



TOURISM
ECONOMICS

THE IMPACT OF ONLINE CONTENT ON GREEK TOURISM

A SUMMARY EXTRACT FROM: *“THE IMPACT OF
ONLINE CONTENT ON EUROPEAN TOURISM”*

2017

EXECUTIVE SUMMARY: GREECE

EUROPEANS CONTINUE TO EMBRACE ONLINE CONTENT

85% of EU households are online – a greater proportion than the global average.

The internet continues to play a vital and growing role in the European travel sector. There have been large improvements in online access across the region allowing greater online sales and research in the tourism sector.

The majority of the European population now has reliable access to the internet and online platforms are used with greater frequency. EU households are more connected than the global average. Mobile internet access has become more common and is changing the way people access travel information and make bookings while travelling.

Greece remains one of the least connected countries in Europe, despite significant improvement in recent years. Around 70% of Greek households have access to the internet in 2016 up from 54% in 2012. This is lower than the European average of 85%. Greeks are also less likely to use the internet daily.

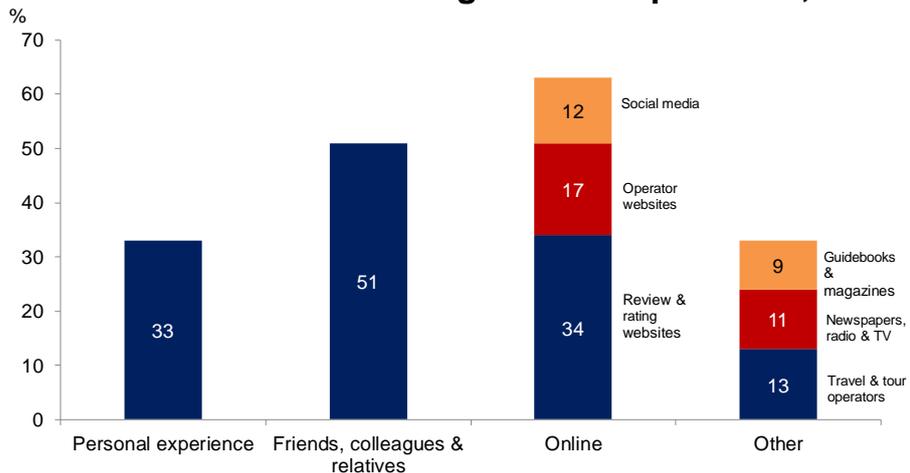
ONLINE CONTENT IS A WIDELY TRUSTED INFORMATION SOURCE

The internet has become a highly trusted source of information and the overall impact of online content includes a large effect from research in addition to the online sales.

Various forms of online content are now more trusted than both traditional media and recommendations from friends and relatives. Travel information is widely sought online and clear and accessible online information improves destination competitiveness and tourism performance.

Online tourism information is more widely trusted in Europe than traditional media.

EU28 - sources cited amongst most important 3, 2015



Source: Oxford Economics, Eurobarometer

ONLINE PLATFORMS ENABLE BUSINESSES TO REACH INTERNATIONAL CUSTOMERS

Tourism businesses in Europe need to be aware of preferences for online information and booking among travellers from source markets. The rise of

Greek tourism businesses can more easily compete internationally by using trusted online platforms.

social media use among the younger generation means that the influence of online content will only continue to grow.

The tourism sector leads the wider European economy in adoption of online platforms, but sales remain limited in many countries and especially in Greece. Less frequent online tourism sales in a destination arise from distrust in online purchases in that country. Online provision in the tourism sector should be matched to preferences in source markets rather than the domestic market.

By using established and trusted online platforms, Greek tourism businesses can more easily compete in international markets. Smaller independent businesses can more easily compete with larger establishments.

Content must match the needs of potential travellers in source markets. Businesses must engage with potential travellers using trusted platforms and provide engaging and usable content. Social media and peer review sites ensure that quality is revealed, often in real time, to a diverse audience through widely used and trusted online platforms.

As an example, 35% of tourism searches for Greece are for cultural activities and attractions. This is higher than the 24% of arrivals which are for these activities. Relevant information must be shared online to remain competitive and to fully capture source market demand.

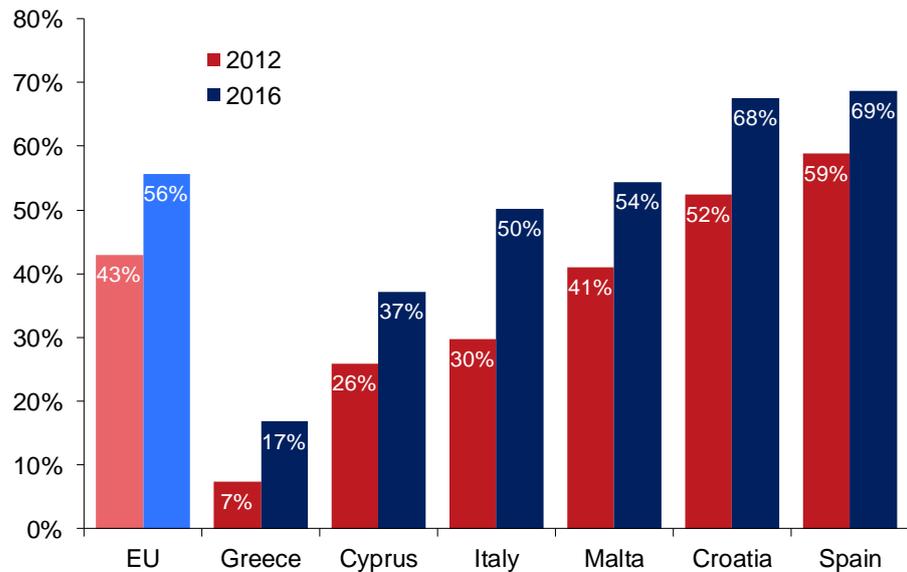
A GROWING SHARE OF EU TRAVEL IS ORGANISED ONLINE

The proportion of travel organised online has increased since 2012 across European countries. Increased online information has raised destination competitiveness leading to an increase in tourism demand and revenue, and has also emboldened travellers to make additional trips.

56% of EU travel is organised online including bookings and research.

Online share of tourism revenue

% tourism revenue researched or booked online



Source: Tourism Economics

Over half of all travel to EU destinations is now organised online. This includes all travel spending which was researched or booked online. The share of travel

organised online has increased significantly since 2012, with growth evident in all EU destinations and source markets.

INTERNET IS UNDERUTILISED IN GREEK TOURISM

Just 17% of Greek travel is organised online.

The share of travel organised online in Greece has increased to an estimated 17% from just 7% in 2012. However, this lags the average for the EU and other competitor destinations. Crucially this lags the preference in major source markets. This difference between source market preferences and destination trends provides an opportunity for growth.

MARKET SHARE GAINS ARISE FROM INCREASED ONLINE INFORMATION

Improvements in relevant online information lead to gains in competitiveness and market share.

Increasing online content to meet source market needs does not just entail a shift from offline to online travel planning. A real increase in competitiveness, tourism demand and employment is driven by the increase in online content.

A clear return in terms of additional job creation has been calculated for the Southern European countries including Greece.

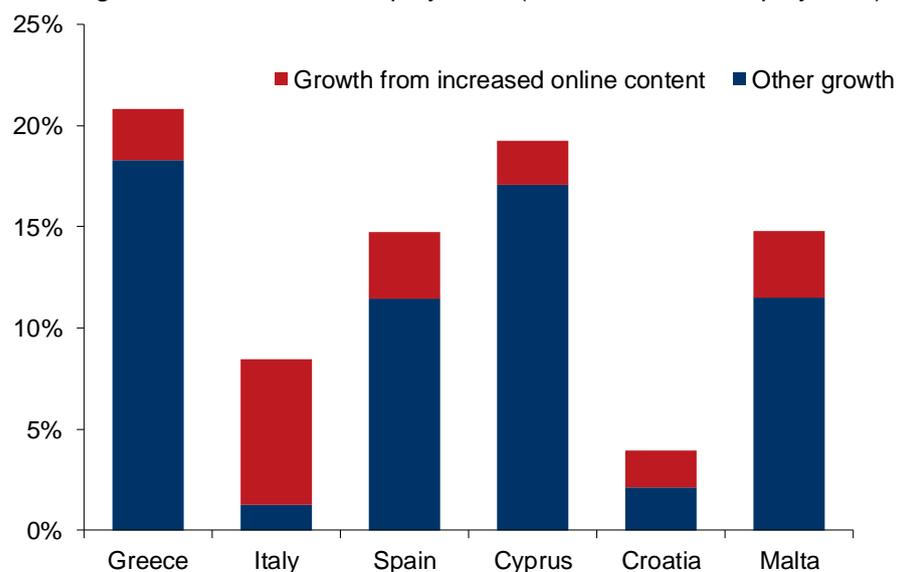
Over the past four years, Greek tourism arrivals rose 50%: well ahead of average demand growth of 14% from major source markets. This growth involved some rebound from the low arrivals in 2012 as well as improvement in price competitiveness.

Around one fifth of the growth in Greek tourism arrivals was due to shifts in market share attributable to other non-price factors, according to modelling by Tourism Economics. This includes the improvement in competitiveness arising from improved online content and associated research and booking. Online searches for Greek tourism rose 46% over the same period.

12% of recent growth in Greek tourism sector employment was due to increased online content.

Tourism employment growth, 2012-16

Change in tourism related employment, (% of all tourism employment)



Source: Oxford Economics

The impact on total tourism employment over this period is more muted due to other developments in domestic tourism activity.

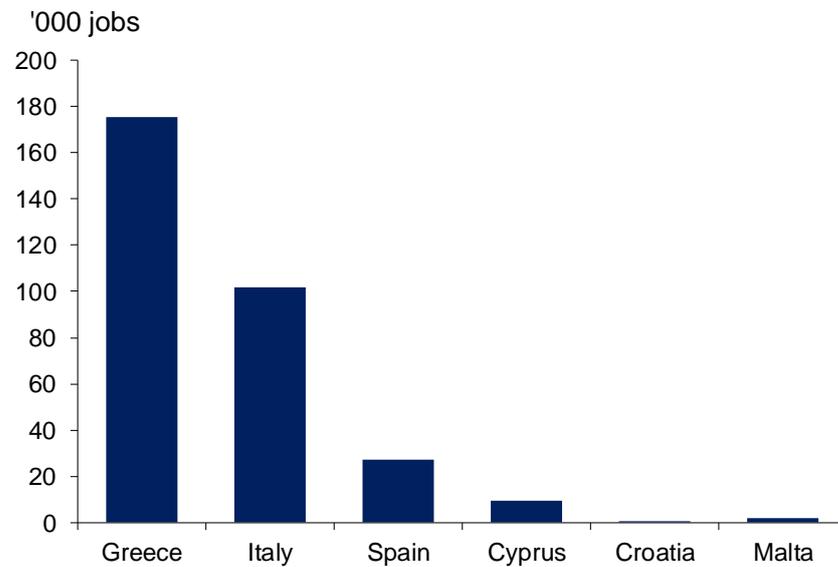
GROWTH IN GREECE WILL BE AIDED BY IMPROVED TOURISM ONLINE CONTENT

Over 170,000 jobs would be created across the Greek economy through catch-up in tourism online content.

Online tourism supports 3.2% of Greek GDP and 4.0% employment in the wider economy. The Travel & Tourism sector supports 19.2% GDP and 23.7% employment in total, including indirect and induced impacts as well.

Catch-up with current best practice in source markets will not only increase the share of Travel & Tourism activity which is organised online, but would also further increase the volume of sector economic activity by improving competitiveness and destination market share. A further 176,000 jobs would be created across the Greek economy.

Incremental employment opportunity, 2016



Source: Oxford Economics, WTTC

To fully achieve these opportunities, the tourism industry must:

- Be aware of the demand for online information in source markets;
- Expand the number of businesses selling online;
- Ensure the most popular sales platforms are being used for source markets;
- Provide opportunities for smaller business to reach a wide audience;
- Provide relevant information online, including translation into key languages;
- Ensure clear information relating to cultural attractions is available;
- Make use of the most popular platforms being used for research;
- Engage with potential tourists using social media to encourage information sharing;
- Encourage feedback through reviews and social media.

This summary report is taken from a wider study: “The impact of Online Content on European Tourism.” This wider study updates a previous 2013 report, also undertaken for Google by Oxford Economics. This update of the report focuses on six countries, three of which – Spain, Italy and Greece – were the focus of the previous study. Cyprus, Malta and Croatia have been added in this update.

The impact of online content on tourism activity in these countries is quantified for 2016 as well as the growth since the previous study. The Remaining opportunities for further improvement are also estimated, including the potential for job creation in catching up with best practice in key source markets.

Analysis of online activity and search behaviour is reliant on Google Trends data and categorisations. Interviews with stakeholders in the six destination countries were carried out to better understand these trends and any opinions and insights from these conversations have been quoted anonymously.