (CRM) destination marketing and better branding to stimulate Web site visits and transactions.

As a precondition for a successful tourism promotion Web site, tourist boards are making in-depth information on suppliers' products available, either on the site itself or through links. There is a growing demand for secure, online reservation systems and increasingly, visitors are making bookings on destination sites. Using the "my travel book" service, visitors can plan their itinerary by accessing all the transport, hotel, restaurant, and sightseeing options along the way. The personal travel book can be transferred electronically to the traveller's personal digital assistant (PDA), or it can be sent by e-mail to friends or travel agents. Information and knowledge have become the most important strategic factors for success in tourism. Tourist boards are, therefore, looking to combine industry intelligence with market intelligence—knowledge of tourist demands and expectations.

Advanced portal technology and CRM techniques are providing tourist boards with the tools they need to collect, store, and retrieve all tourism-related data. Using this technology, organisations can improve analysis of consumer behaviour and preferences, and are in a better position to respond to informed, more demanding, and less predictable tourists. The intelligent tourism organisation can convert this business insight into more targeted marketing, and keep up with fast-changing market trends and increasing competition. Traditionally, tourist promotion campaigns are undertaken on a country-by-country basis. Using CRM and Web technologies, agencies can reach markets that may not be important overall to any one country but which comprise a substantial number of tourists when viewed globally.

Benefits

■ *Reaches tourists directly*
It would be very difficult and expensive for us to undertake major advertising campaigns in many different countries, but this portal gives us the opportunity to reach out to customers directly, no matter where they live.

■ *Builds relationship with customer*
The portal is treating each individual differently using information about his origin and interacts with him according to his needs and desires.

■ *Enables travel planning*
The visitor to the portal can easily plan alone his whole vacation, as hi has access to all the information he needs. Plus we can use the choices of the customer in order to create profiles and understand better the market.

■ *Supports local companies*
Through the portal, local companies can have direct communication with the customer, leaving travel agents out of the game.

■ *Better analysis of tourist preferences*
Having direct access to the needs of the customer we can use this information to provide better service.

■ *Better response to fast-changing trends*
Gathering and analyzing the needs of the customer will provide us a global view of the market, giving us the opportunity to be flexible in changes.

The knowledge of CRM to customer advisor

Today's tourism market is very demanding and customers are becoming more individual, but also price-sensitive. Due to these facts the company should be able to understand theirs customers needs more precisely and give professional advice to potential customers. In other words the company ought to be flexible to meet customers' wishes and needs. But how can the company meet the customers' wishes and needs?

After creating the CRM and categorized the customers depending on their needs, the company should deliver this knowledge and the developed models to the customer advisors. Moreover the tourist market demands continuous communication to the target customers group, giving the chance to the customers for customized travel packages and spontaneous travel arrangements. The company should optimize the target group potentials with customized packages of products and services. Also they should target new customers directly and use their consulting expertise to convince them. It is a rule these days, that people spend time searching on their own for their desired travel destination. So advertising different activities is particularly promising in some places, where potential customers can learn about or even choose this destination. It is increasingly important in the tourism industry to offer individual solutions to customers changed needs and travel wishes. Based on the customer profile analysis their direct marketing measures arrive where it is best for them to optimally gain business.

Furthermore, when the customers arrive to the company, their customer advisor should have prepared some questions to ask them, in order for him to be in position to understand their needs and wishes better. Moreover, the same procedure could be done when customers leaves the company, in order to improve their facilities. The after sales dialog helps the company to reinforce the customer relationship through individual contact and appropriate offerings - especially after the first booking. This has been shown to increase the rate of repeat bookings. Whether the company want to further develop their existing customers or impress new customers with your travel offer, maintaining and enriching data is important for reaching attractive target groups.

Tourist Campaign

The management of the campaign process contains four stages. First, it is to analyze the customer, second is the design of the campaign, third is the execution and last is the evaluation of the campaign. The success of the communication campaign crucially depends on knowing what interests the target group and how the company's message is perceived. Communicating with independent travelers requires a different approach than when communicating with package tourists. Advertising tests and test mailing design allow the company to examine how their messages are perceived.

The first stage of the tourist campaign was examined in *customers' segmentation*. In order to organize and design a campaign the company needs all the information they can get from the customer analysis and the market research. The first step they need to take is to define the target group. In this case the target group consists of people with various needs and wishes. Then they should organize their facilities and offers depending on their target group's needs. For example, if you own a hotel near a beach, your target group could be families with small children, but also people that need to relax and get away from city. It is essential for the company to select the best way to project their facilities, but also to select the best communication channel, e.g. internet, mail, leaflets, etc, for their target group. All this essential information could be gathered from the customer clustering, which was developed during the customer analysis.

As far as the outbound campaign when they complete the design of the campaign, they move forward to developing your advertising. On the other hand at the inbound campaign, meaning that the customers reach you by themselves, the company ought to have your customer advisors ready, in order to understand their needs and offer them the best solution package. During this stage it is important to gather information and update their data warehouse, in order to learn more about their needs and wishes. For example, there was a hotel that had to offer a 'welcome drink' (usually orange-based drink) to a delegate. At the time of reservation the staff referred the guest history and realized that this person really disliked orange, but liked pineapple. Based on this information the welcome drink was changed for him. At the time of check-in, everyone got orange while he got pineapple and they say that he was touched that the hotel remembered! This is a moment of truth for the customer interaction. Similarly, this can help the company deliver a more personalized service to the guest, providing a home away from home and ultimately customer delight. These things should make the company more reliable and trusty to its clients.

Finally, the campaign ends with its evaluation. In this stage the company analyzes their channels of communication, the skill that their customer advisor archived and the effectiveness of the data they had in the data warehouse. It is an essential part of the whole management, due to the fact that it reveals if a campaign was successful or not and what improvements could be made.

Table 7: International tourist arrivals, 1950-2020
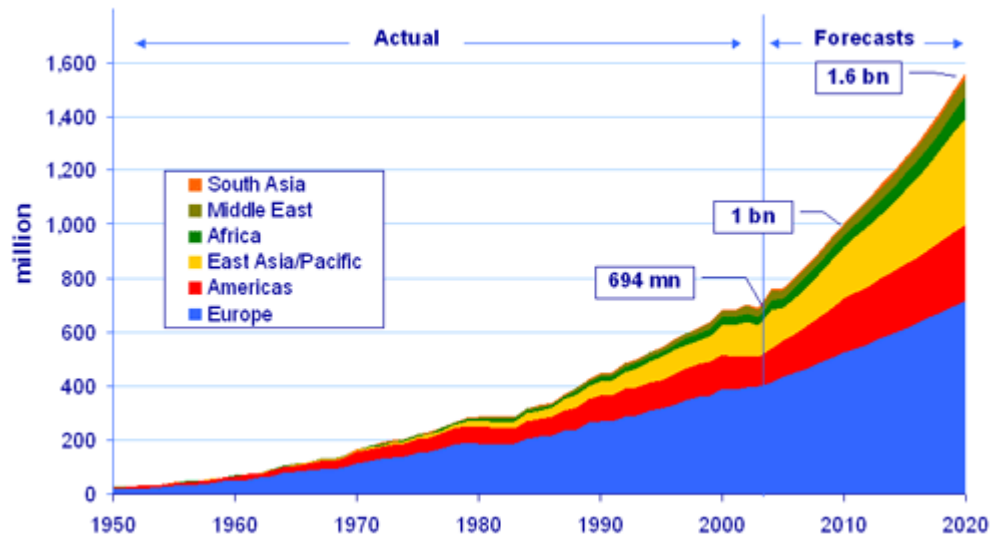
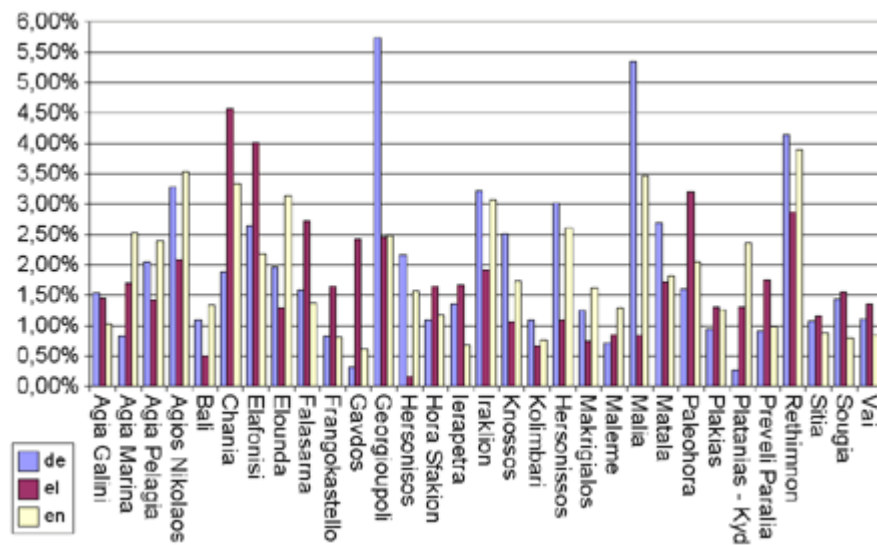*Source: World Tourism Organization*

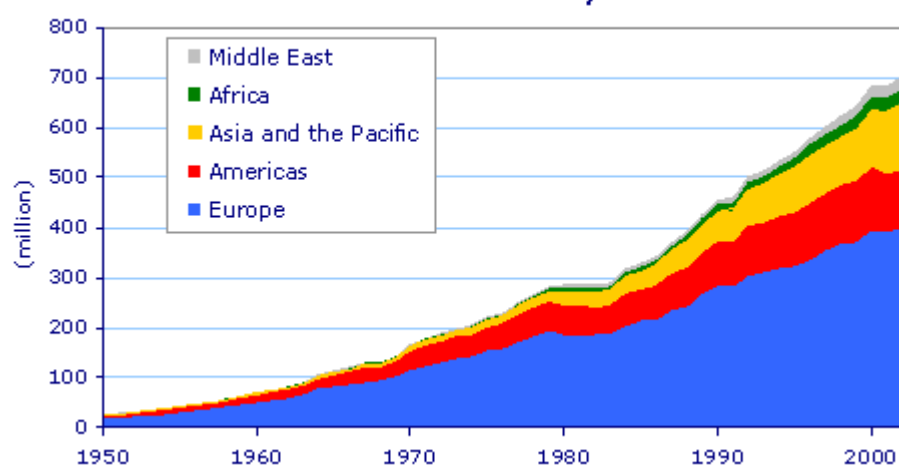**Table 8: Tourist arrivals in Crete**

Table 9

International Tourist Arrivals by Region

	2004 (million)	03/02	04/03	04*/04 (Jan-July)
		Change over previous year (%)		
World	763	-1.5	10.7	5.9
Europe	416	0.7	5.1	4.6
Asia and the Pacific	153	-9.0	27.9	8.7
Americas	126	-3.0	11.2	8.6
Africa	33	4.3	8.0	8.7
Middle East	35	2.0	10.0	3.0

Source: World Tourism Organization (WTO) ®   (Data as collected by WTO October 2005)

Table 10

International Tourist Arrivals, 1950-2004*

APPENDIX B

References:

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