

Optimising All Inclusive Expenditure in Paphos: recommendations for the pilot stage of potential solutions.



Table of Contents

Executive summary	2
Study background	2
Methods overview	2
Key findings	2
Introduction	3
Background of the research	4
Literature review	4
Research methods	5
Research sample.....	6
Discussion of findings	6
Past initiatives	6
Significant resort development issues	9
Paphos identity.....	9
Greek and Cypriot confusion.....	10
Consumer perception of identity	10
Consumers' overall perceptions of Paphos	11
Collaboration	12
Strategic review implementation suggestions	13
Researched tactical solutions	14
The festival	14
Ambassador programme.....	15
Quality labels	16
Meal exchange and discount vouchers	17
Meze trail.....	18
Wi-Fi.....	19
Provision of local information.....	21
Feasibility of recommended solutions	22
Education	23
Festival	25
Kiosk/information boards	27
Technology	29
Conclusions	31
Bibliography	32
Appendices	34
Appendix A: industry and media reports review	34
Appendix B: Timeframes, costs and table of activities for each suggested solution.....	36
Appendix C: Table of contacts willing to participate in any of the pilot projects	42
Appendix D: Quote for touch screen technology from possible supplier	43

Executive summary

Study background

The tourist destination of Paphos has experienced a strong growth of the all-inclusive (AI) hotel product. Previous studies suggest a lower customer spend in Paphos when compared to other Cypriot destinations, indicating an opportunity for development.

In partnership with the Cyprus Tourism Organisation (CTO) and Cyprus Sustainable Tourism Initiative (CSTI), the Travel Foundation commissioned a team of researchers from the University of Brighton to conduct this research into identified possible initiatives to increase customer spend in resorts, increase customer satisfaction and encourage repeat visits to the destination.

The aim of the research project was to explore stakeholder acceptance of solutions that could motivate AI customers to spend more time and money outside their hotel and thus better support local businesses and the community. It was identified that the underlying factors that restrict Paphos from becoming a more memorable destination also had to be explored to understand why the destination is not achieving its full potential. The study delivers suggestions for three tactical and one strategic solution that the partnership could focus on in the future. The report also includes feasibility studies, projected costs and stakeholder contacts for piloting the solutions that were identified as possible methods of increasing customer spend.

Methods overview

The research team identified a number of key stakeholders and engaged in a series of observations; unstructured, semi structured and structured interviews and focus groups with ten key stakeholder groups. The data collection took place in September 2013. Findings in this report emerged from 160 structured interviews with AI customers, 58 interviews and 5 focus groups with service providers.

Key findings

The research team identified a number of key strategic issues that will need to be addressed by local stakeholders.

Paphos, in the minds of local stakeholders, appears less developed and less organised than other Cypriot resorts. The following findings suggest that before tactical solutions are piloted, the partnership will need to strongly consider that Paphos is in need of strategic repositioning of its core tourist offering. As such a strategic review will be needed before the partnership can consider any of the possible solutions this report suggests. The outcome of the strategic review will influence the approach and content of the proposed solutions so that they may have the best chance of success.

Research findings suggest that the perceived negative impacts of the introduction of AI in Paphos appear heightened due to the absence of collaboration amongst key stakeholders. Paphos hospitality and a wonderful climate need to be leveraged to enable Paphos to protect itself from increased competition and limit substitution with other resorts offering AI.

Identity, brand, visual identity and local political issues, need to be considered in any future development strategies.

Communication and collaboration amongst business sectors requires mediation by a neutral

organisation. Not all tour operators (TOs) are perceived to act in an ethical and sustainable manner, damaging stakeholder trust. Local authorities must be part of the solution and develop a clear strategy regarding who is allowed to hold licences at strategic places that affect the visual identity of the resort. It is not realistic for the CTO to be expected to act as both the enforcer and a rewarding body. CTO must be seen to enforce rules in a consistent and effective manner.

Once a strategic review takes place and issues of identity, brand, and collaboration are addressed, the partnership has a choice to pilot one solution that has the potential to both test the ability for collaboration and begin exploring how to best address notions of identity and brand. We suggest experiential education as the key to addressing the issue of lack of pride and absence of destination identity. The Ambassador Programme could be considered in conjunction with the education solution.

Secondary research and workshops with experts enabled the researchers to focus on seven identified possible tactical solutions (education was not one of them). Research findings specific to each of those solutions suggest that only three have the potential to yield positive results for encouraging guests to leave their AI hotels. More specifically:

Festivals are a great way to quickly leverage existing strengths and introduce visitors to a more authentic Paphos experience using identified quality local food and produce. This will increase spend in addition to helping develop an identity.

All stakeholders value quality labels but it is crucial to choose the right developer and moderator. Qualitative evidence suggests that the CTO should retain its recently launched hotel quality label but a neutral organisation should develop a sustainability label for all other service delivery operators.

The “Meze trail” and “meal exchange” solutions may be agreeable to customers but are unlikely to work in Paphos as immediate solutions because of conflicts of interest between stakeholder.

All stakeholders welcome hi-tech solutions that provide up-to-date, relevant, resort-specific information about local services and recommendations.

More information through well-produced media (leaflets, images and maps) should focus around a clear identity for Paphos. All stakeholders welcome promoting local produce, attractions and businesses that offer a good quality experience. Where, by whom and how the distribution process is managed is not unanimously agreed by service providers.

This report provides feasibilities for three tactical solutions to encourage greater spend in the local area from AI guests. It also includes one solution (education with a possible combination of the Ambassador Programme) that is more strategic in nature, and through piloting will help inform the strategic needs of the destination. The tactical solution piloting and evaluating better information boards at hotels could begin at any point. However the festival and technology solutions are more influenced by the strategic issues identified. Although the partnership could very well begin piloting any of the solutions suggested in this report, it must consider that piloting any of the solutions without addressing the strategic issues is likely to prove problematic.

The Authors: Dr Ioannis S. Pantelidis, Adam Jones, Sara Evans. University of Brighton November 2014

Introduction

The research officially commenced in September 2013. Following a meeting with the clients and desktop research the project focused on a small number of solutions that showed promise as potential solutions to encourage further AI consumer expenditure “on trip” that could be implemented in Paphos. The

research team then travelled to Paphos in mid-September and after a full week of intensive research began analysing the findings in order to make recommendations.

Background of the research

The tourism destination of Paphos, Cyprus appears relatively underdeveloped when compared to other Cypriot resorts and is in need of strategic repositioning of its core tourist product. A range of factors influence the local economic contribution of the hotel sector. These include ownership and management structures, procurement and staffing and customer expenditure. A hotel’s procurement of local goods and services (including staff) can make a significant contribution to the local economy. The objective of this research was optimising tourist expenditure outside the hotel. This is important since such expenditure encourages a diversified and enterprising tourism economy, which enables the destination to differentiate itself from other competing destinations, encourages repeat visits, and provides an attractive place to live and work.

In partnership with the CTO and CSTI, the Travel Foundation commissioned a team of researchers from the University of Brighton to develop the recommendations from past research and explore perceptions of implementation of new initiatives that will stimulate greater tourist spend within the local economy; increasing customer satisfaction with the holiday experience, encouraging repeat visits and helping to ensure the long term sustainability of Paphos as a holiday destination.

Literature review

The approach to secondary research needed to consider the lack of any previous analysis of solutions to encourage further AI tourist expenditure “on trip” and as such this section is developed to create greater understanding of the issues surrounding the context for the project from academic literature and industry and media reports.

Whilst by no means a new concept, the AI holiday is seen to have had significant recent growth in the mass tourism segment over the past five years (Alegre and Pou, 2008). It is also relevant to note that more recently it is the UK premium AI sector (4/5* tour operator rated properties) that has seen the largest growth in terms of the UK outbound market (GfK Asent, 2012). Growth in demand has been driven by consumer demand for value and convenience. The AI holiday is seeing a change to the role of the destination in the holiday selection process and indeed the destination experience ‘on trip’. The impact of AIs on the destination stakeholders is highlighted as being significant and in particular to the tourism entrepreneur who has traditionally served the package tourist with hospitality, retail and local transportation (Henry, 1989). A BBC news report found restaurateurs in Majorca to be at the brink of collapse due to the increased dominance of AI. In response, local businesses state the need for a

restriction on the number of AI hotels in destinations for a win/win scenario to be achieved (Datar, 2011). Indeed expenditure surveys such as those used by Alegre and Pou (2008) and Anderson (2012) and carried out previously by Travel Foundation, clearly indicate that the AI customer spends less in the destination than other types of tourist and that distribution of tourism expenditure outside of the hotel is limited. Indeed the AI consumer is generally less likely to venture away from the hotel where they have “already paid” for the provision food/drinks/entertainment (Anderson, 2010).



Previous research by the Travel Foundation in 2013 in Cyprus identified that the quality of the experience outside the AI environment may have an impact on the AI tourist expenditure “on trip”. This confirms research by Alegre and Juaneda (2006) that identified the quality of the destination as a determinant of in-resort tourist expenditure (Anderson, 2010). The AI tourist is buying into a ‘total tourist experience’, which is set at a standard usually based on tour operator or hotel ratings. In the case of the premium AI sector it is the quality of the AI product that has been responsible for growth in the sector (GfK Ascent, 2012). To encourage AI tourist expenditure outside of this environment the offerings in hospitality and retail establishments must therefore be matched with that of the hotels or indeed exceeded. Additionally Gronau (2009) discusses the use of food and drink outside the hotel to assist in differentiating against other destinations where tourists are encouraged to ‘try something new and authentic’. This approach may in turn contribute to holiday recollection, word of mouth marketing and repeat visits. To further consider the issues that need to be addressed in relation to AI tourist expenditure, a stakeholder approach has been considered (Tourism Stakeholder Map, Freeman 1984).

Development of an AI tourism product is seen to create conflict within the stakeholder groups of an established destination such as Paphos where some stakeholders 6-10 (see previous figure) are seen to benefit from such changes whilst stakeholders 1-5 no longer see the same levels of benefit previous experienced from more traditional half-board package tourism. The balance of power of influence on the tourist experience is also seen to sway in the favour of stakeholders 7-10. In order to address these conflicts and indeed stimulating AI tourist expenditure outside of the AI package and hotel environment clearly a co-ordinated approach must be recommended and to redress the balance in the tourism destination those stakeholders with the greatest influence on the consumer must take action. Jamal and Getz (1995) discussed a collaboration process for Community Based Tourism Planning highlighting the importance of:

- **Facilitating conditions and actions/steps**
- **Stimulating positive beliefs about outcomes**
- **Sharing values**
- **Rebalancing power**

By adopting this process in seeking initiatives for stimulating greater expenditure from AI tourists, greater benefits for Paphos as a destination will be achieved. Academic, industry and media reports suggest that to date there is no clear literature that investigates the benefit and implementation of such initiatives.

Discussion of industry and media reports

Analysis of industry reports identify the key themes for discussion as AI sector growth and reasons for that growth in terms of consumer budgeting and booking security, versus the consequences of this growth on the destination. Millington et al (2001) have highlighted some AI sector initiatives to add variety to the consumer experience which in turn encourage on trip spend and the IBAS initiative in The Gambia provides evidence backing business involvement for solutions for local craftspeople. TUI have begun to address some of the issues of AI sector development although there is limited evidence for solutions to encourage greater AI tourist expenditure ‘on trip’. It is recognised through this analysis that any initiatives piloted as a result of this research will significantly contribute to solutions for encouraging greater AI expenditure ‘on trip’. Furthermore a review of industry reports and media can be seen on Appendix A.

Research methods

Prior to visiting Paphos the research team utilised findings from secondary research to identify solutions that best work in similar destinations and for similar tourist product. The results proved to be less helpful as research in AI is limited both in terms of academic literature and in terms of industry reports. Working in partnership with the Travel Foundation project management and key expert stakeholders the team engaged in snowballing technique to limit the number of solutions. For example it became clear that the key geographic location on which the team ought to focus the research was Kato Paphos and a primary

radius that can easily be reached on foot, followed by a secondary radius that can easily be reached by scooter. The solutions identified were a festival or event, quality labeling, meal exchange and discount vouchers, meze trail, access to Wi-Fi and "Ask me I 'm a local".

The research team stayed in an AI four-star rated hotel for the duration of the data gathering. During this time research conducted included observations, unstructured, semi-structured and structured interviews with various stakeholders. A reflexive approach to data gathering and analysis was adopted.

In order to enhance the quality of the data from local associations and groups of peers, and as a consequence of limited time in the field, focus groups were included in the research. This method is rarely utilised in ethnographic research but the team's technique of focus group interviewing draws upon Gamson's (1992) "peer group conversations" and Press and Cole's (1999) "ethnographic focus groups" both of which modify traditional focus group methodology. As such focus groups tended to be smaller than those of traditional market research, the participants were not strangers to each other and the setting of the research in a friendly environment enhanced the naturalistic feel of the study. This approach provided both rich and relevant research data.

Research sample

During September 2013, 160 structured interviews with AI customers, 35 semi-structured interviews with service providers, 23 unstructured interviews with service providers and non-AI customers, and 5 focus groups were conducted. The key stakeholder groups participating in the investigation were: tour operators (TO), TO representatives, hoteliers, customers, local restaurants, local retail shops, visitor attractions, local business associations, CTO and CSTI, other service providers (i.e. excursions and taxi drivers).

Discussion of findings

The findings are divided into three sections. The first part reports on initiatives that had been tried in other destinations that became apparent through literature and evidence (that our primary research revealed) of initiatives/solutions that had been tried in Cyprus. The second part shows evidence of the problematic nature of the Paphos product and the key themes that became apparent through the qualitative parts of the research. To begin addressing such issues a potential solution (education) emerged that, although it was not one of the primary solutions of the research, it would be detrimental to Paphos' tourism product if it was ignored. The third part focuses on the tactical solutions explored and both qualitative evidence and frequencies from the quantitative data collected is provided. The three tactical solutions are recommended because the findings specific to the solution were positive across all stakeholder groups.

Past initiatives

Previous and existing initiatives for increased AI tourist expenditure in similar destinations and the researched destination include:-

Dine around - Dine around is used in some key all-inclusive destination areas such as El Gouna, Egypt, and some private initiatives are in place which allow consumers on other board bases to experience alternative dining venues, such as <http://www.dinearound.eu/en/d188/cyprus>, however there is complexity to the process of reassigning the pricing to the restaurant environment. In the example of El Gouna the restaurants and hotels that operate in the scheme are in one resort development: that is presumed to simplify the programme, see <http://www.elgouna.com/pdf/EG-DA.pdf>

A meal voucher system is operated at the Aliathon (a First Choice property). This however is used for Mexican and Greek restaurants where the owners of the resort are involved in the property management

and as such this is deemed easy to manage in terms of charges/pricing. The First Choice website for the same accommodation actively promotes a few Paphos restaurants and retail areas. It is not clear how these are chosen and a co-ordinated approach to marketing these establishments in resort was not evident. There were no consumer ratings or reviews evident for these establishments.

Research: focus groups/consumer research/observation

Merchandising in retail outlets – (in and out of hotel)

In sample retail outlets, observation revealed that merchandising of local produce did exist although visibility of locally produced souvenirs and goods was generally very poorly considered and co-ordinated and, where available, often hidden behind "international tourist merchandise". Other popular tourist destinations have successfully developed a mechanism for prominence of local produce in tourist retail outlets in hotels and tourist areas, often supporting local artists and craftspeople that in turn generates greater local economic impact from tourism. A clear identity of local products such as those used by Ibiza with the tagline "Thinking Ibiza" gives a clear point for recollection and assists the tourist in their purchasing choices.

Research: consumer research / observation

Hotel market stalls

Market stalls installed in hotel lobbies for "evening entertainment" offer an opportunity to promote Cypriot products, however research showed that these tended to offer generic products to appeal to the international market such as handbags and costume jewellery. This could offer optimum exposure to local crafts and products and could contribute to the authenticity of the AI tourist experience. Whilst the concept of a regular local product craft market brought into the hotel environment has already been implemented through a previous Travel Foundation project in Crete, it is certainly considered even more relevant in the AI environment where there is less expenditure outside of the hotel.

Research: customer research / observation

Destination labels

Destination identity is seen as key to tourist selection, differentiation and recollection. Logos and taglines are well used in destination marketing and an example where the trademark concept has been well developed is the key destination of "St. Moritz - TOP OF THE WORLD" and the name is felt to convey security, quality, consistency in service, trust, reliability, tradition, expertise and authenticity. Secondary research indicates that consumers do not place an emphasis on specific destination features when selecting AI tourist destinations and it is therefore believed that a clear destination identity will contribute to destination selection criteria and recollection that, in turn, may contribute to the desire to explore the cultural identity and unique factors beyond the AI environment. Research incorporated the exploration of the destination identity in Paphos. A clear destination identity is not evident and the development of a destination label in Paphos could be used in conjunction with representation of the quality of establishments and a level of expected service and authenticity associated, perhaps reflective of the completion of an education programme.

A label can be used more specifically to demonstrate service standards, such as Qualmark in New Zealand, which is "tourism's official quality assurance organisation, providing a trusted guide to quality travel experiences. Qualmark makes it easy for travellers to select high quality places to stay, things to do, and ways to get around" (Qualmark, 2013).

Research: Observation/ consumer surveys /qualitative interviews with stakeholders

Tours

Tour operators offer a range of tours from Paphos to key tourist attractions although "Local Paphos" excursions are seen to be underrepresented in the tour provision. Much of the in resort tour promotion and Paphos AI tourist expenditure on excursions focuses on wider Cyprus tours, boat trips and water sports. Tours could be further developed with tour operators to incorporate a meal out in a Paphos restaurant, retail establishments and local Paphos sites. As identified in the analysis of literature and

media, the AI tourists are reluctant to miss too much of their 'AI package' and may respond well to shorter local excursions.

The Travel Foundation and CSTI have developed a range of tour routes available to the customer for self-drive excursions in Cyprus: 26% of tourists hire a car. The Real Cyprus initiative is seen to have potential to encourage tourists away from their resort areas and offers opportunity for local tourist spending. These maps, however, are not visible in the destination, either in hotels or from car hire companies and the scheme should be supported further by the provision of information in areas with high tourist footfall such as hotel lobbies. It is however noted that this initiative has not been developed to encourage tourist expenditure in the resort areas, rather in the hinterlands that may otherwise be left unexplored. The local bus initiative in Paphos serves the actual hotels and resort areas well and therefore could be seen as a mechanism for further encouraging visitors away from their hotels with perhaps a bus route map showing key attractions at each stop. Additionally the solution discussed by Millington et al (2001) mentions the initiative of IBAS in Gambia, which combines local bus service and key crafts markets and festivals.

Research: observation / consumer research

Food and drink and festivals

In the past the CTO have introduced a pilot initiative, called the Vakhis programme, which was established in November 2004, with Higher Hotel Institute of Cyprus, which aimed to license traditional Cypriot taverns. To secure a certain level of authenticity, guidelines were established, including the authenticity of food, the utilisation of local ingredients, cleanliness, appearance of the building, decoration of the tavern and the use of local staff. The licensing process consists of an on-site visit by designated inspectors from the CTO. The licenses have to be renewed every two years and it is free of charge for the participants. The licensed enterprises are included in CTO-promotion activities such as the homepage, tourism brochures, or organised tourism (Gronau, 2009 p.1). The CTO state "Look for the "Vakhis" sign to know that the establishment has been officially approved as the real thing". It is not clear if this programme progressed.

In terms of tourist specific initiatives a minibus service was previously offered from the Aliathon hotel to a festival in the local village of Geroskipou but there was limited guest usage. Additionally, during the research in Cyprus in September 2013, a food, wine and craft festival took place in a local winery. The festival was rich with local produce and entertainment but it was only marketed in Greek and there was no information available in the resort areas.

Research: qualitative interviews with tour operators in resort / observation

Education

Education for tourism stakeholders regarding the local area and product offering is considered critical to encouraging tourist expenditure outside of the AI hotel. It is understood from research in resort with local businesses that the CTO have provided such an education programme in the past. Research with in-resort tour operator groups also identified the opportunity for in-resort training for customer-facing tour operator staff to develop knowledge of the local product offering.

Research: qualitative interviews with stakeholders and tour operators in resort.

Technology

Technology solutions are increasingly being used to complement more traditional sources of tourist information. Various new technologies were evident in Paphos. One hotel had a touch-screen information point although it was not clear how well utilised this was. A Cyprus app has recently been developed giving key information and it is being used by resort staff in some companies. A trial of use of tablet hardware by front line tour operator staff has also been in place with resort staff in 2013. Many restaurant / bar establishments offer Wi-Fi for their patrons.

Research: observation / qualitative interviews with stakeholders

Provision of information

Tourist information on the Paphos region and specifically on restaurants, retail establishments and local tours did not have optimum visibility in hotels and tourist areas.

Research: observation

Local Discounts

Previously a pack of discount cards with various discounts for local establishments was offered for sale to visitors to Paphos. These did not sell well although research showed that tourists would utilise discounts to some extent.

Research: qualitative interviews with tour operators

Significant resort development issues

Analysis of the semi-structured interviews and focus groups data revealed six interrelated themes that were emerging consistently from various stakeholders such as: tour operator management and resort reps; restaurateurs; hoteliers; hotel and restaurant employees; and other service providers such as local travel agents, taxi drivers, local excursions providers and employees of scooter rental or safaris. These themes reveal the depth of work that needs to be completed, both by internal and external stakeholders, for Paphos to change as a destination.

The themes are:

- Paphos identity
- Greek and Cypriot confusion
- Brand
- Politics
- Collaboration
- Win - lose attitude and “them versus us”

Paphos identity

Identity needs redefining. A key finding that emerges from the interviews with both service providers and tour operator representatives is that of the loss of / limited identity. Service providers seem to realise the damage to their product because of that loss yet they seem uncertain as to how to break through the cycle of loss and frustration.

“Paphos used to have identity in romance in Aphrodite...I have 30 years in this industry and we lost the identity not because of the all inclusive but because we stayed in the same place and not followed the market...the tourist of the 80s is not the tourist of 2013” (restaurateur)

Both product and strategy as well as brand relates to this sense of identity *“We lost our identity we have no strategy that is my personal belief, each unit tries alone to create opportunities, we have NO identity and this damages the product” (hotelier)*

All reps agreed that a stronger location identity is needed *“we need for guests to experience Paphos or Cyprus....need something extra” (tour rep).*

In a destination of hospitable people and wonderful produce, 90% of taxi drivers and hotel employees we interviewed could not identify what are the local products that should be taken home by the researchers. Most of those taxi drivers and hotel employees were people from the local villages.

“what to buy? erm mmm Jewellery is good” (taxi driver)

This loss of identity seems enhanced in the minds of service providers by the fact that Cypriot people do not wish to work in the industry and too many employed now are non-Cypriots.

“We do not have enough Cypriots that can enter the labour that affects the product.” (hotelier)

Yet our evidence suggests that even the Cypriots from the very villages that hold the key ingredients for identity and brand do not seem to be aware of the “treasures” that lie beneath their own feet. The answer has to be that structured and experiential education of front-facing service employees has lapsed.

Greek and Cypriot confusion

Greek and Cypriot confusion adds to the noise. Directly connected to the absence of a Paphos identity is the absence of a Cypriot identity or often the confusion of what is Greek to what is Cypriot.

“people pay Euro 2 for a GREEK salad” (tour rep)

“like the Greek night” (tour rep)

“We don't want to hear Abba we want Greek music” (customer)

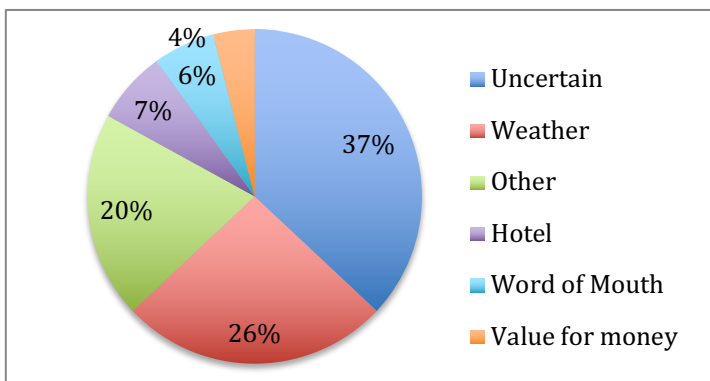
This subtlety of local pride and the distinction of what is Cypriot versus Greek were more often found hidden in the villages and away from the key locations that are easily accessible to AI customers.

Getting customer-facing employees to experience this Cypriot pride and produce first hand may be the identity transfusion that is needed to turn around Paphos as a quality destination.

Consumer perception of identity

Interviewees were asked to identify their top 3 motivations for selecting Paphos for their holiday. Results indicate that the main motivation was the weather. This places Paphos in the difficult position of being an easily replaceable destination and price sensitive customers will easily swap to another destination that offers a similar climate, accommodation provision and holiday pricing.

Top motivations for selecting Paphos for this holiday (n=160).



Within the other motivations, weddings (3%) may be a factor worth considering as an opportunity for product development. Repeat visitors made up 42% of respondents. With a clear strategy focusing on the weddings market there is an opportunity to motivate even AI customers to consider Paphos as a great weddings destination.

Consumers were asked to name their 3 most memorable experiences of Paphos.

Interviewees on average detailed just fewer than 2 experiences and the researchers noted some difficulty answering this question by some respondents.

Top memorable experiences (n=160).

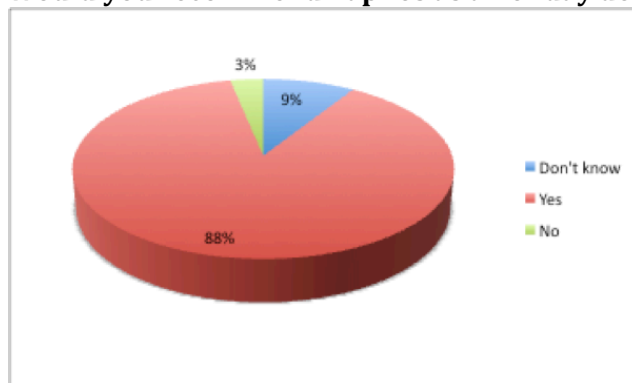
Response	%
Warm weather	25
Friendly People	15
Do not know, N/A	8
Food	7
Other	10
No response	35

These responses could begin to provide some indications of the need for a brand/identity to be developed based on memorable experiences in the mind of the consumer.

Consumers' overall perceptions of Paphos

Despite the lack of memorable experiences, customers are satisfied with the product and an extremely high percentage would recommend Paphos to friends and relatives.

Would you recommend Paphos as a holiday destination (n=160)



Brand is key. From playing Abba music at 7a.m. in hotels to having the best Cypriot product hidden behind generic non-Cypriot-produced merchandise in retail outlets (inside and outside of the hotels), the brand is sacrificed on the altar of opportunism and lack of planning. There is a sense of unplanned tourism development and no stakeholder co-operation and as such any initial brand focus has been lost. Paphos has seemingly become one more destination of sea and sun with internationally styled accommodation which is easily substitutable

by many other similar destinations.

“Paphos used to be the quality tourism of Cyprus but no more, we have lost our identity...we need to decide what we want from tourism” (travel agent)

“people may leave Cyprus with a bad experience ...(those booking) weddings often complain about the poor quality of the restaurants they book” (tour operator)

“we are stupid, everyone tried to have easy profit, no one cares about the guests needs, everybody tried to steal from the guests, don't care for the next day” (hotelier)

“do you know you are in Cyprus - it's a tough one...there is not enough promotion, don't give enough to boost Paphos” (tour rep)

Paphos has a golden opportunity to leverage the resources that have been given to the city to develop a strong brand beyond 2017, yet those plans have not been communicated to the people that matter the most, the customer-facing service providers.

The efforts to communicate that in 2017 Paphos is a European capital of culture need to be expedited and it is important that the local municipality works in synergy with local associations to achieve the best outcomes for a renewed identity and a solid Paphos brand.

Politics do matter. Local politics and politics amongst key stakeholders is a common thread that appears

with almost 80% of our service provider interviewees.

Implementation is the problem - the government doesn't help us much as it should (hotelier)

The politics can change but we need laws and penalties from the uniform that staff wear, to the service and everything we need more control by the government (restaurateur)

We need a holistic approach, we can't change things if politics don't change, we suffer and we need to redevelop our brand (restaurateur)

With a country still in financial crisis and opportunities just around the corner the timing could never be better for stakeholder groups to put aside their differences and work synergistically.

There is evidence to suggest that on average customers are spending €6.87 per day less than they had originally budgeted. With CTO reporting tourist arrivals in the region of 2.4 million there is a real incentive for all stakeholders to recapture a loss of planned expenditure by tourists that can total millions of euros per year.

Budget versus actual expenditure, comparison of means (in euro)				
	N	Minimum	Maximum	Mean
Budget per day	144	.00	216.67	29.0976
Actual per day	144	.00	200.00	22.2298
Valid N	144			

One may assume that there may be a difference between repeat visitors to Paphos and those that have visited for the first time. However our sample suggests that there is no significant difference on actual expenditure per day from visitors that have been to Paphos at least once before.

Range of actual expenditure per day	Interviewee number	Repeat versus first time visitors
Zero	52	28 first time visitors 24 repeat
15 to 40 euro	33	19 first time visitors 14 repeat
45 plus euro	29	19 first time visitors 10 repeat

Collaboration

Although there is some progress towards collaboration by various stakeholders, the research team's observations suggest that the overall evidence of collaboration amongst stakeholders is limited. In order to reach the goal of achieving an identity, a moderating force that fosters collaboration for projects needs to intervene. Trust between those tour operators that wish to maintain ethical and sustainable products and local stakeholders will need to be restored. The CSTI seems to be well placed as an organisation that tries to harmonise all efforts or at least monitors and effectively communicates progress to all stakeholders.

"In Paphos today there is monopoly not because of hoteliers or restaurateurs but because of tour operators" (restaurateur)

"Of course the tour operators have the monopoly, they come they drop the contract in front of you and they do not discuss the conditions with you, but beyond that their representatives have also monopolised the side

economy of tourism, for example excursions or safaris or renting cars, they blackmail us in some way to achieve what they want..." (hotelier)

"There is a programme for collaboration but the communication takes time... we plan to have an organised effort for example to train the taxi drivers and of course the hotel employees" (association leader)

Often good efforts fail without collaboration. Most of the solutions that the researchers investigated would never get off the ground or would fail because even individuals in the same sub-sectors seemed determined to not collaborate.

Win - lose attitude & them versus us

Win - lose attitude and "they" versus "us" are notions hidden in emotional rather than logical responses. Often the interviews would steer towards "it's their fault" or "it's their problem" very rarely did individuals accept the possibility that their actions contributed to the issues.

"All the costs are going up but the prices go down - how are we going to survive?" (hotelier)

"everybody outside restaurant taverns, they are going are going to lose the game and the pie is only one...its smaller and everybody wants a piece of this pie" (hotelier)

"this game they play it alone the hoteliers" (restaurateur to hotelier) (hotelier responds) "of course they play it by themselves, did we want this? We had no choice" (focus group)

Although some stakeholder groups rarely see the possibilities for win - win situations, the spark exists.

"I think some tour operators have goodwill to help" (hotelier)

"At this time of crisis we are more likely to collaborate than ever before" (travel agent)

Finally, it became apparent that local stakeholders perceive Paphos as less developed than other parts of Cyprus.

"...in Ayia Napa they are so organised and do much better than us..." (restaurateur)

Strategic review implementation suggestions (S1)

The research focused on a number of agreed tactical solutions and their implementation with the intention of increasing AI expenditure outside of the hotel. During the project it became obvious that attempting to pilot solutions at this time would minimise their chances of success. It is therefore imperative that the partnership undertakes a strategic review. This review should include, but not be limited to, the key strategic issues identified in the previous section of this report. Without the strategic review it would be very unlikely that the strategic issues we identified will be resolved, resulting in minimal chances of success for the tactical solutions. Furthermore it is worth noting that the research team did not intend to research strategic issues as they were not a direct objective of the research project and more strategic issues may be unearthed during a strategic review.

A number of approaches could be considered. For example Smith's (2004) triple "R" (regeneration, revitalization, reinvention) may be considered as the basic design of such a strategic review, as Paphos fits the destination profile that Smith considers in her research.

In order for the review to be successful it would need to be facilitated by a local (Cypriot) consultant with a tourism and hospitality background who is (preferably) not based in Paphos (i.e. with no direct business connections or any conflicts of interest with Paphos). Such a consultant profile should minimise risks to the project from past issues and micro politics in Paphos.

To provide direction it is recommended that a steering group be formed which will receive reports from, and provide support to, the consultant(s). The steering group could consist of the Travel Foundation, CTO and CSTI and (possibly) the Paphos Regional Board of Tourism.

The aim of the strategic review is to develop a clear strategy for the identity and brand of Paphos.

The consultant can help facilitate steering group decisions in the following key areas:

1. Paphos identity and consumer perceptions of Paphos.
2. Greek and Cypriot confusion.
4. Facilitating collaboration amongst stakeholders.
5. The changing competitive environment.

The steering group must ensure that the Paphos Regional Board of Tourism and representatives from the local hotel and local restaurant association, local taxi and local travel agent association are part of the process. The steering group will also need to agree the level of input of key suppliers such as tour operators, airlines and service providers. Other stakeholder groups that may be leading the organizing of Paphos-2017 will also need to be considered (see:Appendix C for some of the suggested contacts).

We believe that it is imperative the local municipality is also heavily involved. Key strategic decisions and issues including visual identity will need their agreement and commitment. It would be near impossible to achieve significant positive change if the local municipality, who is responsible for providing licenses, is unsupportive in its approach to the development of Paphos and its brand.

Researched tactical solutions

The following tactical solutions were initially the primary objective of this research. Each of the solutions here is discussed based on the findings **specific to that solution**. Each stakeholder group was asked a number of questions relevant to the solution and it is from those answers that recommendations for the tactical solutions are made.

The festival

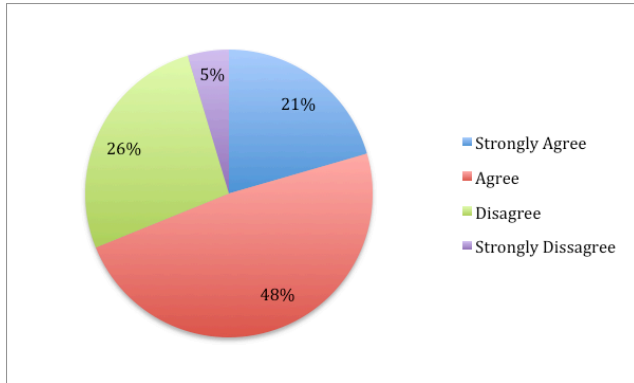
In consideration of Gronau's (2009) discussions, relating specifically to Cyprus, of how local culture is expressed in traditional food and beverages, and its role in destination differentiation and particularly how "the promotion of local food and beverages can make the difference in today's competitive destination market" (p1.), this concept is developed on the basis of celebrating Paphos products and creating a reason for AI customers to get out of their hotel. The possibility of running such festivals in hotels was also explored to try and capture those that would never leave the hotel but that appears more problematic than having monthly, bi weekly or weekly festival.

Hoteliers - Seem to love the idea as a possible solution, *"I like this idea it's going to be an attraction" as "people want to see something new"*. They believed it would showcase Cyprus. They thought it would *"make the guest happy"* and some thought they could provide transport for guests to it (if local) (Anderson, 2010). However, it was felt not to be for everyone, especially those with children as *"young families will find excuses"* to leave the hotel.

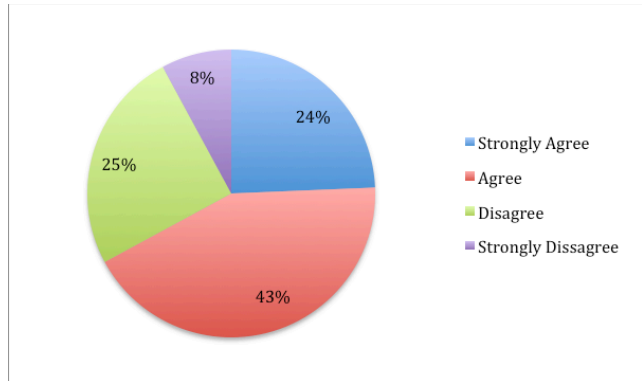
Customers – 60-40 seem in favour but it needs to be within walking distance, needs to combine retail, gastronomy and wine. They seem to prefer no entry cost, but are happy to pay to buy products once in

the festival. A few commented on how they felt they should not have to pay if the festival is held in the hotel. In terms of transport customers mostly used local bus services and as such the radius of the festival location could be extended a little further if serviced by bus route.

I would pay to attend a food and wine tasting festival to taste local produce if it was held within walking distance of my hotel



I would pay to attend a food and wine tasting festival to taste local produce if it was held IN my hotel



The difference between holding the festival in or out of the hotel is not significant with only 2% differential over those that agree to pay to attend a festival.

Suppliers (including restaurateurs) –

They liked the idea with an overall 85% (from those interviewed) support.

“It’s a good idea but I want to be able to promote my restaurant”

There have already been some efforts along these lines but it need better coordination and marketing:

“Already the municipality had a proposal but not in the castle near the port, but they turned it down” One successful festival was only promoted in Greek and with no real reach (attraction?) to AI customers.

Tour operator employees (resort representatives)-

Mixed responses, from *“my clients would like that”* to *“the majority of AI guests don’t want to leave the hotel”*. It was something they believed they could support, though there was some concern about the logistics. In high season they identified that there needed to be something for families such as *“children’s entertainment or a mascot”* there was a request - *“don’t make it too cultural”* and make *“it (an) exclusive event – not every day”*.

Recommendation- This is the one solution that would work well, but in order for it to succeed it would need to be a frequent event during the season and would need to be moderated by an impartial organiser to minimise potential conflicts of interests.

Ambassador programme

The project team discussed the need for greater resort knowledge being available, which was generally well received, though who should provide it was debated. The ‘ask me I am a local’ received a mixed reaction as a logo or badge.

Hoteliers – Many supported the idea of informing their staff of the local area and *“believed training their staff is important”*. Providing local knowledge to inform guests was believed to be a good idea and thought the badging of their staff who had been trained as *“good PR, a very good idea, as much as we can give to*

our guests". There were some who thought *"the rep (holiday advisor) needs training on what to offer....it is the rep who has to give the information"*. There was concern about using 'local' as *"many of my staff are not from here, they are from all over"*

Customers – Customers seem to expect to get such information from the tour representatives. However there was also a considerable (23%) number of customers that perceived the hotel staff as generally very helpful in providing local information.

Suppliers

Overall support at 45% from those interviewed.

The 'ask me I am a local' idea was generally well received by suppliers but with some reservations concerning how exactly it would be implemented and who would have the ultimate control regarding what information the "local" would share with the guests. At least one interviewee stressed the fact that not all employees are Cypriots and the choice of words and approach to such a solution needs careful consideration: *"...what do you mean ask me I am a local?...who is the local, we have Russians, we have Greeks who work for us they are not really locals...can they not be part of this? If not it seems a like a racist solution to me..."*

Overall the interviewees were 45 (in favour)-55 (not against but concerned) with this as a solution.

Tour operator employees (resort representatives) – Though many of their front line staff believe they know the resort well, their managers and supervisors recognised that *"resort familiarisation is something we used to do well, but could be improved on"*. The Seven St Georges Tavern was given as an example of lack of resort knowledge: *"we went there (Seven St Georges) for our end of season do (get together) and some said how they wish they had known about it earlier"*. There was a thought that a more organised orientation programme, or suppliers' market at the start of the season would help. The concept of people other than resort representatives being promoted as providing local knowledge was not appreciated, as this reduces the role of the tour operator in providing service: *"not sure about that (ask me I am a local), that's our role, it's what we get monitored on"*.

Recommendation- Knowledge of the local product and what the area has to offer is identified as something that needs improving. There is a need for a comprehensive education programme to promote the area and encourage guests to leave the hotel and enjoy the resort. Recognition of the importance of the resort representatives is needed in any programme. The title "ask me I am a local" needs reconsidering.

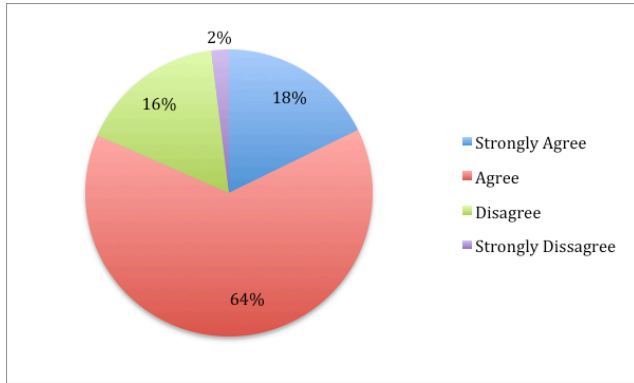
Quality labels

Exploring the concepts of quality and label, specifically on their use for developing assurances to the customers as shown in the example of St Moritz, Qualmark in New Zealand and also previous initiatives used by the CTO for the promotion of authentic tavernas, views were often interchangeable during interviews with stakeholder groups. The CTO have recently launched such a label for hotels and are hoping to soon launch a similar quality label for restaurants. As with every quality label the criteria and which body issues the label are crucial elements of the potential success of the concept.

Hoteliers – They believed it *"was something that was needed...and this is something that could work"*. One of their main concerns was *"to ensure quality for their guests"*. It was identified that the *"star rating in Greece was a good idea that helped customers"*. There was a request that the *"CTO should start closing (restaurants) with poor quality before implementing a gold and silver sticker"* Some thought that the *"CTO are the only ones that can do this"* whilst others believed *"the tour operators are the ones who know which are the best restaurants and want to protect their customers"*. Some recognised the difficulty in determining criteria *"It is difficult to define what is quality, are we talking local products and local employees, who has local wines, but it needs to be sustainable, definable"*.

Customers - Customers liked the idea with 82% (n=160) believing this would be a useful tool for them. How exactly this label of quality is communicated to AI customers would need to be considered as it is highly likely that voluntary schemes are most likely not to be communicated by those who have not achieved them.

A recognised logo/symbol of quality and authenticity would be useful when selecting restaurants, cafes, bars and shops in Paphos



Suppliers -

The interviewees liked the idea, with an overall 95% support. The idea was well received but only if it was neutrally managed and controlled. Some restaurateurs seemed to mistrust CTO *“they don’t do anything to stop the bad ones”* and some others questioned the ability of achieving quality. *“We have culture and we have kitchen but we don’t use local products”*.

Tour operator employees (resort representatives)

- They thought they knew where good quality product was as they know the area *“because of all the birthday meals we have had out”*.

Recommendation- A label of quality is a solution that is already underway, with the CTO leading on the hotel sector. However, how much of this is likely to be adopted by other service providers remains to be seen. Furthermore the CTO have only planned to extend their label to restaurateurs. There is a great opportunity to extend a quality label to other service providers such as wineries, taxi drivers, retailers and excursion organisers. It is worth considering that if no other neutral organization can be identified, the CSTI may be well placed in developing a sustainable label that could be adopted by stakeholders without directly competing with the label efforts of the CTO.

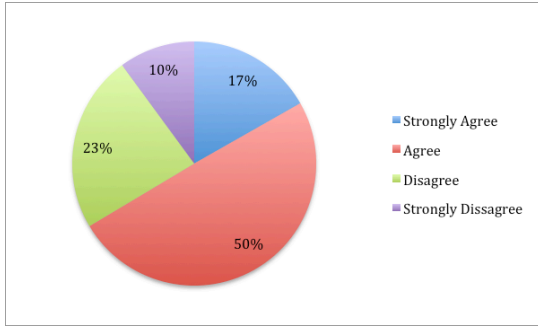
Meal exchange and discount vouchers

Developing on the idea of a “Dine Around” concept as mentioned by Nick Longman from TUI and used in other resort areas, the idea for hotels to promote two meals per week to be enjoyed outside the resort was explored. The meal exchange and the discount vouchers seemed interchangeable concepts during interviews. In the meal exchange solution, vouchers would be issued that would represent a monetary value whilst the discount vouchers simply represent a % of discount on the overall price.

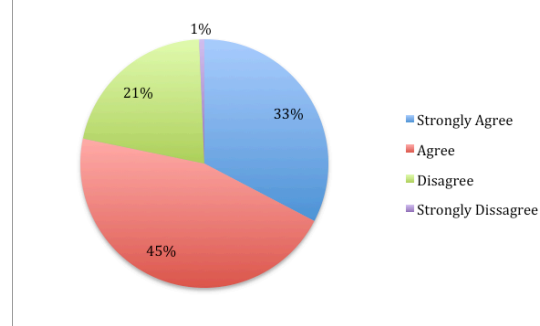
Hoteliers – Generally they liked the idea as it would *“give opportunity (for guests) to go out”* and it *“would help keep him (the restaurateur) alive”*. There was concern about costs, *“if we pay the allowance (voucher) than it will cost us, if no allowance from us then yes there is a benefit”*. Others appreciate there may be some cost *“it all depends how much it costs us”* whilst others thought the restaurateur should fund the discount or voucher *“if they (the guest) are happy (with the meal) they will go for a second time without the voucher”*. Other considerations include how hard it could be to organise, or that it should include *“tour operators (who) can bring the restaurateurs their contractors (together) and agree terms, level of service”*.

Customers - Generally customers liked the idea although those who were having a positive meal experience in their hotel were less likely to agree to this solution. The focus group also thought it a great idea.

I would like the opportunity to exchange some of my all-inclusive meals with LUNCH in a restaurant outside of my hotel

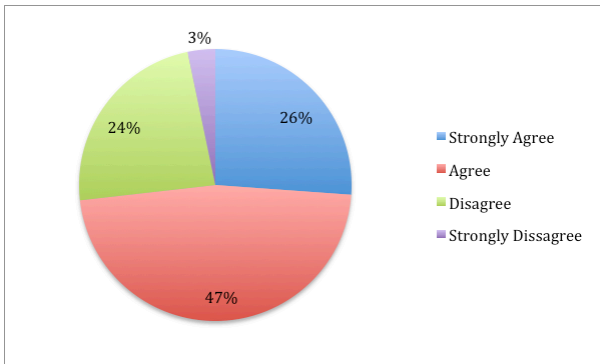


I would like the opportunity to exchange some of my all-inclusive meals with DINNER in a restaurant outside my hotel



There is a significant difference (an 11% reduction) in those that disagreed with meal exchange when the meal exchange was proposed for dinner instead of lunch.

Money off vouchers and incentives for Paphos cafes / bars, restaurants, would encourage me to eat and / or drink outside of my hotel more frequently



Suppliers (including restaurateurs) –

The suppliers interviewed, liked the idea with an overall 70% support

The suppliers appreciated the idea, but wanted a free choice exchange, *“the customer should be given the ability to choose any one of us”*, possible problems of trust *“who do I get my money from”*, and small change issues.

Tour operator resort employees – They thought it would be great if you could get it to work especially as *“you have to take a loan out for some restaurants”*. It was thought it might *“encourage AI guests out”*, especially if it was organised as *“go out with the rep”*. It was believed that, to encourage all day excursions, exchanging a meal for a packed lunch should be minimal in all contracts to allow for excursions.

Recommendation- Meal exchanges will be difficult to manage and already some AI customers do chose to go out and explore local restaurants even though they have prepaid for their meals at the hotel. The logistics, and the fact that key stakeholders do not see this solution as a win-win scenario, would suggest a failed effort in trying to establish this formally in Paphos.

The idea of discount vouchers is more likely to work but the key is how, who and where would such vouchers be distributed.

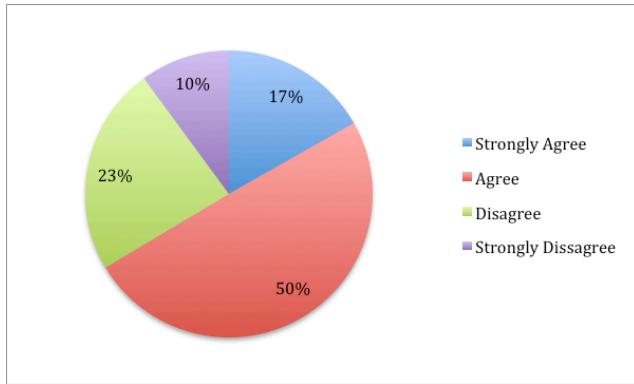
“We have tried these before but hoteliers do not want to give them out to their customers, so it only costs us printing... ..giving them in airports could work” (restaurateur).

Meze trail

This is an idea that copies the tapas trails (gastronomic treasure hunts) that exist in Spain. By offering a low-cost gastronomic adventure the idea is to introduce AI customers to local produce and local restaurants, enticing them to return. Again it is based on the concept explored by Gronau (2009) looking to develop a firm destination identity based on food and drink.

Hoteliers – They appear to be keen on this concept: “yes it’s a good idea (to) help local restaurants” especially for “first time clients who do not know the place”. However there were worries about quality - “who is getting the blame if it goes wrong” - and therefore it needs to promote “good” restaurants only. There is a belief that it would need close management, as there is concern about quality reflecting poorly on them, and AI customers “may leave Cyprus with a bad experience”.

Customers – 67% of customers like the idea of a meze trail



Suppliers

They disliked the idea with an overall 90% against the idea (from those interviewed).

The suppliers see that apart from problems relating to setting-up, pricing perception and copying of recipes, it is a huge expense to manage.

Tour operator employees (resort representatives) liked the idea of “try before you buy” and believe that selling it as an excursion would “give commitment” from the guests. Operationally they identified that restaurants would need to “be within walking distance of each other” or the meze trail could be sold as a self-drive car tour.

Recommendation- Even though the majority of customers seem to like the idea, the current restaurant infrastructure will not allow for this solution to be a “quick fix”. It is very likely that recipes would be copied and there is too much scepticism from the restaurateurs to make this a viable solution in the immediate future at least.

Wi-Fi

Wi-Fi was reported as problematic prior to the research team visit. Problems of accessibility and price were reported and this would affect technology solutions such as mobile apps, live information websites and touch screens with live information and online treasure maps. When the team was in the field however it was discovered that within the last 6 months the “Wi-Fi landscape” has changed for the better. Although much more work is needed to improve connectivity speeds.

Summary of findings by stakeholder group:

Hoteliers - Most hotels have it included “and available in all public areas” or “we are looking at including it in the AI package in the future”. Where it is not available it was thought it could be a draw but “not for AI guests because they would have to pay for their drinks”

Customers – our observations results suggest approximately 50% mobile usage. Those who accessed the internet had poor connection and as such would like the opportunity of free Wi-Fi elsewhere – they had already experienced it in some establishments – and felt that they shouldn’t have to pay anywhere.

Suppliers 100% support for free Wi-Fi: they understand the need for it, most have it (locked), and there are bandwidth and consistency issues.

Tour operator employees (resort representatives)- see this as a draw, but it is a “minimum as most have it” and therefore is not a significant differentiator.

Recommendation- Current connectivity and speeds need improvement and considering the fact that Paphos will be receiving a considerable amount of media attention and increase in visitors in 2017 the Wi-Fi models found in places like Barcelona or Corfu will need to be in place.

“In Barcelona the whole town has free Wi-Fi so if we are talking about product we need to do big things” (hotelier).

Such an initiative would then facilitate the application of a number of technology based solutions that could motivate not only AI customers to discover parts of Paphos they had not considered before but would facilitate all other customer segments as well.

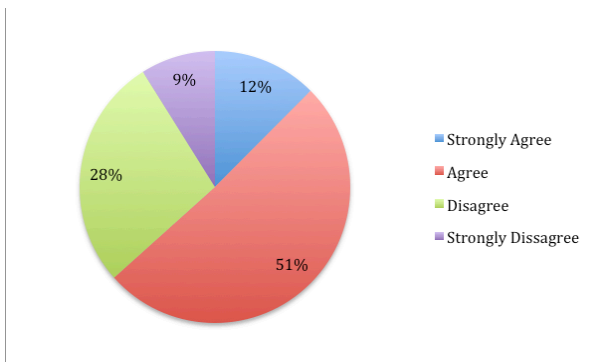
Resort-based touchscreens (with potential for mobile apps)

This solution aims to provide live information either via mobile applications or through hotel-based touchscreens connected to the internet or both.

Hoteliers – Some thought it *“a very good idea”* but there were concerns about which suppliers would be included *“difficult to choose who would be included, quality is an issue, can’t have all those licensed by CTO”*. Also they are concerned about who manages the technology (they don’t want to organise or provide the information). They see value in customers getting out, they want to promote Cyprus *“nice if the CTO supported us with a big screen of information”*. They identified that it was important to be standardised, supported and updated regularly.

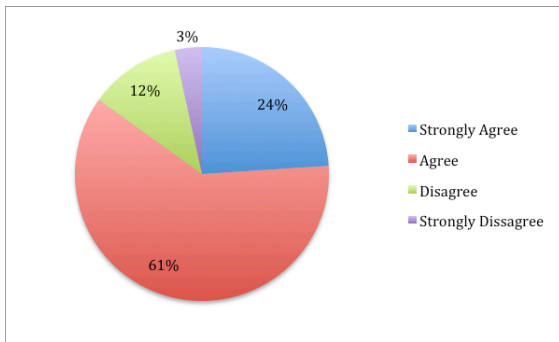
Customers - The focus group loved it, they thought that they would use it if it was a large touchscreen at the hotel, but were less enthusiastic about the mobile app version. Structured interviews suggest positive reactions, however one hotel already had touchscreen provision which had gone unnoticed.

I would have used a mobile app with maps and details of restaurants, cafes, bars and shops if it had been available



Interestingly the structured interviews match the focus group results with the touchscreen technology 22% more agreeable to customers than the mobile application solution.

I would use large touch-screen information points, if available, to provide me with information about the surrounding area (including excursions, restaurants, bars, events, shops, etc)



Additionally this solution needs to be considered in light of consumer research into the adequacy of information provision in hotels.

Suppliers

They liked the idea with an overall 95% support (from those interviewed).

They think is a great idea but again “*who controls it is a matter of trust: commissions - they like to have their “miza” (commission,) if you don't give it to them they don't talk about you*”. This is a problem as it adds bias about whom they promote.

Tour operator employees (resort representatives)- They sense it could work, and are running trials of something similar in Limassol at the moment. They think advertising may pay it for, use of Trip Advisor ratings etc. It is seen as an opportunity to encourage guests to leave the hotel -“*some may be enticed by it*”. Some holiday advisors have tablet computers to access online information.

Recommendation- Mobile apps and touchscreen technology would be a good investment of both effort and time by the partnership. However the infrastructure costs of the touchscreen technology need to be considered. A small scale pilot to test the real costs and the management of such an information system would need to occur prior to a full scale commitment to the solution.

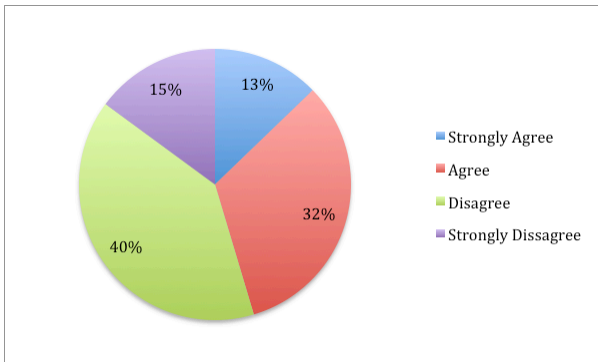
Provision of local information

Regarding utilising technology to provide AI customers with information, the research sought to understand the level of local tips and information given to AI customers. Additionally it was felt valuable to understand the perceptions of all stakeholders when it came to the level of information communicated to visitors to Paphos and particularly AI customers.

Hoteliers – The majority of hoteliers suggested they were happy to put up a display promoting Cyprus: “*I don't have anything like that, excellent idea*”. They are proud of their country but it has to be the right information: “*not business, not political, not too much*”. Some were specific about anything they felt competed with their package provision: “*if places of interest yes definitely, if restaurants and bars no*”. Some agreed it would encourage people to leave the hotel “*Guests want somebody to say (show) where to go, if not they don't do anything*”.

Customers – Those customers who are likely to go exploring stated that “*they like to go out and find out themselves, and that they often ask the hotel staff for information*”. Additionally many stated that word of mouth recommendations from other tourists were useful. Customers seemed to rely on word of mouth and e-word of mouth as a form of information gathering prior to arrival. Some customers felt the hotel needed to offer more local information. And as expected the evidence suggested that customers who had experienced the destination previously were less likely to seek information or experiences outside of their hotel.

My hotel needs to do a lot more to improve the provision of information on the surrounding area.



Suppliers (including restaurateurs) – They liked the idea with an overall 80% support (from those interviewed).

They are worried that leaflets are not displayed (commission issues–tour operator issues) and would prefer information kiosks and airport information desks. *“We print them (brochures and leaflets) we distribute, they are thrown away” (restaurateur).*

Tour operator employees (resort representatives)- They believe that it was good to use images to encourage guests out, if they see what products, attractions and other opportunities are available, though they thought guests *“prefer to listen to what other guests tell them, they have a vision that we (the rep) tells them anything (at all)”*.

Recommendation- There is a mixed message but one must trust the message the consumer delivers on this. Participant observations indicate that leaflet information in the AI hotels were either non-existent or were hidden in obscure corners that were unlikely to be seen by the majority of guests, where they did exist they were of very poor quality and out of date. CTO should develop dedicated standard information kiosks/display areas in strategic places of Paphos to ensure the distribution of information. Hoteliers need to recognise that information provision enhances the overall customer experience and develops the concept of creating a greater destination identity.

Feasibility of recommended solutions

After analysis of the research findings, the research team has concluded that four out of seven possible tactical solutions need to be eliminated based on stakeholder-group reactions. The education solution could be a helpful strategic tool in applying the results of a strategic review that focuses on brand and identity. The additional three tactical solutions recommended are the festival, kiosk/information board and technology solutions. The only tactical solution that would not be influenced too heavily by strategic issues is that of the kiosk/information boards in the hotels, as there is an agreed need to provide more quality information on what Paphos has to offer in order to encourage guests out of the hotel and spend locally. For the other two solutions to have a better chance of success, even at pilot stage, the partnership must first consider the resort’s strategic issues. The primary goal of this research was not to identify strategic issues; it was rather to gather information if any of the tactical solutions appeared to have a good chance of success. The research team is of the opinion that without attempting to resolve some of the strategic issues it would be hard for tactical solutions to achieve their full potential. A pilot of the educational strategic solution ‘should provide the partnership with a better understanding of the potential of collaboration and opportunities amongst local stakeholders and the ingredients of a Paphos identity. It will also create a tool for the future communication of a Paphos identity and brand that the partnership believes will better serve the local stakeholders.

The following recommended solutions are in the form of either pilots to evaluate the success criteria before roll-out across the resort or as first developmental steps before large funds and resources are needed. The festival is a stand-alone solution whereas the others can occur sequentially or in parallel. The choice of execution of the pilots is dependent upon the funds and capacity for project management available. To reduce duplication of research, collection of evaluation data and engagement of

stakeholders, the pilots have been designed to run with the same stakeholders sequentially.

It is envisaged that funding for the pilots and scoping of the festival will be the result of collaboration between TF, CTO and CSTI. The pilots and feasibility studies should identify sustainable funding as part of the end report.

However, it is worth stressing that the partnership must first consider how to best address the strategic issues identified in this report. We suggest education as a tool for developing such an effort but regard the strategic branding and identity regeneration exercise as one that the partnership must consider and evaluate. If the CTO, the local associations and municipality have made enough progress in creating a brand and Paphos identity only then should full roll-out of an education solution be contemplated.

Education

As identified in the results section of this report there is low awareness of the 'Paphos Product' amongst employees/entrepreneurs (front line staff) interacting with tourists. This lack of understanding of what Paphos has to offer is restricting upselling, promotion and provision of suggestions and ideas for activities outside the hotel to AI guests. This is particularly important if spending from visitors staying at AI hotels is to increase. It is recommended that the gap in understanding and appreciation of what Paphos has to offer needs to be filled by a training and education programme. However, before this program begins a strategic review is needed that clearly identifies the brand and identity of Paphos that the partnership wishes to communicate.

Activities

Education is needed on what specific product, entertainment and offerings are available in the Paphos area. In addition it is recommended that training on the best way to deliver advice, how to engage visitors and upsell the attractions is needed. This will help persuade AI guests to enjoy the Paphos product.

The education and training would give confidence in engaging with the visiting public to provide advice. It would also give a structured approach to supporting recommendations and ideas.

The training and education would take the form of a workshop, which would include a mix of theory, practical examples, role-play and supportive reading material. To validate the learning an exam would have to be completed and passed. The exam would also justify the awarding of a resort knowledge certificate and badge. It could also support and give credibility to the implementation of a 'Paphos Ambassador' scheme.

Both a training script and workshop materials would have to be produced. To ensure that both of these are tailored to the resort and needs of Paphos there is a requirement for resort familiarisation. This would scope the level and depth of training needed, and also help identify the level and content of the training and quantify the precise length of the training workshop and exam requirements. The familiarisation would identify the metrics by which the programme's success would be judged (awareness, engagement, confidence), and the frequency of training needed.

For purposes of budgeting, a workshop lasting two and a half days has been posited. This provides time for a combination of theory, active participation and role-play. It is envisaged that to 'live the guest experience' the delegates will undertake a resort activity. Examples of what might be included are a treasure trail, walking the resort, half-day excursion around key local producers, artisans and historical sites.

A pilot programme would allow for evaluation of the training method and its impact on quality and resort knowledge. It is proposed the pilot programme would train 90 delegates. These would be front line

employees from two or three AI hotels, four or five restaurants, two retailers and twenty taxi drivers. This would have the benefit of testing the concept of the training on a range of relevant stakeholders.

Stakeholder roles

Relevant stakeholders will need to be engaged in the scoping, information gathering and resort familiarisation activity. This inclusion of the stakeholders would help encourage support and commitment to partake in the training. Including suppliers will ensure that the workshop is grounded in Paphos products.

Suggested stakeholders:

Hotels - Cypria Maris, Cypria Bay, Aliathon,

Restaurants – Seven St Georges Tavern, The Rib Shack, Tampania, Sunbow restaurant

Other – Paphos Taxi Drivers' Association, Paphos Regional Board of Tourism

Other Stakeholders that could be involved as part of the workshop or in the activities:

Winery: Kamanterena Winery, Fikardos Winery

Local products: Savvas Pottery, Avgoustinos Pottery, Aphrodite Delights

(Please see Appendix C: all contacts with code **E4** refer to this solution)

Outputs

A report evaluating the benefits (improving quality, footfall and customer spend) and sustainability of an in-resort training and education programme.

Time frames and costs

A breakdown of days and activities is shown in appendix B of this report.

Limitations and opportunities

A UK training consultancy has been used for budgeting this pilot, as it is felt that this would enable best practice to be incorporated in the training scripts and workshop material.

The programme success is dependent upon the relevant stakeholders fully engaging in the process.

The objective is to instil in front-line employees knowledge of the Paphos product and provide the skills and confidence to support the provision of more comprehensive and compelling reasons to visit the resort. The training must therefore be engaging and participatory.

There is an opportunity for those that have been trained to be entitled to wear a 'Paphos Ambassadors' (or similar) badge. Certification and accreditation from either the CSTI or CTO for the training will provide credibility to the programme and kudos for the badge.

Some stakeholders do not support the title 'ask me I'm a local' as originally proposed as it seen as problematic. Many of the front-line employees are not native to Cyprus let alone Paphos. An alternative, more preferred title such as the Paphos Ambassador, should be evaluated as part of the pilot.

Tour operators may have concerns as local knowledge and advice is regarded as part of their product offering. This is a key performance indicator on which resort managers are monitored. There is therefore a requirement to engage them in the process and evaluation.

The exam could be delivered online. Refresher courses could also be designed and delivered online, however this report does not include costs of setting up online provision.

It is recommended that evaluation of the pilot will need to occur two or so months after the training. Evaluation should identify what information has been retained and what additional training is required. If the evaluation occurs too early it will be hard to identify what has been embedded, if it is too late staff might have moved to other positions.

The 'Paphos Ambassador' image or identity could be used as the face/logo of the information kiosk/app avatar. This would provide consistency of message.

The research identified a lack of retail and merchandising expertise within the resort. Improving visual merchandising would improve the sale opportunities for local products. This pilot proposal does not include this form of training, and so does not address the issue. A specific retail and merchandise training workshop would improve skills and knowledge for retailers promoting local product to visitors.

Capacity building and legacy

The pilot will provide evidence for recommending the continuation or not of the programme. The pilot will identify the scope of training that is needed, which front line staff would benefit and how best it can be delivered.

Three possible options for continued delivery are identified. Hoteliers could be requested/made responsible for its delivery to their employees and it could become a requirement of the new Silver/Gold award. It could be a programme that is funded and made available through the CTO. The workshops could also be made a part of the plan for preparing Paphos as the City of Culture 2017.

Online resources, providing updates of new facilities, resort developments, product improvements and changes, could support those that are trained. The renewal of the 'Paphos Ambassador' (or similar) certificate could require the completion of annual online tasks that are updated each year.

Festival

A festival celebrating Paphos products would provide the reason, the motivation for AI guests to leave their hotels and spend money in the local economy. Once operational and established the festival should be a self-supporting activity, however it will require seed funding to scope the project and to get it established, create the plan and launch the idea.

Activities

The next step is to complete a feasibility study. This will identify the costs and benefits of such an activity and quantify its sustainability. This is needed to gain the support and commitment of those that will be expected to approve, operate, participate and promote the festival. Cultural and local connections will help embed the festival theme with local residents and entrepreneurs.

The feasibility study will identify and quantify the increased visitor spend expected when guests leave their AI hotels to attend the festival. This increased spending will be a combination of revenue earned by those that supply the festival and additional spend as a consequence of visitors patronising restaurants, bars, cafes and shops on the way to and from the festival. As a result of improved visitor experience and ensuing increased guest satisfaction, there will be positive word of mouth and increased revisiting of Paphos. Though these benefits will be hard to quantify, they should be included as considerations in the feasibility study.

A consultant with experience of event or festival development should be contracted to produce a feasibility report that will:

- Recommend a theme/proposition
- Identify the space for the festival
- Identify the relevant regulations, health and safety requirements
- Gain commitment from suppliers to participate
- Establish criteria for the decision of frequency of the festival (monthly, bi-weekly, weekly)

Prepare a budget to include costs for:

- Promotion
- Space hire
- Safety/security
- Stalls hire/set up
- Clearing /cleaning
- Children's entertainment
- Management;

and prepare a sustainable revenue strategy (visitors an entrance fee/stall holder charge or both)

Produce an operation plan

This feasibility study will form the document to promote the concept of a festival to the resort authorities, the CTO, the hotel association, the restaurant association, and tour operators etc. to gain their approval and financial support to develop the Paphos Festival.

Stakeholder roles

The key individuals from:
 Paphos Regional Board of Tourism
 Paphos hoteliers association
 Paphos restaurateurs association

All will need to work together to consult with:

Hoteliers (all those interviewed as part of the research) believed this was a good solution and stated they would promote it to their guests

Local authority
 Emergency services
 CTO – through any promotional material they produce
 Local suppliers for product and funds
 Local restaurateurs to their guests
 Tour operators/tourist representatives
 Local residents

(Please see Appendix C: all contacts with code **F1** refer to this solution)

Outputs

A feasibility report for the festival including how it would operate, who would benefit and how (improving quality, footfall and customer spend), sustainability and next steps.

Time frames and costs

A breakdown of days and activities is shown in Appendix B of this report.

Limitations

The consultant with the required skills and knowledge may not be available on the island and therefore someone may need to be brought in. If this is the case there may be a longer period needed for familiarisation and an increase in the daily remuneration.

The success of the festival will be dependent upon the quality of the entertainment, the product on offer and the ease of access; it will also be reliant upon AI guests being encouraged to visit.

The suggestion for a venue will require approval from the local authorities, who may not be able to easily and quickly justify such an activity.

The development of a 'Paphos Festival' could tie in with and support the delivery of Paphos City of Culture 2017. There could therefore be funds available for such an initiative from the city of culture organisers.

Capacity and legacy

To sustain the development and delivery of the festival there will be a requirement for a festival co-ordinator/organiser. The cost of such a position (or similar management structure) should be included in the feasibility study.

The legacy of the festival will depend upon its success in attracting Paphos' visitors to attend and increase their spend with local suppliers and establishments. Maintaining the impetus and quality of the festival will depend upon the dedication and enthusiasm of the festival organisers.

An evaluation of the festival should be undertaken to measure against the aims of increasing visitor spending.

Kiosk/information boards

As a result of the AI concept, guests need to be encouraged and persuaded to leave the confines of the their hotel. It has been identified that there is a lack of promotion of the attractions of Paphos in particular and Cyprus in general. Providing a reason to visit is a way of encouraging guests to explore.

Activities

Currently, as identified in the research, there is limited promotional material for places to visit and activities to participate in displayed in hotel. Where information does exist it is often poorly produced, out of date and in an area of the hotel that is out of the way and infrequently visited by guests. Word of mouth was a method which many AI guests identified as a way of finding local information. This method gives credibility to the recommendation but is reliant on guests asking each other. There is therefore a need to develop a way of promoting Paphos in an attractive and interesting way that will encourage guests to become interested in visiting the local attractions, and thus provide an opportunity for increasing their spend outside of the hotel.

A professionally produced, high quality kiosk/information board for hotel lobbies would provide a focal point and interest area for promoting Paphos. The kiosk/information board needs to be eye-catching to gain attention, but also provide information to encourage guests to explore the Paphos area and beyond. They may also provide a justification for guests to ask questions of the hotel front desk staff or tour operator holiday advisors about what they should do during their stay. Powerful and impactful images of local attractions need to be used. These could be of the port, tomb of the kings, coral bay and should be

interposed with routes and maps to indicate how accessible they are. There should also be an opportunity for leaflets from local suppliers to be displayed and a section promoting what is happening that week. The kiosk/information board would also provide an excellent way for guests to share recommendations with each other. To ensure quality and relevant, up-to-date information is displayed the kiosk/information boards should be updated and checked once a week.

To produce the kiosk/information board, a design brief of requirements needs to be written. The brief will be used to invite marketing agencies to pitch for the project. It will also be used for evaluating the proposals and approving the successful bidder. The design brief will set objectives for what the kiosk/information boards should achieve and metrics for evaluation. The brief will detail requirements including size, interesting areas to be promoted, information to be provided and opportunities for weekly updates. The design brief must specify the level of quality of the kiosk/information board, which must be sufficient to meet the requirements of the hoteliers, as their approval will be required for the kiosk/information board to be positioned in the hotel lobbies. The CTO should give approval for areas to be promoted, as they will know which are attractive to tourists and may provide the images that can be used. The type of leaflets/brochures that are available and number of local suppliers will influence the size and space for their display. Incorporated into the design brief must be the requirement for a mechanism for guests to share their recommendations. An audit of the opportunity for weekly activities will impact on the update method.

The successful bidder will then build install, maintain and monitor the kiosk/information board over a six month period in three pilot hotels. Six months provides enough time to both evaluate the quality and sustainability of the kiosk/information board, take into account seasonality to assess the needs of different profiles of guests and evaluate its success.

To produce base data, before the kiosks/display boards are deployed, hotel guests' level of awareness and interest in Paphos should be researched. The number of guests leaving the hotel to visit Paphos and the number and type of questions asked of receptionists/ tour operators' holiday advisors should be recorded. This data can then be compared to research conducted once the kiosk/information boards are in situ.

Stakeholders

Hotels - Cypria Maris, Cypria Bay, Aliathon
CSTI/CTO

(Please see Appendix C: all contacts with code **K2** refer to this solution)

Outputs

An evaluation of the operation and impact of kiosks/information boards for the promotion of the resort. Quantify the increase in the number of people leaving the AI hotel and increase in footfall and customer spend.

Time frames and costs

A breakdown of days and activities is shown in Appendix B of this report.

Limitations

It is envisaged that there exists marketing agency capacity on the island to bid for this project: if this is not the case and UK agencies are asked to tender then costs may increase.

Though hoteliers have agreed in principle to the installation of a CTO-style approved information board, its actual implantation will depend upon the quality of the product.

Limiting the amount of commercial promotion is important, as this is a major concern of hoteliers. They will not accommodate an advertising board; they want something that will promote the destination.

Capacity and Legacy

If the pilot is successful and achieves the objectives of motivating more guests to leave their AI hotel, funding options need to be considered for its roll-out into other hotels in Paphos. Providing there is a standard design resulting in economies of scale, cost per unit should reduce. Funding options include the CTO, or the municipality. In addition there is the possibility of identifying a significant sponsor such as a water park, the zoo or one of the golf clubs, however sensitivity is needed to ensure it does not just become an advertising board.

Weekly maintenance and updating of the kiosk/information board would be the responsibility of the CTO and could be funded by charging suppliers for leaflets being displayed in the leaflet rack, or from sponsorship money (see above).

Providing the structure is durable, the kiosk/information board should have a 4 – 5 year life span, however the images should be refreshed yearly to provide interest and promote different areas and resort developments. This should be the role of the CTO.

Technology

This is a similar solution to the kiosk/information board. As a result of the AI concept guests need to be encouraged and persuaded to leave the confines of their hotels. The research identified a plethora of information available on the Internet, which could entice customers to explore and experience Paphos, however this is not easily accessible.

Activities

Tui (tour operator) provides their resort colleagues tablets so that they can access company and local information through the Internet. While Wi-Fi does exist in most hotels its provision is poor and is sometimes charged for.

Similar to most destinations, there is a range of information provided by suppliers, web businesses dedicated to the expatriate community and local community groups. Poor (and charged for) Wi-Fi combined with extensive and at times confusing information does not make the discovering of activities and places to visit easy, especially for those who are only in Paphos for one or two weeks. As a consequence, the AI package guests need incentives and encouragement to leave their hotel. Easy access to relevant and up-to-date information on what is happening in the area, recommendations for what to do and where to go could encourage greater spend in the local economy.

The pilot for a large touchscreen concierge service in three hotels will identify the benefits and limitations of making up-to-date information easily available to AI guests. In addition to the installation and maintenance of large touchscreen technology there is a requirement to collate the local information and keep it updated.

To evaluate the success of the pilot, research needs to be conducted to create base data for evaluation. Metrics including the number of guests who ask questions at reception, the number of guests leaving the hotel to visit Paphos, and guests' evaluation of the concept of touchscreen technology should be quantified.

Stakeholders

3 hotels

Hotels - Cypria Maris, Cypria Bay, Aliathon
(Please see Appendix C: all contacts with code **T3** refer to this solution)

Outputs

An evaluation of the operation and impact of installing touchscreen technology. Quantify the impact of touchscreens in encouraging guests to leave the hotel and experience the resort of Paphos and quantify the footfall and customer spend.

Time frames and costs

A breakdown of days and activities is shown in Appendix B of this report. See also Appendix D for a supplier quote.

Limitations

The consultant with the required skills and knowledge may not be available on the island and therefore someone may need to be brought in. If this is the case there may be a longer period needed for familiarisation and increase in the daily remuneration.

The IT provider will collect and represent information from the Internet in a user-friendly and attractive format, however the quality of information will be dependent upon the content already available through the Internet.

Capacity and legacy

If the pilot is successful and achieves the objectives of motivating more guests to leave their AI hotel, funding options need to be considered for its roll-out into other AI hotels in Paphos.

Funding options include the CTO or the hotels themselves. Hotels will need to see quantifiable customer benefits and possibly decreased costs as a result of guests leaving the hotel. These metrics will need to be collected as part of the evaluation of the solution. The CTO will require benefits of increased numbers of visitors to Paphos' attractions and retailers. There is the possibility a significant sponsor such as a water park, the zoo or one of the golf clubs providing major funds as a contribution to the units. However funded, it must be seen as an opportunity to promote Paphos and not become primarily a vehicle for advertising.

Updating the information would be the responsibility of the hotelier or CTO, depending upon who is funding the programme. The information could also be made available through a mobile app, thus increasing its usage and accessibility both in and out of the hotel. This concept has not been included in this feasibility proposal.

Conclusions

The aim of the research project was to explore stakeholder acceptance of solutions that could motivate All Inclusive (AI) customers to spend more time and money outside their hotel and thus better support local businesses and the community.

Before the partnership can develop solutions that address the key aim, they need to understand that the underlying issues of absence of strong identity and brand, as well as the issues of current evidence of collaboration amongst key stakeholders, will need to be addressed. The only viable solution to fix this is to engage in a strategic review that addresses issues of brand, identity and collaboration. The partnership could then continue with the education solution to ensure that all tourist-facing service employees, especially transport, restaurant and hotel employees, undergo a voluntary training programme, ensuring they understand what Paphos has to offer to the visitor. Such a training programme should be both educational and experiential in nature. During the low season the CTO should create excursions to local produce providers and tourist attraction sites that reflect the quality and product of a more authentic Paphos. It is believed that the recommendation for an education programme should be seen as a complementary and fundamental element of addressing the issue of AI tourist expenditure. It is recognised that the educational initiative would take time and money to develop and should not be seen as a quick-fix solution.

Research evidence suggests that the partnership should focus on 3 key tactical solutions (in consideration of a resort identity strategic review). These are the kiosk/information boards, monthly festival (co-ordinated by a non-local event organiser) and the adoption of technological solutions that provide more information to customers about the local area. The last solution, if managed appropriately, could switch the power of information distribution from the service provider to the hands of the customer.

Furthermore it is proposed that the quality label strategy will need to be reconsidered. It is recommended that a neutral organisation develops a sustainable label for all other providers apart from hotels (in order to minimise conflicts of interest with the existing proposals for the CTO label).

Paphos has the opportunity to showcase its unique hospitality and its wonderful local products to the AI tourist but in order to do so it will need an intervention both in the short term and for the longer term to ensure that an investment into redefining the loss of identity and developing a strong brand is not wasted.

Bibliography

- ABTA (2013) *Consumer Trends Report 2013*. Available at < <http://abta.com/resource-zone/publication/the-consumer-holiday-trends-report-2013> >. Last accessed (25/11/2013).
- ABTA (2011) *Travel Trends 2011*. Available at < <http://abta.com/resource-zone/video/abta-travel-trends-report-2011>>. Last accessed (25/11/2013)
- Alegre, J. and Pou, L., (2008) Tourism expenditure and all-inclusive packages – the case of a mature Mediterranean destination. *Tourism Economics*, 14 (3), pp. 645-655
- Alleyne D., and Boxill, I., (2003) The impact of crime on tourist arrivals in Jamaica. *International Journal of Tourism Research*, 5(5), pp. 381–391
- Altinay L., Var T., Hines S. and Hussain, K., (2007) Barriers to Sustainable Tourism Development in Jamaica. *Tourism Analysis*, 12 (1-2), pp. 1-13
- Anderson, W., Juaneda, C., and Sastre, F., (2012) Influences of pro- all-inclusive travel decisions. *Tourism Review*, 64 (2), pp. 4-18
- Anderson, W. (2010) Determinants of all-inclusive travel expenditure. *Tourism Review*, (65) 3, pp. 4-15
- Anderson, W., (2012) Analysis Of “All-Inclusive” Tourism Mode In The Balearic Islands. *An International Multidisciplinary Journal Of Tourism*, 7(1), pp. 309-323
- Andreou, A. P., Jenkins, G. P., and Savvides, S. C., (1989). *Tourism, Environment, and Profitability: The Case of the Paphos Holiday Complex* (No. 330). Harvard Institute for International Development, Harvard University.
- Armstrong RW. and Mok C., (1995) Leisure Travel Destination Choice Criteria of Hong Kong Residents. *Journal of Travel and Tourism Marketing*, 4 (1), pp99-104
- Basala, S. L., & Klenosky, D. B. (2001) Travel-style preferences for visiting a novel destination: A conjoint investigation across the novelty-familiarity continuum. *Journal of Travel Research*, 40(2), pp.172-182
- Bastakis, C., Buhalis, D., and Butler, R., (2004). The perception of small and medium sized tourism accommodation providers on the impacts of the tour operators’ power in Eastern Mediterranean. *Tourism Management*, 25(2), pp. 151-170.
- Blain C., Levy S., and Ritchie J.R.B., (2005) Destination Branding: Insights and practices from destination management organizations. *Journal of Travel Research*, 43(4), pp. 328-338
- Boxill I., (2004) Towards an alternative tourism for Jamaica. *International Journal of Contemporary Hospitality Management*, (16) 4, pp.269 – 272
- Buhalis, D. (2000). Relationships in the distribution channel of tourism: Conflicts between hoteliers and tour operators in the Mediterranean region. *International Journal of Hospitality and Tourism Administration*, 1(1), 113-139
- Cabezas, A. L. (2006). The eroticization of labor in Cuba's all-inclusive resorts: performing race, class and gender in the new tourist economy. *Social Identities*, 12(5), pp.507-521
- Cyprus Tourism Organisation, (CTO) *Vakhis Programme*. Available at <http://www.visitcyprus.com/wps/portal!/ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP0os3hXN0fHYE8TIwODMDNzAyOPUH-vYP8gQ4MQU_3g4jL9gmXHRQDURJM5/?WCM_GLOBAL_CONTEXT=/Swedish_sv/CTO+B2C/Tourist+Information/Enjoy/Food+and+Drink/vakhis_authentic_cypriot_cuisine>. Last accessed (20/11/2013)
- Datar, R., (2011) *Are all-inclusive holidays creating ghost towns?* BBC. Available at <http://news.bbc.co.uk/1/hi/programmes/fast_track/9567917.stm>. Last accessed (20/11/2013)
- Francis, J., (2012) *Can All Inclusives be Sustainable?* Available at <<http://www.responsibletravel.com/copy/can-all-inclusives-be-sustainable>>. Last accessed (25/11/2013)
- Gamson, W. A. (1992). *Talking politics*. Cambridge, England: Cambridge University Press.

- Gfk Ascent Leisure Travel Monitor, (2012) *Premium all inclusive holiday sector, a UK based report – Commissioned on behalf of Club Med*. Gfk SE, Nürnberg
- Gronau, W., Andrews, H., Hackett, P., Meadows, M., and Selby, M., (2009) Destination differentiation and the expression of local culture through traditional food and beverages: a Cypriot perspective. In *Community, Capital and Cultures: Leisure and Regeneration as Cultural Practice. Leisure Studies Association Annual Conference, Liverpool, UK, 8-10 July 2008*. pp. 81-89, Leisure Studies Association
- Henry B., (1989) Self-contained all-inclusive resort-hotels and small tourism business in Jamaica. *Tourism Review*, 44 (2) pp.17 - 18
- Heung, V. and Chu, R., (2000) Important Factors Affecting Hong Kong Consumers Choice of a Travel Agency for All-Inclusive Package Tours. *Journal of Travel Research*, 39(1), pp52-59
- Hope, C., (2004) The impact of national culture on the transfer of best practice operations management in hotels in St. Lucia. *Tourism Management*, 25 (1), pp. 45-59
- Issa J., and Jayawardena C., (2002) The “all-inclusive” concept in the Caribbean. *International Journal of Contemporary Hospitality Management*, 15 (3), pp.167 – 171
- Jayawardena, C., (2002) Mastering Caribbean tourism. *International Journal of Contemporary Hospitality Management*, 14 (2), pp.88 – 93
- Keynote Market Assessment (2012) All-inclusive Holidays. Richmond London, Key Note Ltd
- Koc, E. (2006). Total quality management and business excellence in services: The implications of all-inclusive pricing system on internal and external customer satisfaction in the Turkish tourism market. *Total Quality Management and Business Excellence*, 17(7), pp. 857-877
- Kozak M. and Rimmington M., (1999) Measuring tourist destination competitiveness: conceptual considerations and empirical findings. *International Journal of Hospitality Management*, 18, pp. 273-283
- Millington K., Locke T. and Locke A. (2001) The All Inclusive Market. London, Mintel.
- Mintel, (2003) All-inclusive - The Major Players – International. *Travel and Tourism Analyst* London: Mintel International
- Muffet, T., (2012) *The problems with all-inclusive holiday deals*. BBC. Available at < <http://www.bbc.co.uk/news/business-17836841>>. Last accessed (20/11/2013)
- Olsen, B., (1997) Environmentally Sustainable Development and Tourism: Lessons from Negril, Jamaica. *Human Organization*, 56, (3), pp. 285-293
- Poon, A., (1990) Flexible specialization and small size: The case of Caribbean tourism. *World Development*, (18) 1, pp.109-123
- Post Office (2012) *All inclusive or not?* Travel Money Report. Available at < <http://www.e-tid.com/wp-content/uploads/2013/07/AllInclusive2013.pdf> > Last accessed (27/11/2013)
- Press, A. L., & Cole, E. R. (1999). *Speaking of abortion: Television and authority in the lives of women*. Chicago: The University of Chicago Press.
- Qualmark, “New Zealand tourism’s official mark of quality”. Available at < <http://www.qualmark.co.nz/>>. Last accessed (20/11/ 2013)
- Sheldon P., and Mak, J., (1987) The demand for package tours: A mode choice model. *Journal of Travel Research*, (25) 3, pp. 13-17
- Smith, M. (2004). Seeing a New Side to the Seaside: Culturally Regenerating the English Seaside Town. *International Journal of Tourism Research*, 6, pp. 17-28
- Tourism Concern. “All-inclusive holidays - excluding local people in tourist destinations. Available at <<http://www.tourismconcern.org.uk/all-inclusive-holidays---excluding-local-people.html>>. Last accessed 20/11/2013
- Travel Foundation, *Discover the Real Cyprus*. Available at <http://www.thetravelfoundation.org.uk/projects/destinations/cyprus/discover_the_real_cyprus/> last accessed (20/11/2013).

- TUI Travel PLC (2012) *Sustainable Holidays Report, 2012*. Available at < <http://tuitravelplc.com/sites/default/files/attachments/TUI-Travel-PLC-Sustainable-Holidays-Report-2012.pdf>>. Last accessed (20/11/2013)
- Wong, C. K. S., and Kwong, W. Y. Y. (2004). Outbound tourists' selection criteria for choosing all-inclusive package tours. *Tourism management*, 25(5), 581-592

Appendices

Appendix A: industry and media reports review

Industry and Media Reports

Report and key theme	Citations
ABTA Travel Trends 2011 Theme: Growth of AI market	"2011 will continue to see an increase in customers choosing shorter duration and all-inclusive holidays to help manage budgets." p.12
ABTA Consumer Trends Report 2013 – Theme: Growth in AI market	"All-inclusives continue to prove popular with consumers, particularly for overseas holidays, with 15% of people surveyed saying they have taken an all-inclusive holiday in the past 12 months." p.2
BBC Report, The problems with all-inclusive holiday deals , 25 th April 2012, Nick Longman, First Choice Theme: Increasing AI tourist expenditure on trip We understand the challenges they have (local tourism businesses) when people are in all inclusive as they are less likely to go out – that they have to be innovative in the way they get to customers work with hotels looking at developing things dine around programmes where we may give people the opportunity to go out into town the eat and drink in bars that we have relationships with.
GfK Ascent Leisure Travel Monitor , 2012 – “Premium All Inclusive Review” – commissioned by Club Med Theme: Premium AI Growth	“For British consumers – it is the quality and range of facilities, service, spa and wellness and sports activity options which distinguish Premium All Inclusive holidays from other all inclusive products”, p.4
Keynote Market Assessment 2012: All Inclusive Holidays Theme: AI Growth and AI demographics	Despite the recent declines observed in the holiday market, all-inclusive holidays have undergone a resurgence as a result of the financial crisis. Bookings have increased by 50% between 2008 and 2011, with many consumers attracted by the budgetary benefits, ATOL protection and the convenience of booking a holiday in one go. A third of package holidays are now estimated to be all-inclusive and this share is forecast to increase as 2012 continues to be an economically difficult year. p.2 Repeat all-inclusive holidays had a relatively low penetration level, with only 13.8% of respondents returning to the same destination a year later. Penetration was highest among those aged between 25 and 34, with 20% returning to the same all-inclusive resort a year later and next highest among those aged 65 year or over (16.6%). Perhaps surprisingly, penetration in terms of social grade was highest at the polar opposite ends of the spectrum. Penetration was highest among those in social grade E, at 20.1%, followed by those in grade A with 18.3%. Respondents living in Greater London were most likely to return to the same all-inclusive resort once a year, at 18.5%, while those living in the North (9%) were least likely.
Mintel - All-inclusives - The Major Players - International - June 2003 Theme: AI tourist spending	(AI)"Critics argue that the closest guests come to experiencing Caribbean culture or spending money is on the transit bus between the airport and the hotel, but SuperClubs John Issa's retort is that "people in all-inclusives go on more tours than people on traditional vacations (and) they bring more money for shopping."

<p>Post Office Travel Money Report, 2012, ALL INCLUSIVE OR NOT? – Theme: AI tourists eating out and expectations of free Wi-Fi</p>	<p>According to consumer research conducted for the All Inclusive Holiday Report, 3.5 million All Inclusive holidaymakers – one-in-six - admitted paying for a la carte meals to avoid the repetition of eating in the hotel buffet restaurant. 45 per cent of the hotels surveyed excluded internet access, rising to 60 per cent in European ones. As a result, 21 per cent of holidaymakers (4.5 million) paid to use the internet.</p>
<p>Tourism Concern “All-inclusive holidays - Excluding local people in tourist destinations” Theme: Stakeholder conflict and Impact of AI on Destination</p>	<p>“A high dependency on tourism means power relations between local entrepreneurs and residents, and international tour operators are hugely unequal.” “Other local businesses, such as restaurants, shops, taxi drivers and small guest houses, all lose out to the all-inclusive model, as guests are deterred from leaving the hotel grounds. Local entrepreneurs from Spain, Crete and Cyprus, from The Gambia to Kenya, and from St. Lucia to Jamaica have all complained of being unable to run their businesses any longer because the footfall of tourists coming out of the all-inclusives is so low.”</p>
<p>Millington et al 2001, The All Inclusive Market May Theme: Market review and impacts of AI tourism, and strategies for sustainable AI growth</p>	<p>“Local arts and crafts can benefit from tourism because it brings greater opportunities to sell their products as souvenirs. But as will agricultural supplies, success depends on the necessary linkages between supply and demand being made. Poor quality, erratic supply or unsuitable products can prevent the economic benefits being realised. In The Gambia an organisation called IBAS sought to promote local craftwork by offering tourists free or reasonably-priced transport from their hotels to markets on different days of the week. IBAS also suggested new products that could be developed in traditional materials for tourist including innovations aimed at the European market such as computer bags, credit card holders, passport holders and tea cosies” p.90 “.. sensitive consumers will be drawn to products that offer them some reassurance, for example information about a resort’s communities programmes, partnerships with local suppliers and environmental sustainability policies” p.93 “All inclusive chains are trying to create greater variety in their product by strategies such as including “visiting rights” to other resorts in the same destination, vouchers for eating out in selected “outside” restaurants, introducing different speciality and themed restaurants within their hotels.....” p.94</p>
<p>TUI Travel PLC Sustainable-Holidays Report, 2012 Theme: Impact of AI on destination</p>	<p>“We recognise that a high concentration of all-inclusive hotels in a resort can impact on the ambience and character of holiday destinations. In 2012, we worked with the Overseas Development Institute (ODI) on an in-depth study of local economic impact at three of our Holiday Village resort hotels, in Turkey, Greece and Tunisia. The research found that employment, procurement and customer discretionary spend are the biggest drivers of local economic impact, and that these could be improved.”</p>

Appendix B: Timeframes, costs and table of activities for each suggested solution

FESTIVAL

The number of days for each activity is based on consultation with experts with experience of organising and managing Festival and Events.

Stage	Activity	Detail	Reason	Time
Development	Assessment of the opportunity.	Review of festival types/ models on Cyprus and generally. Create calendar of existing 'festival' activity.	Identify themes and opportunity for Paphos. Provide justification and support for the idea.	10 days
	Scope the 'Paphos Festival'.	Identify theme, scope its opportunity, where it will take place, how often, who involved, type of festival it could be.	Concept needed in order to be able to promote the idea with confidence.	10 days
	Presentation of festival to key stakeholders.	Discussion with – hotel association, CTO, Local retailers, municipality, fire/police.	Consultation to gain feedback on strengths, weaknesses opportunities and threats.	5 days
	Create Paphos festival launch plan.	Document the justification for a festival. To include break even, marketing and operation plan and committed stakeholders.	Needed to gain the support and budget approval for a festival development.	5 days
Launch the concept	Presentation of festival plan to relevant stakeholders.	Either a launch event to interested and relevant stakeholders or a rolling presentation.	Needed to gain support, approval and further development and funds.	3 days
Handover	Commitment to the festival.	Produce hand over report and job description and responsibilities for festival organizer role.	Detailing how the festival can happen and identifying next stages.	2 day

(1) Remuneration	Rate (Euros)	Time spent (days)	Total (Euro)
-------------------------	---------------------	--------------------------	---------------------

Consultant	300(*)	35	10,500
Totals (1)	-	-	Sub-Total (1) 10,500

(2) Reimbursable Expenses	Rate (Euro)	Days	Total (Euro)
- Travel, entertainment etc.	20	23	460
Printing, photocopying etc.	10	23	230
Brochure/promotion event			1,000
Totals (2)	-	-	Sub-total (2) 1,690

TOTAL COST (1+2): Euro 12,190

(*) Based on Cypriot consultant

KIOSK/information boards

The number of days for each activity is based on previous experience of designing and implementing hotel information boards by the research team.

Stage	Activity	Detail	Reason	Time
Development - consultant	Evaluation of requirements.	Survey of hotel space, suppliers information, current practice.	Provide the information to write the design brief.	5 days
	Base data.	Collect base data from each of the pilot hotels.	To be used for evaluation.	5 days
	Write design brief and open to tender.	Detail what is required from the marketing agency.	Document what is required. Used to evaluate design pitches.	5 days
	Appoint agency.	Contract for build, implementation, maintenance and monitoring of kiosks/information boards.	One agency with both responsibility and accountability.	2 days
Installation - marketing agency	Install Kiosk/Information boards.	Build and install in the three pilot hotels.	Start of the pilot.	5 days

Training – marketing agency	Educate and train hotel staff/tour operator holiday advisors.	Explain the purpose of the kiosk/information board, monitoring required.	To gain acceptance and approval from key front line employees and to set up monitoring.	2 day
Go live – marketing agency	Kiosks/Information board being used.	Updated and checked weekly by the marketing agency.	Check robustness of design and level of maintenance needed. Monitor usage and hotel record keeping.	6 months (1 day a week)
Evaluation - consultant	Produce evaluation report.	Research awareness in hotels, collate data and information from marketing agent.	To evaluate the success of the kiosk/information boards and recommend future requirements.	3 days

(1) Remuneration	Rate (Euros)	Time spent (days)	Total (Euro)
Consultant	300(*)	20	6,000
Totals (1)	-	-	Sub-Total (1) 6,000

(2) Reimbursable Expenses	Rate (Euro)	Days	Total (Euro)
- Travel, entertainment etc.	20	20	400
Marketing agency – build and install kiosk in 3 hotels			6,000(**)
Marketing agency - Training staff in 3 hotels	300	2	600
Weekly checking and maintenance of kiosk/information boards. Collation of usage data	150	24	3600
Totals (2)	-	-	Sub-total (2) 10,600

TOTAL COST (1+2): (Euro) 16,600

(*) Based on Cypriot consultant

(**) This is an estimate, which will include the design, production, selection of images, printing construction and installation of the kiosks/information boards. The full roll-out costs per hotel should be less than the prototype. The actual figure will depend upon the tenders produced by the marketing agencies.

TECHNOLOGY

The number of days for each activity is based on feedback from IT consultants, based on developing similar systems.

Stage	Activity	Detail	Reason	Time
Development - consultant	Tender document.	Write tender document.	Specify service level agreement and expectation.	3 days
	Base data.	Agree pilot hotels and collect base data from each of the pilot hotels.	To be used for evaluation of the project.	5 days
	Appoint supplier.	Contract including timescales, maintenance agreements.	Evaluation and control.	2 days
	Base data.	Collect base research data.	For analysis and evaluation.	5
	Audit resort information.	Identify and collate resort information for the touch screen portal.	Identify and agree key information that will be presented to guests.	5 days
Installation – Technology Concierge supplier	Install of touch-screens.	Securely positioned with electric supply in a guest accessible area. Hotel staff training on support.	Start of the pilot. User testing needed.	5 days
Go – live Technology Concierge Supplier	Touch screen running and available.	Live version, include remote monitoring of usage, information requested.	Quantify the level of usage and guest perceptions.	3 months
Resort information update - consultant	Daily updates to the software, information displayed.	Check the software and provide updates of what is going on in Paphos	To ensure the (soft ware) is up to date and useable.	3 months (equivalent to half a day week)
Collect data – consultant	Review of usage.	Collect data on impact of the touch screen using previous metrics.	To evaluate its success.	5 days
Evaluation – consultant	Post implementation report.	Collate information on level of usage, visitors perceptions, level of increase in number of guests leaving the AI hotel.	To evaluate the success of the kiosk/information boards and recommend future requirements.	3 days

(1) Remuneration	Rate (Euros)	Time spent (days)	Total (Euro)
Consultant	300(*)	34	10,200

Totals (1)	-	-	Sub-Total (1) 10,200
-------------------	---	---	---------------------------------

(2) Reimbursable Expenses	Rate (Euro)	Days	Total (Euro)
- Travel, entertainment etc.	20	34	680
Technology company- build and install kiosk in 3 hotels			18,000
Month maintenance (per unit)	300		2,700
Totals (2)	-	-	Sub-total (2) 21,380

TOTAL COST (1+2): Euro 31,580

(*) Based on Cypriot consultant

(**) 42" multi-touch HD screen, integrated high performance media player, low profile wall bracket, shipping and handling, account set up and remote installation.

EDUCATION

The number of days for each activity is based on feedback from consultants responsible for HR training and development.

Stage	Activity	Detail	Reason	Time
Development	Familiarisation.	Scoping, information gathering and engagement with stakeholders, identification of needs	Paphos specific, gain commitment and measure state of play before the training/education.	5 days (plus 2 days travelling)
	Script writing.	Creating the scripts for the workshops.	Verification training meets requirements.	5 days
	Organization of training and collect base line data.	Who is to attend the workshop, where it will take place. Undertake the pre training research.	Set up is needed. Research is needed to create the base data for evaluation.	5 days (plus 1 day travelling)
Delivery	Training Workshop.	6 two and a half day workshops and exam for 15 front line employees/entrepreneurs (total 90 participants).	Ensure that enough participants have been trained in order to have an impact.	15 days (plus 1 day travelling)
Evaluation	Review the training and its impact and write report.	Post training research on visitors and those that have undergone the training.	Quantify the impact of the training and identify improvements.	5 days (plus 2 days travelling)

(1) Remuneration	Rate (Pound Sterling)	Time spent (days)	Total (£ - Pound Sterling)
Consultant/trainer	400	41	£ 16,400
Totals (1)	-	-	Sub-Total (1) £16,400

(2) Reimbursable Expenses	Rate	Days	Total
International Travel: - London to Paphos x 3	-	-	£1200
Per diem (per consultant) (including accommodation, subsistence, transport)	£150	30	£4,500
Printing, photocopying etc.			£200
Resort familiarisation activity			£750
Booklets, certificates, badges training material £10 per delegate			£900
Totals (2)	-	-	Sub-total (2) £7,550

TOTAL COST (1+2): £23,950

NB – No costs of venue hire, lunches etc. have been included, it is expected that these will be covered locally (CTO, hoteliers, restaurateurs association).

The consultant rate at £400 is greater than the Euro 300 for the other pilots/feasibility studies; this is as explained to recruit someone with experience of training from the UK. This will facilitate up-to-date training on customer service, and workshop engagement.

Appendix C: Table of contacts willing to participate in any of the pilot projects

Note this appendix will show ALL contacts that are willing to participate in any of the pilots. The appendix is separated in 3 tables: **hotels, restaurants and others**. The last column indicates a code next to the contacts (F1 - Festival, K2 - Kiosk, T3 - Technology, E4 - Education). Contacts with a code should be the primary contacts for each solution.

This appendix will be sent as a separate file to the Travel Foundation to minimise risk of data leak.

Appendix D: Quote for touch screen technology from possible supplier



Quotation

Address: Monscierge Ltd
Central Office Cobweb Buildings
The Lane
Lyford
Oxfordshire
OX12 0EE

Email: info@monscierge.com
Telephone: +44 (0)845 004 6661

Site address: **Alathon Holiday Village**
Billing Address: These Afroditi's Avenue
P.O. Box 62303
8063 Rephox
Cyprus

Date: 15th November 2013
Client Reference: CSL Rephox
Validity: 30 Days

Requested by:
email address: TBC

Monscierge Contact:
email address: [Christy Doherty](mailto:Christy.Doherty@Monscierge.com)
Christy.Doherty@Monscierge.com

Capital Cost

Date	Details	Amount	Quantity	Sub Total
15th November 2013	42" multitouch HD screen Integrated high performance media player Low profile wall bracket Shipping & Handling (Europe - CIP terms) Account Set Up & Remote Installation	€ 5,295.00	1	€ 5,295.00
	Sub Total	€ 5,295.00	1	€ 5,295.00
	VAT		0%	€ 0.00
	Total			€ 5,295.00

Operational Cost / month

Date	Details	Amount	Quantity	Sub Total / month
15th November 2013	Monscierge Lobby, CMS & Support - Entry Level	€ 299.00	1	€ 299.00
	Sub Total			€ 299.00
	VAT		0%	€ 0.00
	Total			€ 299.00

Multilingual Go Live support, tutorials and hardware hotline (for fault reporting) included as standard.
Entry level package includes M - F 9-5 email support plus standard 12 month return-to-base European hardware warranty.
Enhanced package includes 24/7 email support plus extended (up to 60 months) Hot Swap European hardware warranty.
Internet to be hard-wired connection, printing option not available on entry level package.
Pricing valid for 30 days

CONFIDENTIAL - NOT FOR DISTRIBUTION - VALID FOR 30 DAYS