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Xperience the CITY : How to Design a Service for Air-Traveling from a Co-Creating Perspective – A Case Study for Athens, Greece & Amsterdam, Netherlands

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Part A: Introduction

I PREFACE

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II AKNOWLEDGEMENTS

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III LIST OF DEFINITIONS

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IV LIST OF ABBREVIATIONS

AMS: Amsterdam, Netherlands

ATH: Athens, Greece

GDS’s : Global Distribution Systems

GFC: Global Financial Crisis

IATA: International Air Transport Association

OTA: Online Travel Agency

TSC: Tourism Supply Chain

TVC: Tourism Value Chain

V EXECUTIVE SUMMARY

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Problem Definition

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Report Structure

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Part B: Analysis

ANALYSIS INTRODUCTION

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Chapter 1:

LITERATURE REVIEW

CHAPTER 1: Literature Review

1.1. Service-Dominant Logic and Co-creation of Value

The Service-Dominant (S-D) logic in marketing, is built around an increasingly acknowledged view that the customer can be a co-creator of value and that service is the common denominator in exchange and not some special form of exchange. Further, S-D logic emphasizes the development of customer supplier relationships through interaction and dialog; value-creation occurs when a customer consumes, or uses, a product or service (Payne et. al., 2008). In this new form of dialog, supplier and customer have the opportunity to create value through customized, co-produced offerings. These emerged personalized experiences towards value creation, are central to a holistic perspective of co-creation that calls for evolution and transformation of customers from “passive audiences” to “active players” (Prahalad and Ramaswamy, 2004b).

1.1.1. Service in Service-Dominant Logic

In addition to the plural “goods” in G-D logic (Goods-Dominant Logic) that implies *units of output*, the use of singular “service” in S-D logic comes to indicate the *process* of doing something to someone (Lusch and Vargo, 2006). In other words, while G-D logic focuses in the exchange of tangible goods (products), S-D logic emphasizes on the exchange of intangible specialized

competences and processes (Lusch and Vargo, 2000; Vargo and Lusch, 2004, 2008).

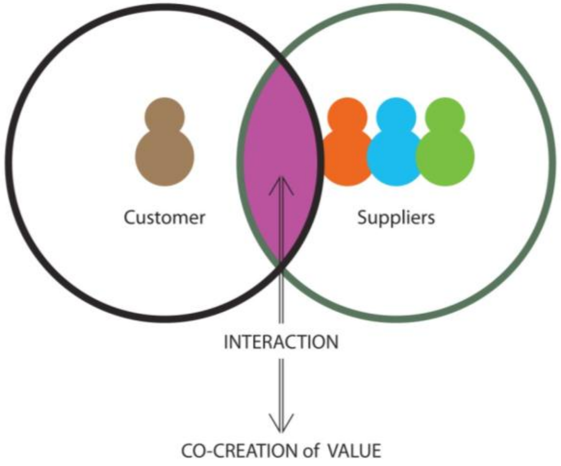
According to Grönroos as cited in Vargo & Lusch (2004, p9), services are “processes consisting of a series of activities where a number of different types of resources are used in direct interaction with a customer, so that a solution is found to a customer’s problem”. This notion is in accordance with what the later consider as service: “using one’s resources for the benefit of another entity”, otherwise seen as a resource-integration function (Vargo and Lusch, 2004a). This interactivity and networking approach comes in complete alignment of S-D logic’s concept of value creation through resource integration (Grönroos, 2006; Norman 2001; Gummesson, 2008).

1.1. 2. Value Co-Creation in Service-Dominant Logic

Value co-creation in the S-D logic context can be seen as consisting of 2 main components: Co-creation of Value and Co-Production.

Co-Creation of Value

In G-D logic, value is added to the products while exchanged (value-in-exchange). However, for S-D logic, value occurs at the point where the offerer and the customer intersect or when customers and suppliers interact (see Figure 1); is created by the users while they use and consume the service (value-in-use) (Grönroos, 2006; Lusch and Vargo, 2000; Payne et. al., 2008).



Εικόνα 1: Figure 1: Co-Creation of Value (Lusch and Vargo, 2000; Payne et. al., 2008; Grönroos, 2006)

So far, emphasis on value creation research is given upon the necessity for S-D logic to be adopted in order for innovative services to be offered towards memorable consumer experiences (Chathoth et.al., 2012, Lusch et.al., 2007, Payne et.al, 2008, Grönroos, 2008). But what exactly can be seen as co-creation? Payne et.al. (2008) summarize the related literature on co-creation in five indicative examples:

1. Emotional engagement of customers through advertising and promotional activities,

2. Self-service or labor-transfer to the customer (e.g., IKEA),

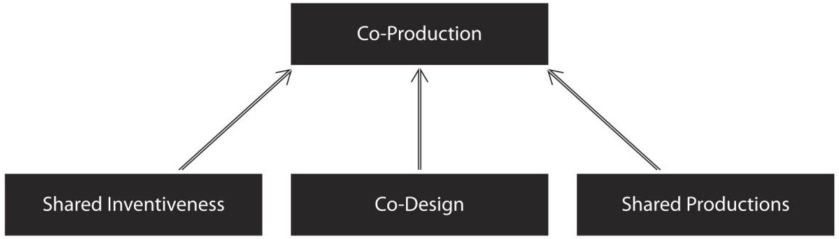
3. The provision of experiences where the customer becomes part of the context (e.g., Disney Theme Parks),

4. Self-selection by the customers following supplier's prescribed processes (e.g., Citibank),

5. Customer's engagement in products co-designing.

Co-Production

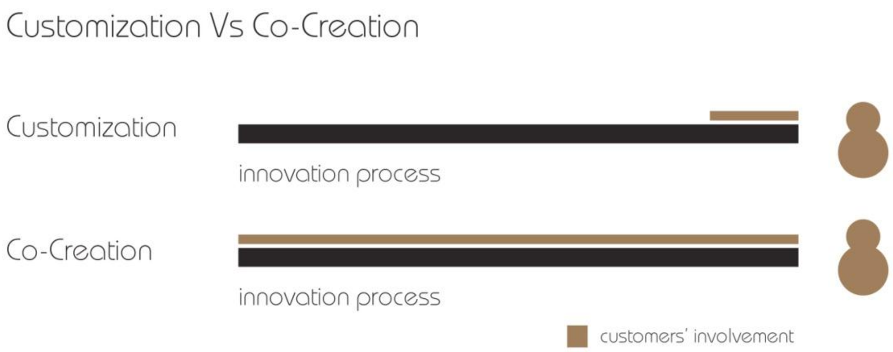
Co-Production occurs when the user participates in the creation of the offered service, either by shared inventiveness, co-design or shared productions in the value network (Figure 2).



Εικόνα 2: Figure 2: Co-Production (Vargo and Lusch, 2000)

1.1.3. Co-Creation Vs Customization

At this point is important to distinct co-creation from customization: their difference lies in the degree of customers' involvement - the role of customers in co-creation is more active than the one in customization (Kristensson et. al., 2008). What also differs is the point of their engagement in the innovation process: while in co-creation the user is involved right from the start, in customization the customer is introduced at the end (Figure 3).



Εικόνα 3: Figure 3: Customization Vs Co-Creation

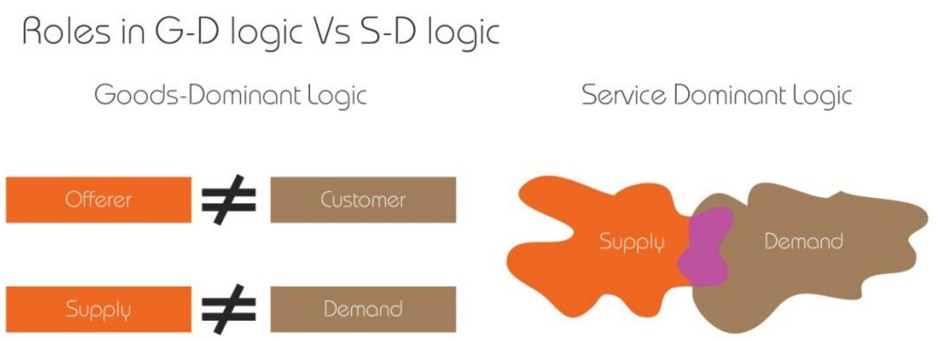
In an effort to further define co-creation and clarify any misconception about its nature – what is and what is not - Prahalad and Ramaswamy (2004a) mapped down the concept of co-creation (Table 1). What is again apparent in their approach is the active role of the customers - their engagement in active dialogue in order to co-construct along with the suppliers unique personalized experiences.

WHAT CO-CREATION IS NOT	WHAT CO-CREATION IS
• Customer focus • Customer is king or customer is always right	• Co-creation is about *joint* creation of value by the company and the customer. It is not the firm trying to please the customer
• Delivering good customer service or pampering the customer with lavish customer service	• Allowing the customer to co-construct the service experience to suit her context
• Mass customization of offerings that suit the industry's supply chain	• Joint problem definition and problem solving
• Transfer of activities from the firm to the customer as in self-service • Customer as product manager or co-designing products and services	• Creating an experience environment in which consumers can have active dialogue and co-construct personalized experiences; product may be the same (e.g., Lego Mindstorms) but customers can construct different experiences
• Product variety	• Experience variety
• Segment of one	• Experience of one
• Meticulous Market research	• Experiencing the business as consumers do in real time • Continuous dialogue
• Staging experiences	• Co-constructing personalized experiences
• Demand-side innovation for new products and services	• Innovating experience environments for new co-creation experiences

Πίνακας 1: Table 1: The Concept of Co-Creation (source: Prahalad and Ramaswamy,2004a)

1.1.4. Roles in Value Creation: S-D Logic Vs G-D Logic

Central to S-D logic and value creation are the networks and all the interactions between central players (Lusch and Vargo, 2000). While in G-D logic distinct roles between the offerer and the customer or the supply and demand can be seen, in S-D logic, these roles are more flexible with integration playing the central role. And even though S-D logic can be marketing-focused, it can be generally applied to any service system – firms, employees, customers, suppliers and any other stakeholder – characterizing the very interaction within and among them (Figure 4)(Vargo and Lusch, 2008).



Εικόνα 4: Figure 4: Roles in G-D logic Vs S-D logic (Vargo and Lusch 2006)

According to Vargo and Lusch (2008), "all economic actors (e.g., individuals, households, firms, nations, etc.) are resource integrators."

While goods are value-supporting resources, services are value-supporting processes (Grönroos, 2006). In that way, firms and customers can be considered as co-producers of the service and co-creators of value.

"The customer is always a co-creator of value" (Vargo and Lusch 2006) and "value creation takes place within and between systems at various levels of aggregation" (Vargo and Lusch 2008).

1.1.5. The Foundational Premises of Service-Dominant Logic

In an attempt to present and explain the S-D logic, Vargo and Lusch have created eight Foundational Premises (FPs) (Vargo and Lusch 2004, 2006). Modifications and additions have been later made by the authors, resulting in a total of 10 FPs, presented in Table 2 (Vargo and Lusch, 2008).

FPs	Original foundational premise	Modified/new foundational premise	Comment/explanation
FP1	The application of specialized skill(s) and knowledge is the fundamental unit of exchange	**Service** is the fundamental **basis** of exchange	The application of operant resources (knowledge and skills), "service," as defined in S-D logic, is the basis for all exchange. Service is exchanged for service
FP2	Indirect exchange masks the fundamental unit of exchange	Indirect exchange masks the fundamental **basis** of exchange	Because service is provided through complex combinations of goods, money, and institutions, the service basis of exchange is not always apparent
FP3	Goods are a distribution mechanism for service provision	Goods are a distribution mechanism for service provision	Goods (both durable and non-durable) derive their value through use – the service they provide
FP4	Knowledge is the fundamental source of competitive advantage	**Operant resources are** the fundamental source of competitive advantage	The comparative ability to cause desired change drives competition
FP5	All economies are services economies	All economies are **service** economies	Service (singular) is only now becoming more apparent with increased specialization and outsourcing
FP6	The customer is always a co-producer	The customer is always a **co-creator** of value	Implies value creation is interactional
FP7	The enterprise can only make value propositions	The enterprise **cannot deliver value, but** only offer value propositions	Enterprises can offer their applied resources for value creation and collaboratively (interactively) create value following acceptance of value propositions, but can not create and/or deliver value independently
FP8	A service-centered view is customer oriented and relational	A service-centered view is **inherently** customer oriented and relational	Because service is defined in terms of customer-determined benefit and co-created it is inherently customer oriented and relational
FP9	Organizations exist to integrate and transform microspecialized competences into complex services that are demanded in the marketplace	**All social and economic actors are resource integrators**	Implies the context of value creation is networks of networks (resource integrators)
FP10		**Value is always uniquely and phenomenologically determined by the beneficiary**	Value is idiosyncratic, experiential, contextual, and meaning laden

Words in bold type represent changes in wording from the original FPs (Vargo and Lusch 2004a, 2006).

Πίνακας 2: Table 2: Service-Dominant Logic Foundational Premises (source: Vargo and Lusch, 2008)

These FPs, should not be seen as a set of rules, but rather as an effort to create a better understanding towards value and exchange (Payne et.al., 2008). In this project we emphasize on FP4: "Operant resources are the fundamental source of competitive advantage", FP6: "The customer is always a co-creator of value" and FP8: "All social and economic actors are resource integrators".

1.1.6. Service as a Competitive advantage

According to the fourth FP of S-D logic "Operant resources are the fundamental source of competitive advantage" (Vargo and Lusch, 2008). However, even though the fact that the competitive advantage can be enhanced through service and that it is directly linked to superior performance seems to be a common knowledge in the business sector, the actual role of "service" within the exchange and competence does not seem to be always completely understood and put into action (Lusch et.al., 2007).

Service-dominant logic "*challenges management at all levels to be of service to all the stakeholders*" (Lusch et.al., 2007) and "*effective competing through service has to do with the entire organization viewing and approaching both itself and the market with a service-dominant (S-D) logic"* (Vargo and Lusch 2004). Under this perspective, external environments, customers and other collaborating stakeholders need to be seen by the firm as the key operant resources that combined with applied knowledge and collaboration will lead the later (firms) into successful service competence (see Table 3) (Lusch et.al., 2007). For S-D logic, the service is the basis for competition as customers do not look to purchase products, rather than benefit from the service that comes to offer – a solution to their problems (Lusch et.al, 2007, Sawhney, 2006).

Proposition	Rationale
1. Competitive advantage is a function of how one firm applies its operant resources to meet the needs of the customer relative to how another firm applies its operant resources	Since applied operant resources are what are exchanged in the market (FP1), they are the source of competitive advantage (FP4)
2. Collaborative competence is a primary determinant of a firm's acquiring the knowledge for competitive advantage	The ability to integrate (FP9) operant resources (FP4) *between* organizations increases ability to gain competitive advantage through innovation
3. The continued ascendance of information technology with associated decrease in communication and computation costs, provides firms opportunities for increased competitive advantage through innovative collaboration	Reduced barriers to technology utilization combined with the trends of open standards, specialization, connectivity, and network ubiquity increase the likelihood of collaboration with firms and customers (FP6, FP8)
4. Firms gain competitive advantage by engaging customers and value network partners in co-creation and co-production activities	Because the customer is always a co-creator of value (FP6), and the firm is a resource integrator (FP9), competitive advantage is enhanced by proactively engaging both customers and value- network partners
5. Understanding how the customer uniquely integrates and experiences service-related resources (both private and public) is a source of competitive advantage through innovation	Since value is co-created (FP6) comprehending how customers combine resources (FP8, FP9) provides insight into competitive advantage
6. Providing service co-production opportunities and resources consistent with the customer's desired level of involvement leads to improved competitive advantage through enhanced customer experience	Expertise, control, physical capital, risk taking, psychic benefits, and economic benefits influence customers' motivation, desire, and amount of participation (FP6, FP9) in service provision through collaboration (FP8)
7. Firms can compete more effectively through the adoption of collaboratively developed, risk-based pricing value propositions	Appropriately shifting the economic risk of either firm or customer through co-created (FP6) value propositions (FP7) increase competitive advantage
8a. The value network member that is the prime integrator is in a stronger competitive position 8b. The retailer is generally in the best position to become the prime integrator	The ability to effectively combine micro-specialized competences into complex services (FP9) provides knowledge (FP1) for increased competitive advantage (FP4)
9. Firms that treat their employees as operant resources will be able to develop more innovative knowledge and skills and thus gain competitive advantage	Since competitive advantage comes from the knowledge and skills (FP4) of the employees, it can be enhanced by servant leadership and continual renewal

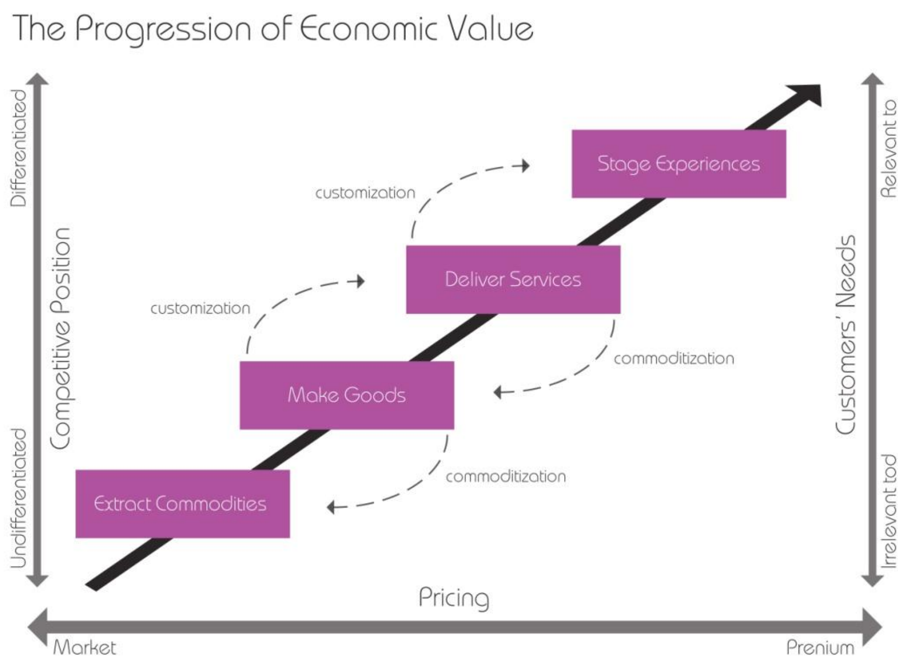
Πίνακας 3: Table 3: Service-Dominant Logic - Summary and rationale of derivative propositions (source: Lusch et.al., 2007)

1.2. Services, Meanings and Experiences

1.2.1. Meanings and Experiences as Competitive Advantage – The Experience Economy

While S-D logic suggests that the service is the basis for competition, Verganti (2008, 2009) suggests that people buy meanings and only by radically innovating what things mean, one can change the rules of competition. For Verganti, Design-Driven Innovation is to "compete through products and services that have a radical new meaning; those that convey a completely new reason for customers to buy them" (Verganti, 2009).

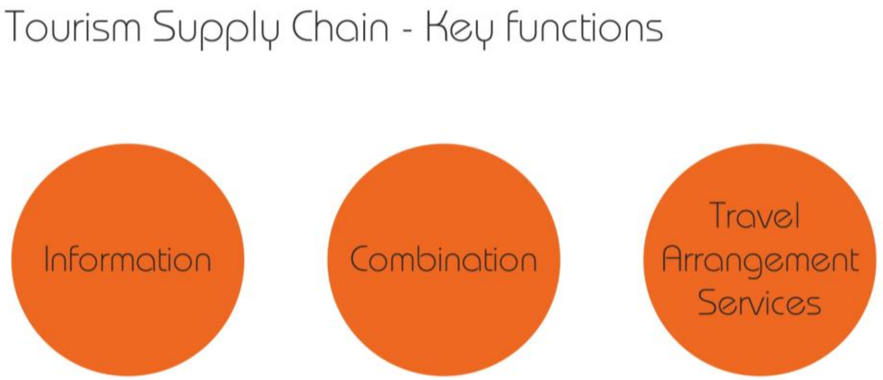
Pine and Gilmore (1999) go a step further; they distinct services from experiences (the same way as services distinct from product) and they talk about the importance of "experience": "while commodities are fungible, goods are tangible and services intangible, experiences are memorable". As a result, consumer value can be defined as an "interactive relativistic preference experience"; it is the experience that defines what is valuable to a customer (Payne et.al, 2008). In an era where there is such a plethora of products and services available that they tend to be commodities, Prahalad and Ramaswamy (2004b) support that it is only by high-quality interactions between customers and companies that unique experiences can be co-created leading to new sources of competitive advantage. In that way, companies are called to engage customers and use their services to stage memorable experiences (Pine and Gilmore; 1999). Introducing the concept of "Experience Economy", Pine and Gilmore (1999) elaborate on how can a company move from commodities to goods, manage to deliver a service and finally add value to their offerings by staging experiences (Progression of Economic Value) (Figure 5).



Εικόνα 5: Figure 5: The Progression of Economic Value (Source: Pine and Gilmore; 1999)

1.3. Tourism Supply Chain

While the Supply Chain is characterized by a "forward flow of goods and a backward flow of information", the Tourism Supply Chain (TSC) can be seen as "a network of tourism organizations engaged in different activities ranging from the supply of different components of tourism products/services such as flights and accommodation to the distribution and marketing of the final tourism product at a specific tourism destination, and involves a wide range of participants in both the private and public sector" (Zhang et.al., 2009). Buhalis and Laws (2001) synopsize the key functions of the TSC in: information, combination and travel arrangement services (Figure 6).



Εικόνα 6: Figure 6: Tourism Supply Chain - Key Functions

While according to Wanhill (as cited in Buhalis & Laws,2001, pp.8), in the Tourism Distribution Channel Concept, "the principal role of intermediaries is to bring buyers and sellers together, either to create markets where they previously did not exist or to make existing markets work more efficiently and thereby to expand market size", the World Tourism Organization suggests that the distribution channel can be described as "a given combination of intermediaries who co-create in the sale of a product".

1.3.1. The Interdependent Nature of Tourism

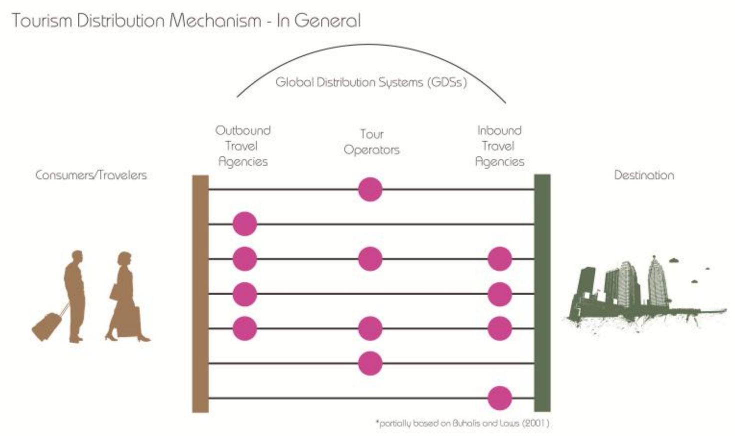
The literature in the Supply Chain Management (SCM) in general and the Tourism Supply Chain Management (TSCM) in specific, emphasize on the high interdependencies between the various players among the tourism industry and the need of vertical integration towards best practices and value creation (Buhalis and Laws, 2001; Kuijpers, 2009; Lafferty and Fossen, 2001; Yilmaz and Bititci, 2006a, 2006b; Zhang et.al., 2009,). This interdependent feature of the tourism industry lays upon the 4 main characteristics of the tourism products and services: intangibility, perishability, inseparability (of production and consumption) and interdependency (Calantone and Mazanec, 1991; Yilmaz and Bititci, 2006b), and it is this inseparability that makes companies depend upon each other, directly affecting the overall customer satisfaction (Yilmaz and Bititci, 2006a).

1.3.2. Tourism Distribution Channels and Intermediaries

While tourism suppliers (accommodation providers, carriers, etc.) are keep creating new products or tourism services, is distribution that, as one of the most critical factors, can determine the competiveness of suppliers and destinations, by having the power to influence consumer behavior and bring sellers and buyers together (Buhalis and Laws, 2001).

Access to the tourism products and services is mainly given by three types of intermediaries: the Tour Operators (wholesalers), the Outgoing Travel Agents (retailers) and the Incoming Travel Agents (at destination) (see Figure 7). While the retailers (outgoing travel agents) act as interface between tourism industry and consumers facilitating purchase, wholesalers (tour operators) contribute in the distribution channel by combining different products together, assembling "tourism packages" (Buhalis and Laws, 2001).

Additional players here are also the Computer Reservation Systems (CRSs), Global Distribution Channels (GDSs) and Destination Management Systems (DMSs). These electronic intermediaries do not only facilitate distribution but keep introducing new and innovative distribution strategies and have the power to transform existing business models in tourism.



Εικόνα 7: Figure 7: Tourism Distribution Mechanism

1.3.3. The Tourism Value Chain

The Tourism Value Chain (TVC) starts with the customer order. In order for the tourism product to be managed as an end-to-end seamless product, this TVC can be seen as consisting of three interconnected stages, as tourist –customers- evaluate their travel experiences as a whole (Yilmaz and Bititci, 2006a):

1. **Pre-Delivery Stage:** All the required activities before departure (destination info, visas, hotel/airline reservations etc.)
2. **Delivery stage:** Tourism Product Consumption. Supplier delivers products/services to the consumer.
3. **Post-Delivery stage:** Customer satisfaction is measured. Validation of tourism value chain.

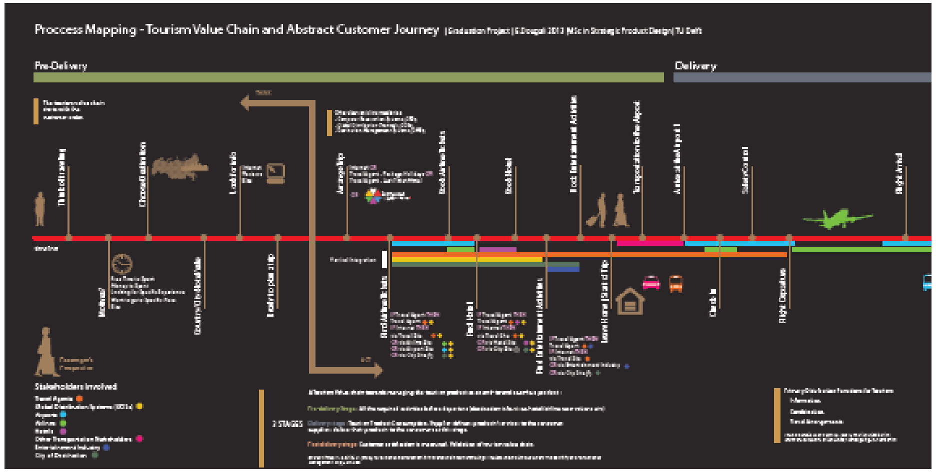
Εικόνα 8: Figure 8: Tourism Value Chain and Process Mapping

In Figure 8, an overall of the Tourism Supply Chain can be seen, along with the mapping of all the processes going on when planning and consuming a tourism product or service. While this journey is from the customer's perspective, all the major stakeholders have been identified (Travel Agents, GDSs, Airports, Airlines, Hotels, Transportation, Entertainment Industry, City of Destination) and their main touch points have been mapped down.

1.3.4. Innovating in the Tourism Value Chain

Tourism cannot but be seen as a system and be approached holistically as an end-to-end seamless product (Yilmaz and Bititci, 2006a), and as a "tourism stakeholders system" (von Friedrichs Grängsjö, 2003), and in order for stakeholders to innovate there, they need to reconfigure the existing value chain (van Blokland and Santema, 2006).

1.4. Reflections and the Process Map as a Boundary Object



Εικόνα 9: Figure 9: Tourism Value Chain and Process Mapping

Chapter 2:

ATHENS & AMSTERDAM - TRAVEL INDUSTRY REVIEW

CHAPTER 2: ATHENS & AMSTERDAM - TRAVEL INDUSTRY REVIEW

2.1. Introduction

Lorem Ipsum dolor si amet.

2.2. Athens & Amsterdam

2.2.1. The City of Athens, Greece

Athens is the capital and largest city of Greece. Dominating the Attica region, Athens is one of the world's oldest cities, with its recorded history spanning around 3,400 years[1]. With the most glorious history in the world - a centre for the arts, learning and philosophy, and home of Plato's Academy and Aristotle's Lyceum – Athens is now a huge cosmopolitan metropolis spreading in an area of about 40km^2 and a population surpassing 3 million people[2].

[1] http://en.wikipedia.org/wiki/Athens
[2] http://www.citypopulation.de/php/greece-athens.php

Central to economic, financial, industrial, political and cultural life in Greece, Athens offers a unique mix, combining rich archaeological sites, numerous museums in diverse fields, ranging from archeology and folk art to contemporary visual arts and musical instruments and most importantly, a vibrant contemporary cultural life in the fields of performing arts, music and visual arts. Surrounding by the sea, Athens both as a city of destination or as a hub towards the Greek Islands, attracts thousands of travelers every year.

2.2.2. The City of Amsterdam, Netherlands

Amsterdam is the capital and most populous city of the Netherlands, lying at the center of the Randstad, one of the largest metropolitan areas in Europe. With a population of around 800.000 people[3] and another 2,289,762, inhabitants in Amsterdam Metropolitan area, Amsterdam –beginning as a 13th-century fishing village- is now the commercial and cultural capital of the Netherlands, a major tourism hub and one of the top financial centers in Europe[4].

Amsterdam is one of the most popular tourist destinations in Europe, receiving more than 4.63 million international visitors annually, excluding 16 million day

[3] http://en.wikipedia.org/wiki/Amsterdam#cite_note-R2040-7
[4], [5], http://www.iamsterdam.com/en-GB/experience/about-amsterdam/history-and-society

trippers visiting the city every year[5]. Attributed to an increasing number of European visitors, this number has been growing steadily over the past decade.

2.2. AIRPORTS

Within the Tourism Supply Chain, Airports play a significant role within the "Delivery Phase" (Yilmaz, and Bititci,2006), accounted for the transportation of passengers towards and from the cities of destination. Being key stakeholders, Airports play a significant role within the travel industry and have the power through their practices (fees, strategies etc.) to supply or not the rest stakeholders (airlines, hotels, entertainment etc.) with passengers and customers. Investigated here are the two main airports of the cities studied: Athens and Amsterdam.

Below, Athens International Airport and Amsterdam Airport Schiphol are revised in terms of Passenger Traffic and Volume for the years 2012-2013.

2.2.1. Athens International Airport – Eleftherios Venizelos

Athens International Airport "Eleftherios Venizelos" in Greece (IATA: ATH) began its operation in 2001, and as the primary civilian airport serves the city of Athens and the region of Attica. Voted European Airport of the Year in 2004, Athens International Airport is utilized by 65 international and domestic airlines and by handling over 15 million travelers is a major connection between Asia, the Middle East and Europe. The Athenian airport is also the major hub and base of the two major Greek Airlines, Aegean Airlines and Olympic Air.

According to official facts and figures retrieved by the airport's corporate web site[6], Athens International Airport's passenger traffic for the period January to April 2013 amounted to 3.1 million, 10.5% below the equivalent 2012 levels. This seems to be a result of the Eurozone crisis and the critical situation of the Greek economy.

Overall Traffic Highlights for Athens International Airport (2011-2012)

While in 2011, AIA was accounted for transporting 14.5 million passengers, that number dropped down by -10.4% (12.9 millions) in 2012 (see Table 4). This decline is apparent both on domestic passengers (-7.9% in 2012) and on internationals (- 11.7%).

[6] Source: http://www.aia.gr/userfiles/675393df-ab1a-4b77-826cf3096a3d7f12/Pax_EN_Apr_2013.pdf

TRAFFIC HIGHLIGHTS

TRAFFIC HIGHLIGHTS	2011	2012	% VARIATION
Total Number of Passengers (million)	**14.5**	**12.9**	**-10.4%**
Domestic	4.9	4.5	-7.9%
International	9.5	8.4	-11.7%
Business Passengers	30%	30%	
Connecting Passengers	22%	23%	
Total Aircraft Movements (thousand)	**173.3**	**153.3**	**-11.5%**
Passenger and Combi Aircraft	151.6	133.7	-11.8%
All-cargo Aircraft	6.7	5.6	-16.2%
Other Aircraft Movements	15.0	14.0	-6.4%
Total Cargo Uplift (thousand tonnes)	**85.9**	**76.4**	**-11.0%**

Πίνακας 4: Table 4: Overall Traffic Highlights of Athens International Airport

PASSENGER TRAFFIC

Passenger Traffic Development for 2012

ATHENS INTERNATIONAL AIRPORT
PASSENGER TRAFFIC DEVELOPMENT 2012

PASSENGER TRAFFIC	Domestic			International			Total		
	2012	2011	%2012/2011	2012	2011	%2012/2011	2012	2011	%2012/2011
January	287,234	323,875	-11.3%	510,776	573,434	-10.9%	798,010	897,309	-11.1%
February	281,119	306,521	-8.3%	429,118	488,724	-12.2%	710,237	795,245	-10.7%
March	336,106	351,233	-4.3%	528,888	626,593	-15.6%	864,994	977,826	-11.5%
April	401,048	409,780	-2.1%	719,438	816,772	-11.9%	1,120,486	1,226,552	-8.6%
May	395,398	447,570	-11.7%	727,799	886,982	-17.9%	1,123,197	1,334,552	-15.8%
June	433,273	483,687	-10.4%	850,614	981,063	-13.3%	1,283,887	1,464,750	-12.3%
July	497,054	549,876	-9.6%	1,000,505	1,144,207	-12.6%	1,497,559	1,694,083	-11.6%
August	477,861	533,126	-10.4%	1,010,243	1,130,118	-10.6%	1,488,104	1,663,244	-10.5%
September	454,459	486,069	-6.5%	892,522	990,345	-9.9%	1,346,981	1,476,414	-8.8%
October	373,105	398,792	-6.4%	731,795	804,642	-9.1%	1,104,900	1,203,434	-8.2%
November	292,798	302,250	-3.1%	517,229	544,340	-5.0%	810,027	846,590	-4.3%
December	278,848	304,623	-8.5%	516,811	562,349	-8.1%	795,659	866,972	-8.2%
Total Year	4,508,303	4,897,402	-7.9%	8,435,738	9,549,569	-11.7%	12,944,041	14,446,971	-10.4%

Πίνακας 5: Table 5: Athens Airport - Passenger Traffic Development 2012

As it can be seen in Table 5, 2012 came to an end with Athens International Airport's traffic accounted for a total of 12.94 million passengers, presenting a decline of 10.4% versus the corresponding prior-year levels. This is mainly due to the country's overall critical political and financial situation and the respective negative impact on travelling demand. More specifically, while domestic passengers faced a reduction of 7.9%, mainly due to Greeks' low propensity to travel, the traffic losses for international passenger traffic were more severe, ranging up to 11.7%. Such losses reflect the decline of foreign visitors as a result of the tarnished image of Athens and Greece abroad, combined with the slow-down in European economies.[7]

Passenger Traffic Development for 2013

ATHENS INTERNATIONAL AIRPORT
PASSENGER TRAFFIC DEVELOPMENT 2013

PASSENGER TRAFFIC	Domestic			International			Total		
	2013	2012	%2013/2012	2013	2012	%2013/2012	2013	2012	%2013/2012
January	261,114	287,234	-9.1%	452,020	510,776	-11.5%	713,134	798,010	-10.6%
February	267,475	281,119	-4.9%	397,608	429,118	-7.3%	665,083	710,237	-6.4%
March	299,036	336,106	-11.0%	509,918	528,888	-3.6%	808,954	864,994	-6.5%
April	333,224	401,048	-16.9%	606,362	719,438	-15.7%	939,586	1,120,486	-16.1%
Year-to-date	1,160,849	1,305,507	-11.1%	1,965,908	2,188,220	-10.2%	3,126,757	3,493,727	-10.5%

Πίνακας 6: Table 6: Athens Airport - Passenger Traffic Development 2013

With the critical situation of the Greek economy and the Eurozone crisis persisting, Athens International Airport's passenger traffic for the period January

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[7] Source: AIA/Management Information System, Retrieved by http://www.aia.gr/userfiles/675393df-ab1a-4b77-826c-f3096a3d7f12/Pax_2012_EN.pdf

to April 2013 amounted to 3.1 million, 10.5% below the equivalent 2012 levels (Table 6).

These results once again reflect the Greeks’ low propensity to travel, the reduced attractiveness of the city for foreign residents, as well as the Greek and foreign carriers’ frequency reduction[8].

AIRCRAFT TRAFFIC

Following similar patterns, flight volume in AIA presents a constant decline throughout the last years.

Aircraft Movements Development for 2012

ATHENS INTERNATIONAL AIRPORT
AIRCRAFT MOVEMENTS DEVELOPMENT 2012

NUMBER OF FLIGHTS	Domestic			International			Total		
	2012	2011	%2012/2011	2012	2011	%2012/2011	2012	2011	%2012/2011
January	4,940	5,658	**-12.7%**	5,994	6,937	**-13.6%**	10,934	12,595	**-13.2%**
February	4,573	5,076	**-9.9%**	5,278	6,237	**-15.4%**	9,851	11,313	**-12.9%**
March	5,332	5,846	**-8.8%**	6,023	7,043	**-14.5%**	11,355	12,889	**-11.9%**
April	6,254	6,831	**-8.4%**	6,942	7,820	**-11.2%**	13,196	14,651	**-9.9%**
May	6,804	7,130	**-4.6%**	7,364	8,681	**-15.2%**	14,168	15,811	**-10.4%**
June	6,804	7,465	**-8.9%**	7,709	8,889	**-13.3%**	14,513	16,354	**-11.3%**
July	7,729	8,596	**-10.1%**	8,549	9,854	**-13.2%**	16,278	18,450	**-11.8%**
August	7,794	8,560	**-8.9%**	8,773	9,574	**-8.4%**	16,567	18,134	**-8.6%**
September	6,632	7,505	**-11.6%**	7,773	8,822	**-11.9%**	14,405	16,327	**-11.8%**
October	6,033	6,441	**-6.3%**	6,836	7,676	**-10.9%**	12,869	14,117	**-8.8%**
November	4,662	5,027	**-7.3%**	5,097	6,294	**-19.0%**	9,759	11,321	**-13.8%**
December	4,348	5,064	**-14.1%**	5,052	6,270	**-19.4%**	9,400	11,334	**-17.1%**
Total Year	**71,905**	**79,199**	**-9.2%**	**81,390**	**94,097**	**-13.5%**	**153,295**	**173,296**	**-11.5%**

Πίνακας 7: Table 7: Aircraft Movements Development for 2012

Overall, for the year 2012, Athens International Airport's number of flights amounted to 153 thousands, experiencing an overall decline of 11.5% compared to the corresponding period of 2011 (Table 7). This traffic loss reflects the reduction of frequencies by both Greek and foreign carriers, mainly driven by the adverse macroeconomic situation of the country; however, domestic operations presented lower levels of decline than the international ones (-9.2% vs. -13.5%).

Aircraft Movements Development for 2013

ATHENS INTERNATIONAL AIRPORT
AIRCRAFT MOVEMENTS DEVELOPMENT 2013

NUMBER OF FLIGHTS	Domestic			International			Total		
	2013	2012	%2013/2012	2013	2012	%2013/2012	2013	2012	%2013/2012
January	4,578	4,940	**-7.3%**	4,823	5,994	**-19.5%**	9,401	10,934	**-14.0%**
February	4,194	4,573	**-8.3%**	4,253	5,278	**-19.4%**	8,447	9,851	**-14.3%**
March	4,596	5,332	**-13.8%**	4,906	6,023	**-18.5%**	9,502	11,355	**-16.3%**
April	5,624	6,254	**-10.1%**	5,912	6,942	**-14.8%**	11,536	13,196	**-12.6%**
Year-to-date	**18,992**	**21,099**	**-10.0%**	**19,894**	**24,237**	**-17.9%**	**38,886**	**45,336**	**-14.2%**

Πίνακας 8: Table 8: Aircraft Movements Development for 2013

Not different from the previous years, Athens International Airport's number of flights during the period January to April 2013 amounted for 38.9 thousands, experiencing an overall decline of 14.2% compared to the corresponding period of 2012. At these rates, international services seem to experiencing considerably higher levels of decline (-17.9%) than domestic operations (-10.0%) (Table 8).

[8] Source: AIA/Management Information System

2.2.2. Amsterdam Airport Schiphol

Amsterdam Airport Schiphol (IATA: AMS) is the Netherlands' main international airport, located southwest of Amsterdam. Accounted for the transportation of 51 million passengers in 2012 and offering facilities to 101 scheduled airlines, Amsterdam Airport Schiphol offers direct access to 317 destinations all over the world, and serves as the primary hub for KLM as well as for Transavia, Arkefly, Corendon Dutch Airlines, and Martinair[9][10].

In 2012, the number of passengers travelling from/to and via Amsterdam Airport Schiphol increased by 2.6% reaching up to 51 million passengers; a number never exceeded at Schiphol before. This passenger increase was both due to an increase in Origin & Destination (O&D) passengers (+ 2.1%) and an increase in transfer passengers (+ 3.4%)[11]. With such figures, Amsterdam Airport Schiphol was rated fourth among the Top Ten Major Airports in 2012 (Figure 10).

9 https://en.wikipedia.org/wiki/Amsterdam_Airport_Schiphol (Retrieved on June 12, 2012)
10 http://www.schiphol.nl/SchipholGroup/Company1/Profile.htm (Retrieved on June 12, 2012)
11 http://trafficreview2012.schipholmagazines.nl/passengers.html

Top Ten Major European Airports in 2012

Passengers (excl. transit-direct) x 1,000			2012	Compared to 2011 in %
1	London Heathrow	LHR	69,985	+ 0.9
2	Paris Charles de Gaulle	CDG	61,490	+ 1.0
3	Frankfurt	FRA	57,274	+ 1.7
4	**Amsterdam**	**AMS**	**50,976**	**+ 2.6**
5	Madrid	MAD	45,104	– 9.0
6	Istanbul	IST	44,999	+ 20.0
7	Munich	MUC	38,193	+ 1.6
8	Rome Fiumicino	FCO	36,741	– 1.8
9	Barcelona	BCN	35,091	+ 2.2
10	London Gatwick	LGW	34,211	+ 1.7

Εικόνα 10: Figure 10: Amsterdam Airport Schiphol among the Ten Major European Airports in 2012

In general, we see a constant increase in passengers volume in AAS throughout the years 2008-2012 (Figure 11).

Passengers x 1,000	
2012	50,976
2011	49,681
2010	45,137
2009	43,523
2008	47,392

Εικόνα 11: Figure 11: Amsterdam Airport Schiphol Passengers Volume 2012

Traffic Analysis for May 2013

Regarding 2013, Passengers traffic in Amsterdam Airport Schiphol for May 2013 appears a rise of 7.0% compared to May 2012 (Table 9). In detail, as seen in Table 10, in May 2013 Schiphol received 7.3% more European passengers and 6.5% more internationals compared to same month the prior year (in total 4.864.335 compared to 4.544.332).

Summary	May 2013	May 2012		compared to 2012	January - May 2013	January - May 2012		comparec to 201
Air Transport movements	39.002	38.120	+	2,3%	166.636	168.542	-	1,1%
Passengers (incl transit-direc	4.866.514	4.548.776	+	7,0%	19.838.682	19.354.888	+	2,5%
Cargo (tonnes)	120.002	124.957	-	4,0%	609.688	606.789	+	0,5%
Mail (tonnes)	2.806	2.185	+	28,4%	13.403	10.768	+	24,5%

Πίνακας 9: Table 9: Traffic and Transport per month – Summary

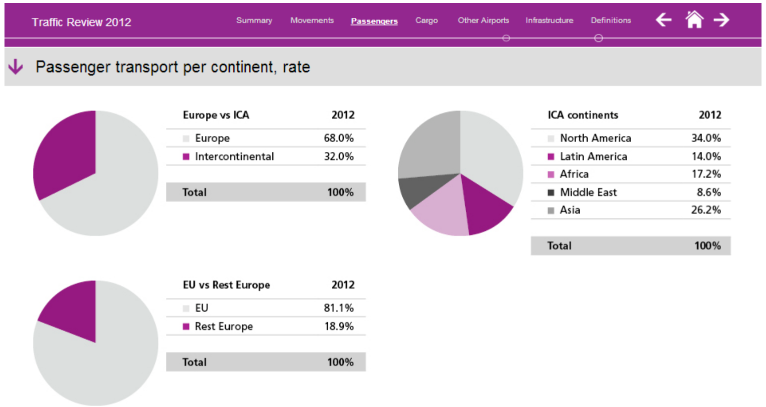
(Source:http://www.schiphol.nl/SchipholGroup/Company1/Statistics/TransportAndTraffic Statistics.htm)

Passengers	May 2013	May 2012		compared to 2012	January - May 2013	January - May 2012		compared to 2012
Passengers (incl. transit-direc	4.866.514	4.548.776	+	7,0%	19.838.682	19.354.888	+	2,5%
Transit-direct	2.179	4.444	-	51,0%	21.579	35.247	-	38,8%
Passengers (*)	4.864.335	4.544.332	+	7,0%	19.817.103	19.319.641	+	2,6%
Scheduled	4.427.702	4.144.122	+	6,8%	18.717.055	18.339.234	+	2,1%
Non Scheduled	436.633	400.210	+	9,1%	1.100.048	980.407	+	12,2%
Passengers (*)	4.864.335	4.544.332	+	7,0%	19.817.103	19.319.641	+	2,6%
Europe	3.431.310	3.199.268	+	7,3%	13.297.951	13.037.026	+	2,0%
Intercontinental	1.433.025	1.345.064	+	6,5%	6.519.152	6.282.615	+	3,8%
Passengers (*)	4.864.335	4.544.332	+	7,0%	19.817.103	19.319.641	+	2,6%
O & D	2.997.111	2.856.764	+	4,9%	11.339.255	11.331.995	+	0,1%
Transfer	1.867.224	1.687.568	+	10,6%	8.477.848	7.987.646	+	6,1%

Πίνακας 10: Table 10: Passengers Traffic for May 2013

Passenger Transport per Continent

According to facts and figures provided by the official web page of the Airport, the majority of passengers transporting through Amsterdam Airport Schiphol come from Europe (68%) and 81.1% of them from European Union.



Εικόνα 12: Figure 3: Passenger Transport per Continent

2.2.3. Airports Overall Review

Comparing the two Airports concerning this Case Study, one cannot but observe the differences between Athens International Airport and Amsterdam Airport Schiphol regarding passengers and flights volume. While AAS follows a rising path the last years, reaching up to 51million passengers in 2012, AIA reached a total of 12.94 million passengers the same year, presenting a decline of 10.4% versus the corresponding prior-year levels.

It is obvious that the numbers of passengers cannot be fully comparable since the AAS ranks fourth in passenger's volume within Europe for 2012, while AIA ranks thirty-third [12] (smaller airport). However, we can see that, while AIA is experiencing severe losses due to the critical situation of the Greek economy and the persisting Eurozone crisis, AAS does not seem to be affected. And while Athens's attractiveness for foreign residents and tourists has been reduced the last years, Amsterdam is still a popular destination.

Lastly, other reasons that come to justify such differences could be operational practices, carrier attractiveness, hub practices, operational costs, marketing strategies etc.

All in all, Amsterdam Airport Schiphol is a satisfactory huge Airport accounted for millions of passengers visiting Amsterdam and Netherlands. Athens International Airport needs to cover the lost space by acquiring these practice that will and help it regain its passenger's volume and make it a huge driver of the Greek Tourism Economy.

2.3. AIRLINE INDUSTRY

The role of Airlines in the Tourism Supply Chain is unquestionable: international carriers are the ones to transport passengers among countries and cities of destination. Accounted for transporting thousands of passengers every year, they have the power to boost or not a country's tourism economy by holding a key role in tourism industry. Interconnected to the rest tourism stakeholders (Hotels, entertainment industry etc.), are the ones having the power to follow or not travel trends and deliver or not tourists in the countries or the cities of destination or create new ones.

[12] http://en.wikipedia.org/wiki/List_of_the_busiest_airports_in_Europe

Here the focus lays on the main Greek and Dutch Airlines connecting Athens and Amsterdam with the rest of Europe and the world.

2.3.1. Greek Airlines Review

Olympic Air and Aegean Airlines are the two major Greek Airlines having as a home base Athens International Airport "Eleftherios Venizelos". Even though flying towards various domestic, European and International destinations, it is worth noticing that none of the Greek Airlines (including the rest, smaller ones not present here), is flying directly to Amsterdam Airport Schiphol anymore or is anyhow connecting the two countries.

Aegean Airlines

Aegean Airlines is the largest Greek Airline, accounted for carrying 6.1 million passengers in 2012[13]. Having Athens International Airport "Eleftherios Venizelos" as its primary hub, and Thessaloniki International Airport as its main secondary hub, Aegean Airlines and being a Star Alliance member since June 2010, operates scheduled and charter services from Athens and Thessaloniki to other major Greek destinations as well as to a number of European and International destinations[14][15].

[13] http://el.aegeanair.com/files/1/Content/IR_Annual_Reports/ANNUAL%20REPORT%202012%20GR%20WEB.PDF
[14] http://en.wikipedia.org/wiki/Aegean_Airlines
[15] http://el.aegeanair.com/files/1/Content/IR_Annual_Reports/ANNUAL%20REPORT%202012%20GR%20WEB.PDF

Εικόνα 13: Figure 4: Aegean Airlines

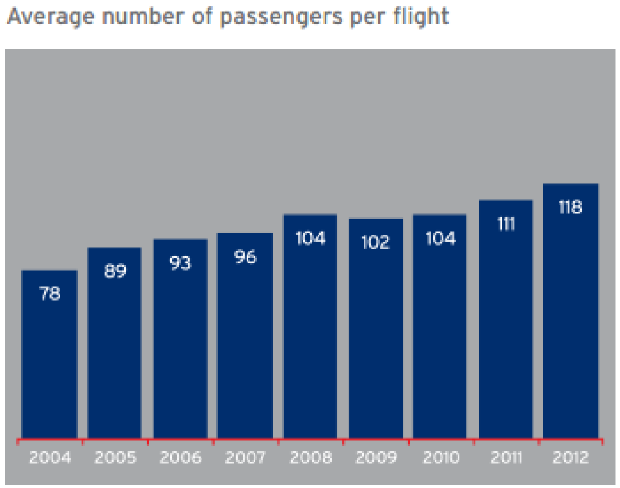
Following a down streaming trend as part of the Greek troubling economy and the ongoing European crisis, Aegean Airlines has seen a decline by -13% in its domestic passengers for the first quarter of 2013 (Table 11).

First Quarter 2013 Passengers

Passengers (,000)	Jan - Mar 2012	Jan - Mar 2013	%
Domestic	519	454	-13%
International	548	585	7%
Total	1,067	1,039	-3%
Avg number of passengers per flight	103	116	13%
Load Factor (RPK/ASK)	65.3%	70.5%	5.2

Πίνακας 11: Table 11: Aegean Airlines - First Quarter 2013 Passengers

On the contrary, its international passengers reached up to 585 thousands (compared to 548 in same quarter of 2012), indicating a rice of 7%. In the same way, the average number of passengers per flight has risen by 13% (116 compared to 103 in 2012)(Table 12).



Πίνακας 12: Table 12: Aegean Airlines - Average number of passengers per flight

Olympic Air

Εικόνα 14: Figure 14: Olympic Air

With primary base in Athens International Airport "Eleftherios Venizelos" and secondary hub at "Diagoras" Airport in Rhodes, Olympic Air performs approximately 100 flights per day, traveling to a total of 37 destinations (5 international and 32 domestic).[16] Apart from a strong local network dominating domestic flights, Olympic Air's network also includes direct flights to and from international destinations such as Bucharest, Belgrade, Sofia, Tirana and Istanbul.

Flying in the past towards most of the main European Cities and also having intercontinental flights as Olympic Airlines, Olympic Air (as it is known after 2009 and its acquisition by Marfin Investment Group has now established code-share partnerships with global airlines that have taken over the rest international flights. Such partnerships include Delta Airlines, Etihad Airways, KLM, Tarom Airlines and Air Bulgaria.

2.3.2. Dutch Airlines Review

The main two Dutch Airlines flying from Amsterdam Airport Schiphol to Europe and Greece are KLM and Transavia.com.

KLM

Εικόνα 15: Figure 15: KLM Royal Dutch Airlines

KLM or Koninklijke Luchtvaart Maatschappij N.V. (Royal Aviation Company), is the flag carrier airline of the Netherlands (Figure 15). With its headquarters in Amstelveen near its hub at Amsterdam Airport Schiphol, KLM operates worldwide scheduled passenger and cargo services to about 130 destinations. By connecting the networks of many different airlines throughout the world, KLM flies from Schiphol to almost any spot on the globe, regularly offering new destinations, looking for those developments in a region or country's economic situation and tourist industry, that will offer opportunities for profitable growth[17].

Along with Air France and AIR FRANCE KLM, KLM has become the largest European airline group, operating 573 aircraft, flying to 243 destinations in 103 countries and is accounted for carrying more than 77 million passengers per year. KLM’s load factor for 2012 was 83.1% (1.1% more than 2011) and its revenues for passengers reached up to 20.19 billion[18].

Transavia.com

Εικόνα 16: Figure 16: Transavia.com

transavia.com is a Dutch low cost airline that offers charter flights and scheduled flights to summer and winter holiday destinations around Europe and to the Mediterranean, and it is the market leader in holiday air travel in the Netherlands[19]. Wholly owned subsidiary of KLM since 2003, and member of the AIR FRANCE KLM Group, Transavia.com operates flights from the Dutch airports

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16 https://www.olympicair.com/en/OlympicAir/Profile/Network

17 http://www.klm.com/corporate/en/about-klm/klm-network/index.html

18 http://www.klm.com/corporate/en/about-klm/facts-and-figures/index.html

19 http://www.transavia.com/corporate/en/organisation/company-profile

of Amsterdam Airport Schiphol, Rotterdam-The Hague Airport and Eindhoven Airport. With a total number of 114 destinations, Transavia was accounted for traveling 5,801 million passengers in 2012.[20]

2.4. HOTEL INDUSTRY

Hotel Industry, part of the broader Hospitality Industry is a key stakeholder in the Tourism Supply Chain accounted for accommodating billions of travelers at destinations every year.

2.4.1. Hotel Industry in Athens

Athens is the main entrance to Greece for thousands of tourists every year. Being the main stop over to the islands as well as a city of Historical importance with its monuments and historical sites, the City of Athens is a tourism destination both to domestic and foreign tourists. The last 20 years it has been a huge improvement in the hotels and the accommodation infrastructure of Athens, with many newly build hotels raised around the Athens centre and the coastal suburbs. The Olympic Games in 2004 brought a huge boost of the hotel industry of Athens and almost all hotels and other accommodations offer all kind of comforts to satisfy the most demanding clientele. With hotels of all categories and stars, most of the Athenian hotels are located in the city center; in the areas near Acropolis, in Plaka, in the area around Omonia square, in Kolonaki at Lycabettus hill slopes, around the Parliament square as well as in Sygrou Avenue and all the Athenian Riviera from Faliro to Glyfada, Kavouri, Voula, Vouliagmeni , Varkiza, and Lagonisi[21].

According to the Hellenic Chamber of Hotels, in the region of Central Greece (including Athens), in 2012 there were 1,279 hotels, offering a total of 3,647 rooms[22]. While the registered hotels in Athens according to Athens-Attica & Argosaronic Hotel Association are 106, a traveler looking for accommodation in Athens via booking.com can come across over 200 hotels.[23] In our research for Athenian Hotels, we came upon 146 hotels; 22 5-star, 48 4-star, 56 3-star and 20 2-star hotels.

However, the ongoing European crisis is more than apparent in the Athenian Hotel Industry with a lot of hotels (approximately 40) closing down the last years (2010-2013).

2.4.2. Hotel Industry in Amsterdam

In spite the current euro crisis, the Dutch hotel industry - particularly in Amsterdam – is said to be growing, according to research by the economic bureau of ING bank in 2011. As Amsterdam’s main strength is its ability to attract a steady stream of tourists and business travelers alike and its beautiful historic city centre acts as a magnet for both national and international tourists who come to enjoy the vibrant nightlife, the market for hotels is booming across Amsterdam with the demand for hotel rooms expected to increase substantially

[20] http://www.transavia.com/corporate/en/organisation/company-profile/Key-figures

[21] http://www.athensguide.org/accommodation-in-athens.html

[22] http://www.grhotels.gr

[23] http://www.booking.com/

into the foreseeable future[24]. While several new hotels have already opened their doors in Amsterdam recently, thousands of new hotel rooms (ranging from one star to five) currently in the planning stages, are due to be complete by 2015.

While in our research for Hotels in the Netherland's capital, we came upon 135 hotels (14 5-star, 34 4-star, 84 3-star, 23 2-star and 4 1-star hotels), a traveler looking for accommodation in Amsterdam City Center via booking.com can come across 410 properties.

[24] http://www.iamsterdam.com/Amsterdam%20hotel%20industry%20growth

Chapter 3:

EXPLORATIVE RESEARCH

CHAPTER 3: EXPLORATIVE RESEARCH

3.1. Aim of the Explorative Research

Following the Literature and the Travel Industry Review, the aim of Explorative Research, was to explore current mindsets and practices in the tourism industry by interviewing key stakeholders. Entering this sector of industry, inside knowledge on how things are done regarding strategies, operations etc. was crucial to make sure that the proposed concept would have a solid base to built upon. The goal of this part was to gain an as holistic as possible view of the subject that would eventually lead to a specific framework for the final proposition regarding a service for air-traveling from a co-creating perspective. Key stakeholders at this point were Airlines, Hotels and Airports, Travel Agencies and the Cities of Destination.

3.2. Designing the Explorative Research

At this point, as the key stakeholders were identified, the skeleton of the research was starting to form; what were the subjects to be discussed in order to provide as much insights as possible. For that purposes, personal interviews were chosen as the best way to gain the deeper knowledge desired. Based on the same core of subjects, interview skeletons were then customized for each stakeholder interviewed.

Below you can see the core subjects to be discussed for selected stakeholders that later lead to the more concrete design of the interview skeletons.

Hotels: Where do they stand within the travel industry? What are their products and the services their offering? How do they reach their customers? Are there strategic alliances? Do they vertically collaborate with other stakeholders in the travel industry? If yes, how do they do it? What are their marketing strategies? Do they serve certain markets/target groups or are they open to explore new markets? How open they are in co-creation possibilities? How do they see the current state of travel industry and how do they see it changing in the future? What changes are they willing to undertake towards better practices where the passenger will have the central role?

Travel Agencies: How do they do business? What is their perspective when it comes to traveling? What do they offer and how? What is their role in the traveling process and with whom do they collaborate in this? Are they just intermediates or co-creators of value? Do they sell products, services or experiences? What is the role of innovation in their practices? Do they serve specific target groups? Or do they constantly explore new ones? What about the future?

City of Athens: What does it have to offer to travelers? How does the City communicates itself to various travelers? Is it static? Is it dynamic? What is their marketing strategy? How does the city collaborates with other stakeholders in the travel industry (hotels, airlines, travel agencies etc.)? Is there place for better action? Are there any examples of co-creation so far? What about the future? How does Athens see itself as a traveling destination in 10 years from now? What is the role of Internet Communication Technologies (ICT) in this? Is Athens a networked city ready to deliver up to date services to its visitors?

3.3. Finding Participants – Interviewees

In search of participants to take part in the Explorative Research a number of contacts were made. Were possible, contacts were made by phone; were not, emails were sent instead. Among this contacts were: two Greek Airlines based in Athens (Olympic Air, Aegean Airlines), Athens International Airport Eleftherios Venizelos, a big online travel agency (travelplanet24) located in the center of Athens and a smaller one located in the suburb of Chalandri, Athens, a series of Athenian Hotels (Titania Hotel, Hotel Grande Bretagne, Hilton Athens, President Hotel) and the City of Athens. An additional contact was made with a social media engineering company in Athens, Threenitas. Though they did not belong in the Tourism Industry, their insights would be valuable regarding the future development of the proposed service, as well as any technical limitations could might appear.

Candidates were introduced to the subject (co-creation within the tourism industry) and the benefits such strategy might have for their businesses and later they were asked if they were willing to meet with us in person and provide us with their insights. In these contacts made early on March 2013, not everyone responded; the two airlines claimed that whatever info we might be interested in could be easily found on their website, three of the hotels contacted did not reply at all, and neither did the City of Athens. The Head of Communications in Athens International Airport Eleftherios Venizelos even though he was very willing to help with the research, would not be available on the days proposed for the interviews due to business trips abroad.

Finally, the interviews organized in Athens, Greece on March 2013 were three:

1. Titania Hotel: a 4-star hotel located in the center of Athens (see: http://www.titania.gr/),

2. Travelplanet24.com: a Web Tourist Agency in Athens, member of Tripsta, a bigger European (http://www.tripsta.net/) tourism organization (http://www.travelplanet24.com/), and

3. Threenitas: a social media engineering company in Athens (http://www.threenitas.com/).

Unfortunately due to the limited days spent in Athens, contact with the other travel agency interested as well as with other hotel managers that appeared interested after personal contacts, was not possible.

3.3.1. Titania Hotel – Profile

Titania Hotel is a 4-star hotel in Athens offering 5-star facilities. Here two interviews took place: one with the Financial Manager Mr. Taxiarchis Kourelis, on Thursday March 14, and one with Titania's Manager of Sales Mr. Christos Panageas, on Friday March 15, 2013. Both interviewees took place at the interviewees' offices located in the Administration Offices of the Hotel. While the first interview with Mr. Kourelis was a more extended and thorough one, the later with Mr. Panageas was brief and short, as most of the topics were already covered in the previous one. Both interviews had a lot to offer regarding insights on how hotel businesses run in general, tourism practices, marketing strategies and collaborations with other stakeholders. The interviews, in form of a creative dialogue based on the skeleton guide previously made, were audio recorded and notes were taken.

Both Interviewees were willing to be contacted again in the future for the second part of the survey, the Validation Research and they also offered help finding more participants by passing the Interview Request around to more hotels in Athens.

3.3.2. Travelplanet24.com – Profile

Travelplanet24 is an innovative web travel agency, that is part of Tripsta, a bigger European travel agency, constantly growing in the tourism industry. In Travelplanet24 our contact person and interviewee was Miss Alicia Konstandourou, Head of Social Media and UX Specialist. The Interview took place on Friday March 15, 2013 in their head offices located at the center of Athens. The company's managers had also shown an interest in this project and the survey, however were absent at that time and could not take part.

3.3.3. Threenitas – Profile

Threenitas is a social media engineering company in Athens, providing Mobile and Social Media platform technology for marketers and Web and Mobile applications. A personal contact with one of the founders and managers of Threenitas, Mr. Chris Vosnidis made it possible to meet and discuss about new technologies, social media technology, mobile applications and more. In addition to the previous interviews that were a bit more formal and were based on the interview guide, this one was more casual, a more friendly and creative and inspiring discussion about possibilities, limitations and development issues of possible services within a co-creation travel concept. This meeting took place in a quite café in the center of Athens.

3.4. Interview Guide and Boundary Object

3.4.1. Interview Guide

Having the skeleton guide in mind, as well as the aim of this part of research - to gain an as holistic as possible view of the subject that would eventually lead to a specific framework for the final proposition regarding a service for air-traveling from a co-creating perspective- the interview guides were constructed. With a same core of questions, following the same philosophy -how can stakeholders' current practices and mindsets could be mapped down – a basic interview guide was designed that later lead to customized version addressing each stakeholder (Hotel, Travel Agency). The two interview guides can be seen in Appendix A1, A2.

Each interview guide consisted of a total of 10 main questions – subjects to be discussed. For every question there was a series of prompt questions to trigger the interviewee and assure that answers would be given in all related subjects in a similar way. The aim here was to engage participants in a creative dialogue, where –given some guidelines- they could elaborate more or less on certain subjects. The interviews were estimated to last no more than one hour, given the busy schedule of the interviewees and the limited time they could offer. As a result there was an effort to make the interview guide as precise, yet as thorough, as possible. Since our goal was to explore the field, we were not looking for specific or short answers, rather we wanted to let the interviewees guide as into their business world.

In detail:

To begin with, the first question intended on profiling the interviewee and his/her position at the certain company (Q1). Interviewees were asked to talk a bit about themselves, their scientific background and the position they held at the company as well as their role's main responsibilities. Interviewees were also asked to talk a bit about previous experience they might have had in relevant positions in the past. The second question was company focused: interviewees were asked to talk a bit about their business sector and the products and services they offer (Q2). In the questionnaire addressing Travelplanet24, this question had a number of extra prompt questions (e.g. "Are you doing business in mobile applications/mobile reservations?", "Do you only offer individual products, for example only Airline Tickets or Hotel Reservations, or holiday packages as well?" and "If you do offer holiday packages, what are the criteria with which you propose certain packages to certain customers?" etc.). While question 3 (Q3) focused on competition among the Tourism Industry in general and their specific sectors (Hotels, Travel Agencies) in detail, question 4 (Q4) focused on customers and target groups. Collaborations with other businesses in the Tourism Industry (e..g. new alliances/collaborations with travel agencies, airlines, tourism web sites etc.), marketing strategies and the role of social media were discussed in questions 5, 6 and 7 respectively (Q5, Q6, Q7). Question 8 (Q8) was more of a core business type looking to see how innovative these companies were considered to be and how willing they would be to look into new innovative strategies and incorporate them. Finally, the ninth question (Q9) was about tourism trends and the interviewees' insights and thoughts (e.g. "are passengers satisfied with what exists so far?", "is there a need for new solutions, products, services or tourism practices?", "will they be major changes in the way people travel in the near future?", etc,). Lastly, interviewees were asked to feel free to imagine where their companies would be the next 5-10 years (Q10).

3.4.2. Boundary Object – Tourism Value Chain

Present in the interviews, aimed to facilitate the discussion was the Process Mapping – Tourism Value Chain map constructed after the Literature Review. Based on the later, it aimed to consist a common ground of discussion as a

Boundary Object. Boundary Objects (e.g. objects, models, or maps of dependencies like process maps), within the premise that knowledge (syntactic, semantic and pragmatic) in new product development proves both a barrier to and a source of innovation, are means of representing, learning about, and transforming knowledge to resolve the consequences that exist at a given boundary (Carlile, 2002; 2004).

The Process Mapping – Tourism Value Chain map was present during the interviews with the stakeholders aimed to help clarify the dependencies between different cross-functional sectors of the TCM and facilitate the discussion among different subject of tourism practices, collaborations and mindsets. At the end, interviewees were asked to validate or not this map. The catholic validation by all the participants proved that the initial framework constructed was correct and up-to date, ready to lead in exploration of the industry and consist the base of later concept design.

3.5. Results – Insights

3.5.1.Hotel Industry – Titania Hotel Athens

Having two degrees in Economics and Finance and various work experience in all levels of the hotel industry (as well as other sectors), having worked as a Manager of Hotel Grande Bretagne (one of the finest in the world), and now being a Financial Manager in Titania Hotel for 10 years , Mr. Kourelis proved a valuable source of information regarding the Hotel Industry in Athens.

Hotel Specific Insights

Titania Hotel is a 4-star hotel offering 5-star facilities in a private-owned building of 18 floors and 396 rooms in the center of Athens. Titania Hotel works mostly with travel groups coming via major travel agencies and individual travelers that book via travel agents but mostly online. While online reservations are completed via the hotel's own web-reservation system or web agencies (travel sites), most of them are completed via booking.com. However, even though the role of booking.com in bringing lots of customers is unquestionable, its huge commissions leave little profit margins for hotels.

In general Titania Hotel co-operates with both local and international travel agencies (stores and web-based), and tour operators, even though the later slowly expand due to the rise of the electronic intermediaries.

According to Mr. Kourelis, the competition among the hotel industry in general is huge but this may vary within different travel categories (leisure traveling, business, religious etc.). While for Titania Hotel the major competition concentrates around hotels in the same category, the general competitions appears within all the Mediterranean countries and Turkey.

The majority of Titania's Hotel customers come from Brazil due to its uprising economy, Israel and Canada and its marketing strategy concentrates in both serving existing markets and creating new ones. According to Mr. Panageas (Manager of Sales), Titania's Hotel focus is on developing countries such as Eastern European ones, Russia and China.

Titania Hotel uses social media to attract customers, but as both managers recognize their role in marketing tourism, they would like a full integration in the near future. Finally Titania, even though as an individual hotel cannot afford to have an internal R&D department, is trying the last years to innovate in regards of practices, strategies and services offered and apparently it does it successfully.

Hotel Industry in Athens – General Insights

For Mr. Kourelis, Greece has a great tourism industry and if it had strategically used its resources, the country could solely rely on that for its total economy growth as for every 100 travel-related jobs, 130 more jobs are created in other sectors (service and product providers).

Tourism competition for Greece is spreading across Mediterranean, with Turkey being a strong as it now combines excellent services with excellent prices. For Mr. Kourelis there is a need for Athenian Hotels prices and services offered to start adjusting to those of Turkey, Balkan and Mediterranean countries. That need becomes even stronger as there are people traveling just in a cost base not really caring for their final destination, a trend going hand-in-hand with the rise of last-minute offers.

Regarding tourism in the city of Athens, Mr. Taxiarxis outlines the importance of a political stability recognizing the damage in Athens' image and its tourism due to everyday riots responsible for disruptions in public transportation, closed archeological sites etc. This image gets even worst as the economic crisis increased pocket thieves and street beggars –an issue that most Greeks are ashamed of on behalf of their City. Difficult to be marketed that way, unless such issues are solved, Athens will face difficulties attracting more tourists.

3.5.2. Travel Agencies - Athens

Business sector and Competition

Travelplanet24 is a big Greece-based online travel agency (OTA) doing business in Europe and Brazil (under the name Tripsta). It's main business sector is air-tickets, followed by hotel reservation services and fairy tickets during the summer to Greek islands and its competition spreads around Europe (either Southern or Eastern) and has now gone global.

Target Group

Offering solutions for individual traveling (no travel packages), travelplanet24's main target group (as most online agencies) is both leisure and business travelers, aged between 18-50+ years of old. According to Miss Konstandourou, company's Head of Social Media and UX Specialist the later explains by the computer literacy of this demographic sector, in contrast to older people who have different interests and prefer physical stores.

Collaborations

By collaborating with mega providers and GDSs like Amadeus and Travelport, travelplanet24 and other OTAs manage to provide air-tickets in lower prices than the actual airlines; airlines give wholesaler prices to big providers who in continue supply OTAs. As a result, while Hotels are considered to be collaborators in the tourism industry, airlines are seen as competitors; OTA's try hard to gain market share over airline own reservation systems. Other major collaborations are with network affiliates and mega search partners such as Skyscanner, momondo, kayak, tripadvisor and trivago that compare prices for hotels or air-tickets from various providers and give the traveler the chance to proceed with booking the cheapest one directly from the selected travel agency.

Innovation in Travelplanet24

Travelplanet24 is a very innovative online travel agency with a huge R&D department of 40 developers and 4 designers, employing young and creative professionals. With different departments for flights and hotels, a team for developing payment methods and services for different countries, a team for mobile traveling, a team dedicated to User Experience and Web Usability, a team dedicated to fraud tracking (geographical position, IP address, or other fraud data provided by banks etc.) via an in-house system and finally an intelligence team among others, travelplanet24 is keep investigating new ways of doing business and facilitating traveling through various innovative systems aiming to be among the top 3 OTA's in the world the next 5-10 years.

Innovative Systems

Their current and to-be developed innovative systems vary from mobile apps implementing with various other systems, new payment models, dynamic packaging solutions, and house-built extranets. One of these extranets is designed to facilitate the promotion of small or medium sized enterprises that are characteristic of the Greek tourism market in the Greek Islands or Greek winter resorts. This kind of local businesses – small family-runned business, rooms to let, guest houses etc. – are so far the dominant businesses in such places where big hotels do not reach. However they are only listed and promoted by small reach websites or by the site of the Chamber of Commerce, not giving the chance to someone abroad proceed with online booking. Building an extranet where local businesses could join and be reached has great commercial potential.

Experience of Traveling

For travelplanet24, traveling is about experiences and travel experience starts before deciding to travel, while traveling and after you are back. And that is their social media strategy; facilitating travel experiences in all stages of traveling (pre-delivery, delivery and post delivery). In order to achieve this travelplanet24 also holds a travel blog to engage travelers in experience sharing, provide travel ideas and tips, and share travel news, trends and more.

Future Travel Trends

For Miss Konstantourou the next years will bring various changes in the way people travel but mostly the way people book their trips. The Rise of mobile bookings and payments, extra services through booking process towards seamless travel, extreme search and alerts, travel personalization and social media integration as well as social traveling are some of the things we will see increasing the coming years. What is interesting here is social traveling: not only acquiring personal and travel information for individuals but looking into their travel patterns - who they usually travel with – and acquire info for both making joined offers.

3.5.3. Technologies

On behalf of Threenitas, Mr. Vosnidis offered valuable insights regarding available and future technologies in mobile and social media engineering. Mr. Vosnidis helped in understanding current technologies and mindsets both from an expert's perspective as well as from a heavy mobile user's one. With years of experience in computer science and electronic systems he offered his insights and knowledge on how mobile or web-based systems can be developed, what are their requirements in terms of technology available, their limitations and a budget framework for them. All in all his contribution was of great importance for the next steps of this project.

3.6. Explorative Research Reflections

All in all, the Explorative Research proved to be extremely valuable in regards of insights on how the tourism industry currently works as well as travel trends, strategies and research but also in regards of relative technologies for developing such systems. Travel Industry is a highly dynamic market that changes along with social changes, consumer and travel trends. The tourism sector is huge with a lot of room for innovation. Key factor here is the passenger and how one can listen to their needs or even create new services and meanings for them towards seamless travel, quality of service and unique experiences. In an era of constant change, a tourism business has to try hard to catch up with new trends - even come ahead them – and deliver up-to-date innovative services.

Chapter 4:

TRENDS ANALYSIS

CHAPTER 4: TRENDS ANALYSIS

4.1. Trends in Tourism 2013 – Traveler Perspective

4.1.1. Introduction

Customer-Centered Thinking calls for customer experience incorporation in the new service development. As seen in the Literature Review, the Experience Economy calls for holistic perspectives, where personalized experiences are key to value creation, calling for active users. That turn into perspective is more than obvious nowadays at every industry sector, every aspect of everyday commercial life, where customers want and seek to be actively engaged in what they create, consume and use. And this is now more than obvious in the Tourism Industry as well.

4.1.2. From Impersonal Travel Solutions to Personalized Experiences – Reprioritization of Authenticity

The last years we see a turn from impersonal, mass produced, travel solutions to more custom, or tailor, made ones focusing on the customers and their experiences instead of the actual service offered; mass travel solutions give the floor to more passenger-focused, end-to-end services. While the service (hotel, air ticket, etc) is a means to an end, travel experience is the goal. As the trends in tourism are changing –together with general trends – travelers are now looking for unique travel experiences through customized travel offers. Reprioritizing authenticity, both travelers and innovative providers, keep looking for new horizons in the travel concept and new, unexplored destinations (Dixit, 2013; IPK International, 2012; Travel and Leisure Staff, 2013).

4.1.3. Event Traveling

2013 also reveals a new trend in traveling: people who travel – internationally or domestically – for various events, name it music festivals, exhibitions or sport events (Dixit, 2013). Event makers go now a step further; instead of simply organizing events, they collaborate with other stakeholders offering complete travel solutions (hotels, transportation and other activities) around major events. And people seem ready to follow their interests (music bands or football teams) all around the world.

Such an example is “Sensation”, an indoor electronic dance music event that starting in the early ‘00s from Amsterdam is now held all round the world selling thousands of tickets each year (http://www.sensation.com). In the section “travel” of the official page, one can buy a hotel package, including event ticket, accommodation, transportation to the Amsterdam Arena and other special gifts. To make it even more personalized, organizers also offer the chance to someone to tailor their experience by including in their package extra services such as limousine transfer and bike tours.

4.1.4. Selling Experiences

Another kind of event traveling, focusing on the experience are the exclusive thematic parties. Building around experiences these events combine memorable experiences with parties in unique sceneries. A perfect example here can be given by the “Castle Events” (http://www.castleevents.com/), which organizes luxury weekends mostly in castles offering high-class entertainment in a thematic way (e.g. Eyes Wide Shut Party in Budapest Castle).

4.1.5. Adventure Traveling

Adventure Traveling -a blend of physical activity, cultural tourism and nature tourism- is another form of tourism that is growing as people are looking for new horizons and new unique and real experiences. As a sustainable form of tourism, with an estimated $89 turnover according to the global Adventure Travel Trade Association, adventure traveling can play a sustainability role in helping destinations to protect local communities and the environment. With the range of adventure travelers keep broadening (age, income), adventure travel can also play a pioneering role for the travel and tourism industry in general IPK International, 2012).

4.1.6. Sophisticated Web-Based Rental Services

Every-day people and new entrepreneurs, innovate through tourism services going after experiences and challenge existing distribution channels. They create unique offerings directly targeting final customers, surpassing intermediaries. Luxury or not, these new companies limit risks by vetting every single property, offering personalized services. While rental services like “Inspirato” (http://www.inspirato.com) and “Portico” (www.porticoclub.com) emphasize on luxury residences and memorable experiences (Travel and Leisure Staff, 2013), others like “Live in Athens” (http://liveinathens.net/) offer beautiful apartments in the center of Athens and promise to be your local hosts and provide you with tips and ideas about what to do in the city.

4.1.7. The Millenials

The Millenials or Generation Y, the demographic cohort following Generation X, are hitting the road in increasing numbers. Being born from the early 1980s to the late 2000s, these young people 30 and under, are a diverse generation; independent and open-minded, technologically savvy are eager to explore the world in a way different than their parents did (Baltimore Sun, 2012; Travel and Leisure Staff, 2013). As a big part of today’s world, millenials could not but start changing the game, with travel companies positioning themselves to take advantage of that market segment (Travel and Leisure Staff, 2013).

4.1.8. Peer-to-Peer Model and the Power of Social Media on Influencing Travel Behavior

Consumer technology is changing traveler behavior, as well as the way people interact and share – instant and personalized (Ali et.al., 2013). 2013 seems a year when the peer-to-peer model is keep expanding, with millenials reconsider priorities; posses less and share more. The same way they value communities and turn into peers for reviews, travel tips, recommendations on hotels, and attractions and destination suggestions and via online and mobile technology social media and travel blogging are now emerging as major influences on travel behavior (IPK International, 2012).

Totally interconnected, millenials want to experience life and share their experiences with friends and peers. Consumers are using technology more intensively than ever to talk about their holidays and sharing experiences, photos and videos through social media, instagraming, re-pinning photos, posting reviews and writing travel experiences in blogs seems to be only increasing in 2013 and the coming years (Dixit, 2013; IPK International, 2012).

4.1.9. Need for Local Knowledge

Following the same philosophy –unique and authentic experiences and the peer-to-peer model - people seem to slowly turn their back on thirdly-made travel content (travel guides) and look for local knowledge. By connecting with locals they seek for inside knowledge on where-to-go, what-to-do on destination by people who share the same interests and can reveal “hidden” places and authentic experiences (IPK International, 2012).

One such example is “Dopios” (http://www.dopios.com/) - a word that means "local" in Greek- is a new community marketplace that connects travelers and locals in order to create more authentic travel experiences. Here everyone can be a “local”, offer to show their own view of their city and be chosen as guides by people with similar interests.

4.1.10. The Rise of Digital Maps

Content and location players like Yelp, Lonely Planet and Fourthsquare come to connect people with local business and other peers (Ali et.al., 2013). Digital maps are keep rising totally changing the way people will move within a city or area. Joining friends, businesses and people with same interests, help people uniquely explore new places and create their own paths within the city.

Increased in popularity, Fourthsquare (http://foursquare.com/) for example – with more than 30 million subscribers- offers location based networking (website, mobile app), interacts with the environment and offers personalized recommendations in entertainment making the most of where you are based on reviews by friends and people with the same taste.

4.1.11. Independent Travelers

In an era of independence, travelers are now confident to travel solo. Not depending on friends, independent travelers are ready to hit the road alone, discover the world by themselves and find traveling companions on their way. That trend seems to be rising in 2013 and expand in the future (Dixit, 2013).

4.2. World and Europe Travel Trends – Industry Perspective

4.2.1. 2012 Tourism Overview - 2013 Performance and Forecast

World

As Travel and Tourism are growing faster than the global economy (+2.4%), the World Travel & Tourism Council and the World Tourism Association expect their total contribution to the world economy to expand by + 3-4% in 2013 (European Travel Commission, 2013; WTTC, 2013a). Although demand slowed throughout the year and despite the severe economic crisis, European and global tourism performance data exceeded expectations throughout 2012, with around 7 billion trips have taken place that year (European Travel Commission, 2013; IPK International, 2012).

Europe

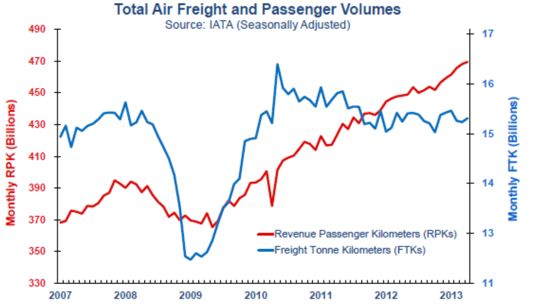
For Europe, 2012 was a strong year for tourism and its upward trend and forecasts for 2013 confirm the health of its tourism sector against the overall economy, making it - along with North America- the largest markets worldwide and outlining the key role of tourism as a tool for economic development and job creation (European Travel Commission, 2013; IPK International, 2012; WTTC, 2013a).

While they represent just some 20% of total inbound travel, tourism demand from long-haul markets is expected to drive growth in 2013, as key indicators from the aviation (IATA, 2013a) and accommodation industries confirm. Within Europe, demand for cross-border travel remained high although there was some shift towards less expensive travel options. Intra-regional travel rose at the expense of longer-haul trips by European travelers, with City trips facing a rise of +14% in 2012, while average length of stay fell. Finally, hotels around the world and in Europe generally had a good year in 2012, with higher occupancy than in 2011 and demand outpacing supply, resulting in higher average prices (European Travel Commission, 2013; IPK International, 2012; WTTC, 2013).

However, the picture in Europe is mixed; while Western Europe shows a stable growth and Central and Eastern Europe seem quite healthy, Southern Europe is struggling. Southern European travelers cut back international travel slowing down during the first months of 2013, either preferring their own countries or not traveling at all. (European Travel Commission, 2013; IPK International, 2012).

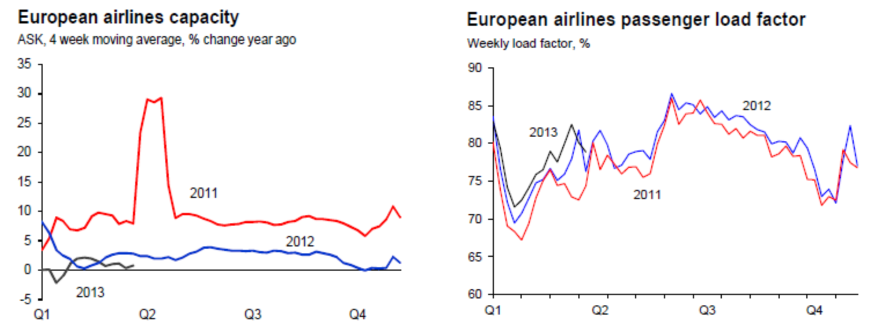
4.2.2. European Air Travel Industry

Overall the recent years European flights have faced a slowdown due to the economic crisis and increased oil prices. According to IATA, in 2012 the whole international air traffic growth slowed to 6.0%, decreasing by -0.9% comparing to 6.9% in 2011 (Figure 17). However, actions by airlines to cut costs, and improved industry structure, have generated better than expected financial performance and despite continued high fuel prices and a slowing world economy, airline profits and cash flows held up at levels similar to those of 2006- 2007 (IATA, 2012a).



Εικόνα 17: Figure 17: Total Air Freight and Passenger Volumes (Source: IATA 2013)

For European flights, while passenger load factors rose to record high levels in 2012, for 2013 the industry remains cautious regarding growth prospects for the year ahead and European air seat capacity is only slightly above levels for the same period in 2012, way down compared to 2011 (Figure 18)(European Travel Commission, 2013).



Εικόνα 18: Figure 18: European Airlines Capacity and Passenger Load Factor (Source: AEA)

In early 2013, although slower than in recent years, air passenger demand continued to grow and the outlook remains for continued growth throughout the year (European Travel Commission, 2013). Global revenue passenger kilometers were up by 3.2% in April compared to a year ago and the European's Airlines load factors remain one of the highest worldwide (IATA, 2013).

The growth trend in international passenger travel continues to rise, with international air travel in April 2013 going up by +3.0% compared to a year ago. International travel on European airlines rose by 2.0% in April and European airlines have managed to maintain and even improve load factors through tighter capacity expansion (IATA, 2013).

4.2.3. European Hotel Industry

Consistent with the regional pattern shown in the air transport data, global hotel demand, although having a good year in 2012, it slowed comparing to previous years, with this slowing trend continuing into the first months of 2013 (European Travel Commission, 2013; IPK International, 2012). Occupancy in European hotels in early 2013 has been higher than a year earlier, raising up by + 2.7% (European Travel Commission,2013).

4.3. Tourism in Greece and Netherlands

4.3.1. Tourism in Greece

According to the European Travel Commission, following the trend of Southern Europe, in 2012 Greece suffered a -12% drop in incoming tourism (European Travel Commission, 2013). A similar image is shown by the data of Hellenic Statistical Authority, revealing that the number of international visits to Greece fell by -5.5 %, accounted for 15.5 million visits in 2012 (Weeks, 2013).

However, this image seems to be reversing for 2013 with the Tourism Industry in Greece overcoming the crisis of the last two years and being now back on top form. While leisure travel spending (inbound and domestic) generated 94.3% of direct Travel & Tourism GDP in 2012 (EUR 20.5bn), according to World Travel and Tourism Council Travel, it is expected to grow by +1.3% in 2013 reaching up EUR 20.8bn, and further rise up to EUR 29.3bn in 2023 (WTTC, 2013b).

According to the head of the Athens-Attica Hotels Association, Greece may draw a record number of more than 17 million tourists this year. While almost 40 hotels closed down in the wider Attica region (including Athens), tourists are being drawn back to Athens, as the crisis lowered the cost of accommodation (Weeks, 2013). The desire for a beach holiday closer to home for cost-conscious consumers in Europe is also helping to revive tourism demand in Greece, with bookings to Greece from Britain, Germany and the Netherlands for this summer rising up by +10% (Martin and Bryan, 2013).

4.3.2. Tourism in Netherlands

Following the trend of Northern Europe, Netherlands seems a solid market with tourism rising by +2% in 2012 (European Travel Commission, 2013) and the contribution of Travel & Tourism to the country's GDP reaching EUR 11.5bn (WTTC, 2013c). Reflecting the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services as well as restaurants and other leisure industries directly supported by tourists, it is a forecast to rise by 0.9% in 2013, generating up to EUR 11.6bn in 2013 and up to EUR 15.8bn in 2023 (WTTC, 2013c).

While leisure travel spending (inbound and domestic) generated 83.6% of direct Travel & Tourism GDP in 2012 (EUR 25.1bn) compared with 16.4% for business travel spending (EUR 4.9bn), it is expected to grow g is expected to grow by +0.8% in 2013 to EUR 25.3bn, and rise by 3.2% (EUR 34.6bn) in 2023 (WTTC, 2013c).

4.4. Conclusions

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Part C: Synthesis

Chapter 5:

PRELIMINARY MODEL

CHAPTER 5: PRELIMINARY MODEL

5.1. Key Issues – Inspiration and Demand

5.1.1. Travel Trends – The Need for Unique, Authentic and Personalized Experiences

During the Trends Analysis in the previous Chapter 4, a wider image of the travelers' needs within the rising Experience Economy started forming. What become apparent in that section is the changes in consumers and travelers habits, needs and wants. Having long gone, the mass produced impersonal services have given the floor to more personal, custom made services and experiences. Moving from products to services some years ago, commoditized services are now surpassed by the essence of experience.

Central to the customer perspective, experiences are nowadays what people seek and value. The need for unique, authentic and personalized experiences is the key on what people look for in today's fast moving world. And that trend could not but pass into how people travel. Event and adventure traveling, peer-to-peer model and the need for local knowledge are some of the parts of a total image: unique, authentic and personalized experiences or else personal stories and new meanings.

Whatever we use, consume, or live comes with a certain context; what we need to live, feel or experience at the moment. The given products, enhanced by available services, are only the means to an end – the story we want to live. But everybody has a different story. My story is different than yours, as your story differs from the story of someone else. Our paths may be crossed in time through the products and services we use. However, our stories will never be the same. Why traveling then be any different?

We may both travel, choosing the same destination, even the same hotel. But deep down we all look for our own story, our own unique experience, and we do see things from different perspectives. Therefore one size does not and cannot fit all. Everything from the smallest to the biggest, falls now under customization. Central to the consumer, everything is tailored upon their wants.

In an era of networking where the industry wants to engage customers and transform them in active users, everything can happen; companies need to come close to customers listening to their needs and the current technologies can facilitate this dialogue. Being the key to everything, information is now ready to be taken advantage of as people keep sharing valuable information about their needs and wants. Via web surfing and social media actions, people are constantly providing information about them, leaving traces about things they like – things that combined together could create a part of their story. That story could be a traveling one.

Proposition

What about a service that through co-creation among various stakeholders within the traveling industry (Airlines, Airports, Hotels, Travel Agencies, Entertainment Agencies, City of Destination etc.) could add value to the process of traveling? What if all the stakeholders, under a co-created system, could collaborate to deliver unique experiences to passengers? What if the traces each one of us leave in the interconnected world we live in, could be processed this way, to address passengers' desire for tailor made experiences? And all this design in such way to not only facilitate seamless traveling but also unique benefits for everyone involved?

5.1.2. Current State in Tourism Supply Chain and Distribution – Active & Passive Roles

The stakeholders

Before proceeding here, it would be wise to sum up all the stakeholders forming the Tourism Supply Chain (TCM). In brief these could mapped down into:

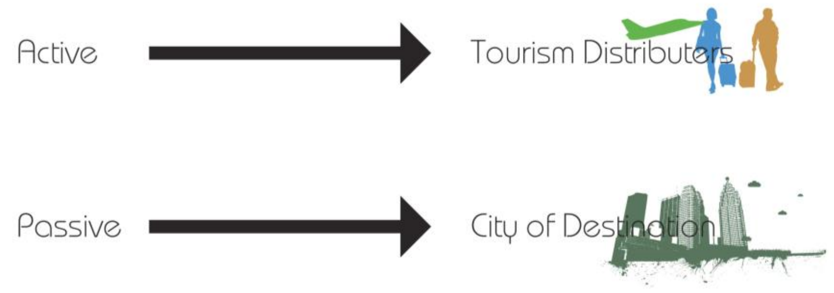
- **those providing the facilities at destination** (Hotels, Entertainment Industry, etc.),
- **those facilitating the transportation between the City of Origin and the City of Destination** (Airlines, Airports, and other means of transportation),
- **the City of Destination itself,**
- **those facilitating the distribution and purchase of tourism services** (wholesalers, GDSs, travel agencies, etc.).

The Roles

Despite the changes emerging – who controls the information, who combines and delivers and how the traveler/passenger looks for and acquires a travel product or service – the basic tourism distribution mechanism stays quite the same. In this current model, one could say that two kind of roles can be distinguished:

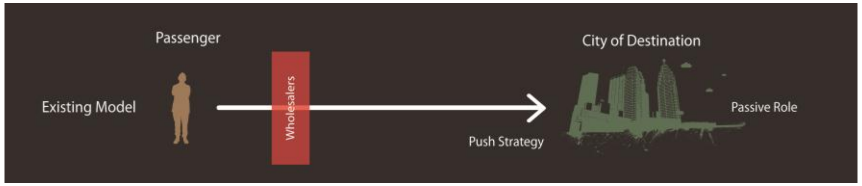
- **the Active one,**
- **the Passive one.**

Trying to serve the customer, the tourism distributers gather, combine and supply tourism products. In these model, the distributers (active role) act and guide tourists towards the Cities of Destination (passive role) (Figure 19).



Εικόνα 19: Figure 19: Current Roles

The role of the City is to, by various marketing strategies or facilities developed, make itself attractive to the consumers. By making itself an attractive destination, therefore increasing demand, tourism distributors will then come to take advantage of this market and involve it in the supply chain by providing all the necessary links to the destination (flight tickets, hotel rooms etc.). We therefore see that in the current model, a push strategy towards the City of Destination is used (Figure 20).



Εικόνα 20: Figure 20: Existing Model - Push Strategy

Proposition

What about a new model that through co-creation among various stakeholders within the traveling industry could change the existing roles in the TCM and give the Active one to the City of Destination (Figure 21)?

Εικόνα 21: Figure 21: Proposed Model – Changing the Roles

What if instead of a push strategy towards the City of Distribution, a pull strategy could be formed, making the City of Destination the one to actively attract travelers (Figure 22)?

Εικόνα 22: Figure 4: Proposed Model - Pull Strategy

5.1.3. Airline Industry Issues

Unquestionably the size of the entire airline industry is huge. However we now see a lot of problems faced by traditional network carriers due to the economic crisis and due to changes in the way people see traveling.

The Euro-zone and global financial crisis (GFC), along with the increased oil prices make European and US airlines struggle to maintain flights at capacity, forcing them to dramatically discount fares to fill empty seats (Staff, 2012; Chiu & Ng 2012). Forecasts wanted global profits to plummet by more than half in 2012 due to high oil prices and the ongoing Euro-zone crisis (Staff, 2012; Chiu & Ng 2012; IATA, 2012b). Even though the International Air Transport Association (IATA) in its global passenger traffic results announced for February 2013 showed that demand growth is accelerating on the back of stronger business confidence, this is only for the emerging regions and the problems in the Euro-zone economies still remain (IATAb, 2013).

In a press release in March 2012, the International Air Transport Association (IATA) announced a downgrade to its industry outlook for 2012 primarily due to rising oil prices, expecting airlines to turn a global profit of $3.0 billion in 2012 for a 0.5% margin (IATA, 2012b; IATA, 2012c). Compared with a previous forecast in March 2012, European, Asia-Pacific and Middle Eastern carriers have been downgraded, with European losses expected to be $1.1 billion (nearly double the previously forecast $600 million loss) (IATA, 2012c). Now, in April 2013, airlines' performance is said to be made even more difficult by high fuel costs, as jet fuel is expected to rise to $130 per barrel on average for 2013 (up from the $124 per barrel expected in December 2012) (Heilprin, 2013).

While transatlantic economy fares in 2012 fell by an average of -34%, those to Europe dropped by -31% during the height of the GFC in 2009. According to Tony Tyler, IATA's Director General and CEO "2012 continues to be a challenging year for airlines" (IATA, 2012a) and European carriers will struggle most this year to maintain flights at capacity (Staff, 2012; Chiu & Ng 2012; IATA, 2012a; IATA, 2012b). As a result, some airlines are likely to have little option but to offer more cheap seats, even if they are grounding aircraft. What is more, traditional carriers have now to face a strong competition against low-cost airlines that keep earning ground appealing to young, low-budget travelers and those who look for short inexpensive weekend breaks .

Regarding capacity, European traffic is said to have decreased by 4.4% in January 2013, the lowest level for January traffic for the past five years, while data for February 2013 have shown a 2.7% traffic decrease compared to February 2012 (Eurocontrol, 2013). According to Airports Council International, passenger traffic in European Airports was reported to be up just 1.8% in 2012 compared to 2012. At the same time, aircraft movements went down by 2.1% and a small growth of only +0.5% in passenger traffic is expected in 2013. Continuing high oil prices, weaker economic outlook and airline capacity reductions will see traffic down by 1.3% in 2013 compared with 2012. (Eurocontrol, 2013).

Proposition

What if a new model could, through co-creation among various stakeholders within the traveling industry, offer a solution towards full capacity in Airlines? What if this model could find a unique way to attract people, motivate them to travel –when they may not intend to – taking advantage of Airlines' spare air-seats?

5.2. Introducing the Concept – xperience the CITY

5.2.1. xperience the CITY- The Need

xperience the CITY is a concept building upon both on the travelers' needs (customer oriented) and current problems in the travel industry (industry oriented).

Customer Orientation

The prior research have revealed two main issues for travelers in regards of traveling. On the one hand people look for unique and authentic travel experiences, instead of massively-produced ones. On the other hand, the impact of current GFC in tourism is huge: People do not have the purchasing power they had before which in result is causing problems in the tourism industry and becomes apparent by low capacity in airlines, low passenger traffic, low hotel capacity in hotels etc. And while these problems may not be so apparent in the Northern European Countries (e.g. Netherlands), they are a burden for the countries in the Southern Europe (e.g. Greece). And even though people do travel for leisure and will keep on traveling, travelers now reprioritize their needs, carefully choosing where, how and why they will spent their spare income.

Industry Orientation

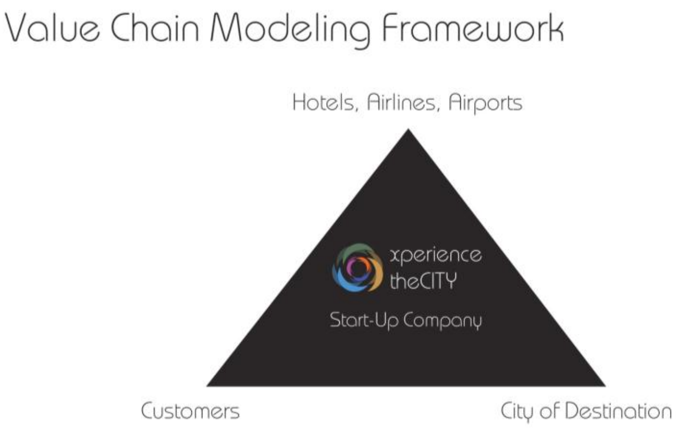
As the GFC has been affecting every industry sector, tourism industry is constantly witnessing the crisis' impact. As travelers' are central to the Tourism Supply Chain (TSC), their inability to spend as they did is affecting the industry's performance in every way. What is more, travel trends are changing, and as people reprioritize their needs and value their experiences, tourism stakeholders need to re-think and re-form their current practices towards better, sustainable and profit-promising, passenger-centric, strategies.

5.2.2. xperience the CITY- The Concept

Building upon these new trends and needs, xperience the CITY comes to challenge the existing supply chain, proposing a concept benefiting everyone involved. Three are the main pillars of that concept: Experiences, an Active City of Destination and a Pull Strategy.

An Active City of Destination

The City of Destination is now becoming Active and takes a leading role in the TSC, co-creating with suppliers-industry stakeholders – airline carriers, airports, hotels, entertainment industry and distributors – under a passenger-centric perspective. The City of Destination now becomes an integrator in the value chain, joining together suppliers and buyers (Figure 23).



Εικόνα 23: Figure 23: xperience the CITY - Value Chain Modeling Freamework

Stepping-in the value chain, the City of Destination is actively motivating people to travel towards it, inviting travelers to experience it on their own way. Gathering information about available services (flights and hotels) and cultural and entertainment facilities (museums, exhibitions, festivals, music events, activities etc.) on the one hand, and information on what people like – their interests and experiences they might look for (for example: sun, culture, romance, museums, music concerts, etc.) on the other, the City of Destination personally invites -pulls – people towards it (Figure24).

Εικόνα 24: Figure 6: xperience the CITY - How it works

Creating a new market, the City of Destination is now giving new meanings to traveling; it follows the need of travelers for unique and authentic experiences, and as an integrator it brings together all the major stakeholders in order to create and provide travelers with personalized customers services. In the scope of the xperience the CITY concept, the City of Destination invites travelers to come and experience the city in the way they want, giving them a chance to experience the City their own way, and create their own unique travel stories there. In order to do so, it fully exploits the power of new technologies, Social Media and mobile internet and apps as a source of information and a means to reach the travelers.

5.3. xperience the CITY – Preliminary Model

This new model of co-creation the CITY of Destination (Athens, Amsterdam) needs to develop strategic alliances with both the tourism producers and the Travelers-Passengers. In order for the benefits of this co-creation to reach the later, the development of a service is proposed; a social-media integrated mobile app that can facilitate travelers in all the 3 stages of traveling: Pre-Delivery, Delivery and Post Delivery.

Airlines

By creating this new market of travel experiences and the proper network of potential customers, the City of Destination can guarantee that a certain amount of passengers will fly towards it on a monthly or weekly basis. Having this power to attract and pull customers, it proceeds on creating these alliances with airlines that can allow the City to use a certain amount of tickets for every flight.

The City of Destination (Athens, Amsterdam) therefore comes to acquire flight tickets (either ordinary or last-minute unsold ones) towards it, in order to resell them to travelers. In continue it invites passengers to take advantage of them and impulsively travel towards it .

Even on a last-basis, this co-creation can guarantee air-ticket sales. By doing so, it provides benefits for both the airline -they manage to travel full capacity- and the passengers -they can find cheap tickets on a last minute basis. What is more the price factor can be one of the motives that will bring more travelers to the city, increasing the tourism and therefore boosting economic development for all the peripheral stakeholders/facilities in the city, as well as the Airport in Destination.

Hotels

The City of Destination here needs to gather information about hotels (facilities, availability, fares etc.) and distribute them to the customer. The distribution of hotel rooms can be of three types: According to facilities, According to price, and Thematic.While distributing hotel rooms according to facilities offered or price, is something common in the existing travel sites around the world. However, the thematic distribution is something new.

Here the City of Destination, through its service developed – “xperience the City” – is called to organize and categorize rooms available under specific themes and experiences offered. This for example could be: Rooms for art lovers (eg. Boutique Hotels), Rooms with best view in Acropolis, Athens (hotels located in the historic center of Athens that have rooms with the certain view), Typical Dutch hotels (rooms in Amsterdam that through decoration, location and services offer a unique Dutch experience), hotels with best roof gardens, best romantic rooms etc.

All in all, the categorization the City of Destination is called to make is based on experiences – unique stories passengers aim to live when traveling, when visiting the city. The ultimate scope is to provide this service, this information, that will help travelers live their myth up to the very last detail.

Entertainment Industry

Key point on how a traveler experiences a new city is the forms of entertainment she/he can find, and experience at destination. From a bar and a restaurant to a city tour, a museum or a music concert, entertainment is what will give life to the stories the travelers want to make of their own when traveling. Is what will fill their days and accompany their nights; is the salt in their trip. The better the entertainment, and the most accurate based on their own unique preferences, the more satisfied they will be. And here, one size does not fit all.

The City of Destination is therefore asked here to map down all the entertainment opportunities available (bars, restaurants, museums, concerts, theaters, clubs etc.) and organize them in such way that could connect the right passenger to the right entertainment opportunity. It is not in the way it has been done so far (categorization upon style e.g. cocktail bars, night clubs etc.). It is rather a deeper way of grouping and categorizing attributes of a place, for example: best cocktail bars in the center of Athens that play music varying from Frank Sinatra to Etta James, have a light lighting and serve havana style mojitos.

Passengers

When interacting with passengers, this new model, asks for the City’s engagement in all the three stages of tourism value chain (pre-delivery, delivery, post-delivery). , Fully exploiting the power of new technologies, Social Media and mobile internet and apps as a source of information and a means to reach the travelers. xperience the city created a social-media community and a mobile service, providing, among others, a place for people to connect, exchange experiences and seek for inside knowledge when traveling.

Part D: Validation

Chapter 6:

VALIDATION RESEARCH

CHAPTER 6: VALIDATION RESEARCH

6.1. Introduction

For the purposes of the xperience the CITY project, two types of research were designed, an Explorative (qualitative) and a Validation one (quantitative).

Firstly the context of interest (travel/tourism industry) was explored in order for the model of the new strategy and concept to be constructed. Following the Literature and the Travel Industry Review, the aim of Explorative Research (Chapter 3), was to explore current mindsets and practices in the tourism industry by interviewing key stakeholders. The results of the Explorative Research combined with the insights from the Trend Analysis (Chapter 4) lead to the creation of a Preliminary Model (Chapter 5).

That model had now to be validated by the stakeholders via the Validation Research. The Validation Research was big-scale quantitative research addressing all the main stakeholders involved: Passengers, Airlines, Hotels and Airports.

Addressing the main stakeholders involved in the Tourism Supply Chain this Validation Research concentrated in two main things:

1. How are things done so far (habits, processes, current operations etc.), and
2. What would those stakeholders think of the new strategy/service proposed.

In order for this to be achieved 4 large scale online surveys were designed.

Conducted between April and May 2013, those surveys reached a wide spectrum of participants (individuals and businesses), successfully contributing to the deep profiling of traveling habits and travel business practices. What is more they showed that the new strategy and service proposed by the “xperience the CITY” project was an innovative one that could indeed challenge the existing Tourism Supply Chain offering multiple benefits to those involved. What is more, it was something that starting as a vision, could easily be widely adopted.

6.2. Passenger Survey

6.2.1. Aim, Design, Launch, Participants

Aim of the Passenger Survey

The Passenger Survey aimed in providing various insights regarding current traveling habits (how, where, when) and how people would see the xperience the City concept.

Designing the Passenger Survey

Consisted of 30 main questions (plus one regarding the actual survey), the Passenger Survey was divided in four parts, one for each of the three stages of the tourism value chain, as identified by Yilmaz and Bititci (2006a): the Pre-

Delivery, the Delivery and the Post-Delivery stage, and one last one regarding participants' demographics.

Since the xperience the CITY is mainly focused on challenging the Tourism Supply Chain in terms of when and why people would choose to travel, and therefore be pulled by the City of Destination, instead of pushed there by the tourism wholesalers, the larger part of the survey was concentrated upon the Pre-Delivery phase of traveling. All the questions were of multiple choice, and where necessary a five-level Likert Scale of interest was chosen (Very Interested, Quite Interested, Maybe yes, maybe no, Not so interested, Not interested at all). The survey was designed using a free online survey tool, the Kwik surveys.

Following a small introduction, introducing the scope of the project to the participants, the participants were asked to answer questions regarding when and how they travel, how they choose their destination and how they proceed into reservations, how they act while being on the destination and what are their actions after they return. Among these, were questions asking whether or not they would be interested in the new service.

In detail:

Pre-Delivery phase: Questions number 2 to 17, were about the **Pre-Delivery** phase of traveling; when decisions are made along with all the required activities before departure (destination info, visas, hotel/airline reservations etc.). In that part passengers were asked to state how they choose their destination so far and how they would like to do so in the future (choosing the country, the city, according the activities offered by the city or thematically), where do they look for information about their travel destination (e.g. travel web sites, city sites/city guides, travel apps etc.) and what kind of information they are mostly interested in, whether they plan their trip by themselves or by visiting a travel agent, specifically (in case of individual holidays) how they usually book their flight tickets and their accommodation (e.g. via travel web sites offering multiple choices or using specific provider's web site etc.), when do they usually travel (e.g. on holidays, during summer, or randomly etc.) and whether they mostly travel alone, with one more friend or as part of larger groups, and finally when they usually make their flight reservations (e.g. 2 months prior the trip or less).

Among this part there were also questions specific to the "xperience the CITY" project. Participants were asked to evaluate a service that could gather, map and do traveling suggestions according to specific things they like (e.g. Music Concerts, Events, Bars, etc.) (Q.9). In continue, on question no 10, they were asked to state their interest in case that, that service was integrated with social media. Question no 15 looked for insights regarding "last minute" offers by airlines to specific destinations. This lead to a question about whether they would be interested or not to service that could make complete travel suggestions (air tickets, accommodation, entertainment activities) according to things they like (interests, music, bars, food, museums, etc.) for traveling around the world in order for them to experience the city of destination in their own unique way (Q.16). Last on that session, participants were asked to assume that these kind of weekend travel offers could come to them at a 20%-60% off the original price, while they could only be informed about that the last 48-24 hours, and state their level of interest into that (Q.17).

Delivery phase: Following the Pre-Delivery phase, questions 18 to 19, were focused on the Delivery phase; the stage were the actual travel service is consumed while on destination. Here participants were asked how do they look for information about where to go/what to explore, while being in the City of destination (Q18) and whether or not they use travel apps at that time (Q19). Question no.20 asked them to evaluate travel apps they used before in terms of Content, Accuracy, Up-to-Date Information, Fitting to specific needs, Getting local knowledge and User-friendly interface.

Post-Delivery phase: Since they survey's interest was mostly on the before traveling procedures (when, why, how), the Post-Delivery phase, as the phase where the whole tourism value chain is validated by the travelers, consisted only by one question. Question no 21 looked for insights on whether or not participants extent their travel experience after they come back from destination by sharing or writing about it. As a result, here participants were asked if they look back on their traveling experience after their trip is over (e.g. sharing experiences online by reviews, blogs or social media etc.).

Demographics: Finally, the passenger survey was concluded with a few questions trying to profile the participants (Q22 –Q30). Participants were asked to give some information about them regarding age, sex, country of origin and occupation. They were also asked whether or not they own a smart phone and whether or not they use mobile apps. Lastly they were asked how often they travel abroad and if they are planning on visiting one of the cities studied (Athens and Amsterdam) in the near future.

Launching the Passenger Survey

After testing the survey among a small sample of people, the Passenger survey was launched on Monday April 22, 2013. A sample of the online survey can be found on Appendix B1.

Along with a small introductory invitation calling for people's contribution, the survey was distributed within social media (facebook.com and LinkedIn.com) as well as via personal emails. On social media, the survey was posted in various of different groups of interest in Greece and Netherlands (e.g. IDE Everyone, SPD TU Delft, Hello SPD, DPSDE Career & Alumni, Hellenic Student Society of the Netherlands HSSN, University of the Aegean, dpsd Beyond etc.), in the authors personal page and on friend's pages. It was also distributed via the project's web site (http://cityofdestinationthe.wix.com/xperience-the-city) and the project's facebook page (www.facebook.com/XperienceTheCity.TheProject). It is of worth mentioning that it was through various friends' help and personal effort that this survey reached people, that could not have been reached otherwise.

Εικόνα 25: The Survey web link as appeared in social media

Being online for almost 10 days, we managed to gather no less than 514 participants with the majority of the sample ranging between the age of 25-30 years old (197 participants, 50.1%) followed by those in the age of 31-40 (83participants, 21.1%).

Passenger Survey Sample

The sample of the Passenger Survey was random; anyone coming across the survey was able to take part. There were not any criteria to be matched.

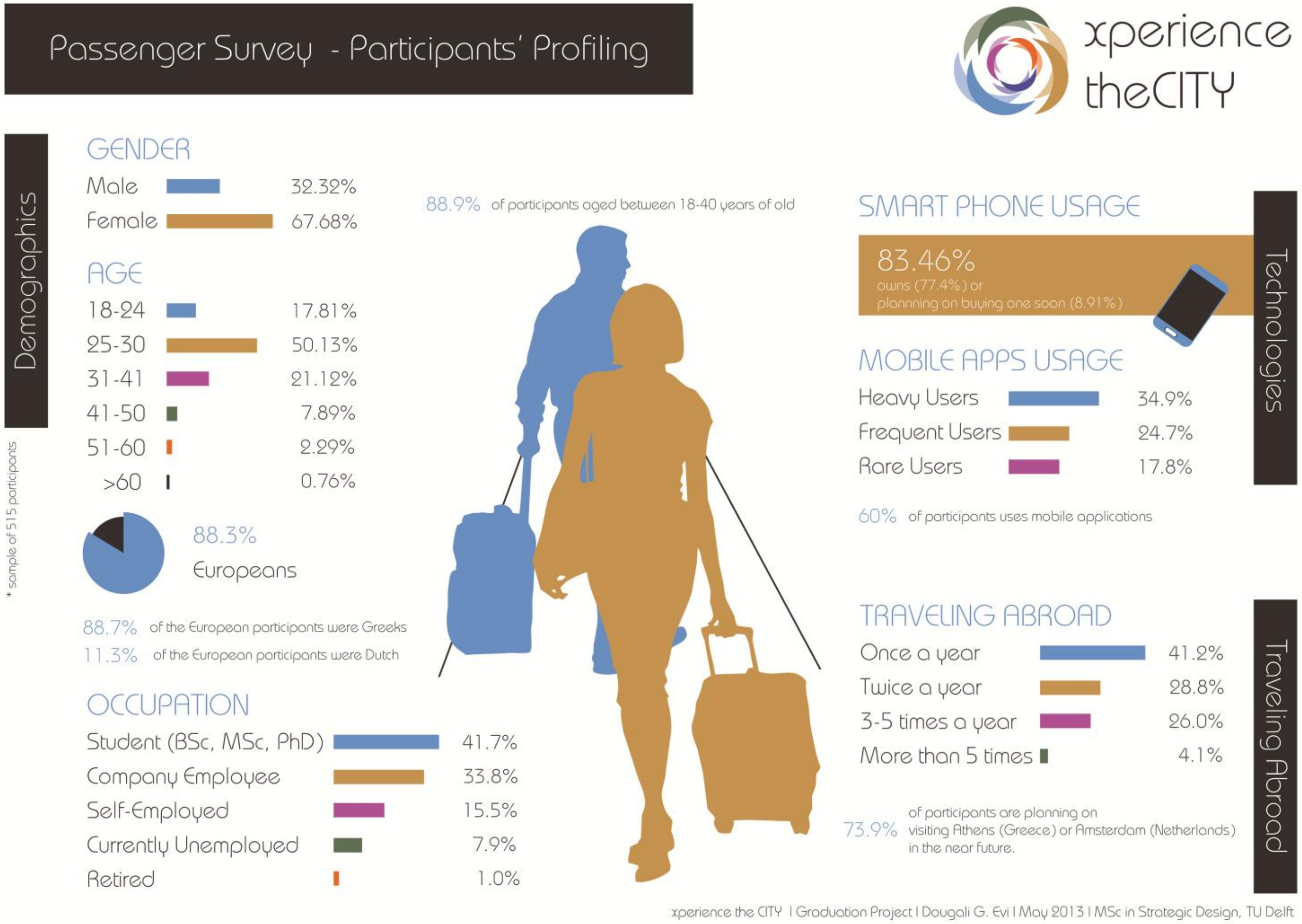
Passenger Survey Limitations

The only limitation for someone to take part in this survey (apart from strictly personal reasons) it was the fact that questions were formed in English; there were people, mostly aged, that did not have the language skills.

6.2.2. Results

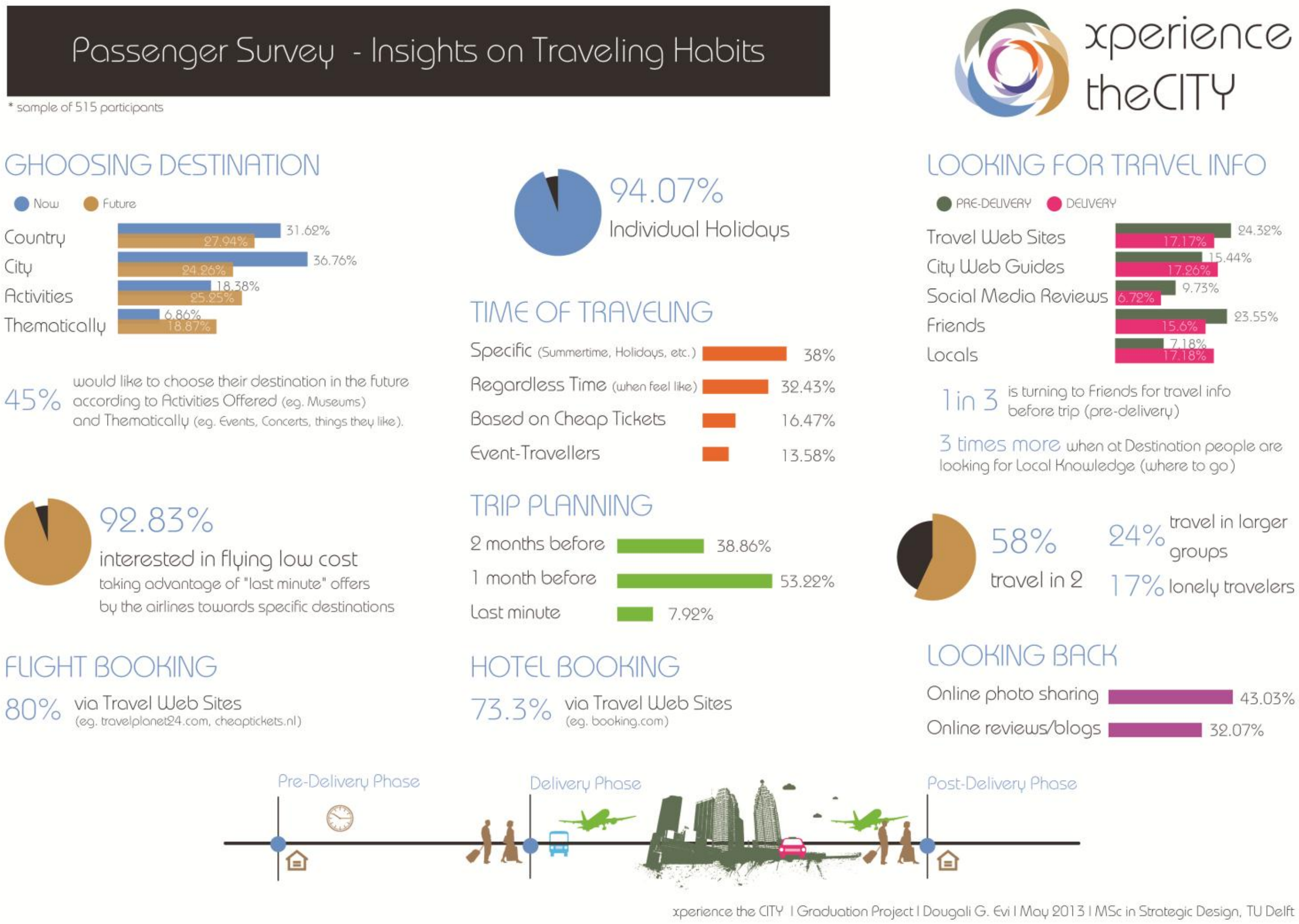
6.2.2.1. Participants' Profiling

The info-graphic in Figure 26 maps down the Participants' Profile. As it can be seen there 2/3 of the sample was females (67.68%), and half of the sample was aged between 20-30 y.o. (50.13%), with the rest half mostly ranging between 18-50 y.o. While international, the sample consisted by Europeans at a rate of 88.3%, with 88.7% of them being from Greece (compared to 11.3% of Dutch). The sample was quite equally divided among students (BSc, Msc, Phd) and employees. The great majority owned a smart phone (83.46%) with 60% of them frequently or heavily using mobile apps. Regarding their traveling abroad, while about 40% travels abroad once a year, 60% of the participants travel around the world more than once.



Εικόνα 26: Figure 26: Passenger Survey - Participants' Profiling

6.2.2.2. Overall Results – Travel Profiling in the 3 phases



Εικόνα 27: Figure 27: Passenger Survey: Traveling Habits

The info-graphic in Figure X presents the overall results of the Passenger Survey regarding their traveling habits.

Choosing Destination: According to data, some differences can be seen regarding the way people currently choose their travel destination and the way they would like to do so in the future. As we see, currently the majority of travelers seems to choose their destination either by first selecting the City of Destination (36.76%) or the Country of Destination (31.62%). Both of these percentages decrease compared to how people would like to choose their destination in the future (City of Destination, 24.26% and Country of Destination, 27.94%).

What is interesting is that while presently the percentage of people choosing their destination According to Activities Offered by a City (e.g. Museums, Sightseeing, Nightlife, etc.) is 18.38%, for the future that percentage goes up by almost 7% reaching a percentage of 25.25%. In the same way, while the percentage of those now choosing their destination Thematically (e.g. Concert, Event, Cocktails, Rock Bars, Things You like, etc.) is only 6.86%, it goes up almost 3 times for the future, reaching a percentage of 18.87%.

Overall a shift towards more thematic traveling can be seen. People seem to be flirting with the idea of changing the way they choose their destination towards customized experiences.

Looking for Travel Information before Traveling: While about 50% of participants look for travel information in “traditional means”: Travel Web Sites (24.32%), City Web Sites and City Web Guides (15.44) and less into printed City Guide Books (10.89%), the other half is looking for customized, traveler-to-traveler tips turning into Friends (23.55%), Social Media Reviews (9.73%), Locals (7.18%) and travel apps (6.25%).

As the data reveal, people seem to be turning into peers, friends and locals when it comes to information search regarding traveling, once again looking for the hidden info that would be able to provide unique, customized experiences. It is obvious that people, as part of a bigger trend, are turning their back into massively marketed holidays, looking for more tailored made chances to experience new things.

Sightseeing information is the biggest part of information people are interested to before traveling, followed by information on Leisure Activities (16.22%), Bars and Restaurants (9.38%), and Concerts/Clubs and Events (4.67%). A remaining almost 10% is also looking for other information not specified in the survey.

Traveling Habits

According to data gathered from Question 12 (Q12: “When do you usually travel?”) we can see that while almost 38% of participants choose to travel during specific times of the year (19.52% During Summertime and 5.6% During Wintertime) or during specific holidays (12.39%), the greatest total percentage of 32.43% just travels regardless the time, just following the need of traveling. Following comes a 16.47% of those travel depending on cheap flight tickets and a significant 13.58% of "event-travelers", ready to travel whenever there is something interesting going on at destination, like exhibitions and concerts.

The great majority of people usually travel in groups of two (58.17%), and only a small percentage of 24.75% travel in groups of more than 2 people, and a smaller one of 17.08% are lonely travelers

Trip Planning: Questions 6 to 8 and 14 to 15 were meant to reveal some insights regarding how people plan their trips. To start with, we see that almost everyone nowadays plan their trips individually (Individual Holidays, 94.07%), with only a very small percentage of 5.93% visit a travel agent choosing Package Holidays.

When it comes to Flight Booking, the great majority of these individual travelers (80.6%) would look for and book their tickets through travel web sites offering a variety of flying tickets from different airlines like travelplanet24.com, airtickets.gr, tripsta.co.uk, cheaptickets.nl, etc. Only a 15.4% would directly visit a specific airline's web site.

The same pattern appears for Hotel Booking (Q8) with 73.3% looking for accommodation into travel web sites offering multiple hotel rooms such as booking.com, travelplanet24.com, tripsta.co.uk, cheaptickets.nl, etc. Here the percentage of those contacting directly the hotel at destination through their web site is a bit bigger than before reaching up to 26.7%.

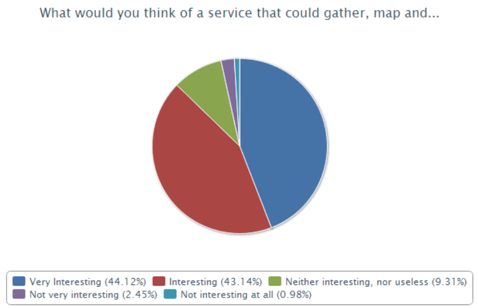
Even if though 53.22% would plan their trip one month in advance (following a common belief that the sooner the air tickets are booked the more affordable they would be), almost everyone (92.83%) would be interested in flying low cost, taking advantage of "last minute" offers by the airlines towards specific destinations.

Looking for Information while on destination: Not differing a lot from how people look of information before traveling, they follow quite the same patterns when looking for information while being in the City of Destination. However, while the percentages of those looking for information in travel web sites (17.76%), City web sites (17.26%), and Social Media Review (6.72%) are quite the same (compared to 24.32%, 15.44% and 9.73% respectively), we see a significant rise of 10% of people looking for the local knowledge (17.18% compared to 7.18% before traveling).

Looking back into the traveling experience after the trip is over: For the majority of people their trip, their traveling experience, does not end as soon as they come back. On the contrary they would keep validating the tourism supply chain and sharing their experiences, either in the form of online photo sharing (43.03%), online reviews (29.48%), or writing on blogs (2.59%).

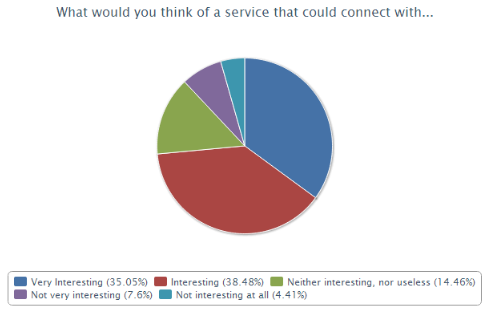
6.2.2.3. Overall Results – "xperience the CITY" project

Customized Traveling Suggestions: According to data provided by the answers given in question 9 of the passenger survey (Q9) there is a huge interest in a service for customized traveling suggestions (Figure 28) and more than 87% would be interested in a service that could gather, map and do travelling suggestions according to specific things people like (for example: Music Concerts, Events, Bars, etc.).



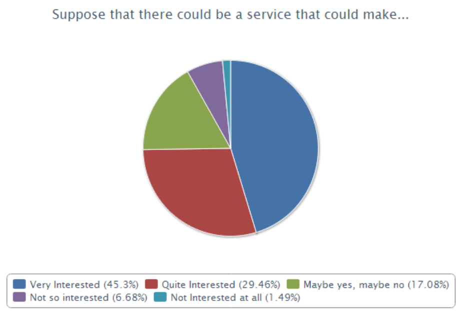
Εικόνα 28: Figure 28: Customized Traveling Suggestions

Customized Traveling Suggestions – Social Media Integration: Another great percentage of 73.5% would like the integration of such service with social media like facebook in order for it to gather, map and do travelling suggestions according to specific things they like (Q10, Figure 29).



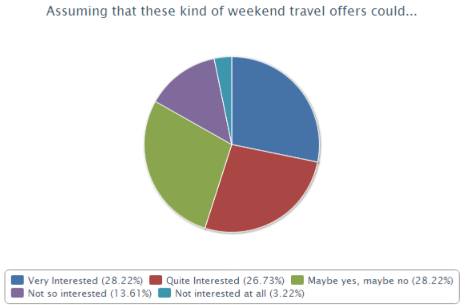
Εικόνα 29: Figure 29: Social Media Integration for Customized Traveling Suggestions

Customized Traveling Suggestions – Unique Experiences: Following, on question 16 (Q16), participants were asked their opinion about a possible service that could make complete travel suggestions to them (air tickets, accommodation, entertainment activities) according to things they like (interests, music, bars, food, museums, etc.) for traveling around the world. By that service people would have the opportunity to experience the city of destination in their own unique way. Again as data reveal, people's interest on such a service is great, reaching up to almost 75% (Figure 30).



Εικόνα 30: Figure 30: Complete Traveling Suggestions for Customized Experiences

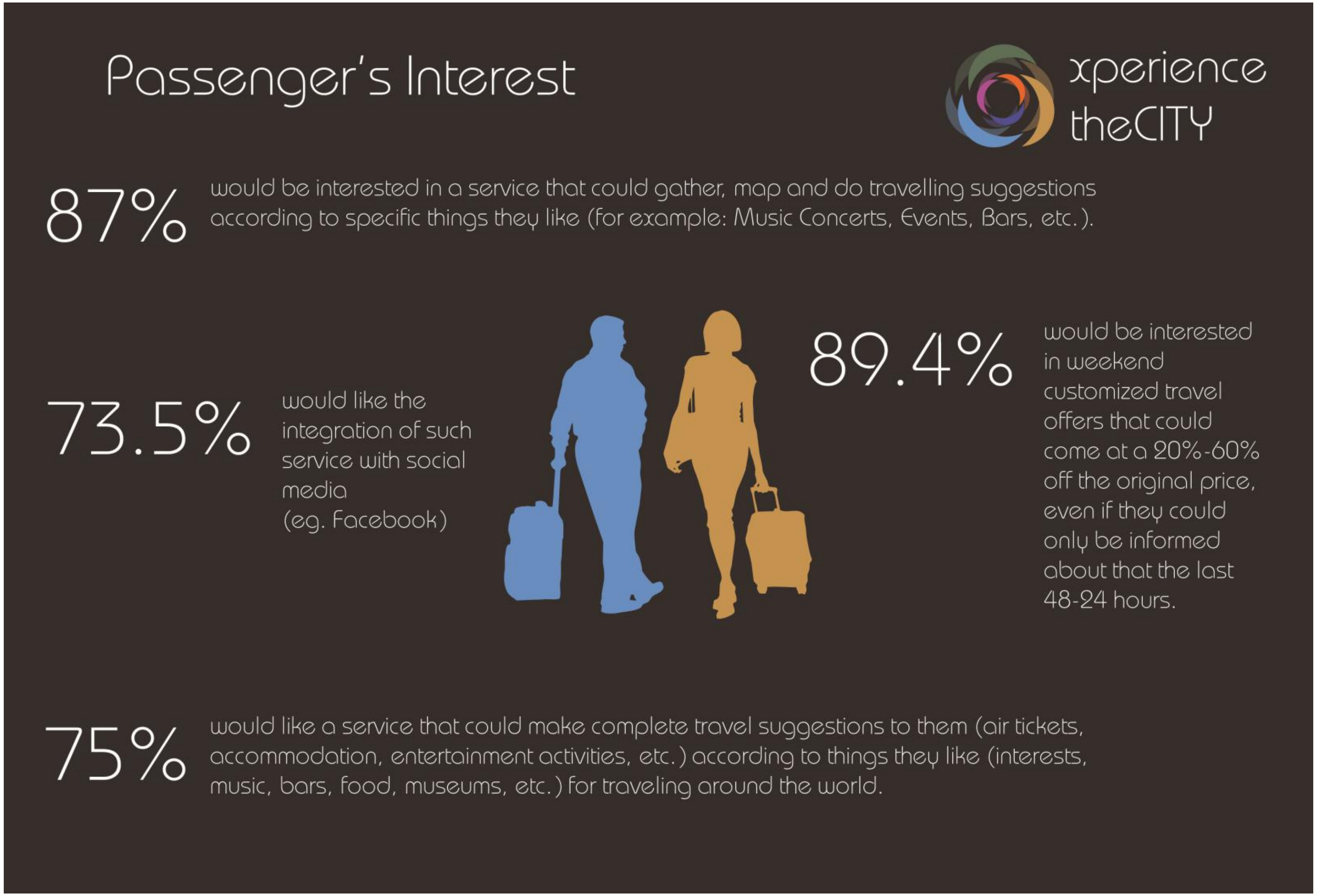
Finally, question 17 would become more specific regarding the possible price benefit such a service might have for the passengers and giving at the same time a limitation regarding time of notice. Passengers were therefore asked if they would still be interested in such a service, assuming though that even if this kind of weekend customized travel offers could come at a 20%-60% off the original price, they could only be informed about that the last 48-24 hours. Again we can see that people would be largely interested (61.2%), while a significant 28.2% would be quite open in that option (Figure31).



Εικόνα 31: Figure 31: Last Minute Customized Weekend Travel Offers

6.2.3. Conclusions – Passengers' Interest

Judging from the overall result of the Passengers' Survey, we can see a great interest towards the xperience the City concept and proposed service. As the results revealed, 87% of travelers would be interested in a service that could gather, map and do travelling suggestions according to specific things they like (for example: Music Concerts, Events, Bars, etc.) and 75% of them would like a service that could make complete travel suggestions to them (air tickets, accommodation, entertainment activities, etc.) according to things they like (interests, music, bars, food, museums, etc.) for traveling around the world. 75% of them would like the integration of such service with social media and finally 89.4% would be interested in weekend customized travel offers that could come at a 20%-60% off the original price, even if they could only be informed about that the last 48-24 hours (Figure 32).



Εικόνα 32: Figure 32: Passengers' Interest in xperience the City Service

6.3. Hotel Survey

6.3.1. Aim, Design, Launch, Participants

Aim of the Hotel Survey

Following the Passenger Survey, Hotel Survey targeted the Hotel Industry in Amsterdam and Athens looking for their insights regarding current practices and their view upon the proposed xperience the CITY service. Being a key stakeholder in the Tourism Supply Chain, Hotel in the cities of destination had a lot to offer towards understanding their collaborations with other stakeholders (Airlines, Global Distribution Systems, Travel Agencies, the CITY etc.) as well as their customers (the passengers).

Hotel Survey would also come to validate the Passenger Survey: do customers and suppliers share the same opinions in key tourism subjects? Or is there a conflict between the way they see tourism trends and practices. What is more, in what extend are Hotel Managers aware of current trends and what tourists want? Do they follow them, are they ready to lead?

Designing the Hotel Survey

Consisting of a total of 33 questions, the Hotel Survey was divided into three main categories: Hotel Profiling, Competition and Collaborations, Hotels Insights.

The Hotel Survey was again designed using the Kwik surveys free online survey tool. As in the Passenger Survey, all the questions were of multiple choice, and where necessary a five-level Likert Scale of interest was chosen (Very Interested, Quite Interested, Maybe yes, maybe no, Not so interested, Not interested at all).

In detail: In detail:

Hotel Profiling: Since the survey was anonymous, Questions 1 to 5 were dedicated in profiling the Hotel participants. Questions there were about the location of the businesses (Greece, Netherlands), Hotel rating (stars classification) and business character (Chain or Individual Hotels), and final Hotel Size (number of rooms).

In continue, Questions 6 to 11 aimed in providing with insights about hotels' customers, target group (Q6 to Q10) and occupancy (Q11).

Competition and Collaborations: In this section, Questions 12 to 19 focused on Hotel Competition, Collaborations, Reservations and Marketing Strategies. In particular we asked about the degree and the kind of competition among hotels (Q12-Q14), their current collaboration with GDSs, Travel Agencies and Airlines (Q15-Q17), and whether or not these hotels businesses would be interested in expanding their collaboration both with airlines and other stakeholders towards increasing their revenues via certain practices (Q18,Q19). Secondly we were interested in their reservation practices; via which means do they get most of their reservations (e.g.travel agents, travel apps, emails etc.) and when do they get the majority of them (e.g. 2 months prior the customer's stay) (Q20, Q21). Finally questions 23 and 24 were more specific ones, preparing the ground for the next session. Here participants were asked about their Marketing Strategy (Aggressive, Passive) and the incorporation or not of last-minute offers.

Hotels' Insights: This last part of the Hotel Survey was dedicated in slowly introducing the concept of "xperience the CITY" and acquiring business' insights. While questions 24 to 29 were more general ones about how people travel (Q24), the role of Cities and Governments in attracting tourists (Q24-Q27), and the importance of the overall experience a tourist would have in a CITY in order to choose it as a Destination (Q28). Finally questions 29 to 32 were project-specific; what would they think of a service that could gather, map and do travelling suggestions according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their hotel (Q30) and what if that service could motivate people travel more and therefore increase their customers (Q31), and at last what would they think if that service could be co-created and be combined with Airlines and other stakeholders' services at Destination, organizing weekend vacations towards their City and their hotel, motivating people to travel on lower prices (Q32).

Launching the Hotel Survey

Tested also with a few people, the Hotel Survey was ready to be launched and reach the Hotel Industry on May 5, 2013. A sample of the online survey can be found on Appendix B2.

Along with an introduction describing the project, the survey invitation was mailed to a total of about 338 Hotels in Netherlands (Amsterdam) and Greece (Athens, Thessaloniki). The survey was also distributed via facebook to some of these hotels and was also promoted via the project's web site its facebook page.

Looking for a broad and diverse sample hotels contacted ranged from 5 star hotels to 2 star hotels.

The Hotel Survey was on for 20 days and finally closed on May 25, 2013 with a total of 32 participants.

Hotel Survey Participants

Having as reference booking.com, an excel file of hotels located in Amsterdam and Athens, as well as Thessaloniki (Greece), was created. Hotels (338) were categorized by location and star classification (Appendix C4). As a second step their contact info was found via their websites. After all the hotel contact details were gathered, invitations for participation were sent.

In general hotels were approached in **three phases/means:**

1. **Email Phase – First Contact:** Invitations were sent to hotels via mail (or contact form),
2. **Social Media – Parallel Phase:** In certain cases invitations were also sent via Facebook to the Hotels' Facebook Pages.
3. **Calling Phase – Last chance:** Phone Invitations.

6.3.2. Results

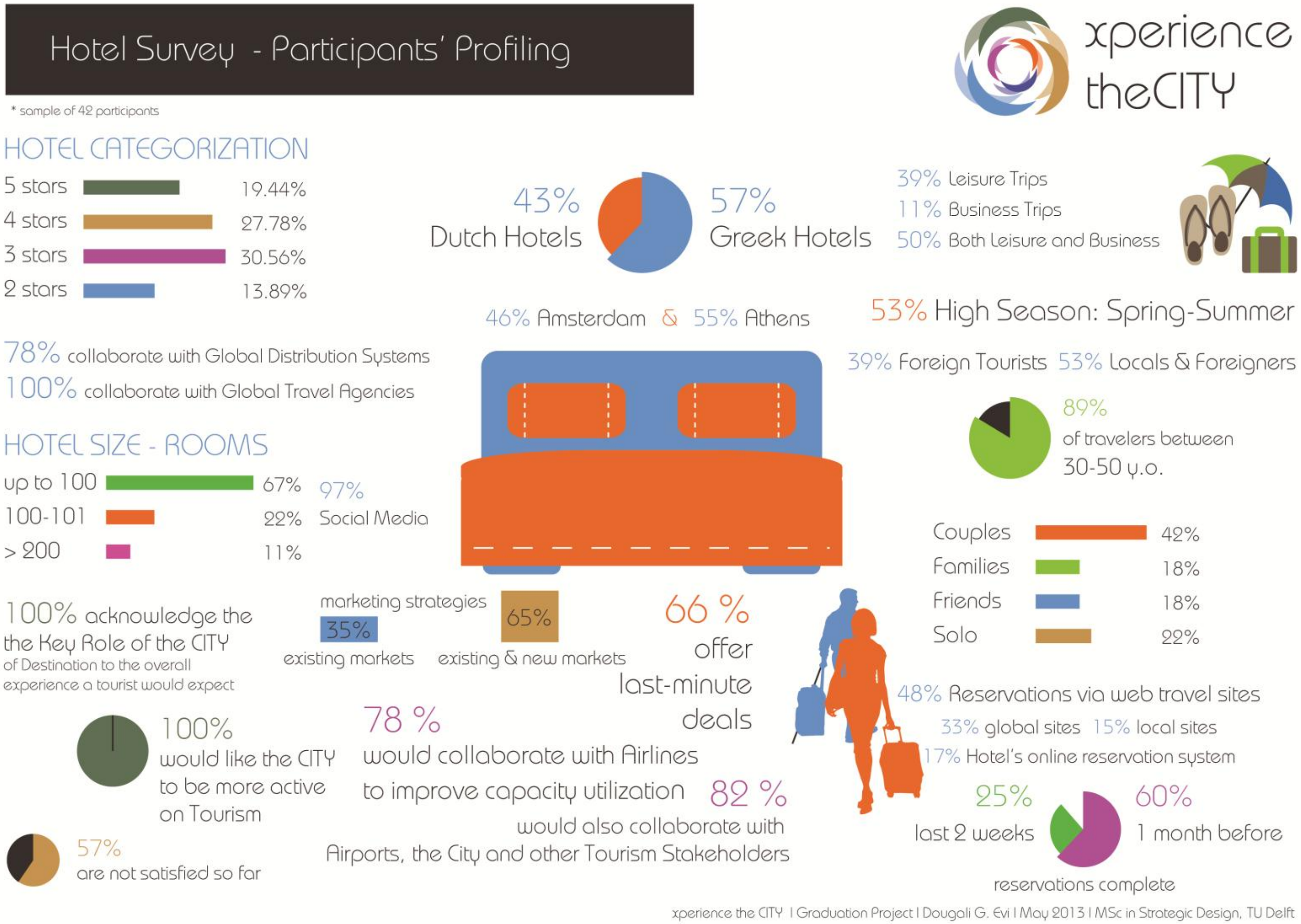
6.3.2.1. Hotels profiling

Hotel Survey closed with a total of 42 Hotels taking part (24 located in Greece and 18 located in Netherlands). An overview of the overall results regarding Hotel Participants' Profiling and their Insights, can be seen on the Info Graphic below (Figure XXX).

Business Profiling: As data indicate, 57.14% (24 Hotels) of businesses taking part were located in Greece and 42.86% (18 Hotels) in the Netherlands. Specifically 19 of them (45.2%) were located in Athens and 17 (40.5%) were in Amsterdam. There were also 5 hotels located in the rest of Greece (11.9%) and 1 in the rest of Netherlands.

While the survey's sample seems to be diverse, with businesses equally spread throughout all kinds of Hotel classification, the majority of them were 3-star Hotels (30.56%, 11 Hotels), followed by 4-stars at a percentage of 27.78% (10 Hotels). There were also 7 5-star Hotels (19.44%) and 5 2-star Hotels (13.89%). Finally, 3 of the businesses were not categorized (8.33%). While 30.56% of the Hotels (11 in total) were part of a large group or chain hotels, 41.67% were individual hotels, either bigger (25%, 9 Hotels) or smaller (16.67%, 6 Hotels). Finally a remaining quarter of the sample were family-run businesses (9 Hotels).

Regardless the type, the majority of the Hotels (66.63%) had up to 100 rooms, with 25% of them (9 Hotels) had between 21-50 rooms. The remaining 33.37% were businesses of larger room capacity (101-200, 22.22%), with 4 Hotels exceeding 200 rooms (11.11%).



Εικόνα 33: Figure 33: Hotels' Profiling

Hotel Customer's Profiling:

Local Vs International Tourism: Half the Hotels (19) attract customers both form their country and foreigners as well (52.78%). However there is a 38.89% (14) that mostly targets foreign tourists.

Leisure Vs Business Travelers: As expected, there are only few Hotels targeting strictly business travelers (11.11%, 4 Hotels). On the contrary, 38.89% do focus only on leisure vacations (14 Hotels). However, half of them seem to have customers visiting their hotels both for leisure and business

Individuals Vs Travel Groups: In accordance with Passenger Survey findings that the great majority travels individually and not in groups (package holidays), 72.22% of the Hotels taking part in this survey, claim that most of their clients are individuals and not travel groups.

Families or Couples: Among these individual travelers, couples (young and mature) seem to be the most regular Hotel Customer at 41.18%. The rest of the customers are quite equally divided into Families (18.48%), Friends (18.49%) and Solo Travelers (21.01%).

Travelers Age: Out of these travelers, the average customer age of the great majority of the Hotels (88.89%) are between 30 and 50 years old. Only 11.11% of the Hotels are mainly addressing younger travelers.

Occupancy: Asked about their occupancy throughout the year, 36.11% of them (13 Hotels) claimed to have quite the same amount of clients regardless season. However, 52.79% (19 Hotels) of them have a high-season located between Spring and Summer.

Reservations: Again with accordance with Passenger Survey results on how people complete their hotel reservations, 48% of the Hotel managers claim to have most of their room reservation via local (15.31%) and global (32.65%) travel web agents such as booking.com. Second in customers' preference comes Hotels' own online reservation system (17.35%). As expected, almost 60% of those reservations are completed about a month before. There is however a significant 25% of people who would book the room between the last two weeks prior to stay.

Choosing Destination: When it comes to choosing travel destination, half of the participants (50%) believe that travelers would first pick up the City of Destination, while the Country of Destination would be the first choice of travelers, claim the 31.25% of participant Hotels. Even with a small percentage, almost 10% of travelers would said base their destination decision according to facilities offered by a City like museums, sightseeing and nightlife. Remarkably, none of the participants think that someone would be interested or drawn by thematic holidays, based on very specific things people would like, such as certain interests, certain kinds of bars, concerts, etc.

6.3.2.2. Overall Results – Practices, Collaboration, Competition

Competition

Tourism Industry: Answers given in the question “How competitive do you think the Tourism Industry is” (Q12), show that Tourism Industry is considered to be a highly competitive one (96.87%).

Local or not? For the majority of the Hotels this competition mainly focuses on other hotels located in the same city (75%). In addition, a 15.62% seems to compete with other Hotels in the country and a smaller 9.38% takes competition in an any-destination level.

Competition among Hotel Categories: Rating competition among same Hotel Categories (star classification), once again Hotels find it “Very Competitive” at a percentage of 56.25% and “Competitive Enough” at 34.38%.

Collaborations

Global Distribution Systems: As expected, the majority of the participants (25 Hotels) do collaborate with Global Distribution Systems at 78.12%.

Collaboration with Travel Agencies: Collaboration with global travel agents and travel sites (instead of local ones) is catholic, 100%.

Collaboration with Airlines: As data reveal collaboration between Hotels and Airlines towards more incoming customers for the later, is not such a key aspect of Hotels in Greece and Netherlands, with only 6.3% having such collaboration in their core business .The rest of the sample is equally divided into those slightly practicing it, not practicing it a lot, and not practicing it at all. However, as stated in the following question (Q18) 78.1% would interested in developing such collaborations with airlines in order to improve utilization of their Hotel capacity, with another 18.72% not totally being against that scenario.

Collaboration with other Tourism Stakeholders: This section of the survey drew upon the current practices of low cost carriers (e.g. Transavia, EasyJet, Ryanair etc.) that keep increasing their market share in business. These airlines, accounted for transporting thousands of passengers every year to specific destinations around the world, only choose peripheral Airports, avoiding traveling towards European Capital Airports, due increased airport fees of the later. However these practices, hold back thousands of tourists flying there on a regular basis.

Hotels were therefore asked whether they would be interested in collaborating and co-creating with various key stakeholders both local and foreign ones, such as other Hotels in their City (Athens, Amsterdam), Airlines and the Airports themselves (Schiphol Amsterdam Airport/ Athens International Airport), towards joined forces and strategies/ services that could result in the possibility of Airport fees reduction. Such strategies could make these Airports more low-cost carriers friendly, resulting in more and more passengers flying towards these Cities. Increased tourism volume, would then result in multiple benefits nad increased profits (economy of scale) for all the stakeholders involved (more air-tickets and Hotel rooms sold, better revenues for the Airports).

None of the Hotels located in Greece and Netherlands would be negative in that scenario. On the contrary, 81.3% would be very interested in such possibility.

Last-Minute Offers: As a result of their strategies, the majority of the Hotels do try to attract more customers and increase their occupancy by offering last-minute deals. 65.62% of the Hotels, either realizing the importance of full capacity or just as a marketing trick do offer their spare rooms in lower price at a last minute/day base.

Social Media: Social Media as a means of addressing customers and promoting a Hotel, seem to be of high importance for almost every business.

The Role of the City: In questions 25 and 26 (Q25, Q26) businesses were asked to rate the role of their Cities and Countries (Governments) on creating those facilities and conducting those marketing campaigns that would attract more and more incoming tourists, resulting in more customers for local Hotels. The majority of Hotels (56.25%) seem not to be completely satisfied with the effort their City is paying on increasing tourism rates. The rest 40.62% do not think that the City could do more towards that direction.

This rate of dissatisfaction is even larger (71.88%) when it comes to the effort the Country pays, with only 28.12% of the business claiming to be satisfied from current tourism policies . All in all, Hotels are more satisfied with City tourism policy efforts than with national ones.

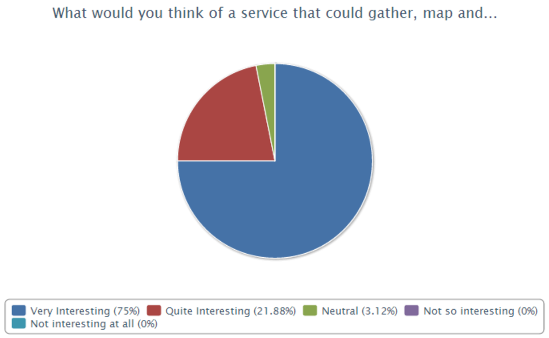
Finally, everyone would like their City (municipality) to become more active on promoting its facilities and creating more of them, so the City becomes a more attractive destination, resulting in more tourists and increased profit for the Hotel Industry.

Overall Travel Experience: All of the Hotels in Greece and Netherlands acknowledge the importance of the overall experience a tourist would expect from the City of Destination (facilities, museums, sightseeing, entertainment, bars, events etc.) in order to choose it as a holiday destination.

6.3.2.3. Overall Results – “xperience the CITY” project

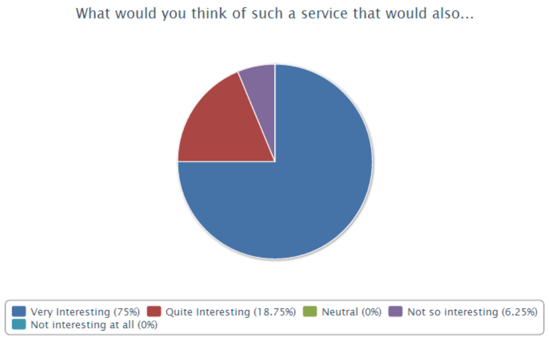
Concluding the Hotel Survey, there were two questions (Q30, 31) directly connected to the “xperience the City” project. Hotels were presented with two service concepts and were asked their degree of interest in them.

Customized Traveling Suggestions: In their total, Greek and Dutch Hotel Industry would be interested in a service that could gather, map and make travelling suggestions to travelers according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their hotel (Figure 34).



Εικόνα 34: Figure 34: Hotels - Customized Traveling Suggestions

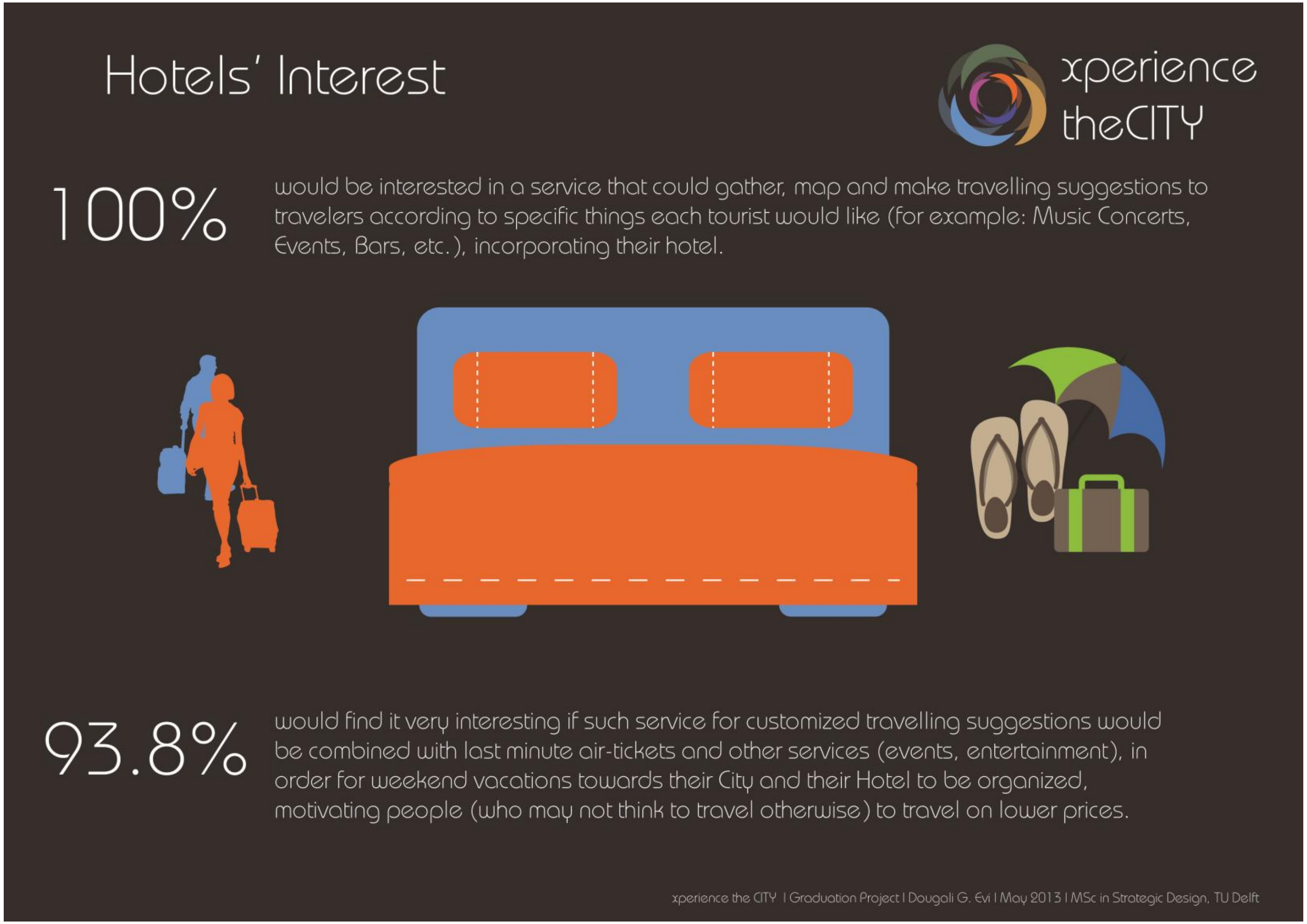
Customized Traveling Suggestions – Unique Experiences: Once again, almost all these Hotel Businesses (93.8%) would find it very interesting if that service for customized travelling suggestions would be combined with last minute air-tickets and other services (events, entertainment), in order for weekend vacations towards their City and their Hotel to be organized, motivating people (who may not think to travel otherwise) to travel on lower prices (Figure 35).



Εικόνα 35: Figure 35: Hotels - Customized Traveling Suggestions – Unique Experiences

6.3.3. Conclusions

According to the Hotel Survey Results, the Hotel Industry of Athens and Amsterdam would be very interested in exploring new ways of vertical integration, collaborating with other stakeholders in the Tourism Industry towards better practices and more incoming customers. As it can be seen in Figure 36, in their total the Greek and Dutch Hotels would be interested in a service that could gather, map and make travelling suggestions to travelers according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their hotel and 93.8% of them would find it very interesting if such service for customized travelling suggestions would be combined with last minute air-tickets and other services (events, entertainment), in order for weekend vacations towards their City and their Hotel to be organized, motivating people (who may not think to travel otherwise) to travel on lower prices.



Εικόνα 36: Figure 36: Hotels' Interest in xperience the CITY Service

6.4. Airline Survey

6.4.1. Aim, Design, Launch, Participants

Aim of the Airline Survey

The Airline Survey, following the same concept as the ones conducted before, aimed in providing the Airline Industry's insights on traveling, innovation strategies and the xperience the CITY concept. This survey mostly targeted airlines having Netherlands or Greece as their home base. However it was distributed to other airlines as well in search for as much and as diverse results as possible.

Designing the Airline Survey

Consisting of 18 main questions, the Airline Survey was divided into two main parts; one profiling the participants and their practices and another specific to the project. Multiple choice questions were used, and where necessary a five-level Likert Scale of interest was chosen. The Airline Survey was again designed using the Kwik surveys free online survey tool.

In detail:

Profiling: Questions 1 to 10 aimed in creating the participants' profile in regards of home base (Q1), being a traditional or a low cost carrier (Q2), and flying or not to Greece and Netherlands (Q3,Q4) and if yes to which airports (capital, peripheral). In that section the participant would also come across to questions regarding the importance of airport fees in order for the later to be chosen or not as a destination (Q5), insights about possible collaboration and co-creation with other stakeholders towards improved practices (Q6), timing of reservations (Q7), the presence or not of last-minute offers towards increased capacity (Q8) and the collaboration or not with hotels at destination offering package holidays (Q9). Finally airlines were asked to provide us with their opinion regarding how people choose to travel (Q10).

xperience the CITY: In that section, questions chosen were project specific; what would airlines think of "xperience the CITY" concept and proposed services. Here airlines were asked to start by rating the importance of local (City, Country) branding in attracting more and tourists and therefore increasing their (airlines) flight frequency and capacity (Q11-Q12). Questions no 13 and 14 were about the importance of social media in promoting an airline, addressing and attracting customers (Q13) and their views on a service that could gather, map and make travelling suggestions according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their airline (Q14).

In continue, question 15 was asking airlines whether they would be interested in a service that could motivate people to book air tickets last minute, helping their Airline fly full capacity (Q15). Trying to be more specific, question 16 asked their opinion on a service that could combine last minute air-tickets and other services (hotels, events, entertainment), organizing weekend vacations towards the CITIES your airline flies to, creating a trend of impulse (and customized) traveling (Q16), while participants were also triggered to think of whether they would be interested in incorporating such a service in their airline (Q17). Finally question

18, was a question of airlines' interest on new ways of collaboration and co-creation with stakeholders in the Tourism Supply Chain in order to increase travel demand and therefore guarantee you fly full capacity (Q18).

Launching the Airline Survey

The Airline Survey was launched on May 22, 2013, was on for 7 days and finally closed on May 29, 2013. Along with an introduction describing the project the survey invitation was sent to 15 Airlines. The Airline Survey can be found on Appendix X.

Among these Airlines were 4 carriers in Greece (Olympic Air, Aegean Airlines, Sky Express and Astra Airline), 2 in Netherlands (KLM, Transavia). Called to take part were also Cyprus Airways (Cyprus), Ryanair (Ireland), British Airways (UK), Alitalia (Italy), Iberia (Spain), Lufthansa (Germany), Swiss Air (Switzerland), as well as Qatar Airways (Qatar) and Turkish Airlines (Turkey).

The survey was according to contacts available, either sent by email or via private message on the carrier's facebook page, or both. Private emails were either sent directly to Airlines Manager, Sales or Operations Departments, or when that was not possible, invitations were distributed via Contact Forms on Airlines websites.

Finding candidates proved to be quite difficult. Airline Industry seems to be a very close one, non-disclosing email contacts. In some cases we had direct responses by airlines that were not able to participate due to policy issues.

Finally, the Airline Survey was on for 7 days and finally closed on May 29, 2013 with a total of 6 participants.

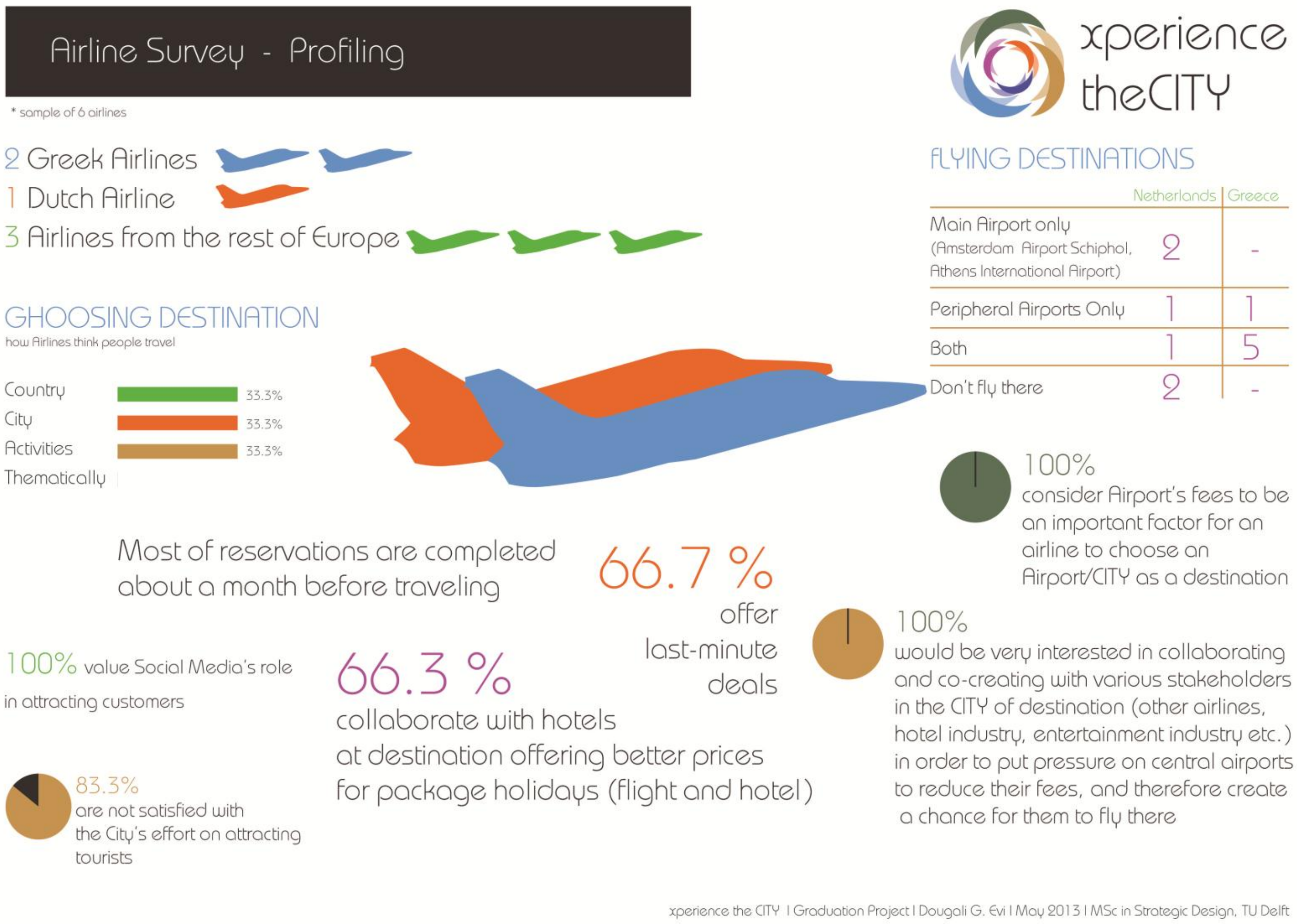
Airline Survey Sample

The final sample of the Airline Industry consisted of 6 Airlines (5 traditional carriers and 1 low cost carrier); 2 located in Greece, 1 in Netherlands and 3 in the rest of Europe.

6.4.2. Results

6.4.2.1.AIrlines profiling

Business Profiling: Regarding their flight destinations, while 2 of the participating airlines do not fly towards the Netherlands, 2 of them are only flying towards Amsterdam Airport Schiphol (33.3%), 1 only towards peripheral airports (e.g. Eindhoven) and 1 towards both. Regarding Greece, while 1 is only flying towards Greek peripheral airports (e.g. Volos, Chania, Rhodes, Corfu etc.), the remaining 5 (83.3%) are flying towards both Athens International Airport and peripheral ones. An overall view of the Airlines' Profiling can be seen in Figure 37.



Εικόνα 37: Figure 37: Airlines' Profiling - Infographic

Airlines' Passengers Profiling

Choosing Destination: When it comes to choosing travel destination, 1/3 of the airlines (33.3%) believe that travelers would first pick up the City of Destination, while another 1/3 believe that travelers would first choose the Country of Destination. The remaining 1/3 of the airlines (33.3%) believe that travelers would base their destination decision according to facilities offered by a City like museums, sightseeing and nightlife. Remarkably, none of the participants think that someone would be interested or drawn by thematic holidays, based on very specific things people would like, such as certain interests, certain kinds of bars, concerts, etc.

Reservations: As the data reveals, in total most of the reservations take place about a month before the flight.

6.4.2.2. Overall Results – Practices, Collaboration, Competition

The Airport Factor – Importance of Fees: As the total of the airlines consider Airport's fees to be an important factor (33.3% very important, 66.7% quite important) for an airline to choose an Airport/CITY as a destination, they would be very interested in collaborating and co-creating with various stakeholders in the CITY of destination (other airlines, hotel industry, entertainment industry etc.) in order to put pressure on central airports to reduce their fees, and therefore create a chance for them to fly there (50% very interested, 50% quite interested).

Last Minute Offers: 66.7% of the airlines do have last-minute offers when they want to increase their flying capacity.

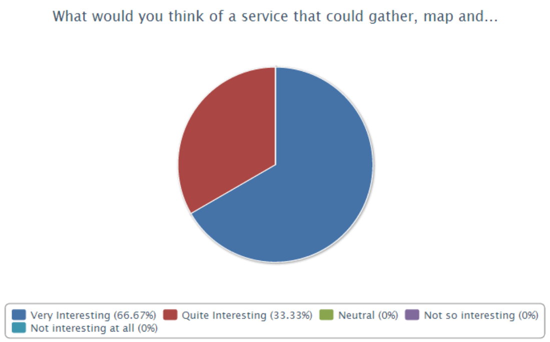
Collaborations with Hotels: While 2 of the airlines do not collaborate with Hotels at all, the remaining 66.3% do collaborate with hotels at destination offering better prices for package holidays (flight and hotel), with 2 of them would like to do so more.

The Role of the City : In questions 11 and 12 (Q11, Q12) airlines were asked to rate the role of their Cities and Countries (Governments) on creating those facilities and conducting those marketing campaigns that would attract more and more incoming tourists, resulting in more passengers for them. The majority of the airlines (83.3%) seem not to be completely or not at all satisfied with the effort their City is paying on increasing tourism rates, with 50% wanting that from their City. Only 16.7% seems to be satisfied, believing that the City does make a good effort towards that. The same rates of dissatisfaction stand for the effort the Country pays, with the only difference appearing in 16.7% of the airlines, believing that Governments do make quite an effort, but they should do more.

Social Media: The role of social media in promoting an airline, addressing and attracting customers seem to be of high importance for every airline.

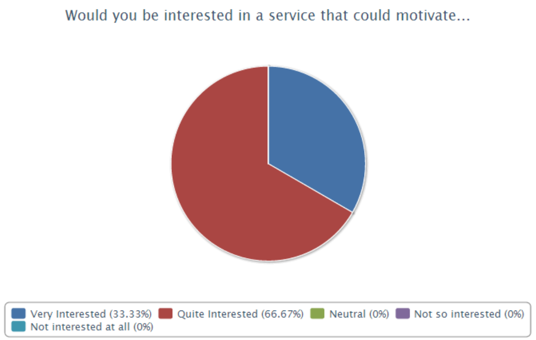
6.4.2.3. Overall Results – "xperience the CITY" project

Customized Traveling Suggestions: In their total, the Airline Industry would be interested in a service that could gather, map and make travelling suggestions to travelers according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their airline (Figure 38).



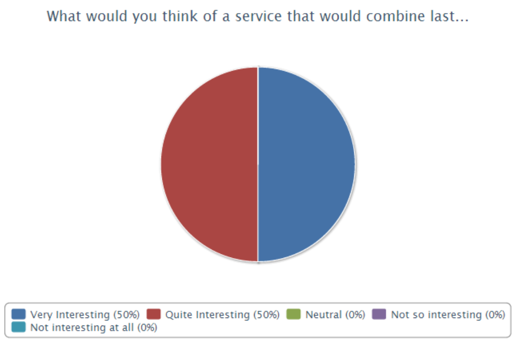
Εικόνα 38: Figure 38: Airlines - Customized Traveling Suggestions

Motivating People to Travel: Again all the airlines would be interested in a service that could motivate people to book air tickets on a last minute basis, helping them fly full capacity (Figure 39).



Εικόνα 39: Figure 39: Airlines - Motivating People to Travel

Customized Traveling Suggestions – Unique Experiences: Once again, in total the Airline industry would be very interested in a service that would combine last minute air-tickets and other services (hotels, events, entertainment), organizing weekend vacations towards the CITIES they fly to, creating a trend of impulse (and customized) traveling (Figure 13).

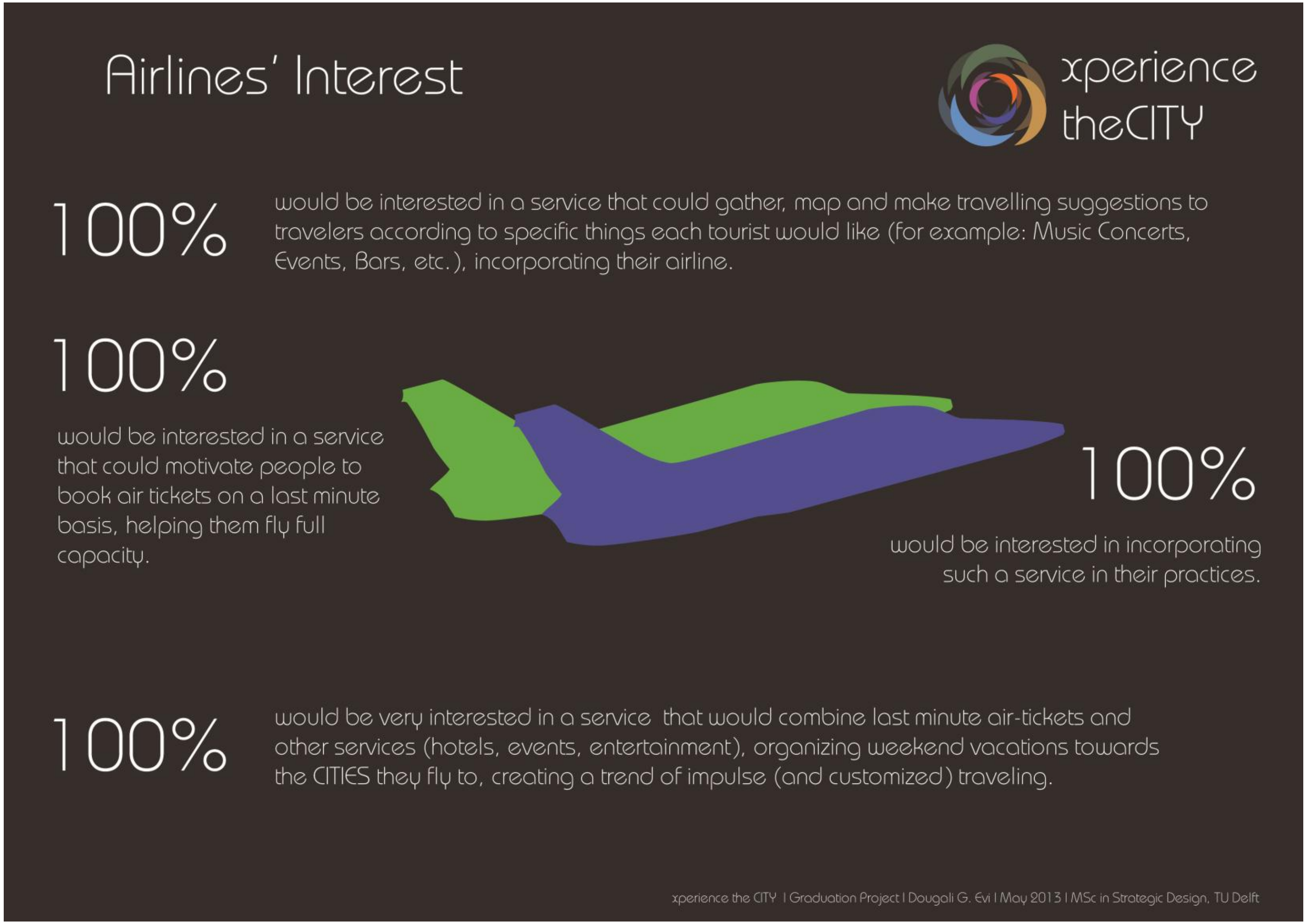


Εικόνα 40: Figure 40: Airlines - Customized Traveling Suggestions – Unique Experiences

Incorporation of such a service: 100% of the participating airlines would be interested in incorporating such a service in their practices and would also consider new ways of collaboration and co-creation with stakeholders in the Tourism Supply Chain in order to increase travel demand and therefore guarantee their full capacity.

6.4.3. Conclusions

The Airline Survey revealed a great interest on behalf of the airline industry towards the xperience the CITY concept. In their total, all the airlines participating showed a great interest in the xperience the CITY service of customized travel suggestions and all of them would be interesting in incorporating it in their practices (Figure 41).



Εικόνα 41: Figure 41: Airlines' Interest in xperience the CITY Service

6.5. Airport Survey

6.5.1. Aim, Design, Launch, Participants

Aim of the Airport Survey

Following the Passenger and Hotel Survey, Airport Survey aimed in gathering valuable insights regarding Airports' perspective on current practices, views on tourism and their impression of the xperience the CITY proposed strategy and services.

Designing the Airport Survey

The Airport Survey consisted of 16 multiple choice questions.

In detail:

The first 3 questions (Q1, Q2,Q3) aimed in locating the Airport (Athens, Amsterdam or Rest of Europe) and stating its character (national, international).

Following, would come a question present in all three industry stakeholder surveys (Hotels, Airlines, Airports), drawing upon the current practices of low cost carriers (e.g. Transavia, EasyJet, Ryanair etc.). These airlines, accounted for transporting thousands of passengers every year to specific destinations around the world, seem to only choose peripheral Airports, avoiding traveling towards European Capital Airports, due to increased airport fees. However these practices, hold back thousands of tourists flying there on a regular basis.

Airports here (Q4, Q5) were asked their opinion about the role of their fees on attracting carriers and whether they would be interested in collaborating and co-creating with various key stakeholders both local and foreign ones, such as other Hotels in their City (Athens, Amsterdam), Airlines and the City itself, towards joined forces and strategies/ services that could result in the possibility of Airport fees reduction. Such strategies could make these Airports more low-cost carriers friendly, resulting in more and more passengers flying towards these Cities. Increased tourism volume, would then result in multiple benefits and increased profits (economy of scale) for all the stakeholders involved (more air-tickets and Hotel rooms sold, better revenues for the Airports).

Question 7 (Q7) was interested in them importance of the facilities and services provided by an Airport in order for passengers to choose it or not as a final destination or hub. In continue Airports were asked whether they act upon it, by constantly looking for ways to improve their facilities/services to attract more carries.

While question 8 (Q8) was the question present in all four surveys regarding how people travel (choosing country, city or facilities provided, etc.), questions 9 and 10 (Q9, Q10) were the ones present only on the industry surveys, regarding the role of the City and the Government in attracting tourists, and whether or not Airport are satisfied by their role so far. The importance of Social Media in promoting an airport was investigated in the next question (Q11),

The rest five question (Q12 – Q16) were project-specific; what would Airports think of a service that could gather, map and do travelling suggestions according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating the airlines flying towards their Airport and the airport itself, (Q12) and what would think if that service could motivate people travel more and therefore increase their passenger traffic (Q13). At last Airports were asked what would they think if that service could be co-created and be combined with Airlines, Hotels and other stakeholders' services at Destination, organizing weekend vacations towards their City using their Airport, motivating people to travel on lower prices (Q13). To become more specific, Airports were then asked whether or not would be interested in incorporating such service in their business practices (Q15). The final question concerned Airports' possible interest in new ways of collaboration and co-creation with stakeholders in the Tourism Supply Chain in order to increase travel demand and therefore increase their passenger/flight traffic and revenues (Q16).

Launching the Airport Survey

The Airport Survey was launched on May 23, 2013. A total of 12 Airports were contacted in total. Out of them 3 were in the Netherland, 4 in Greece and 5 located in the rest of Europe (Germany, Italy, Denmark, Brussels) (Figure 42).

Airport Online Survey - Airports Contacted

	Airport	Home Base
1	**Amsterdam Airport Schiphol**	Amsterdam,NL
2	**Eindhoven Airport**	Eindhoven, NL
3	**Rotterdam T he Hague Airport**	Rotterdam, NL
4	**Athens International Airport**	Athens, GR
5	**Thessaloniki International Airport**	Thessaloniki, GR
6	**Chania International Airport**	Chania, GR
7	**Heraklion International Airport**	Heraclion, GR
8	**Düsseldorf Airport**	Düsseldorf, DE
9	**Hamburg Airport**	Hamburg, DE
10	**Rome airport Fiumicino**	Rome, IT
11	**Brussels Airport**	Brussels, BE
12	**Copenhagen Airport**	Copenhagen, DE

Εικόνα 42: Figure 42: Airports Contacted

Invitations were sent either through personal contacts directly to Head Managers of the Airports approached (Athens International Airport, Amsterdam Airport Schiphol), emails to Airports or via their Facebook pages.

Airport Survey Sample

The Airport Survey Sample was finally consisted of Athens International Airport, Amsterdam Airport Schiphol (3 responses) and two airports in Germany (Dusseldorf, Hamburg), all of them international airports.

6.5.2. Results

6.5.2.1.AIrlines profiling

Business Profiling: Located in Athens, Amsterdam, Dusseldorf and Hamburg, all of the Airports were international ones, operating flights towards cross border destinations.

Airports' Passengers Profiling:

Choosing Destination: The majority of the Airports (50%) believe that travelers would first pick up the City of Destination, with only 16.7% of them (1 Airport) giving that fist choice to the Country of Destination. The remaining 1/3 of the airports (33.3%) is divided between those believing that travelers would base their destination decision according to facilities offered by a City like museums, sightseeing and nightlife and those who think that travelers choose their destinations based on other criteria. Remarkably, none of the participants think that someone would be interested or drawn by thematic holidays, based on very specific things people would like, such as certain interests, certain kinds of bars, concerts, etc.

6.5.2.2. Overall Results – Practices, Collaboration, Competition

The Airport Factor – Importance of Fees: While 50% of the participants consider Airport's fees to be an important factor for an airline to choose it as a destination, 16.7% find that of neutral importance and 33.3% do not think that fees are of great importance in order for a City/Airport to be considered a destination from an Airline. As a result none of the Airports would be very interested in reducing their fees to attract more airlines and passengers.

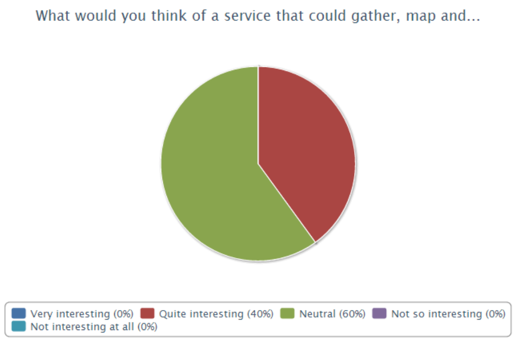
The importance of facilities and services on an Airport: As the majority of the Airports (66.7%) agree that the facilities and services provided by an Airport can determine whether passengers choose it or not as a final destination or hub, they also claimed that they are constantly looking for ways to improve their facilities and services to attract more carries (83.4%).

The Role of the City : In questions 9 and 10 (Q9, Q10) airports were asked to rate the role of their Cities and Countries (Governments) on creating those facilities and conducting those marketing campaigns that would attract more and more incoming tourists, resulting in more carriers passengers for them. When it comes to the role of the City, all airports stated to be completely satisfied with the effort their City is paying on increasing tourism rates. That rate falls down in 40% for the role of the Government, with the remaining 60% would like their Governments to do more.

Social Media: With one exception, the remaining airports do find social media important on promoting an airport to be a preferred destination/hub.

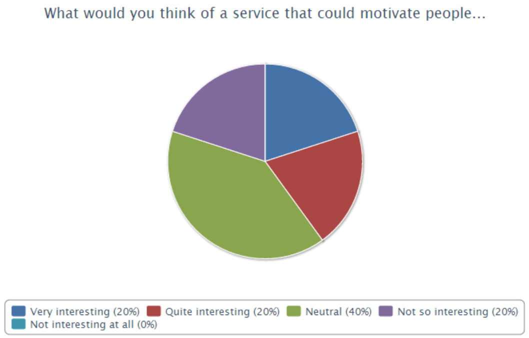
6.5.2.3. Overall Results – "xperience the CITY" project

Customized Traveling Suggestions: In their total, the Airport Industry would be quite interested in a service that could gather, map and make travelling suggestions to travelers according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their airport (Figure 43).



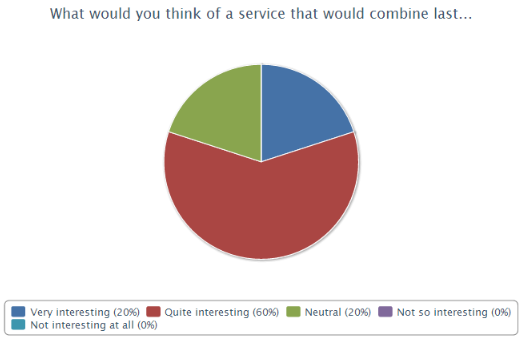
Εικόνα 43: Figure 43: Airports - Customized Traveling Suggestions

Motivating People to Travel: Again the majority (80%) of the Airports would quite be interested in a service that could motivate people to book air tickets on a last minute basis, helping Airline fly full capacity and therefore increase their revenues (Figure 44).



Εικόνα 44: Figure 44: Airports - Motivating People to Travel

Customized Traveling Suggestions – Unique Experiences: Once again, in total Airports would be interested in a service that would combine last minute air-tickets and other services (hotels, events, entertainment), organizing weekend vacations towards their Airport and their CITY, creating a trend of impulse and customized traveling (Figure 45).

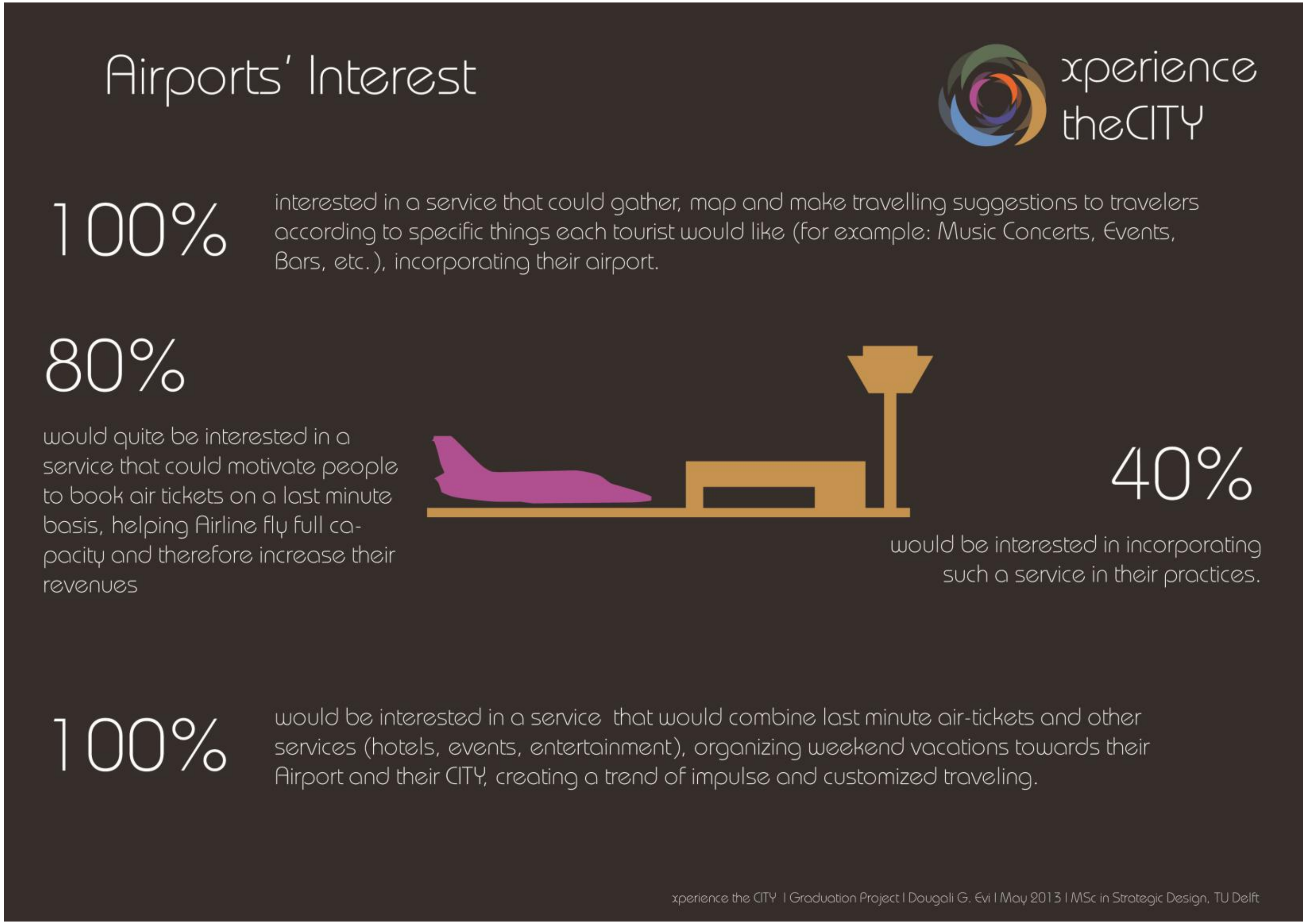


Εικόνα 45: Figure 45: Airports - Customized Traveling Suggestions – Unique Experiences

Incorporation of such a service: When it comes in incorporating such a service in their practices, Airports would be interested by a rate of 40%, with the remaining 60% not being interested. However, all of them expressed an interest in developing new ways of collaboration and co-creation with stakeholders in the Tourism Supply Chain in order to increase travel demand and therefore increase their incoming passengers/flights/revenues.

6.5.3. Conclusions

The Airport Survey revealed a great interest of participating airports on the xperience the CITY proposed service regarding Customized Traveling Suggestions and vertical integration and collaboration with other tourism stakeholders (airlines, hotels). In their total, the Airport Industry would be quite interested in a service that could gather, map and make travelling suggestions to travelers according to specific things each tourist would like (for example: Music Concerts, Events, Bars, etc.), incorporating their airport and in a service that would combine last minute air-tickets and other services (hotels, events, entertainment), organizing weekend vacations towards their Airport and their CITY, creating a trend of impulse and customized traveling (Figure 46).



Εικόνα 46: Airports Interest in xperience the CITY Service

Chapter 7:

VALIDATION RESEARCH CONCLUSIONS

CHAPTER 7: VALIDATION RESEARCH CONCLUSIONS

7.1.Introduction

Consisting of 4 distinct surveys (Passengers, Hotels, Airlines and Airports) the Validation Research addressed all the main stakeholders in the Tourism Supply Chain, reaching a great number of participants from every industry sector. Taking about 2 months to be organized and distributed, those surveys reached a wide spectrum of participants (individuals and businesses), successfully contributing to their deep profiling. The insights these surveys offered were valuable; knowledge on both traveling habits and business practices along with every stakeholder's perspective on tourism in general and on the proposed concept in specific.

Continuing on developing any concept regarding new services in tourism without the insights offered by this research would be impossible. Meeting their purpose, both individually and in total, all the surveys revealed what are the important aspects while traveling (passengers' perspective) and delivering tourism services (industry perspective) and how all the parties involved would see the xperience the CITY concept. Having all that as a great asset, the concept can now move into implementation, forming a final solid service.

Key finding here is that the new strategy and service proposed by the "xperience the CITY" project is an innovative one that could indeed challenge the existing Tourism Supply Chain offering multiple benefits to those involved. What is more, it is something that starting as a vision, could easily be widely adopted

This Chapter comes to serve 2 purposes:

1. Sum up the General Conclusions on Traveling and Business Practices and try to create a more solid target group to be used in the implementation part

2. Sum up the Concept Specific Conclusions regarding the xperience the CITY concept and reveal specific needs to be taken into account in the implementation part.

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7.2. General Conclusions on Traveling and Business Practices

Target Group

Judging from the Passengers Survey sample (96.79% of participants aged between 18-50 y.o.) combined with the Hotel Survey (89% of their customers are aged between 30-50 y.o.), we could say that a main target group for the new service could be people aged between 18-50 y.o. This target group could be divided in two groups, asking for slightly different approaches; people between 18-30 that can be more impulse on their traveling, and those between 30-50 that can value unique experiences and have the purchasing power to support them.

Another important finding is that 58% of passengers stated that they usually travel in groups of 2, while 17% are solo travelers. That finding was also supported by the Hotel Survey revealing that 42% of their customers are couples and 22% of them are solo travelers. As a result we could open up the target group, saying that the final service should target both solo travelers and couples (or groups of 2 friends).

Internet, Web Booking, Smart Phones and Social Media

Starting from passengers we saw that people use smart phones at a rate of 83.46% with a rising trend; smart phone usage will be catholic soon. What is more, these people use mobile apps at a rate of 60%.

At a rate of 80% for flight tickets and 73.3% for hotel rooms, these travelers complete their bookings via Online Travel Agencies (OTA) (Passenger Survey). That finding was again supported by the Hotel Survey that revealed that 48% of hotel reservations are taking place via OTAs with the great majority of the rest also taking place via online reservation systems instead of traditional means.

Regarding social media, their use by passengers and industries (Hotels, Airlines and Airports) to promote their facilities and services is massive and unquestionable. What is more travelers widely use social media reviews when looking for travel info; by 9.73% on the pre-delivery phase (before traveling) and by 6.72% on the delivery-phase (while on destination).

As a result, the successful integration of the proposed service with various social media is of great importance.

Travel Info

Another interesting finding coming from Passengers' Survey is how people look for travel information, before and while on destination. As the survey revealed, traditional means like printed travel guides have long given the floor to electronic means like Travel Web sites (24%.32 on pre-delivery, 17.17% on delivery phase), City Web Sites (15.44% pre-delivery, 17.26% delivery), and Social Media Reviews (9.73% pre-delivery, 6.72 delivery).

What is more important is the rising of the peer-to-peer model (see Chapter 4: Travel Trends) and the need for local knowledge. As a result people do turn into friends when looking for travel information (23.55% pre-delivery, 15.6% delivery) and into locals[i] (7.18% pre-delivery, 17.18% delivery). According to data, before traveling people would turn more into friends (23.55%) comparing to locals (7.18%), with that percentages differing during the delivery phase; while on destination people would turn more into locals (17.18%) comparing to friends at home (15.6%).

Judging from these findings, trends when looking for travel information, along with differences between the two phase, is something to be taken into closer examination when developing the final service.

Time of Traveling

On the one hand, Hotels stated at a rate of 53% that their high season is during Spring and Summer. On the other hand, passengers at a rate of 38% stated that they usually travel on specific periods like summertime and holidays. However, passengers also stated that by 32.43% they travel regardless time (when they feel like), they travel based on cheap tickets available by 16.47% and finally 13.58% of them are event travelers.

That finding could be valuable when developing the concept based on specific passenger/industry needs; there should be travel suggestions for every time of the year, with emphasis varying on destination and activities offered. What is more, cheap tickets would be a great motive on attracting more and more travelers.

Choosing Destination

When it comes to choosing travel destination, we see some variations between the stakeholder's view about what comes first in passengers' choice. On Table 13 you can see every stakeholders' perspective on how they think people choose where to travel to. Please not that the Passengers column has 2 sub columns stating how people are currently selecting destination and how they would like to do so in the future.

	Passengers		**Hotels**	**Airlines**	**Airports**
	Now	Future			
Country	31.62%	27.94%	31.3%	33.3%	16.7%
City	36.76%	24.26%	50%	33.3%	50%
Activities Offered	18.38%	25.25%	9.4%	33.3%	16.7%
Thematically	6.86%	18.87%	-	-	
Else	-	-	6.3%	-	

Πίνακας 13: Table 13: Choosing Destination - Stakeholders' Perspective

Quite noticeable are the differences appearing; while some stakeholders give similar percentages to same choices (e.g. Country for passengers, hotels and airlines Vs Airports' opinion), others' opinions show greater distance (e.g. activities offered).

While Airlines equally divide the importance of selection among the Country, the City and Activities offered by a City (33.3%), both Hotels and Airports believe that the majority of passengers (50%) would first chose the City when selecting a travel destination.

Regarding Passengers' perspective, what is worth to be mentioned is that while currently the City comes first in people's choice (36.76%), closely followed by the Country (31.62%), these trends seem to be changing in the future. While people are currently choose their destination according to Activities/Facilities Offered by a City (e.g. Museums, Sightseeing, Nightlife, etc.) at a rate of 18.38%, this percentage rises up in 25.25% for the future. And while no other stakeholder considers it as an option, people would indeed like to choose their destination in the future Thematically (18.87%).

Drawing from that finding we could say that the final service should take into account both current trends on traveling but most important incorporate future trends regarding thematic traveling. The later also comes in accordance with the initial trend spotted by the travel trends analysis (Chapter 4) and the concept of thematic traveling proposed in the preliminary model (Chapter 5).

Trip Planning

When it comes to Trip Planning, we can spot both differences and similarities. Here we see that even if 38.86% of passengers may start thinking about traveling 2 months prior to their trip, only 9.4% of Hotel reservations are completed at that time. Remarkably, the heavy volume of trip planning takes place about 1 month before; 53.22% of passengers plan their trip at that time, with 59.4% of the hotel reservations also completed then. That percentage rises up to a total 100% when it comes on air tickets (Table 14).

Πίνακας 14: Table 14: Trip Planning - Stakeholders' Perspective

	Passengers	Hotels	Airlines
2 months prior	38.86%	9.4%	-
1 month prior	53.22%	59.4%	100%
Last 2 weeks	-	25%	-
Last minute	7.92%	3.1%	-

However a remarkable 25% of hotel reservations are completed within the last 2 weeks before traveling, with 3.1% of them taking place the very last minute. Similarly, 7.92% of passengers do travel on a last minute basis.

Concluding, these results reveal an indicative time plan of trip planning, that varies from 1 month top to last minute. This time plan should be taking under account for the final service.

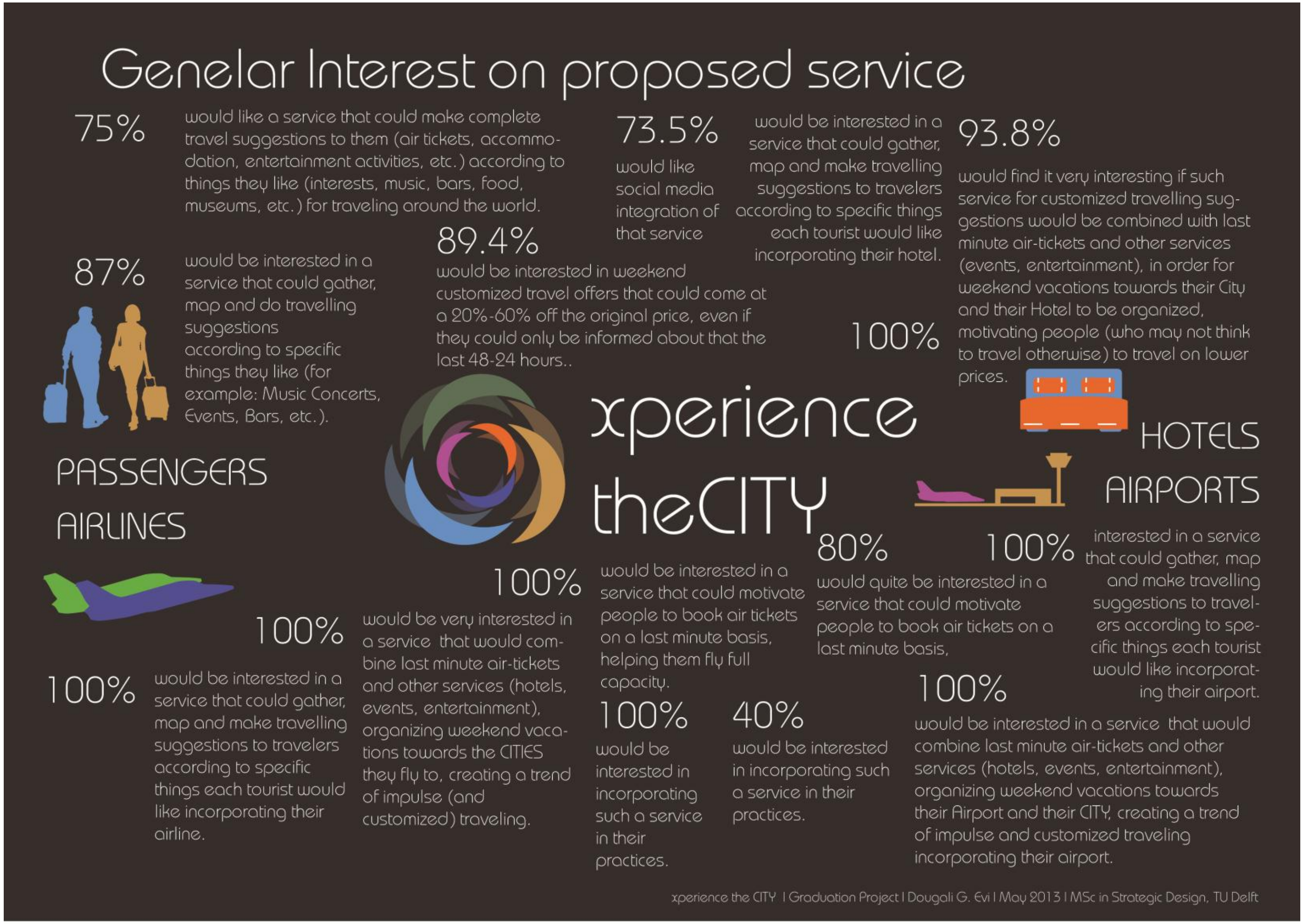
Last minute offers

As we saw before, 7.92% of people are traveling on a last minute basis. What is more 66% of the Hotels and 66.7% of the Airlines, offer last-minute deals (spare flight tickets/hotel rooms given in lower price at a last minute/day base) when they want to increase capacity. Finally, according to the Passengers Survey, 92.83% of passengers would be interested in flying low cost taking advantage of “last minute” offers by airlines.

Apparently people are ready to give in on impulse traveling both for the joy of it and in search for cheaper holidays. These people are valuing more the actual trip rather the final destination.

7.3. Concept Specific Conclusions – xperience the CITY

Overall all the stakeholders expressed a great interest towards xperience the CITY concept and proposed service as it can be seen in Figure X.



Εικόνα 47: Figure 47 : xperience the CITY - General Interest on the proposed service

Part E:

Implementation

Chapter 8:

CONCEPT DEVELOPMENT – XPERIENCE THE CITY

CHAPTER 8: CONCEPT DEVELOPMENT – XPERIENCE THE CITY

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Chapter 9:

BUSINESS PLAN

CHAPTER 9: BUSINESS PLAN – xperiennce the CITY as a Start Up Company

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CHAPTER 10: RECOMMENDATIONS

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CHAPTER 11: PROJECT REFLECTIONS

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CHAPTER12: APPENDICES

CHAPTER 14: REFERENCES

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[i] With the term locals we mean people located at destination