Greece Perceptions Research

Arkenford Ltd October 2012

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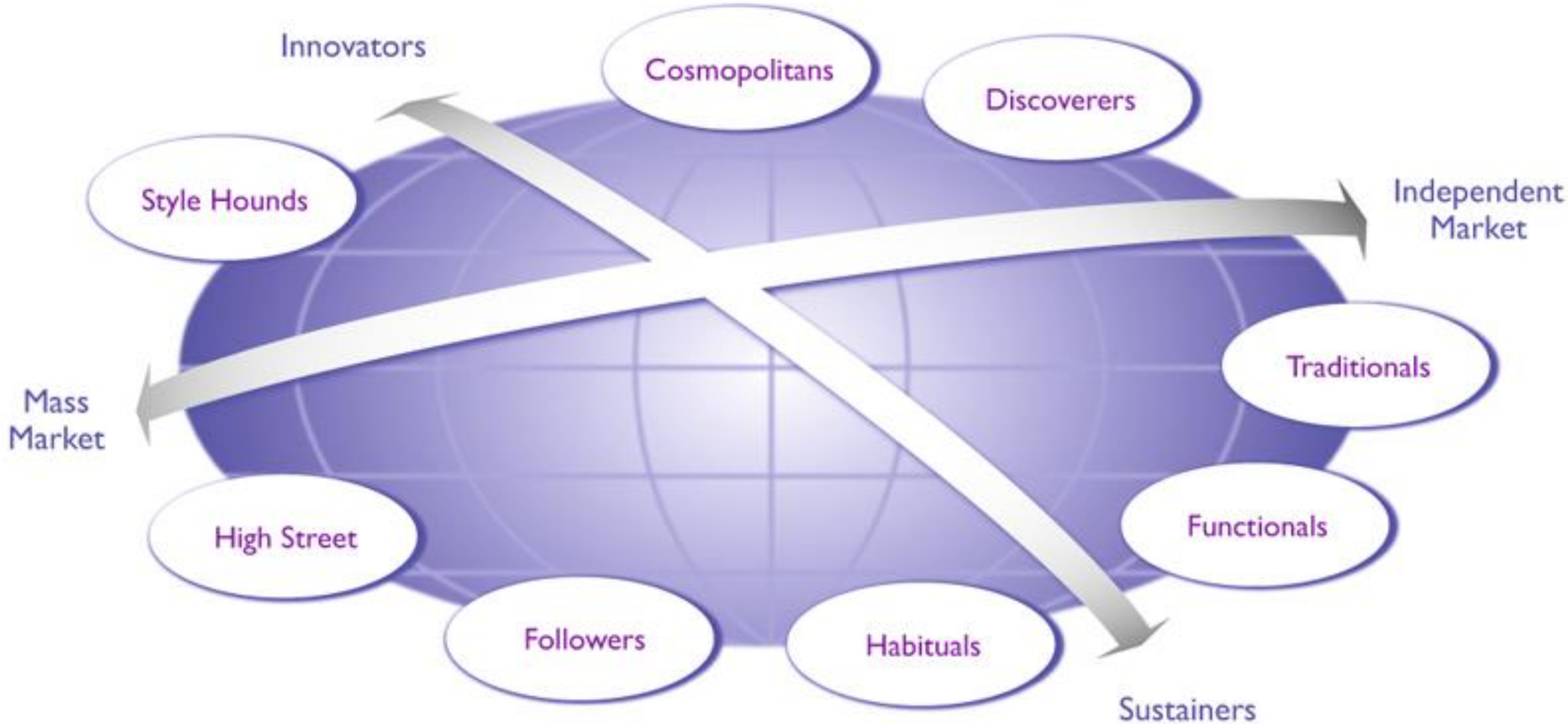
Introduction

Identify:

- Perception of Greece as a tourism destination
- Average spending on holidays in Greece
- Perceived value for money
- Overall satisfaction of experience in Greece
- The main sources UK consumers gather information from on Greece
- Where Greece stands in comparison to its competitors

Methodology

- Mixed methodology
- Consumer Research
  - 1,000 online interviews among a nationally representative sample of the UK
  - Respondents sourced from an online panel
  - Fieldwork conducted October 2012
- Trade Research
  - GNTO provided contacts of trade professionals to contact
  - Mix of operators and agents
  - Mix of mass market and specialist operators
  - In depth telephone interviews


Innovators
Cosmopolitans
Discoverers
Style Hounds
Independent
Market
Traditionals
Mass
Market
High Street
Functionals
Followers
Habituals
Sustainers

Cosmopolitans

Confident, stylish, and willing to give anything a go once

- Strong, active, confident and stylish
- Do what they want rather than follow any particular fashion
- Risk takers – a desire for things that are new and different
- They like new challenges, both physical and intellectual
- Life for this group is full and active, but with an appreciation of art and culture
- Comfortable trying new things that are out of the ordinary
- Happy to adopt traditional values when appropriate
- Find it easy to justify buying expensive alternatives
- High-spending market

High Street

Brand over function, these individuals are indulgent and prefer to be advised

- Like to take their information from other sources rather than discover things for themselves
- Prepared to spend money on luxury which tends to mean more things
- Brand and style are more important than functionality or individuality
- Not the first to adopt new products but they will be ahead of the majority of the market
- An active segment that is moderately interested in intellectual pursuits, arts and culture
- Keen to follow along when a fashion has been established

Innovative and mass market

Followers

- Strongly influenced by their peers and by the media
- Unlikely to value things that are new and different
- They will try things that are new to them as individuals
- A similar aversion to what might be considered old fashioned as Style Hounds, but much less interest in ‘new’ options
- Avoid risk and will take up options when others have shown they work
- Lag behind other groups when it comes to new products and services
- Little interest in intellectual challenges, arts & culture
- Service means freebie extras like Satellite TV and sun beds thrown in

Functionals

- Self reliant
- Very price driven and value functionality strongly over style
- Traditional values
- Not prepared to pay for fashion, style or ‘individuality’
- Not early adopters of new ideas
- Interested in new experiences, and happy to try things new to them
- Enjoy intellectual challenges, traditional ‘arts and culture’
- Resistant to spending
- Service is something that they expect as opposed to something they will pay extra for

Discoverers

Valuing technology, authenticity and independence

- Independent individualists
- Not worried about what others might think
- Little influenced by style or brand unless it represents their personal values
- Value technology, new products, services and experiences
- Function far out rates style as a purchase driver
- High spenders on what they want – but intolerant of substitutes or image based advertising
- Enjoy intellectual challenges but ‘arts and culture’ are often negatively perceived
- Value good service – which means enabling them to do what they want
- Live a relatively relaxed pace of life

Independent and innovative

ArkLeisure®

Traditionals

- Self reliant and independent
- Hold traditional values
- Unlikely to justify spending on expensive alternatives.
- Value more traditional established brands
- Functionality is far more important than style and individuality
- Value, and will pay for, good service, which for them means recognition and individual attention
- Enjoy intellectual challenges, arts and culture
- Relaxed pace of life

Style Hounds

Fashion conscious early adopters
who actively pursue excitement

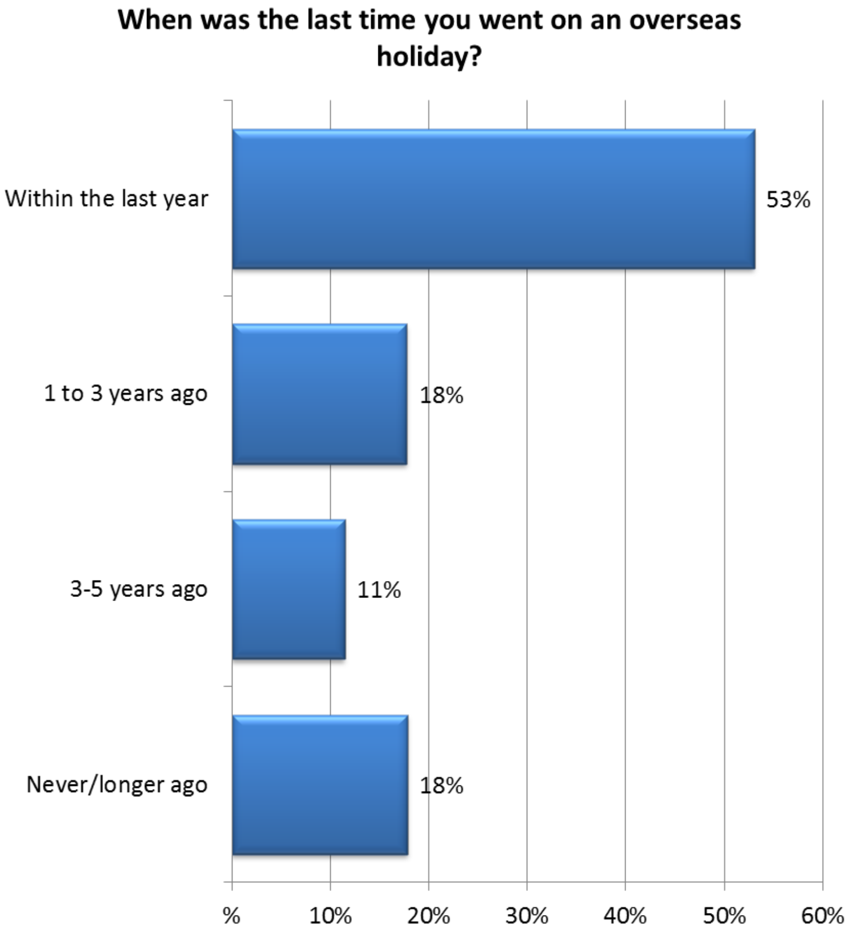
- Very brand/ fashion conscious
- Do not want to be seen as old fashioned
- Early adopters
- Will pay for better service – which to them means ‘more to do’ or more fun
- No real interest in ‘sophisticated’ arts, or cerebral activities
- Fun and excitement is what defines a good time
- Risk takers - they live a full and active life
- Like to be part of the latest trends
- Strongly influenced by others
- Ready to spend money

Habituals

- Strongly traditional
- Strongly resistant to change preferring the familiar
- Value a more relaxed pace of life
- Purchase decisions made on function
- Fashion has little meaning to them
- Very risk averse and show little interest in new options or opportunities
- No interest in arts or culture
- Spend little money, on brands or service
- Find it hard to justify expense of any sort
- Often have limited income

Screening

- In order to make the research more valuable, we screened out people who have not been on an overseas holiday in the past 5 years
- We are speaking to people who are more likely to be in the market for an overseas holiday
- Final sample of overseas holiday takers is 1,011



Base: 1,403 nationally representative respondents

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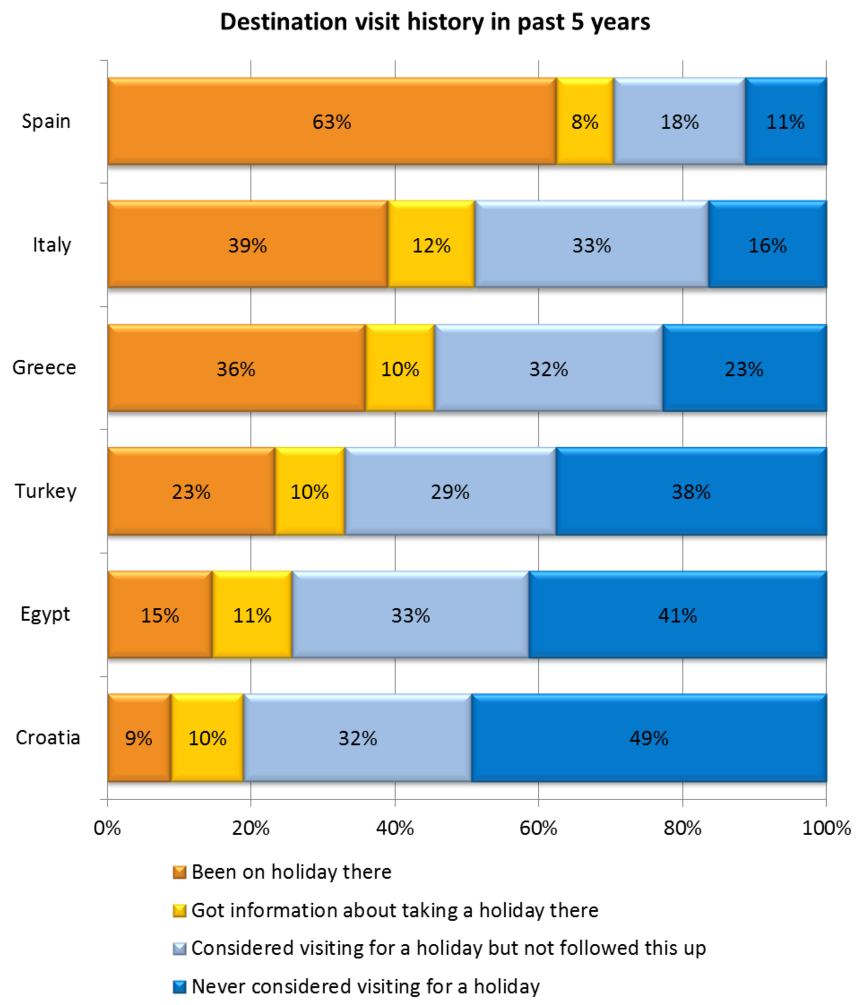
Holiday taking to Greece in the past 5 years



- Very much like market trends
  - On next slide
- Spain is most popular destination country among those tested
- Greece has very similar destination profile visit history as Italy

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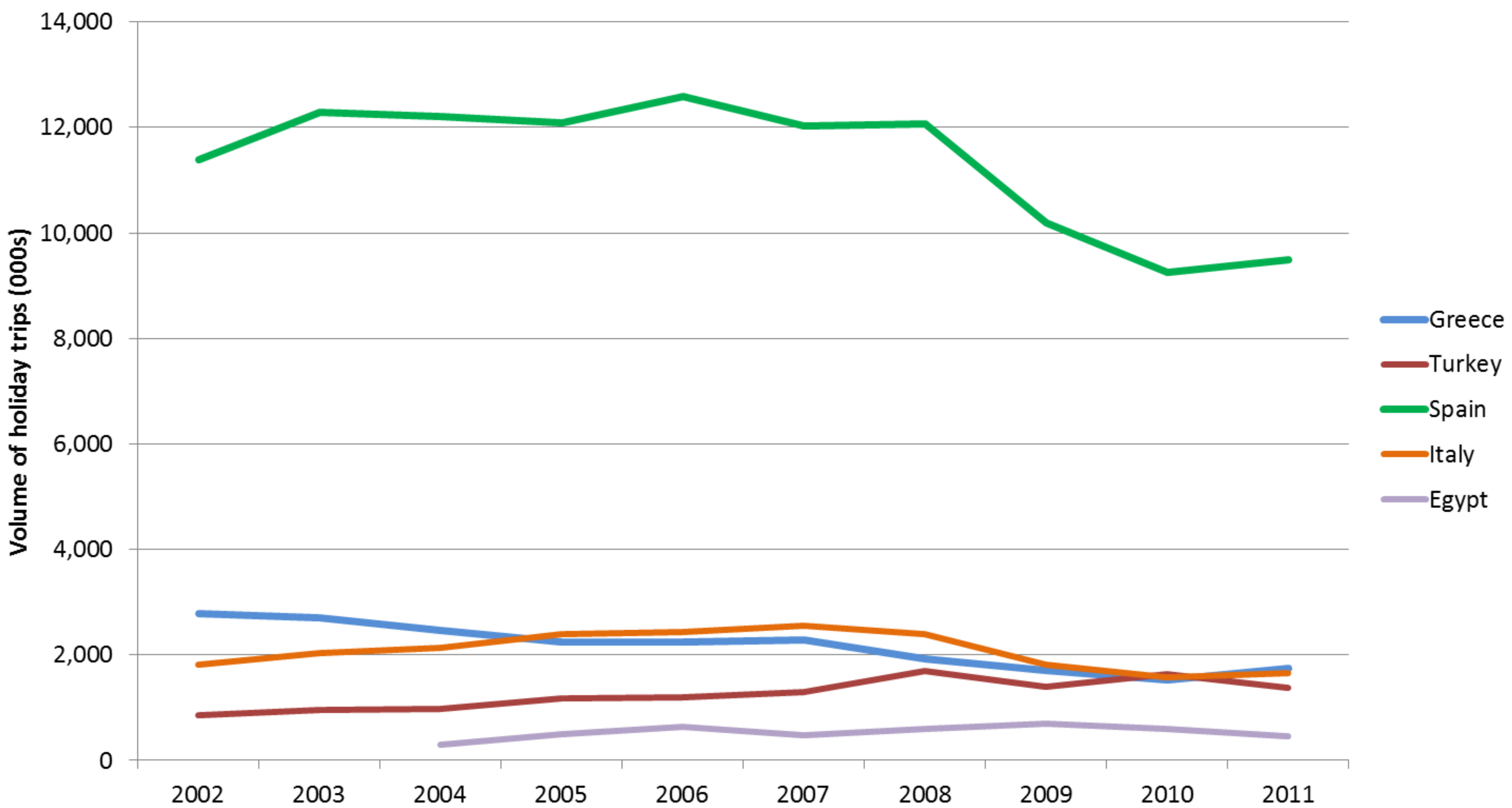
Trends in UK residents holiday taking



Source: International Passenger Survey

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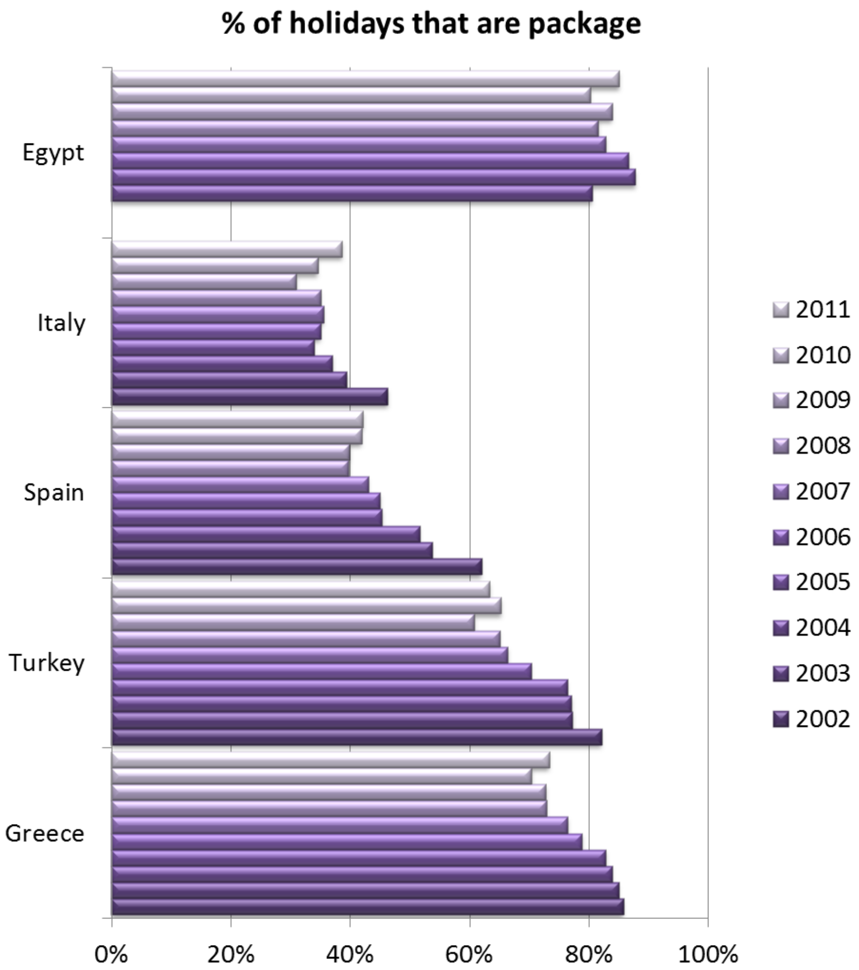
Importance of trade



- Package market and therefore the trade are very important to Greece
- The proportion of package trips has declined as more independent options open up
- Consumers seeking security and convenience

Source: International Passenger Survey

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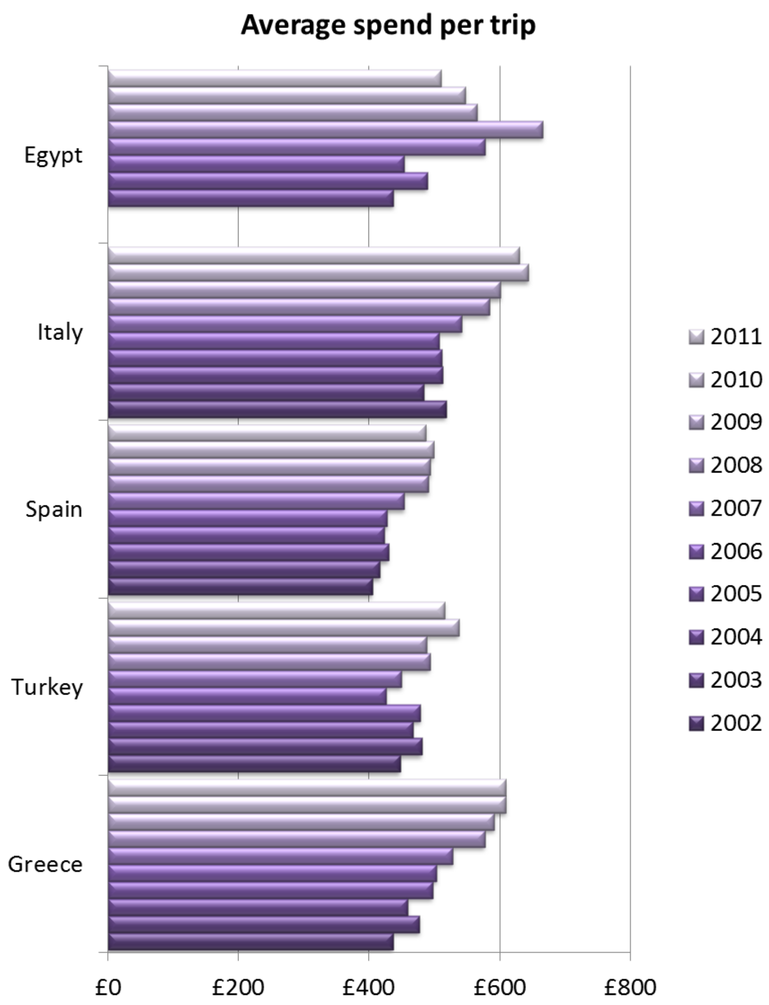
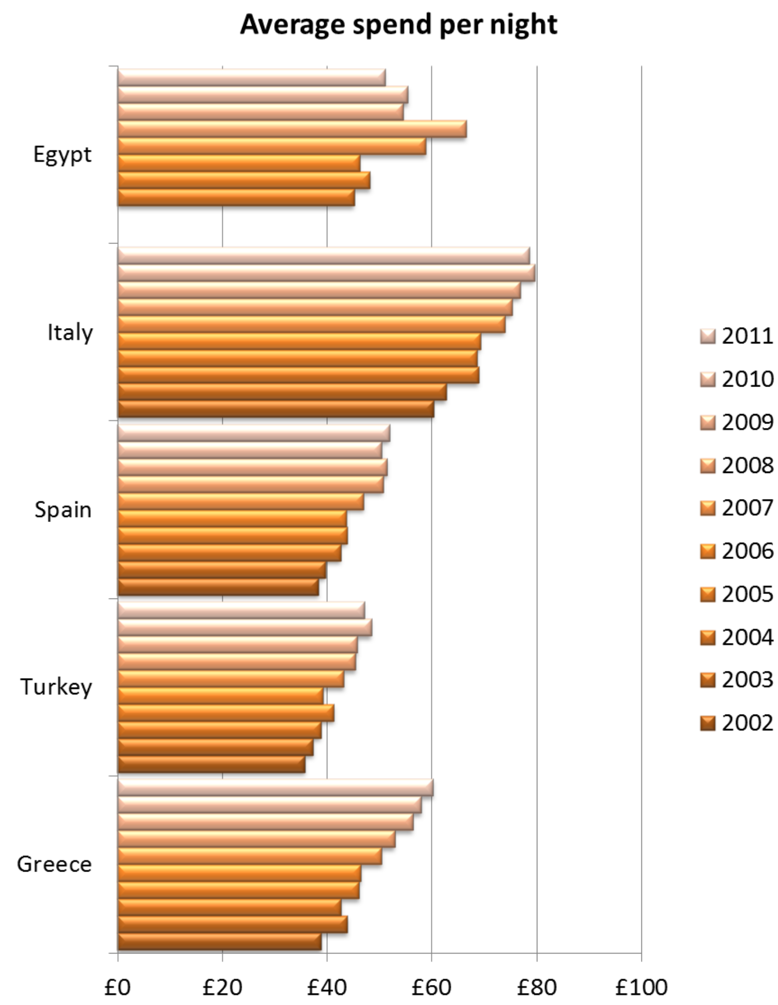
Average spend by UK holiday makers



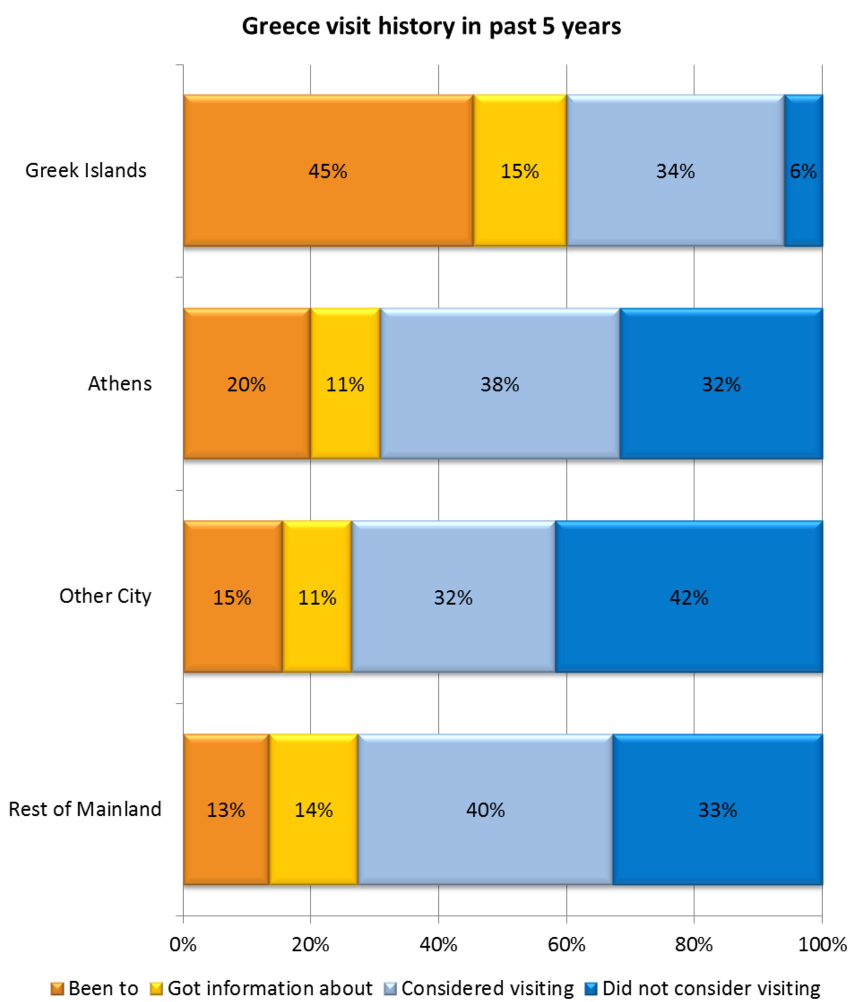


Source: International Passenger Survey

Issues affecting trends (from trade discussions)

- 2012 expected to be similar to 2011
  - More Greece product went late, but still got sold
  - Late deals are becoming more popular year on year
  - Consumers concerns over personal wealth and looking for best deals
- 2011 was maybe unnaturally high for Greece due to unrest in N. Africa diverting sales from there to Greece

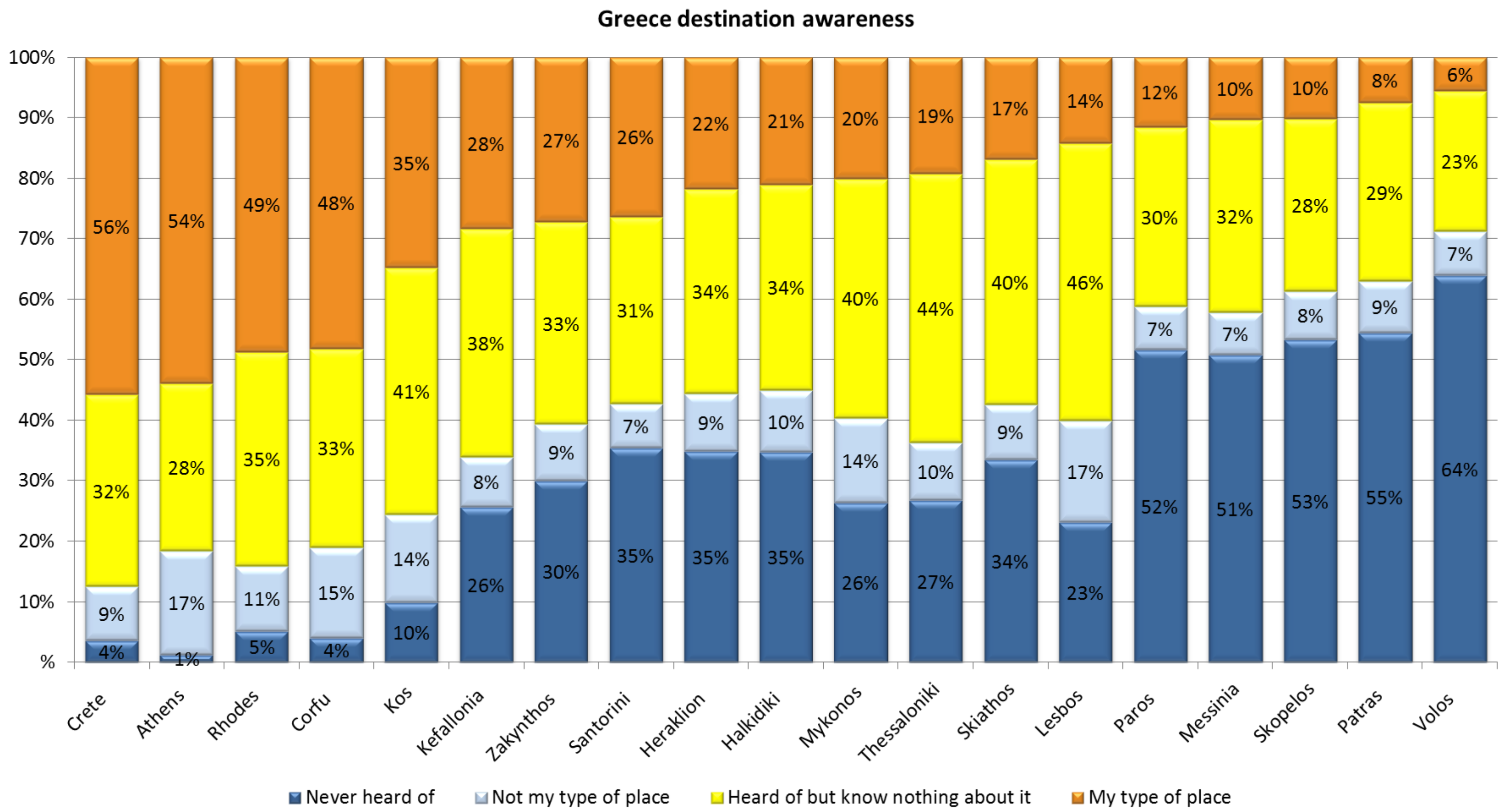
Greece destinations considered & visited



- The Islands are by far the most popular area visited
- This is a factor of what is on offer for most holiday customers
- A city offer is still popular for 1 in 5 people

Base: 781 Greece considerers & visitors

Destination awareness



Base: 1,011 overseas holiday takers in the past 5 years

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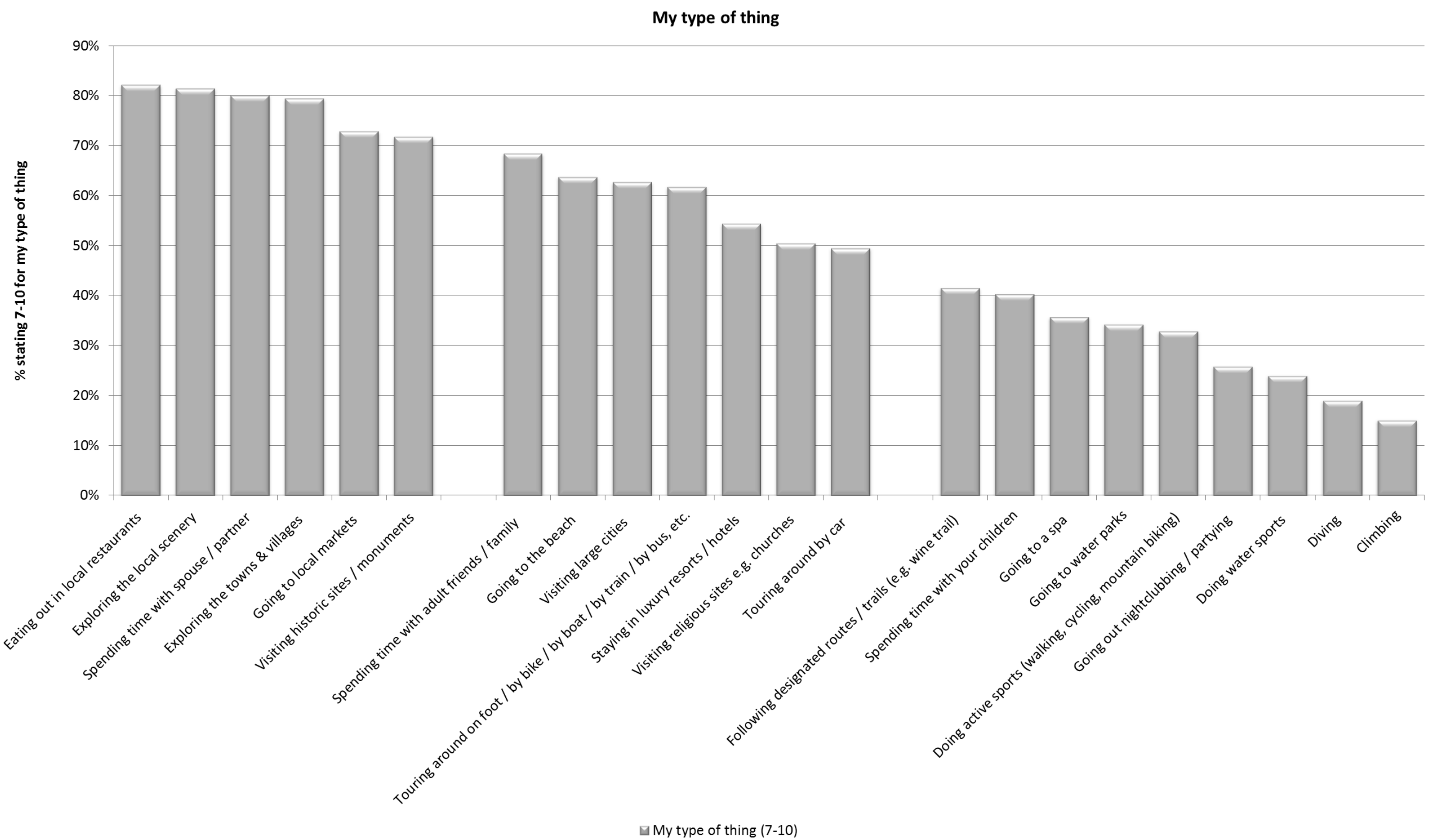
My type of thing on holiday



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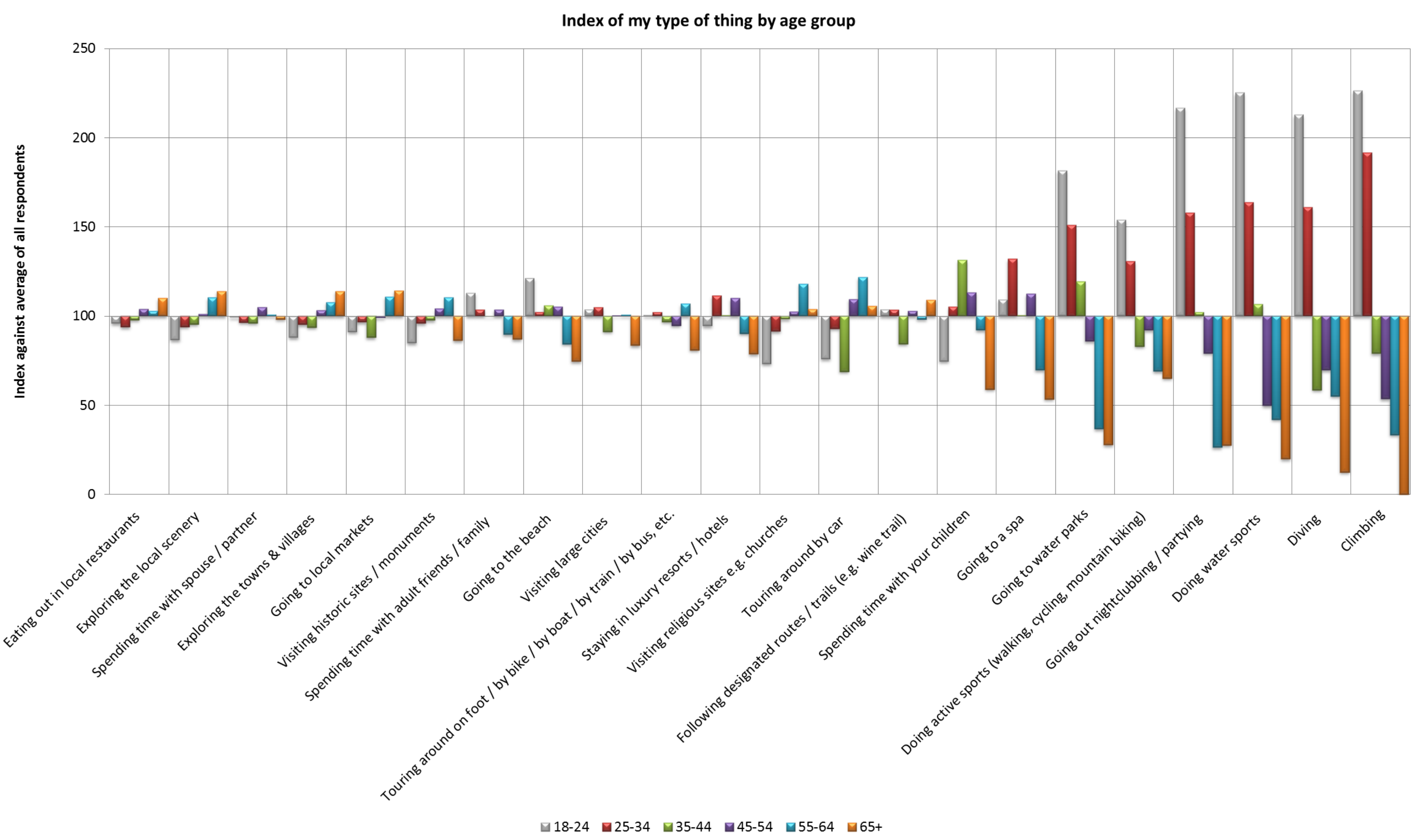
My type of thing – age group



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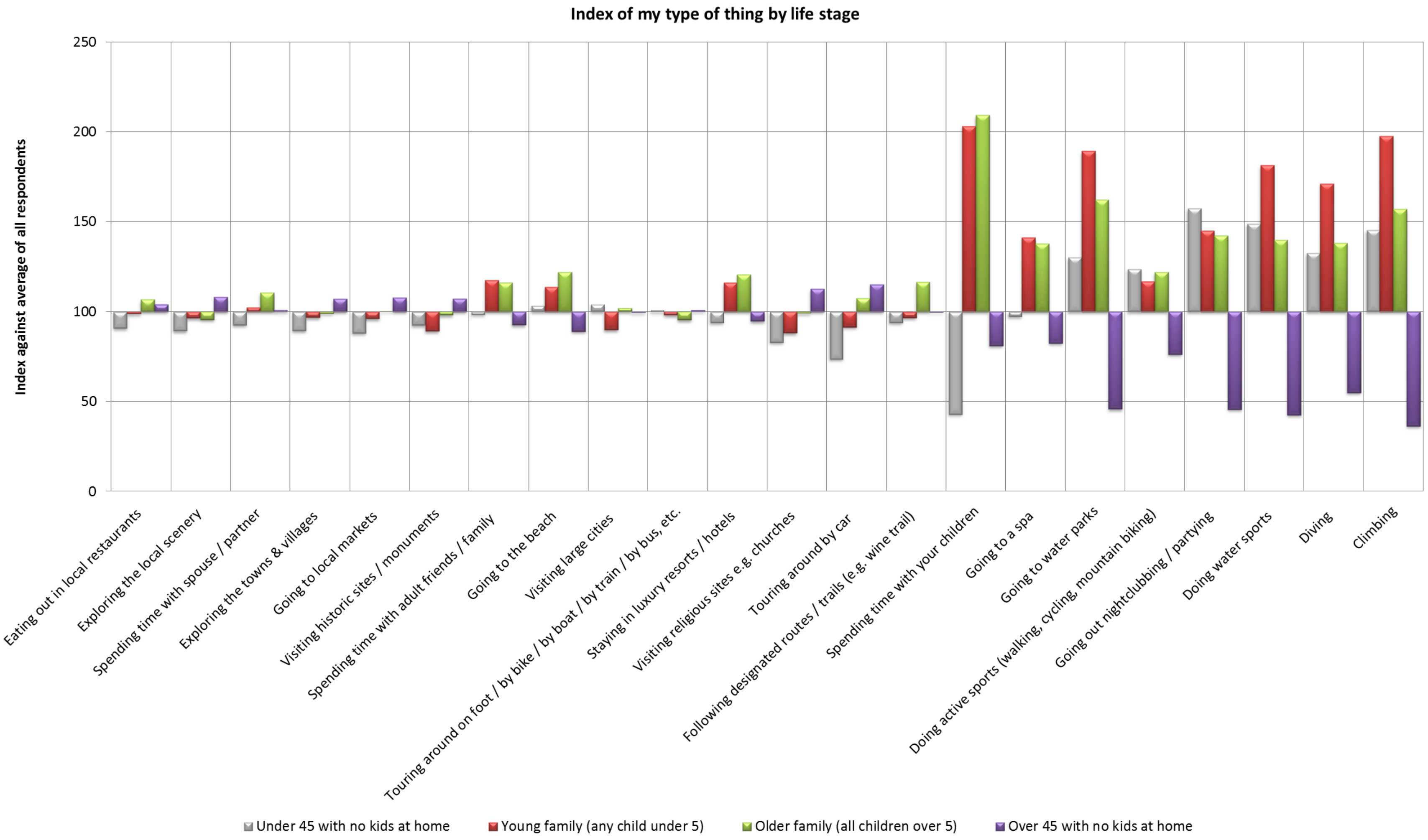
My type of thing - lifestage



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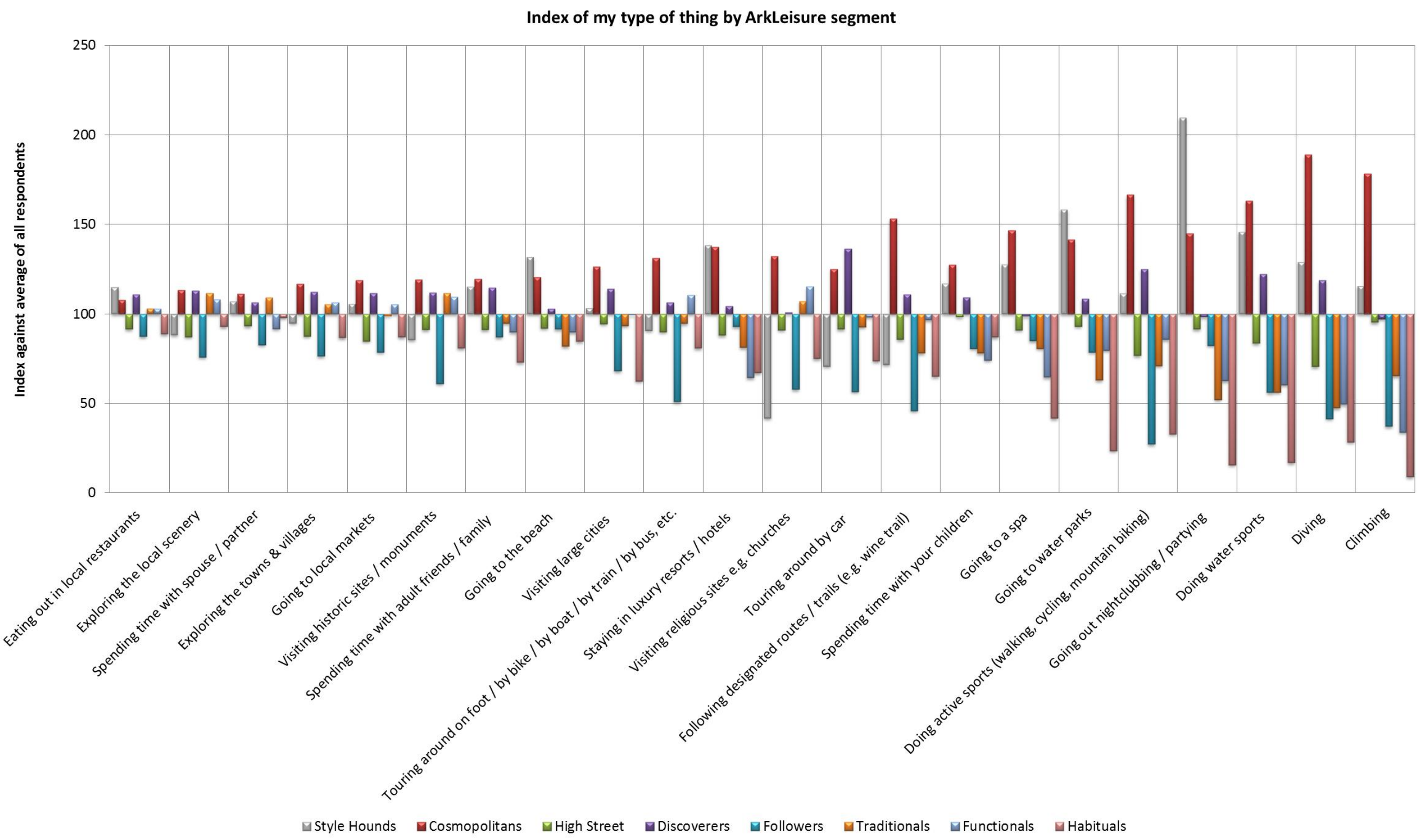
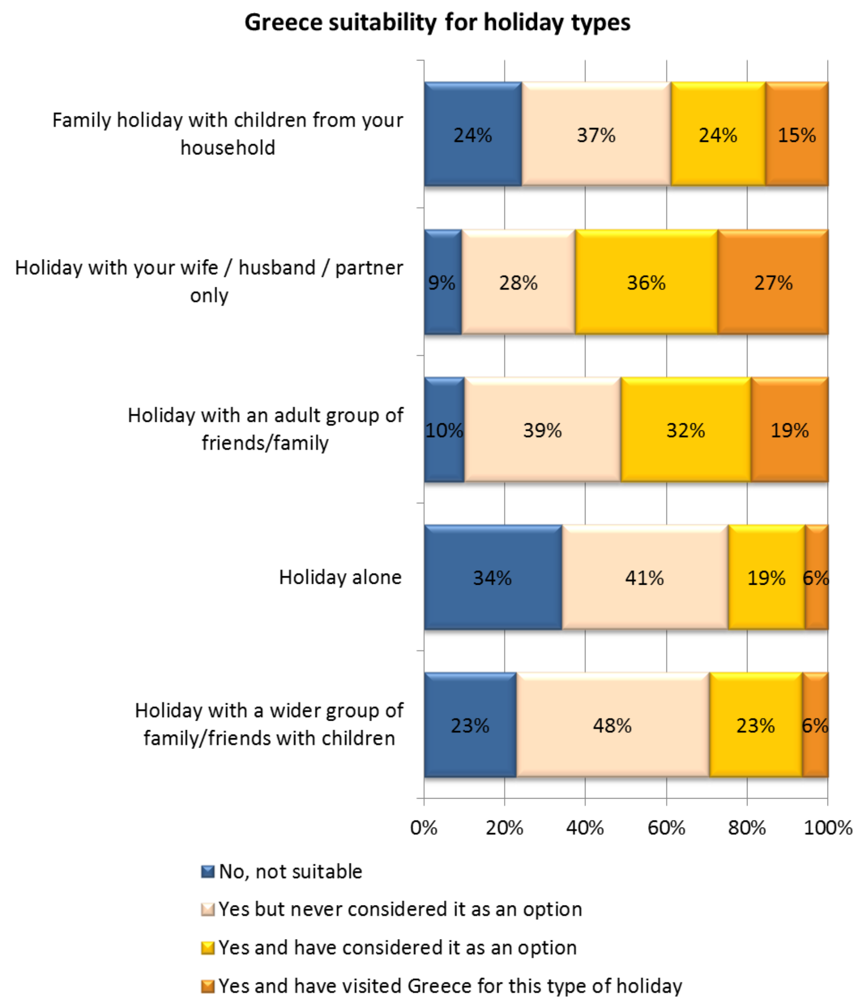
My type of thing - segments

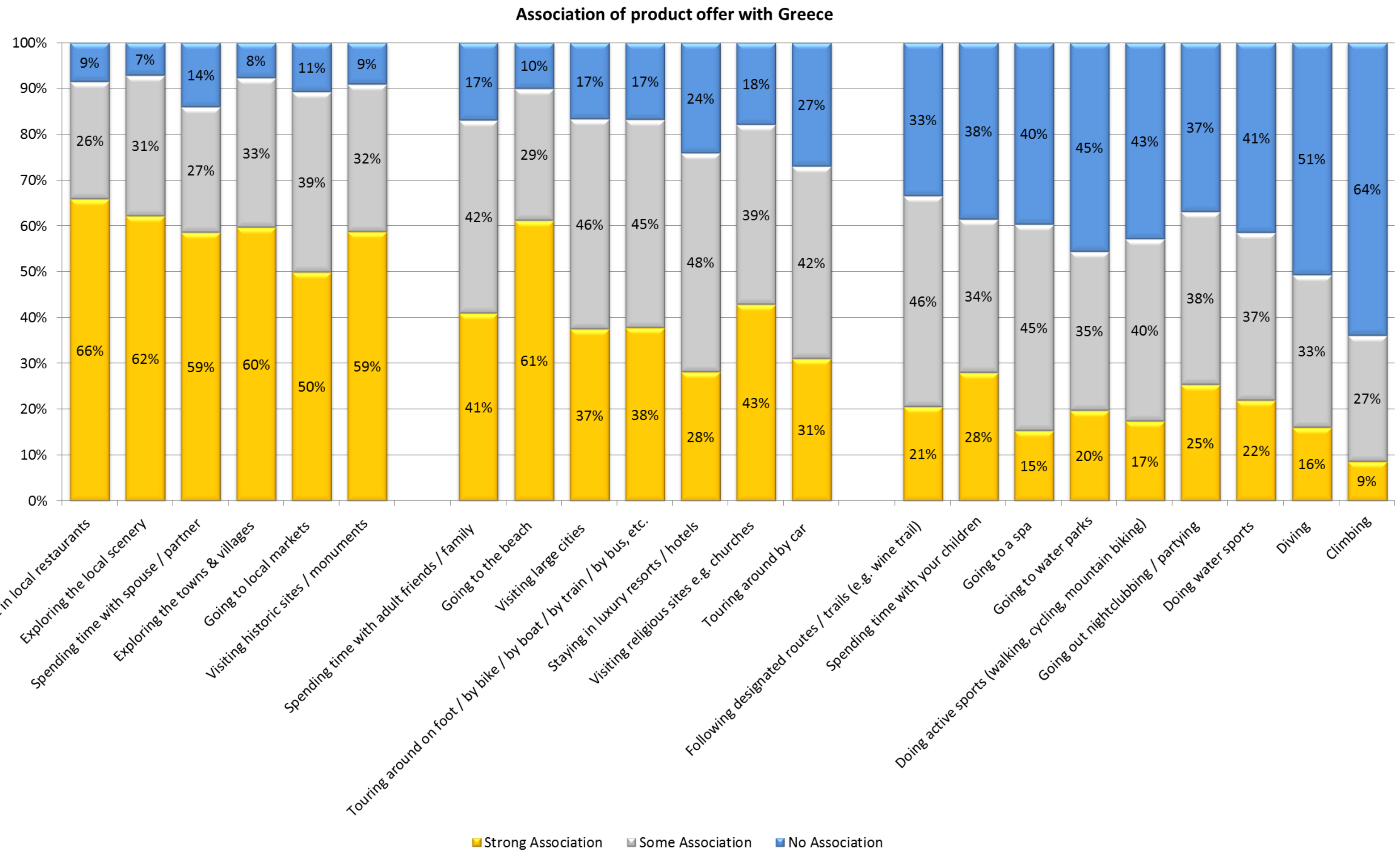


Greece suitability

- Greece is seen as most suitable for a holiday with a partner
- Followed by adult groups
- Those with children more likely to say that it is suitable as a family destination



Association of product with Greece



Base: 1,011 overseas holiday takers in the past 5 years

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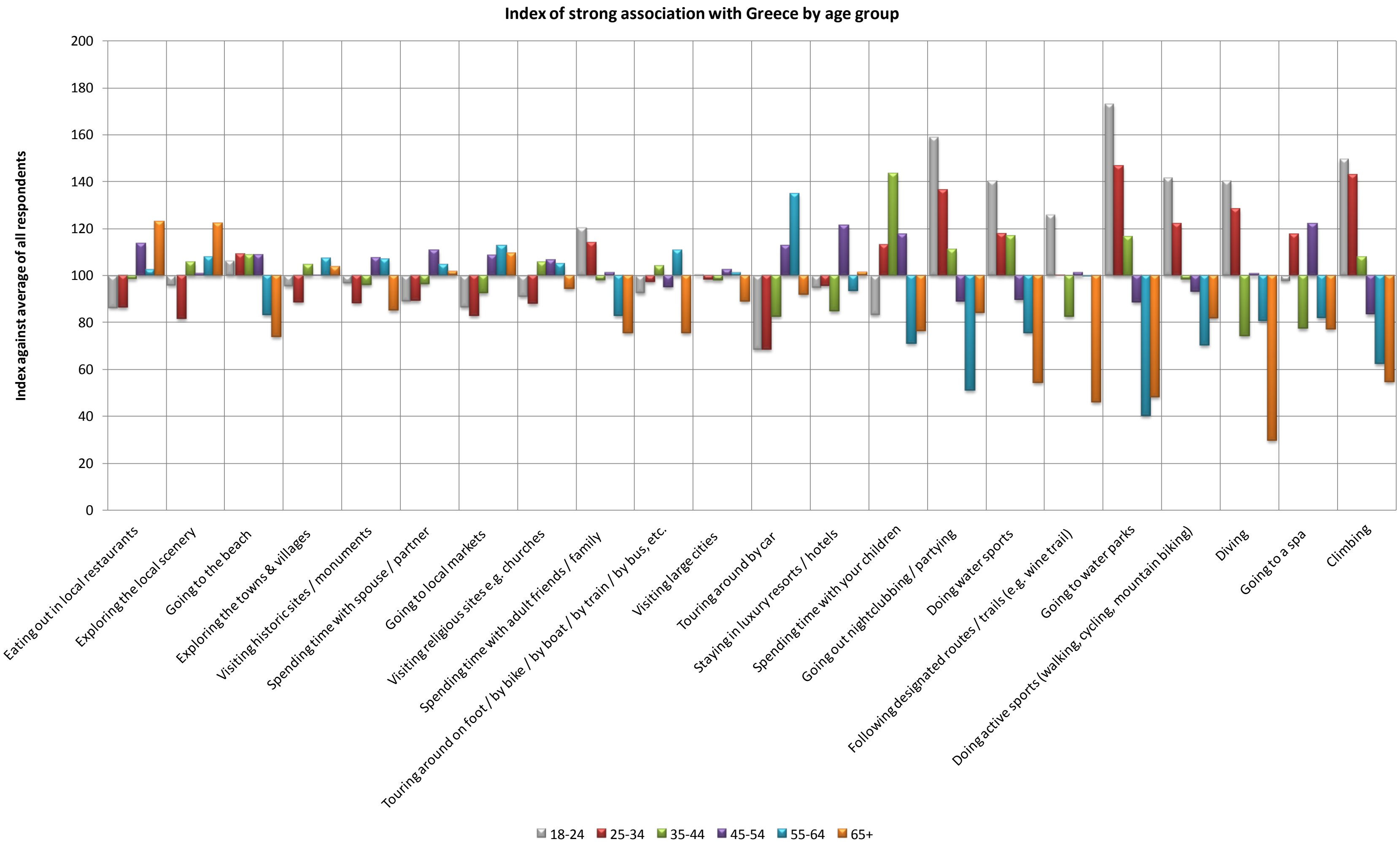
Who is more likely to associate product with Greece



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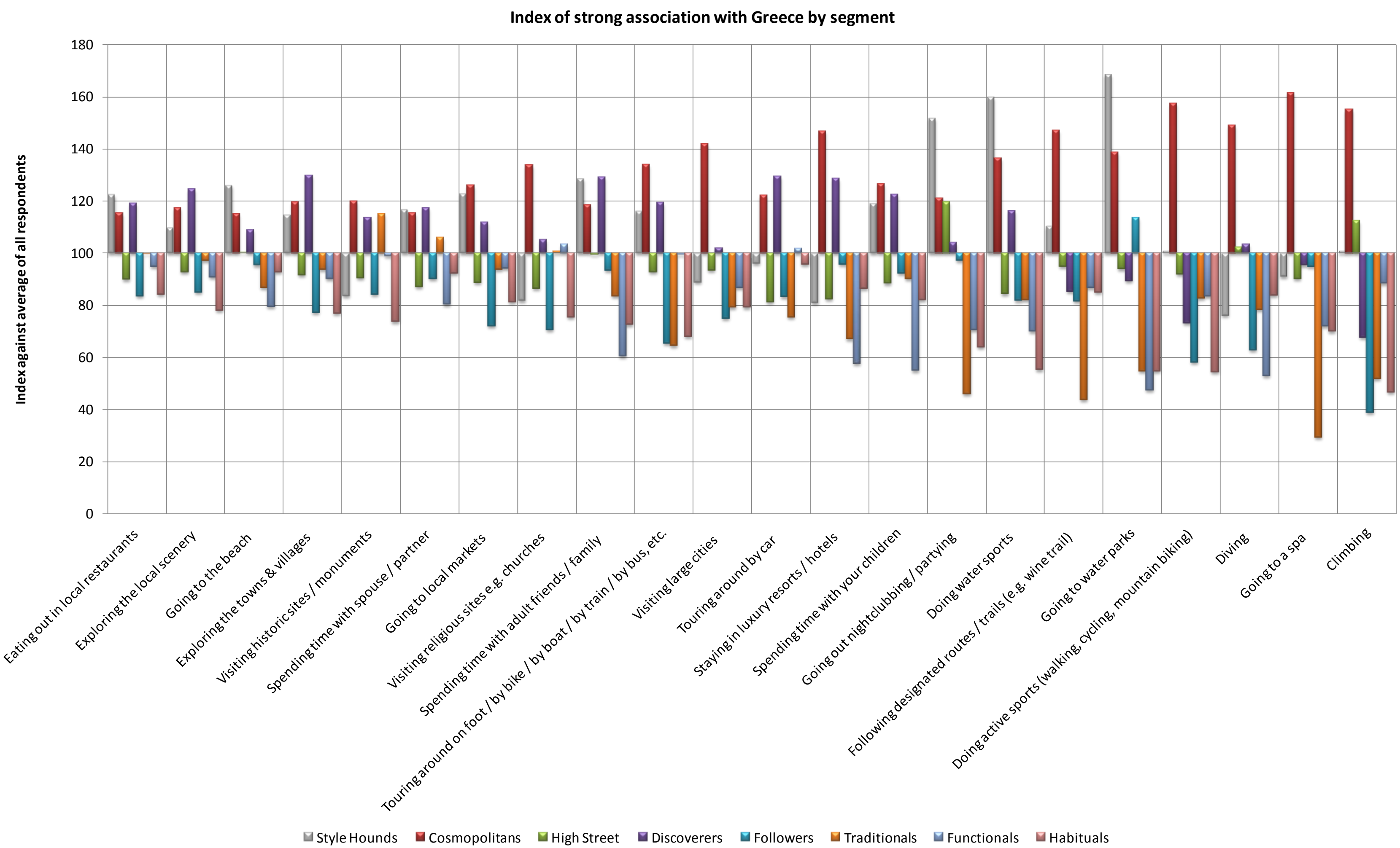
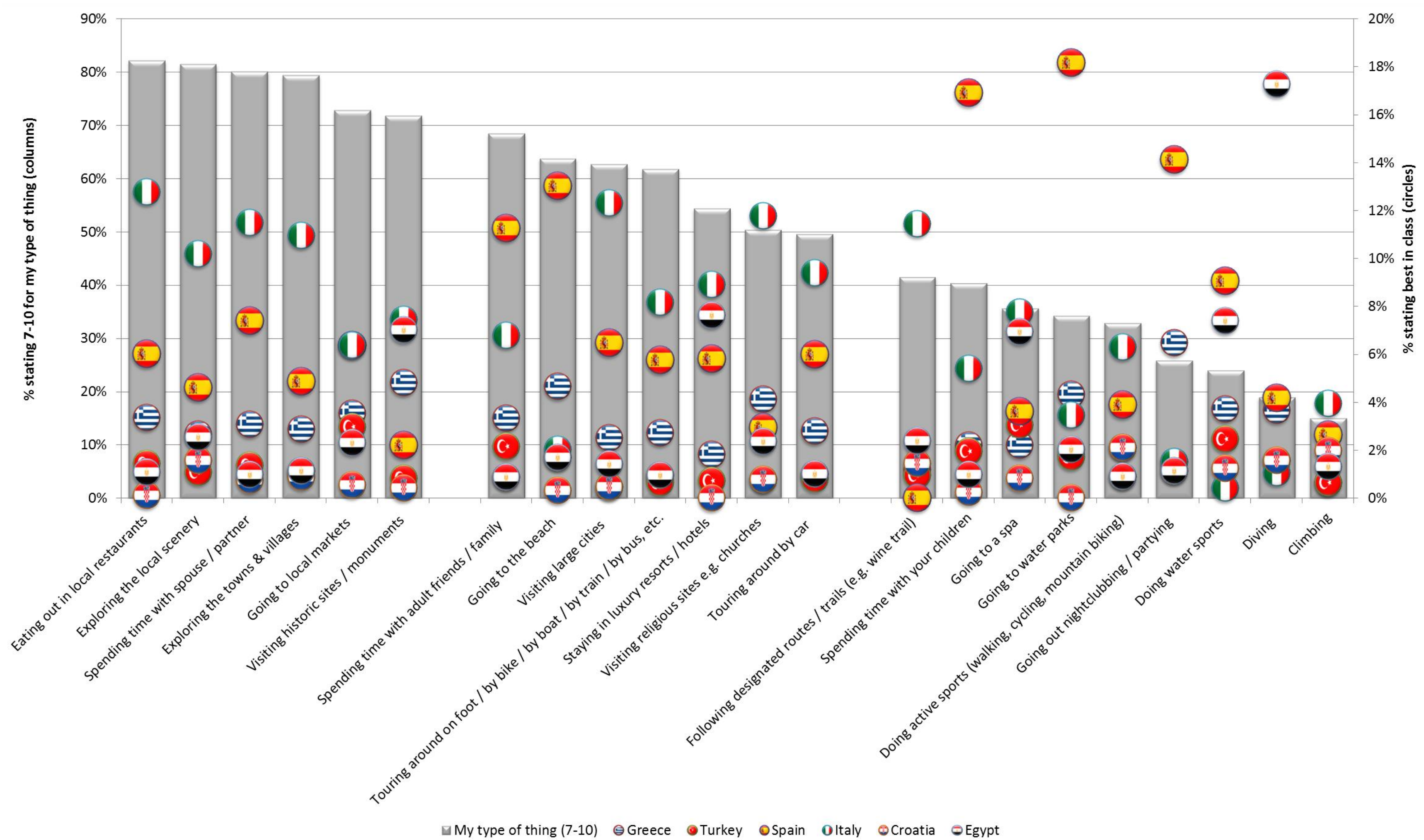


Base: 1,011 overseas holiday takers in the past 5 years

Best in class



Base: 1,011 overseas holiday takers in the past 5 years

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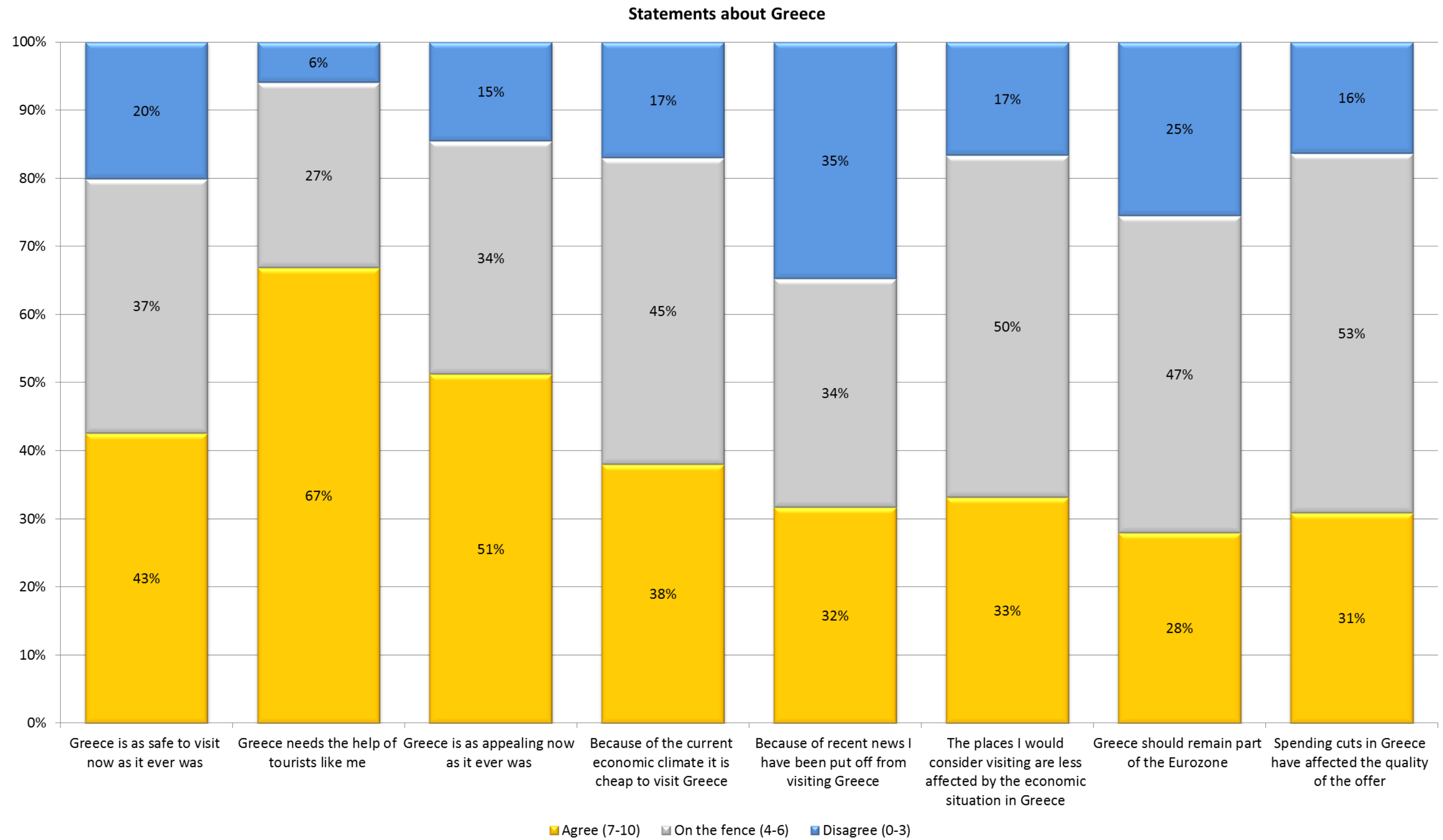
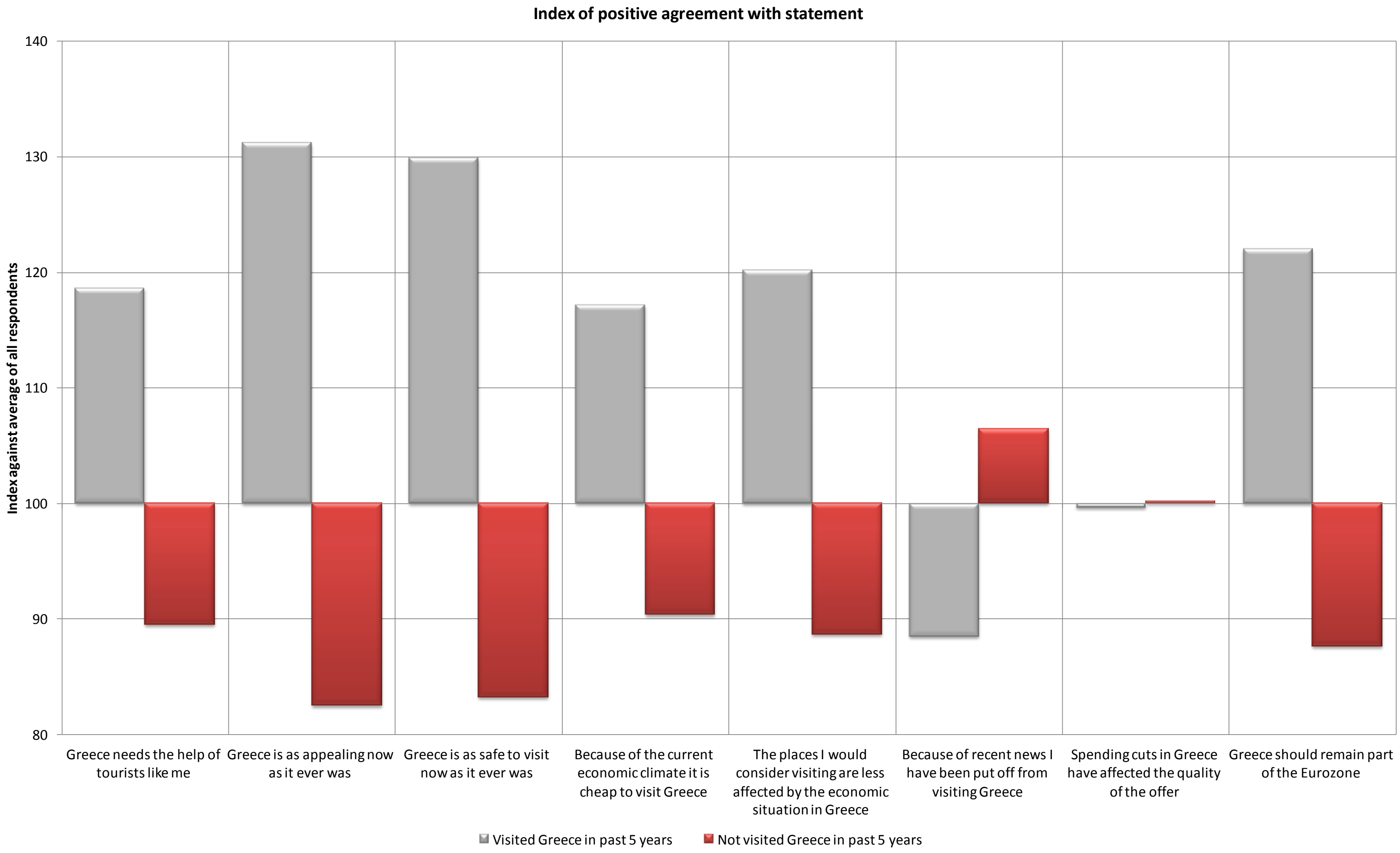
Statements



Base: 1,011 overseas holiday takers in the past 5 years

Previous visitors likely to remain positive



Base: 1,011 overseas holiday takers in the past 5 years

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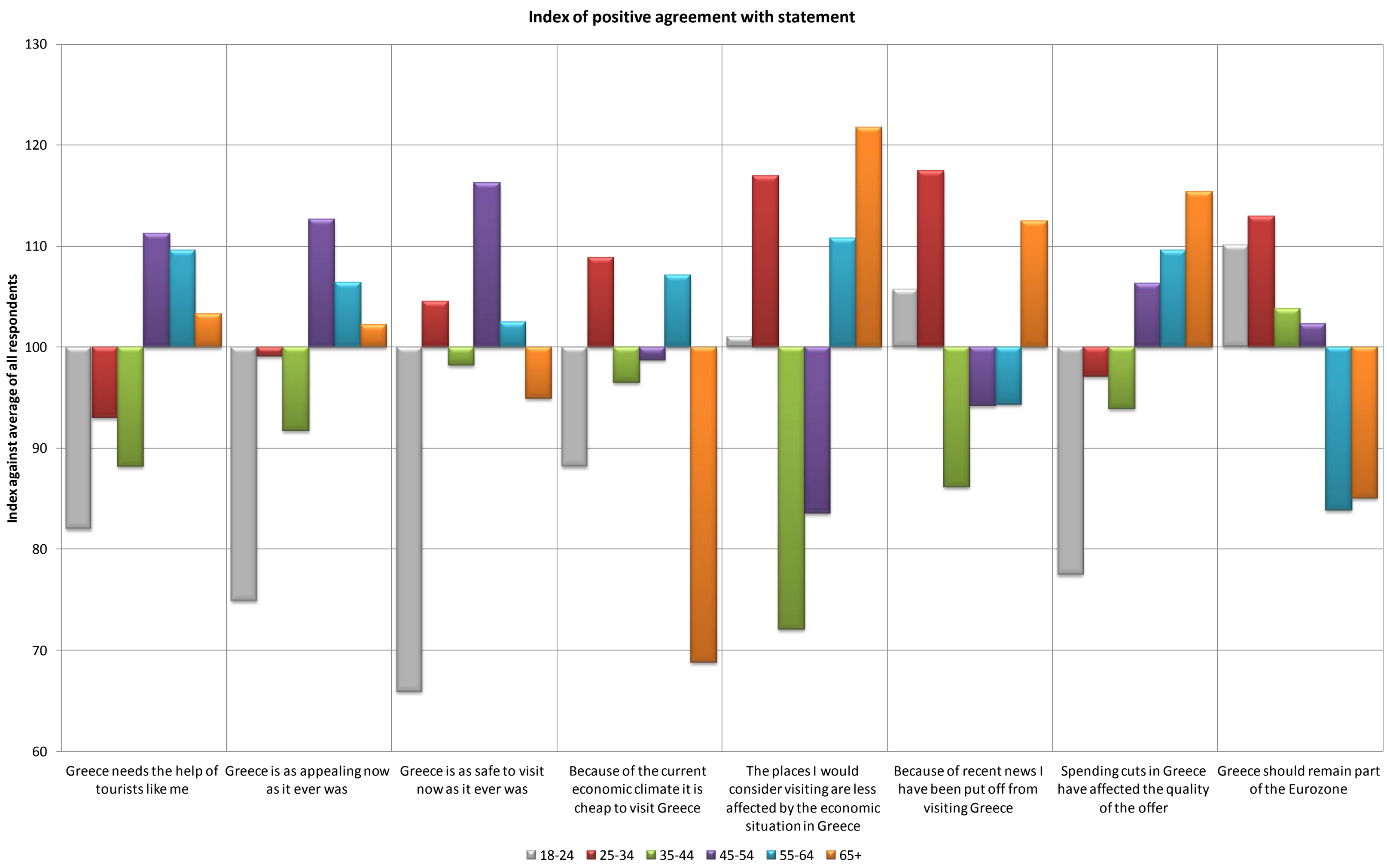
Who is more likely to be affected by media coverage



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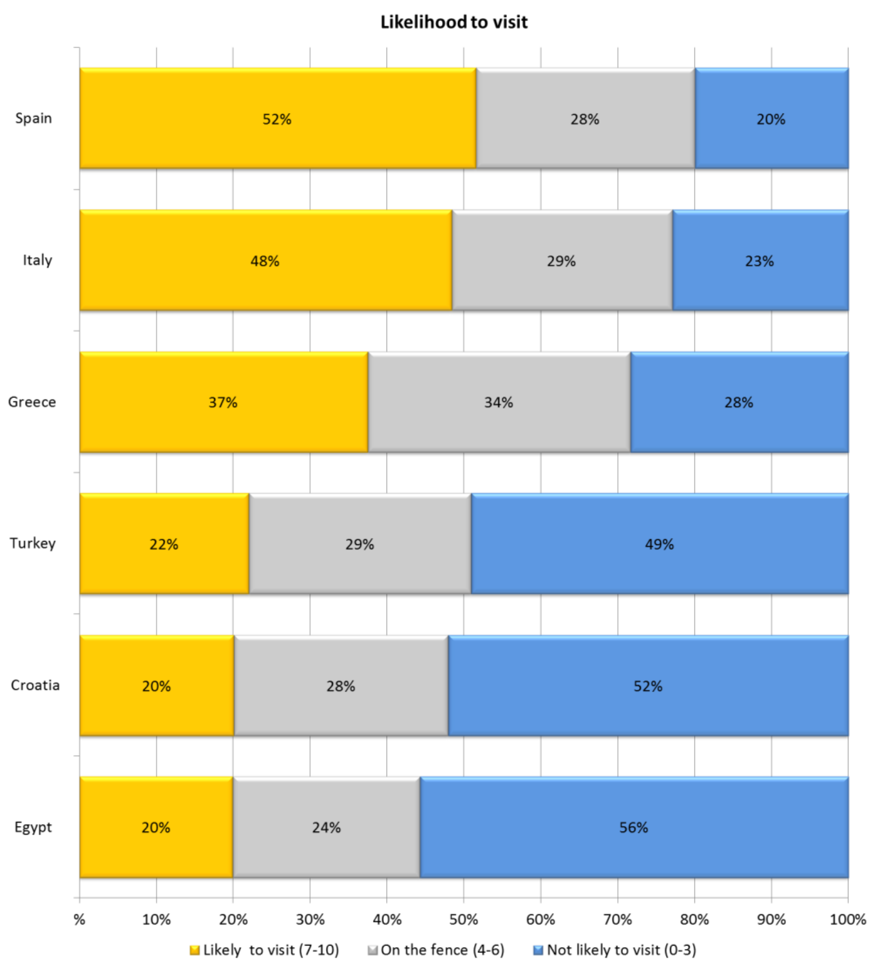
Likelihood to visit



- Very similar to the visit profile and the market profile

Base: 1,011 overseas holiday takers in the past 5 years

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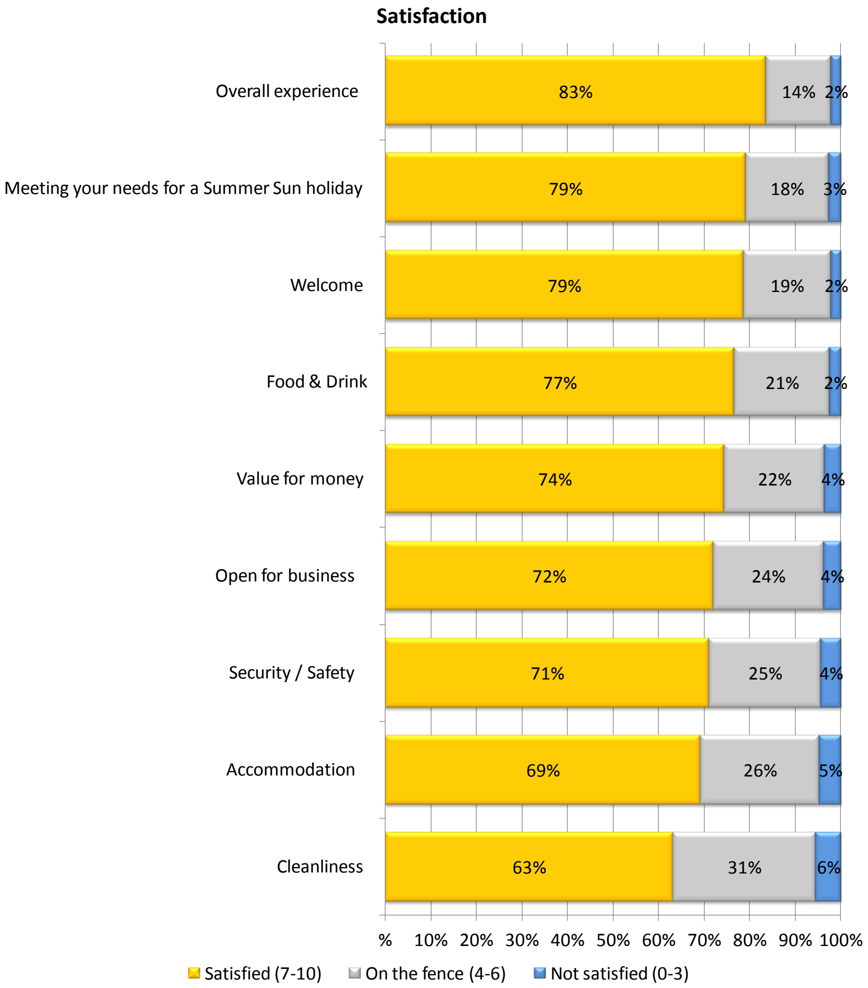
Satisfaction



- Satisfaction is high among visitors
- Trade interviews highlighted Greece having excellent hospitality
- Overall, 79% would recommend Greece which is in line with the 'meeting your needs' statement
- The 2 least positive elements were accommodation and cleanliness

Base: 366 visitors to Greece in the past 5 years

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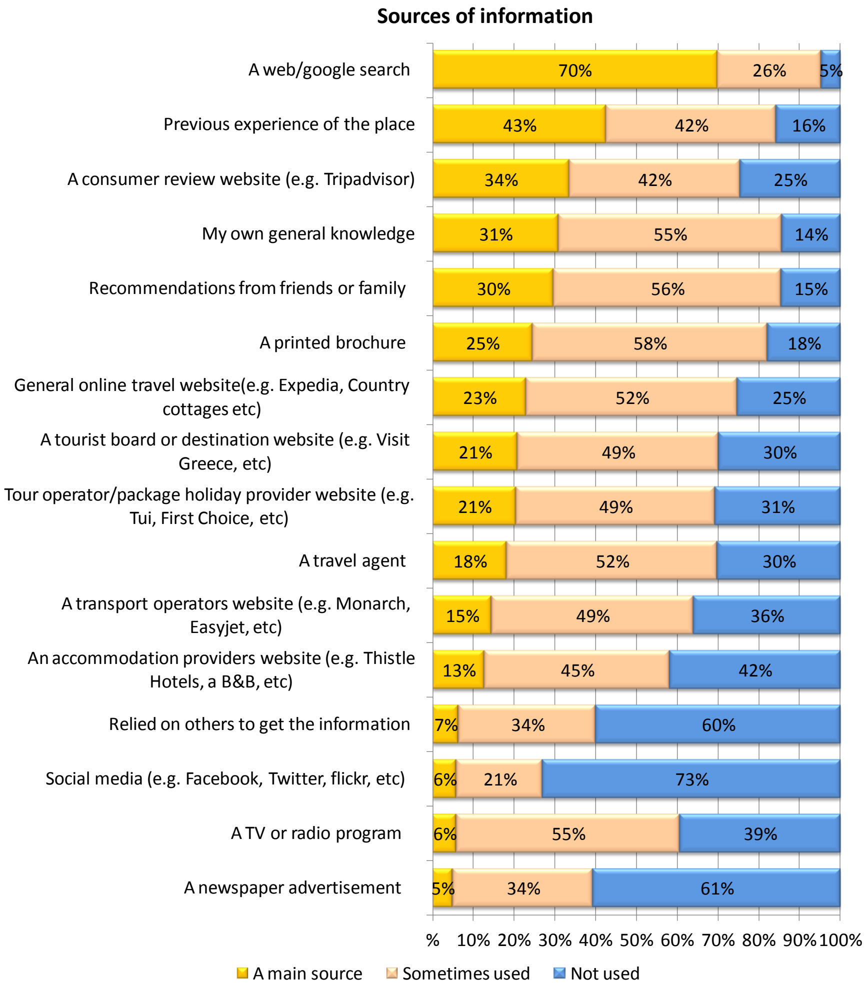
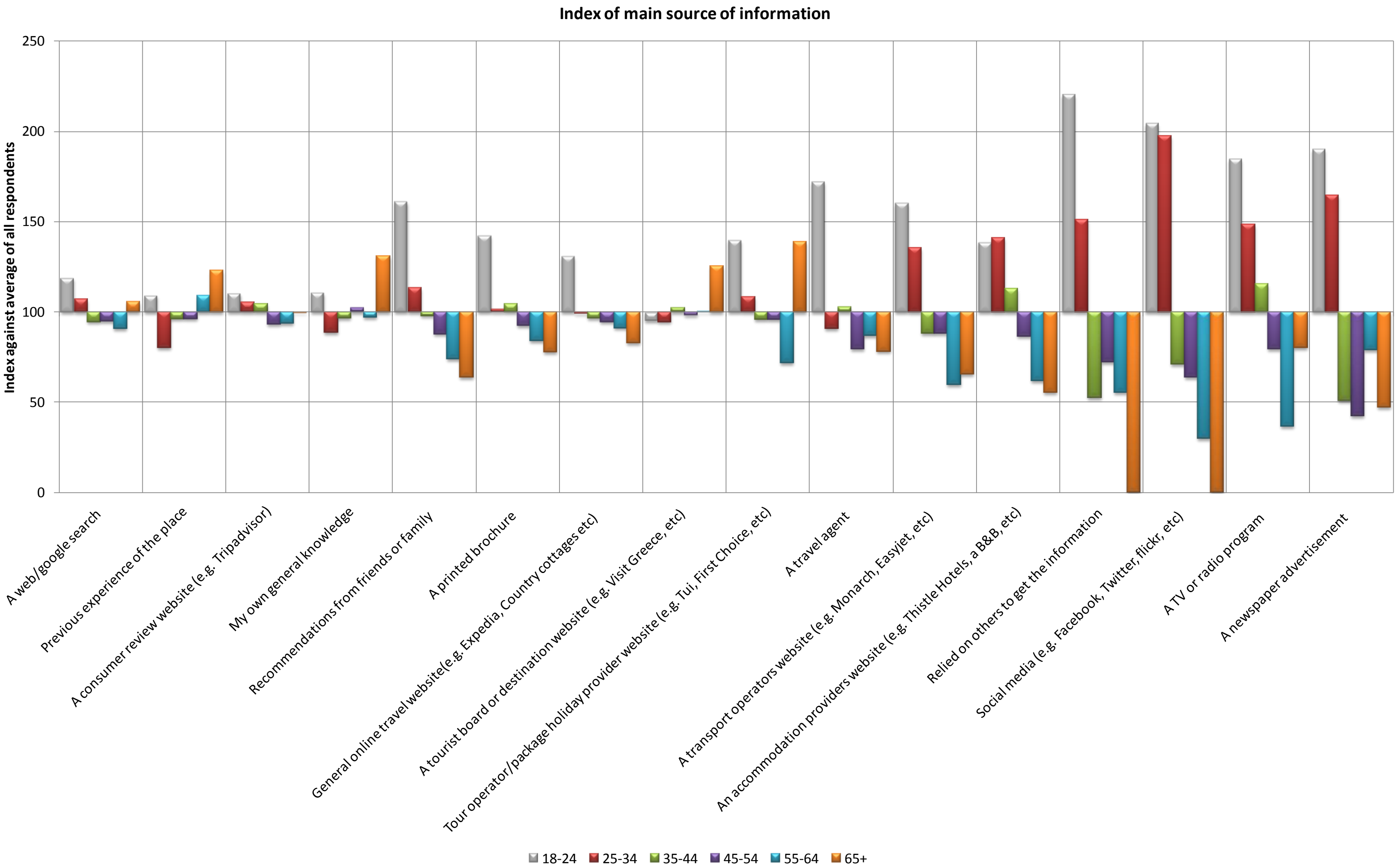
Sources of information



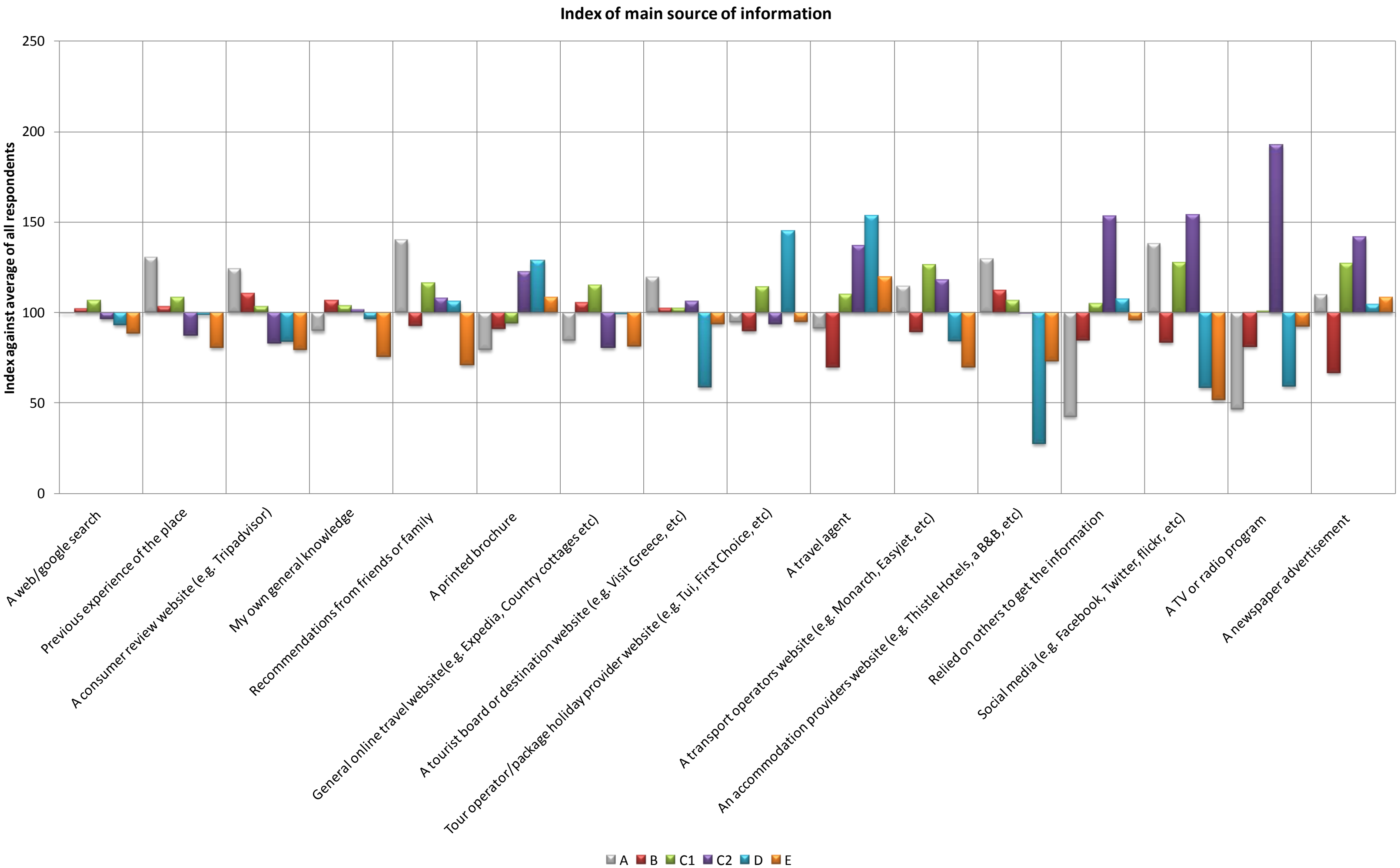
- General web searches are very popular for holiday information
  - Easy to get information from 1 source
- Consumer review websites are increasingly popular
  - Seen as less biased than reviews on company websites
  - More tour ops are using Tripadvisor reviews
- Social media has not been utilised to any successful degree by holiday companies

Sources of information by age



Base: 1,011 overseas holiday takers in the past 5 years

Sources of information by SEG



Base: 1,011 overseas holiday takers in the past 5 years

What should GNTO be doing?

- Joint marketing that is going on is seen as a good thing
  - Operators like their Tourist Boards to spend money on marketing
- Turn the negative press around; don't hide behind it
  - The N. African tourist boards (Tunisia & Egypt) very good at this after unrest in 2011
- Concerns consumers have raised with operators & agents:
  - Rioting – easily overcome by explaining that holiday resorts far removed from what is happening in Athens
  - What happens if Greece exits the Euro
    - Money out of cash machines
    - Transport arrangements

What should GNTO be doing?

- Highlight that Greece is open for business
- Listen to the trade – they are at the front line – don't dictate to them
- Educate the trade
  - Get them to experience the product so they are better able to explain to clients
- Have constant communication with the trade
  - Not necessarily meetings; could be telephone calls
  - Ask them what they know and tell them what you know (e.g. where capacities are shifting)
- Differentiate – become known as best in class for something that consumers want

TOP TAKEOUTS
Market Context

- Currently Greece is heavily reliant on tour operators selling holiday packages
  - Three-quarters of holidays to Greece are package holidays
- Implications are:
  - Greece therefore sold on elements of the package … not necessarily on destination attributes
    - Key purchase driver has become ***value / price***
  - Positive sales messages are being diluted
    - Does the trade really know what makes Greece stand out / what experiences Greece can offer / differences in offer across the different Islands?
    - Does the trade accurately portray the Greek holiday offer … or do they stop short at images of beach / hotels
  - Is the type of customers that buys a package holiday the type of customer that Greece wants to attract?

TOP TAKEOUTS
Perceptions of Greece

- Consumers strongly associate Greece with
  - Beach
  - Scenery
  - Local Tavernas & Restaurants
  - Historic Sites & Monuments
- Strong knowledge of Greek Island names
  - But often they don't know what each Island has to offer
- Reason for visiting is ill informed
  - People visit just for sun and beach … yet it has so much more to offer
- A shift in how Greece presents itself is required
  - Educate the industry through fam trips / e-learning
  - Marketing needs to be consumer-led … sell the experiences as well as the product on offer

TOP TAKEOUTS
Changing Perceptions

- Stakeholders realise they need to invest in marketing in current climate
  - Time has come to work together more closely with the industry
- Recent joint marketing campaigns have been widely deemed as successful
  - Triggered an instant increase in sales activity
- Don't dictate joint activity … work with stakeholders
  - They have systems in place / flexibility re yield management that can stimulate sales if combined with the right messages
- Adopt *constant* 2-way dialogue between Tourist & Stakeholders
  - Combined knowledge can lead to more appealing campaigns / increased ROI

TOP TAKEOUTS
How can Greece stand out?

- Greece needs to stand / differentiate itself from sun / sea / beach destinations
  - Fact of the matter is that other destinations are seen to offer better experiences sold in relation to sun / sea / beach holidays
- Need to promote the aspects that make Greece stand out
  - Hospitality
  - Value (not price)
  - Real beaches (not Spanish beaches)
  - Unspoilt destination / scenery
  - Local culture
  - Variety of experience across different island
- This will make Greece stand out as a destination of choice
  - Not just a place that offers a good deal

TOP TAKEOUTS
Positive & Timely PR

- When a destination goes through hard times it is important that tourist board responds with positive PR messages
- Initially, news reports led to consumer concerns about rioting / safety / transport /money, etc.
- Now the concerns are slightly different and relate to the effect that austerity measures are having on the ***quality and availability*** of the tourism product
- Key PR message (backed up by Stakeholders and recent consumers) is that **'Greece is open for business'**
- This needs to be constantly reinforced, especially during key booking periods
- Use the fact that Greece has had a good Summer / visitors numbers remain high
- UK consumers are aware of the importance of tourism to the Greek economy … and that don't want to lose it
- Use this as a message for PR / marketing