

Strategies and Policies of Regional Development of Non-Saturated Touristic Areas: Evidence from Greece

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Abstract

Greek regional tourism composes for these areas in which it is activated, and especially for the no-saturated touristic ones, undoubtedly the main prop of economic and social development of these. But the latest years it presents an asymmetric relation of "development - expectation" with the intense element of reduction, as a consequence of a series of not only exogenous (p.e. international hurts of tourist industry, collection of tourist organisms that check and guide the tourist destination, strict domestic economic policy, stability of wages, expensive euro etc.) but also endogenous factors (p.e. organizational inability, short-sighted perceptions, opaque management, party subordination, no-specialized personnel etc.).

The results of the situation above is the Greek offering tourist product to be appreciated as monotonous and not attractive, while at the same time intense internal structural problems are appeared in these regions (p.e. urbanism, poverty, abandonment of natural wealth, social isolation etc.) For the bluntness of this situation it is

undertaken the admission of a strategic active plan which will be supported to the following axes. Specifically:

- *To the determination and valuation of all these environmental variables that consist and affect the regional tourist policy of these areas*
- *To the ascertainment by chance of opportunities and threats inside these regions about subjects that are related to the dynamic of tourist development and finally*
- *To the institution of specific organizational and managerial strategies of re-formation and business political development, so as these areas to achieve a stable competitive dynamic and a remarkable position in the domestic and international tourist market.*

Key-words: *Regional Tourist Development, Strategic Planning, Politic Development, Environmental Management*

Introduction

This study is intended to investigate the behavioral consequences of perceived service quality in the context of the hotel sector in Greece, using a theoretical framework. The hotel industry has formed the focus for many investigations which provide valuable insights into the pressures and pitfalls of operating in this highly competitive sector.

The purpose of this review is to identify tourism themes and study service industries and service management covering all disciplines, functional areas, sectors and nationalities, with articles of interest to a wide variety of business people. The themes identified in this review are broad, and the review highlights points of interest from a few articles. Moreover, our goal is to provide results representative to the Greek hotel industry through a multi-faceted concept.

The Tourism Product

Our study focuses on the effects the tourism industry has on various countries, and especially on Greece, not only economically but also socially. It appears that it has a major impact on the economy in terms of employment and the regional development of countries. In Ireland, there is mounting political and public awareness of the potential tourism. The Government has decided to target the Irish tourism industry with initiatives for economic recovery and growth. Tourism in Singapore has been found to promote cultural diversity, a sense of cleanliness, and a feeling of pride. It has also helped to improve various infrastructural facilities and the quality of services in general. In Greece the tourism industry is of vital importance to the economy, and if the annual growth rate is to be sustained, the adoption of a strategic, interdisciplinary and integrated tourism marketing planning process is necessary. The tourism industry is of economic importance to a large proportion of countries throughout the world. Research on the influences of governments, marketing and the social

impacts of tourism is very useful in helping the tourism industry to develop its policies (Ridley, 1995).

Structure of the Tourism industry

Recently there has been a number of studies focusing on hotels to see how this sector is coping with an ever changing business environment.

One thing they will all agree on is that the ultimate key to excellent service is the individual employee who delivers that service. Whether it is the restaurant server, doctor, receptionist, or bank teller, the employee at the point of contact with the guest is the one who likely makes the difference between an excellent and a bad customer service experience (Duncan et al., 2005). The benchmark customer service organizations like Disney, Ritz Carlton and Southwest Airlines base their process on aligning their strategic activities, staffing policies and system design and procedures to make sure that everything and every employee are focused on customer service. In the human resource management area, there has been considerable effort put into focusing the alignment of human resource policies and processes with the organizational mission (Gratton and Truss, 2003; Baird and Meshoulam, 1988; Wright and Snell, 1998).

Employees recognize inconsistency quickly between what managers say is important and what they reward, between what mission statements say, and what managers do, and between what top executives tell them the purpose of the job is and what the job description says. Moreover, they know the difference between what is said to be important and what is measured and rewarded (Duncan et al., 2005). If the organization says one thing in its mission statement, but does not also ensure that its policies, practices and systems support and reward achievement of that mission, the likelihood of fulfilling the mission is substantially diminished. The organization can and often does send conflicting signals about what it expects and managers can be inconsistent in what they say, do and reward (Eddleston et al., 2002). The result is a mixed message that dilutes or even distorts the employee focus on providing excellent customer service.

The marketing process becomes also part of the planning process. Marketing is not just a means of promoting a tourist zone to attract more people, regardless of the quality of experience that the tourists then receive but can also be the means whereby messages may be sent to people, indicating that perhaps the resort may not be for them (Ryan, 1991).

The last decade has seen a number of writers comment on the paucity of research into hotels. Mutch (1995) conducted a survey regarding the use of information technology in the hotel market. He found that more than half of the companies functioning in this sector did not use computers. He also found that small tourism companies using computers limited their use to word processing and office automation although opportunities are open to the small hotel sector for marketing through the Internet. Main (1995) believed that the location of the hotel was not a significant factor in the computerization but lack of trained managers was singled out as a major barrier to computerization. Buhalis and Main (1998) undertook a comparative study of small hotels (those having 50 bedrooms or less) in Wales, France and Greece. They found that 65-70 per cent of Welsh and Greek small hotels do not have a

computer. However, in France they found that 70 per cent of the hotels in their study did own a computer. This perhaps due to the fact that small Greek hotels are predominantly "mom and pop" operations with few bedrooms. They identified several factors that account for a push and pull philosophy relating to small hotel computerization. Factors such as the formal education of the owners are considered to be pushing them towards IT, customer demand, and accounting needs being some of the pulling factors.

Tourism is one of the world's largest industries but little attention has been focused on ethical marketing of the tourism product. Many authors in the tourism area have considered the phenomena of tourism marketing, (Haywood, 1990; Middleton, 1988) but few have related tourism marketing to the concept of ethics. Ethics are also implicit in tourism marketing and revolve around effective segmentation, communication of appropriate destination messages and realizing the fragility of the environment. However, tourism marketing ethics must now be explicitly debated if the longevity of the tourist resource is to be retained (Wheeler, 1995). Therefore, there are ethical dilemmas in tourism such as the destruction of the original natural resource and the authentic experience, income distribution and the economic pressure for large-scale development. Davis (1992) stated that a common theme of discussion about ethics and marketing is the idea of truth, specifically the distinction between consumer and scientific truth in product claims. Not all violations of marketing ethics have equal immediate or long-term consequences for consumers or society as a whole. The effects can be arranged along a continuum. At one extreme are ethical product violations which have slight, immediate, long-term or harmful consequences although society does not suffer any long-term harm. At the other extreme there are ethical violations which have the potential to produce severe harm at both the individual and societal level. Ethical violations resulting in deceptions at this level have a potentially profound long-term negative impact. This level has been related to "green" marketing where claims imply that a specific product is better for the consumer and less destructive to the environment. This, there is a need to change the nature of the product claims by increasing specificity about where the environmental benefit in the product or service lies; increasing precision in terminology accompanied by definitional support; and increasing specificity in product benefits.

Strategies of Reformation

In this part, we explore the means of creating long-term advantage in the tourism industry. Porter (1996) suggest that the best way for any organization to achieve a sustainable competitive advantage is to reinforce its chosen strategy with a host of "activities", including functional policies, staffing decisions, and structure. An organization that is in close fit or alignment with various contingency factors, (e.g. size, environmental, technology, resource availability) can significantly improve firm performance. The means by which hotel companies satisfy these competitive demands are referred to international methods or modes of market entry. These modes will be affected by exposure to risk and resource demands on internationalizing companies. Competitive pressures also force them to expand their

portfolios as swiftly as possible to seize market share at particular market levels and in particular geographical areas.

We firstly focus on the mission of excellence in customer service. While other aspects of an organization's mission should also be aligned, our concern with the customer service aspect is derived from discussions with practicing managers that tell us that this aspect of the organization mission is often the most challenging to implement. It could be suggested that having satisfied customers who say positive things about the organization is more important than impersonal communication (e.g. advertising). This is an important issue and should be considered by managers and marketing directors. Most organizations have now learned how to communicate and audit their strategic concerns with their financial goals, but most are still challenged by the need to effectively communicate their commitment to service excellent identified in the mission statement. When these cues are aligned they send a powerful message to guide each employee as to what the organization's commitment to excellent customer service means in every encounter with every guest. By creating and defining a strong customer service culture that is aligned consistently and constantly by everything that management does, says, and writes, the more likely it will be that the organization and its employees will be focused on the excellent customer service.

The existence of a reward system must exist in the context of a strong service culture that is well designed and recognized by management, with routine attention to customer service programs, and consistent application of customer service training systems. If all these components are integrated into an organization's approach to service management, it is very likely that worker satisfaction with their place of employment and these critical job factors will increase as well. A company can deliver a service package every time which matches the expectations of the customers.

It has been suggested that service quality has a direct effect on organizations' profits, since it is positively related with customer retention and with customer loyalty (Baker and Crompton, 2000; Zeithaml and Bitner, 2000). The issue of customer retention is an important one for service organization managers. Studies have shown that it costs six times more to attract new customers than to retain the existing ones (Rosenberg and Czepiel, 1983). It has also been reported that the net increase of the present value of profits that results from a 5% increase in customer retention varies between 25% and 95% over different industries (Oliver, 1999).

Callan found in his research that quality is manifestly incapable of measurement, for the very characteristic "quality" exists as it is perceived by the consumer. However, Silvestro et al. found that service companies are in the process of developing systems for the measurement of service quality which include both internal, external, hard and soft measures of tangible and intangible aspects of service. Service quality is basically perceived as a customers' subjective interpretation of his/her experience. Lehtinen and Lehtinen found that different criteria are used by different customer groups to evaluate service, and these criteria will vary depending on the situation and the circumstances. Quality is receiving much attention from the tourism industries. Customers are demanding quality and companies must provide it. Quality is now a competitive tool used to gain market share. Companies need to know the cost of providing a quality product or service and the impact on their bottom line, so are looking for methods to measure quality -

whether through quality assurance schemes and standards or through internal systems.

Improvement is also regarding employees - working practices, labor flexibility and good management policy. The tourism industries pay a great deal of attention to the subject of employees, since people are very important to the service industries and turnover tends to be high. Since the tourism industries are service industries, people are a major asset. Managers need to look at their employees - training, recruitment procedures, abilities - and develop them as a resource. This leads to a more efficient use of employees, hopefully to more fulfilled employees and to improved business performance.

An other critical point is employees and their ability to convey trust and confidence. This refers to the appearance of the physical facilities, equipment, personnel and communication materials, provision of caring, individualized attention to customers and willingness to help customers and to provide prompt services (Alexandris et al., 2002).

Especially for the leadership, it is widely believed that a manager must have an open mind, a certain amount of charisma, a certain dominance, a natural authority and a vision. Leadership is a matter of character.

More importantly, findings indicate that satisfaction with one's job is related to more than just the existence of prohibitions concerning service culture processes. It is also safe to assume that being satisfied with one's job relies on other interpersonal, group dynamics, and organizational factors that this survey did not measure.

Zeithalm et al. (1996) proposed that price sensitivity and complaining behavior were also important elements of behavioral intentions and that they were related with perceptions of service quality. As to price sensitivity, it is worth noting that the descriptive statistics indicate that the majority of the customers are willing to pay more money in order to get better service. This is a controversial issue, since this finding is probably related to the hotels' characteristics and target groups (Alexandris et al., 2002).

Moreover, empathy and assurance dimensions are powerful predictors of behavioral intentions. Empathy refers to caring, individualized attention to the customers. There are several suggestions related to building the empathy dimension. First of all, good knowledge of customers' needs and expectations is necessary. This is also related to having access to detailed information about the target markets since different target groups have different needs and expectations. Applying psychographics (e.g. culture of international tourists, life-style, personality characteristics, etc.) in order to profile the customers is a very effective strategy. It is evident that market research information is necessary. This detailed segmentation will give the managers confidence to design customized services (Alexandris et al., 2002).

Assurance refers to employees' knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. Zeithalm and Bitner (2000) reported that assurance is an important dimension in services, in which customers perceive high degree of perceived risk because of their inability to evaluate outcomes. The managers of the hotels should work closely with the staff to create trusting relationships with their customers. The issues' of employees' education, professional knowledge, and ongoing training are important

ones to develop trusting relationships with the customers. Managers should emphasize their hiring policies, and ongoing training of their staff. Improving the communication skills of the front-line employees (e.g. receptionists), for example, is important since these employees interact with the customers.

It is also indicated that the reliability dimension is also important. Reliability is defined as the ability to perform the service dependably and accurately. There are several issues which should be considered in terms of building the reliability dimension. Matters related to operation management, such as the use of the technology in bookings (e.g. online bookings), accurate financial transactions (e.g. use of credit cards) and delivering services on time are important. Furthermore, service recovery issues, such as immediate response to customers' complaints, problems and requests, and the development of policies that guarantee service quality through warranties are examples of strategies that build customers' reliability.

Responsiveness is also a dimension that is significantly correlated with behavioral intentions. Responsiveness is the willingness to help customers and provide prompt service. The key issues here are staff training and programming. The managerial challenge, first of all, is to train employees to deal with customers' requests, questions, needs and complaints. The quality of response (e.g. how the staff deals with problems) and the time that the customers have to wait to get attention to their requests, specific needs or problems (e.g. unsatisfactory cleaning conditions) are examples of programming related to aspects that affect reliability (Alexandris et al., 2002).

The role of tourism marketing revolves around the creation of awareness of the nature of a tourist resource and creation of the destinations image. The role of marketing in the process of tourism development has historically been the promotion of destinations in order to attract an even greater number of tourists (Ryan, 1991). Authorities and companies have had an unbalanced view of marketing only using the promotional techniques and viewing price as supplementary to the target of attracting additional numbers.

Concepts of socialization control can also be applied to international hotel companies. The balance and integration of units in a corporate portfolio have been identified as the critical source of corporate success in hotel companies. However, alongside the obligatory integration of units is the need for each individual hotel to compete locally and profitably in its own right (Olsen and Zhao, 1997). This provides a competitive duality requiring relatively high degrees of local discretion together with corporate integration which socialization control can be seen to afford (Gannon, 1997).

So far, it is possible to see that an ethical tourism marketing perspective can be constructed. This includes changing the view that tourism marketing is only about the promotion of destination to attract larger numbers, that more appropriate messages to the visitor can be devised which could sensitize them to the destination they are visiting and provide more effective segmentation. This remains useful and therefore attractive to the industry as it maintains an underlying profit-making strategy. With the application of a societal perspective to the tourism marketing process there has been an increased interest in "green" tourism. However, the question can be raised as to whether this is actually an ethical response by the tourism business or merely a marketing campaign related to changing marketing fashions? The tourism product has a number of unique characteristics such as its

intangibility, evolving over time into a completely different product, the difficulties with standardization and volatility to world events. These characteristics and the inherent paradoxes in tourism make the acknowledgement of marketing ethics even more important.

Tourism marketing can result in the targeting of appropriate groups and tourists. Greater satisfaction will be generated where expectations coincide not only with perceptions but also interests and aptitude. An increased use of geo-graphic and psycho-graphics by promoters may help to match tourist destinations with tourist types. This provides more effective market segmentation (Wheeler, 1995).

Concluding, hotels must have visually appealing physical facilities, provide services at the promised time, have employees that are always willing to help customers, give personal attention and also can be trusted.

Implications

The provision of a consistent customer service program is a delicate balance of the systems designed at the outset, program rollout, monitoring of program success and failures, and corrective actions taken to accommodate service gaps. This body of research strongly indicates that dominating forces leading to customer program success is a combination of customer service plan monitoring (and the appropriate feedback), the offering of empowerment and related training processes that enhance internalization of customer service values, with a minimal emphasis on corrective action via disciplinary action if need be (Duncan et al., 2005). Investigations indicate that this instrument offers considerable promise in showing the positive relationships between the alignment of strategic, staffing and systems processes of an organization with the positive outcomes associated with its service mission. Also, the degree to which an organization is aligned with its service mission has a strong relationship with the degree to which its employees believe that they are committed to the organization and feel overall very satisfied with the organization and their jobs.

Conclusion

The tourism industries are important economically to many countries. Time and resources invested in these industries by both governments and companies will lead to efficiencies; products and services being developed for an directed at particular markets; and improved performance. Organizations are having to widen their sights and compete with a more diverse market of substitute products and services. They are thus interested in ways and means of improving performance by targeting their markets and utilizing their resources - human as well as physical - to the full. In the hectic pace of today's business environments, it is important that everyone works towards the same organizational mission. This study shows strong support for the value of this concept for the practice of management.

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