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The Greek Hospitality Industry: Dynamics and Impact of Crisis

Vasileios Kottas

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Student Name: Vasileios	Name Surname: Kottas
SID:	1109170016
Supervisor:	Dr. Chytiri Alexandra

I hereby declare that the work submitted is mine and that where I have made use of another's work, I have attributed the source(s) according to the Regulations set in the Student's Handbook.

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Abstract

This dissertation was written as part of the MSc in Hospitality and Tourism Management at the International Hellenic University.

Tourism is one of the most important means of growth and revenue flow for the Greek economy, with an immense contribution to the GDP of the country. In this manner it can be considered the driving force for the growth of the local economy. The purpose of this study is to investigate the dynamics of the hospitality sector in Greece, its effects in the economy, and the extent to which the financial crisis that plagued Greece affected businesses active in the tourism sector. The aim of the research conducted was to collect information on the impact of hospitality in Greece in terms of economy, growth and employment in general, but also during the period of economic crisis, and gain a more thorough understanding of the improvements that are necessary for further growth. Questionnaires were handed to 25 business owners related to the hospitality sector in Rhodes, Greece. The insights revealed that the crisis has affected most business owners. In addition, an interview with the owner of a 5-star hotel will take place, in regards to the topics mentioned above, where findings were more contradicting.

Keywords: tourism, Greece, crisis, economy

Vasileios Kottas

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Preface

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Introduction

Tourism, apart from a political, cultural and social activity, has evolved worldwide into one of the largest industries, being an important growth factor and source of employment. Tourism is also a sector of the Greek economy that is globally competitive. A powerful tourism sector can contribute directly in the increase of a country's GDP, combat unemployment, and more. At the same time, it is a driving force in the improvement of transnational relations, creation of global trades and establishment of world peace. The statistics show in practice how important the tourism contribution is for each country, but also that Greece has been a popular destination for many years, chosen by tourists from every country. Tourism's share of GDP in the country according to the latest data in 2014 reaches 17.3%, while total employment also reaches 17.3% The country in the same year welcomed about 22 million tourists, 1.8% of that is, of the world and 3.8% of the European market and with tourist revenues of EUR 13 billion. However, it should be emphasized that this sector has been severely affected by the financial crisis as the rates of incoming tourism in the years since the crisis in Greece began declined significantly (IOBE, 2016).

The global financial crisis of 2008 has had a major impact on all areas of activity of the Member States of the European Union, and in particular of Greece. The manifestation of the impact has been revealed through the widening economic downturn, rising unemployment, a decline in primary production and a general decline in the level of quality of citizens' life. The economic crisis, having a worldwide impact, affected European and Greek tourism to some extent. In particular, as reported by the World Tourism Organization, there was a decline in international tourism at the end of 2008 as a result of the global recession. This trend has been reflected in many international and domestic tourist destinations through both the reduction in tourist arrivals and the decrease in the per capita budget available for consumption by tourists during their visit. Nevertheless, the economic crisis has affected each tourist area to varying degrees and intensity is therefore a case study of each area.

The purpose of this work is therefore to identify the factors that affected tourism during crisis, the ways businesses viability was ensured, and the importance of tourism for Greece. For this reason, a theoretical review of contemporary international literature is first undertaken and then for empirical analysis, a questionnaire is created to investigate the perspective of business owners in the area of Rhodes. An interview will also take place, with a 5-star hotel business owner. Therefore, the individual objectives are:

- Bibliographic review of the impact of the financial crisis on tourism and the tourism industry's main aspects in Greece .
- Local research in Rhodes tourism companies in order to study the impact of the difficult economic landscape in Greece.

Greek tourism is called upon to face both the uncertain economic environment resulting from the economic crisis and the international tourism competition of neighboring countries. In the following sections, previous studies that have investigated the issue of tourism in relation to crisis and the tourism industry itself are analyzed. In particular, the results of worldwide research are reported. The empirical analysis is the next chapter, which presents the methodology and the results of the questionnaire and interview. The questionnaire which was completed by 25 people and was designed, taking into account the existing literature, to cover sections such as demographic characteristics of business owners, as well as information on their perspective, expectations and issues being currently faced. Finally, the conclusions drawn from the interview and the questionnaire along with descriptive tables and figures, as well as discussion regarding the results and concluding remarks are presented (Javeau, 2000).

Literature Review

In the first section an attempt is made to identify both the concept of tourism and the economic crisis that are the subject of this work, and how they affect each other.

The Concept of Tourism

Tourism is nowadays an economic, social and cultural activity occurring internationally. It covers almost all social and income classes with the aim of satisfying a fundamental human need, the need for a temporary escape from everyday life, enabling people to meet and bond together for a better and peaceful future. It is an activity that stems from natural needs and acquaintance with the environment, history and culture. Tourism has become an “economic activity because it offers the services that the consumer requires”. Particularly, for the last three decades, such activities are becoming more and more popular in the European region.

As an economic activity, tourism is increasingly dependent on different policies and requires adaptation of policies for its development. However, it is natural that a tendency originating in a natural need and evolving into economic activity gradually and with pilot initiatives containing risks, is now at European level subject to intense controversy and criticism due to the lack of planning and coordination of the various policies. Tourism is further strengthened and consolidated by the safeguarding of fundamental social rights: winning the right to vacation, fixed working hours on weekends, etc. So eventually this need is planned and implemented by the organized sector that constitutes or maintains such services through which it covers this human activity. The institution of tourism enables peoples to meet at a cultural, social, geographical, climatic, historical and human level. So in the European Union, this activity is of prime importance for the mutual understanding and solidarity that should characterize it.

In the 21st century, tourism has evolved rapidly and has a direct impact on both the environment in which people, the economic conditions and the tourist who consumes a product or service are consumed (Page, 2014). However, tourism is difficult to identify as an autonomous sector due to its complex composition and activity. The measurement of the economic changes due to tourism activity is not clear, as various types of services and businesses are involved, the elements of which are highly complex and diverse. Therefore, the estimation of tourism-related figures should be based on valid and statistically predominant sources, which allow a timely comparison of the data available in each period.

Tourism in Greece

Greece, as a tourist destination, has begun to attract more and more foreign tourists since the early 1950s. Towards the end of the decade, even though Greece struggled to grow financially, it was among those European countries that had made significant progress towards developing their tourism. Until then the tourist movement in Greece was limited and consisted mainly of a small number of high-income tourists who were primarily interested in visiting the monuments of ancient Greek culture. The foreign exchange earnings of Greece at that time were insignificant, and its tourism was a small part of its economy. The pace of tourism growth got even faster later on, especially in the 1970s. The main factors attributing this rapid growth to tourism are summarized below:

- Extending leisure time/holidays.
- Financial prosperity.
- Improving and developing the means of transportation.
- Urbanization & technical advancements.
- Evolution of Culture.
- The bigger interest of the national, private initiatives.
- Refinement of the hotels' roles

Currently, Greek tourism can be described as massive, organized and holiday-oriented. At the same time, several important efforts have been made to further develop all forms of tourism (cultural, maritime, athletic, social, etc.) with the

ultimate aim of promoting, prospering and developing Greece. The main features of Greek tourism are the existence of a large number of small tourism businesses (e.g. hotels, travel agencies) that compete strongly with each other due to their small profit margins. Also, the above feature combined with the inability to quantify demand and product seasonality make tourism in Greece particularly unsafe. It is observed that Greek companies tend to consolidate in order to maximize their profits and provide the best possible product. This is largely evident during the crisis. Even though there are many difficulties and dependencies on international tourism, Greek businesses are clearly trying to improve their infrastructure and services, stabilize a well-functioning and seasonal phenomenon. At the same time, it is very important that they appear to be in tune with and benefit from the new technologies.

Types of Tourism in Greece

Having tried to explain and define the concept of tourism and the basic discrimination of those who make a move, we proceed to this point by identifying the different forms of tourism. In particular, we present the key elements that make up each individual category. Therefore, tourism can be distinguished as follows:

- Domestic tourism: It is related to travelers within the borders of their country.
- International tourism: Related to traveling abroad to another country. International tourism can be subdivided into: a) Inbound, in which case, tourism is viewed from the point of view of a country and concerns all foreign tourists visiting that country, and b) Outbound, which includes all tourists of the country concerned traveling abroad.

Tourism types can be further divided into mass tourism and alternative tourism. In particular, in the case of mass tourism, it is obvious that the post-Industrial Revenue Income has made travel a privilege not only for the few and economically prosperous, but a trend that has resulted in the development of the tourism industry and the increase in tourist sizes. The large amount of tourists in

certain areas and at certain times of the year has negative impacts mainly on the environment, therefore new forms of tourism are proposed as alternative tourism.

The development of alternative tourism is, therefore, an attempt to look for forms of tourism that are more environmentally friendly while preserving the natural resources of each tourist destination and at the same time more anthropocentric while addressing the most human needs of individuals. The purpose of this approach is to address the social and environmental impacts of mass tourism. However, we can also distinguish certain categories of tourism which are identified based on the reasons and motives of one who wants to travel somewhere else. Therefore, we have the following cases of forms of tourism:

- Professional tourism: It refers to those individuals who travel for the needs of their profession and attend conferences or business exhibitions in various parts of the world.
- Educational tourism: In this case a trip to study in another city or country is made to further improve one's educational level.
- Sports tourism: Includes people moving to a country for the purpose of either actively participating or attending a sporting event.
- Agritourism: In areas characterized as rural. This form of tourism is identified by staying in traditional accommodation on farms and engaged in agricultural, rural and livestock farming activities.
- Marine tourism: Refers to all activities that can be done in the marine environment such as cruises and sailing.
- Eco tourism: This is a case of nature-savvy tourists who want to travel in an eco-friendly and environmentally friendly way, engaging in eco-friendly activities.
- Health Tourism: Conducted for medical reasons in order to receive specialized medical assistance in another country.
- Religious tourism: A tourist with a religious interest makes a trip to visit places and places of religious importance, especially during religious celebrations.

- Cultural tourism: In this case a trip is made to a destination for the purpose of visiting cultural monuments and sites of cultural heritage, such as historical monuments, but also attending various cultural events.
- Archaeological tourism: It is a more specialized case of cultural tourism with the main object of visiting archaeological sites and monuments.

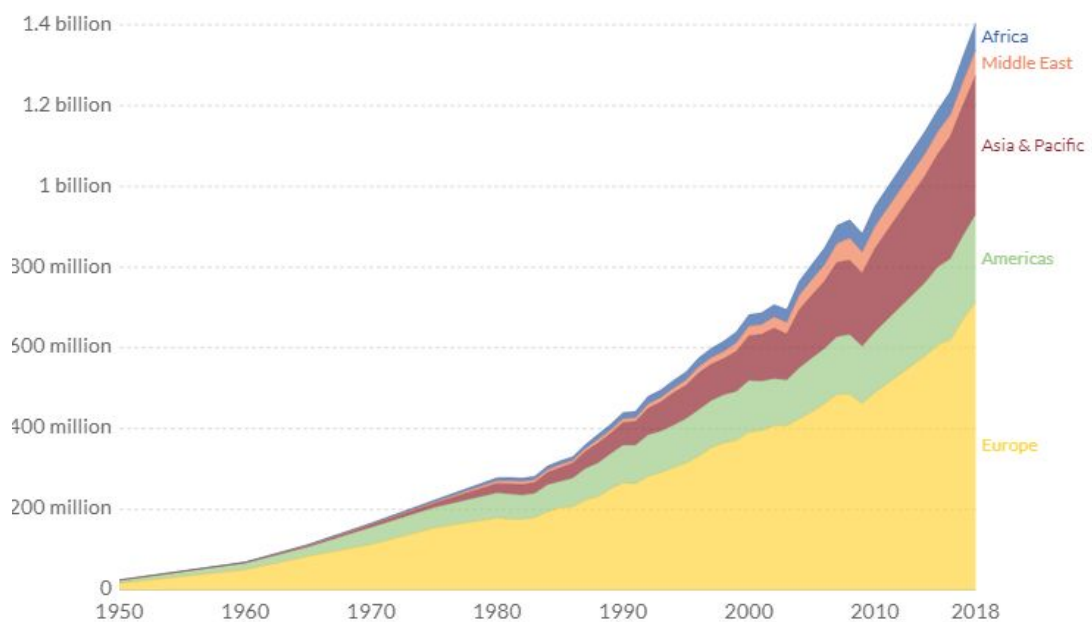
The Global Financial Crisis and its Impact in Tourism

In the past years, the financial crisis that began in the U.S. took on a global scale. The global economic crisis affected the economy in various countries, as well as various sectors of the economies of these countries. One of the most important sectors affected was tourism. The economic crisis is a phenomenon that affected the economy on a global scale in many ways. The financial crisis that began in 2008 brought many and significant changes in the economy in general, but also in other areas such as consumer behavior (IOBE, 2012). Consumer behavior is very important in the tourism industry as it affects consumers' decision on whether to use a tourist service offered by their respective business, which is the key difference between tourism and the rest of businesses that provide services to consumers. This sector of tourism is very special mainly because of its form and the changes it can undergo through the financial crisis. In particular, tourism is something that is tailored to the consumer's own desires because of his/her behavior, which have changed since the 2008 crisis. There is pressure to create social, technological, political, and even demographic changes (Dogru and Bulut, 2017).

In general, tourism is an area which the crisis has affected, but at the same time the industry has managed to come back and address the problems that have arisen. The strong desire of people to travel is the main reason why tourism as a whole, has succeeded in reviving and overcoming the difficulties that have generally arisen in world economies through the financial crisis that emerged in 2008. Consumer behavior on their desire to travel has not changed, but at the same time the way they make purchases has changed, and the way they categorize and judge

whether or not they need a particular service offered by the various tourism companies. In general, tourism is an area of great interest in order to be able to discover various sights as well as other special features, which can only be seen in a particular place. In the figure below by the United Nations World Tourism Organization (2019), we can see the shifts in global tourist arrivals per region during the period of crisis and its growth afterwards and until 2018.

Figure 1 - International Tourist Arrivals by Region (United Nations World Tourism Organization, 2019)



The Impact of Crisis in Greece

In Greece, tourism has gained a lot of attention, mainly because it has formed as one of the pillars of the country's economy. But the country's economy has been heavily affected by the financial crisis and the effects of the economic downturn are becoming increasingly evident in many areas of the Greek economy's development. The 2008 financial crisis also has the characteristic of having been able to greatly

affect tourism, which has had the effect of affecting the economies of the countries concerned. Specifically, Goeldner (2009) mentions that in countries where tourism is a significant factor concerning their economy, the influence of tourism and the effects it has are more pronounced. The crisis led to a downturn in overall tourism activity. The depreciation of the currency of many European Union countries outside the euro area, as well as those of the Eastern Mediterranean, made Greece's tourism product more expensive than its competitors and has thus significantly reduced the number of tourist arrivals in the country.

It is evident that Greek tourism is one of the few sectors of the national economy that is globally competitive. In order to establish the degree of importance and the contribution of tourism during the crisis, some key indicators for the period 2008-2011 will be presented. Table 1 provides a first look at the data on tourism in Greece. In particular, the evolution of basic figures related to tourism is presented over time, that is, its contribution to GDP, as well as in employment (SETE, 2014).

Table 1 (SETE, 2014).

Year	Contribution to GDP	Income (in billion €)	Contribution to Employment	Number of Employees	Spot in Global Arrivals	Metric of Tourist and Travel Competitiveness	Market Share Globally	Market Share in Europe
2008	16.8%	11.6	18.7%	854400	16 th	24 th of 133	1.7%	3.3%
2009	15.9%	10.4	17.7%	798600	16 th	24 th of 133	1.7%	3.2%
2010	16%	9.6	17.8%	786000	17 th	29 th of 139	1.6%	3.1%
2011	15.8%	10.5	17.6%	720600	17 th	29 th of 139	1.7%	3.2%

It is noted that although market share in the global and European market has not changed, in fact tourism is following a declining trend. Revenues from this activity have fallen by almost 10%, and the percentage of employees has fallen by about 16%. This is because the financial crisis is beginning to hit the tourism industry. The financial crisis may be of a certain duration and occur in a recognizable time and space, but its impact and the effects it brings are long-term and unpredictable (Smith, 1998).

However, the main conclusion drawn from the study of tourism in general in Greece is that it is a sector characterized by flexibility, which has enabled it to cope with all difficulties. Tourism today is an economic sector that shows that it can overcome the crisis, as it is growing. In particular, tourism in Greece has undergone a rapid development in recent decades and is one of the most important pillars of the Greek economy, as it contributes to the coverage of the foreign exchange deficit and to the increase of income and employment. Greece as a country has many advantages in terms of tourism, which can support other productive sectors. According to data from the National Center for Environment and Sustainable Development, Greece is among the top twenty destinations worldwide (GNTO, 2011). Also, a study by the Foundation for Economic and Industrial Research (2012) shows that Greece's cultural heritage, extensive coastline and natural environment are factors that make Greece one of the top tourist destinations internationally. At the same time, shipping combined with the tourism phenomenon make up the most extroverted sectors of the economy, as the inflow of travel currency has a positive impact on Greece's balance of payments and its subsequent reduction in its account deficit (IOB E 2012). Also important is the fact that tourism contributes to the growth of Gross Domestic Product (GDP), which is an important economic indicator and is widely used in an economy to measure its course. Specifically, GDP calculates the total value of final goods and services that a country produced in a year (Giannellis, 2013).

Consequently, with regards to tourism, the valuation of tourism services involves raising millions of euros to increase the GDP index. It should also be noted that in areas with high tourist activity, characterized as popular tourist destinations,

many businesses are developing and operating both in tourist services and in various related sectors (food, transport, entertainment, commerce, supplies, etc.) based on tourists' needs. As all these businesses support tourism, the GDP is growing significantly. In line with the report of the Hellenic Statistical Authority for Tourism (INSETE, 2017), the direct contribution of tourism to our country's GDP increased in 2013-2016 despite the difficulty of completing the government assessment, combined with the introduction of capital controls in trade. In particular, the failure to meet the goals in the first half of 2015 and the new burden on the economy at the beginning of 2016 did not affect the growth prospects of the economy. Thus, we understand that the recent years' achievements in tourism and the competitive nature of Greece have not been affected so much as to disturb the balance during the crisis.

The Greek economy is in a state of recovery after the ongoing crisis. Indeed, in an article published by the Association of Businesses and Industries (SEV), it is stated that after the surveillance and the possible return to the markets, the Greek economy aims and hopes for the recovery of tourism and the creation of significant investments in this sector. This will improve the tourism product and attract more tourists to Greece to improve the inflows to the economy (SEV, 2017).

In addition, according to INSETE, at the 2017 General Assembly, the Greek economy needs to adjust to the increased tax rates, which in the case of accommodation amount to 13%, while in the catering sector 24% slowing growth and decreasing profitability (INSETE, 2017).

At this point, it is worth noting that the lack of infrastructure in key sectors of the tourism product and the country in general is limiting pricing policy and the provision of better-quality services. If there is improvement in infrastructure in particular, it will positively affect the goal for extension of the tourist season (seasonality). A key component of this improvement is the facilitation of investment activities mainly in the areas of taxation and bureaucracy (INSETE, 2017).

Current State of Greek Tourism

Figure 2 (SETE, 2018)

Greek Tourism - Basic Figures 2017		2017
Total Contribution to GDP	27,3% [INSETE]	
Total Contribution to Employment	24,8% of total employment [WITC]	
Total Employment	934.500 [WITC]	
International Tourism Receipts	14,2 bn. € (cruise receipts are not included) [BoG]	
International Tourist Arrivals	27,2 ml. (cruise passenger arrivals are not included)	
Average per capita tourism expenditure	522 € (cruise receipts are not included)	
Market Share (2017)	2% World, 4% Europe	
Seasonality	57,3% of international tourist arrivals are recorded in July - August - September	
Concentration of Supply	70% of hotel beds are concentrated in 4 areas of Greece [HCH]	
Hotel Capacity	9.783 hotels / 806.045 beds [HCH]	
Top 5 airports (in international tourist arrivals)	Athens (4.797.365), Heraklion (3.147.704), Rhodes (2.178.663), Thessaloniki (1.929.916), Corfu (1.300.189) [AIA & Civil Aviation Authority]	

Figure 3 (SETE, 2019)

Greek Tourism - Basic Figures 2018		2018
Total Contribution to GDP	30,9% [INSETE]	
Total Contribution to Employment	25,9% of total employment [WITC]	
Total Employment	988.600 [WITC]	
International Tourism Receipts	15,6 bn. € (cruise receipts are not included) [BoG]	
International Tourist Arrivals	30,1 ml. (cruise passenger arrivals are not included)	
Average per capita tourism expenditure	520 € (cruise receipts are not included)	
Seasonality	54,8% of international tourist arrivals are recorded in July - August - September	
Concentration of Supply	70% of hotel beds are concentrated in 4 areas of Greece [HCH]	
Hotel Capacity	10.121 hotels / 798.650 beds [HCH]	
Top 5 airports (in international tourist arrivals)	Athens (8.121.761), Heraklion (3.319.392), Rhodes (2.362.308), Thessaloniki (2.162.117), Corfu (1.509.219) [AIA, Fraport Greece & Civil Aviation Authority]	

From the figure above (Figure 2) we can see that in 2017 the tourism economy's contribution to GDP was 27.3% and revenues amounted to 14.2 billion euros. We see an increase in the respective prices for 2018 with the share of GDP accounting for 30.9% with revenues of € 30.1 billion (Figure 3). In addition, the employment rate in the industry (directly and indirectly) accounts for 24.8% of total

employment in the country (934.500 jobs) for 2017, rising to 25.9% next year (988.600 jobs). It is worth noting the increase in the number of foreigners arriving in the country in 2018 to 30.1 million compared to the 27.2 million in the previous year. However, there is a small decrease in average per capita spending, from € 522 to € 520 in 2018. We can see high rates of seasonality in tourism in both years. Overall, the tourism sector is impressive in 2017 and 2018, when it comes to arrivals of non residents and revenues from inbound tourism and cruise, and is expected to be one of the key sectors contributing significantly to the Greek economy's growth, given the investing attraction, and contributing to the recovery of other sectors of the economy as well as to increasing employment. In particular, by studying the data of SETE and the periodic study on tourism, we can see this significant contribution of tourism to the prevention of recession and the recovery of the Greek economy. The significant increase in employment in 2018 is also obvious and we note a new increase: non-residents arrivals in the country by 2.9 million people b) €1.4 billion increase in international tourism revenues.

Figure 4 (SETE, 2014).

Greek Tourism - Basic Figures 2013		2013
Contribution to GDP	16,3% [WTC]	
Contribution to Employment	18,2% of total employment [WTC]	
Total Employment	657.100 [WTC]	
International Tourism Receipts	11,7 bn. € (cruise receipts are not included) [BoG]	
International Tourist Arrivals	17,9 mi. (cruise passenger arrivals are not included)	
Average per capita tourism expenditure	653 € (cruise receipts are not included)	
Market Share	1,6% World, 2,9% Europe	
Seasonality	56% of international tourist arrivals are recorded in July - August - September	
Concentration of Supply	66% of hotel beds are concentrated in 4 areas of Greece [HCH]	
Hotel Capacity	9.677 hotels / 773.445 beds [HCH]	
Top 5 markets	Germany (2.267.546), U.K. (1.846.333), Russia (1.352.901), France (1.152.217), Italy (964.314) [H.ST. & BoG]	
Top 5 airports (in international tourist arrivals)	Athens (2.651.062), Heraklion (2.067.475), Rhodes (1.593.298), Thessaloniki (901.573), Corfu (824.000) [HELL.STAT.]	

By observing Figure 4, we can see the tremendous progress in the sector over the past 5 years. The contribution to GDP from 2013 to 2018 is 14.6% higher. The contribution to employment has increased by 7.7%, meaning 331.500 more employees. The revenues increased by 3.9 billion, while 12.2 million more international tourists visited the country (excluding cruise receipts). The seasonality is on similar levels, while it is interesting to mention that the average expenditure of tourists per capita has seen a big decrease of 133€ throughout these years.

According to (SETE, 2018), there has been a significant decrease in tourist spending, also in the case of Greek tourists, which is mainly due to the decrease in disposable income due to the overall increase in indirect and direct taxation. More and more tourists are trying to reduce tourism costs by choosing more affordable accommodation and lower overall cost travel in an effort to adjust their preferences and adjust them to lower real wage levels. Others, however, have chosen to limit the number of days available for vacation, thereby helping to reduce tourism costs. There are also many who are forced to abandon the idea of making tourist trips even during the holidays and periods of the past which are characterized by high tourist activity such as the summer months.

Tourism expenditure

In the present chapter, we will deal more extensively with the case of national tourism, that is, movements by residents of our country within and outside Greece and will try to consider the case of tourism consumer spending in the case of national tourism. A number of tourism products and services are included in tourism expenditure. These costs may be incurred by residents of one country and therefore within that country relate to domestic costs. In addition, there are costs incurred by residents of one country in other countries (outbound costs). We find that an average tourist when making a trip needs to incur a number of expenses both during the journey and at the place of reception. In particular, during his stay at the place of residence he is involved in various activities related to the selection of accommodation and the cost of maintenance even during the 24-hour stay. In addition, there are some movements within the boundaries of the tourist

accommodation site and local transport is therefore used. Tourism activity therefore affects many sectors of the economy, such as transport (eg plane travel and shuttle transport), accommodation (in a hotel or other accommodation), catering (in taverns, restaurants or bars in or out of the country). accommodation), entertainment (including sightseeing, museums and exhibitions) and shopping in the market for tourist products and souvenirs, as well as folk art and other local products (food and beverages).

It is a fact that tourism is one of the most important markets both in the world and in the case of Greece. It is well known that tourism contributes extremely to shaping the country's GDP. In addition, due to the distribution of tourist destinations across the country, tourism in Greece plays a decisive role in the distribution of income across various tourist regions of the country. On the other hand, considering that tourism is a seasonal activity, the next step is to deplete natural resources and human resources (staff) during the peak months and then put them into disuse during the winter. In addition, seasonal activity may in this case be associated with only seasonal employment, so it is next to not employ workers in the tourism sector for long periods of time, resulting in uncertainty in finding a job and in volatility in income, but also important impacts on social activity in tourist areas. The development of tourism through the creation of significant capital investments in tourism projects, has multiple benefits for the economy and also supports regional development.

Economy and Tourism: Trends and Prospects in Greece

Over the years tourism has been a key determinant of the economy of an area and has additional positive effects and favorable economic conditions in a host country. In addition, the development of tourism mobilizes a significant number of productive units operating in order to meet the new needs that are created. Tourism, has a positive effect on the overall economy of a country and causes various other economic phenomena such as the increase in domestic consumption or the expansion of markets for the export of domestic products. According to Lagos

(2005), tourism is one of the major sources of foreign exchange. Foreign exchange receipts (foreign currency) are required to make international payments and transactions. Of course in the case of the eurozone we can claim that the need for foreign currency has diminished. However, this does not mean that every country does not need foreign exchange receipts from tourism, as the dollar continues to dominate the world market.

In addition, tourism affects a country's trade balance and may present a picture of revenue and expenditure. This means that a comparative process can be made between different countries. In fact, the current account balance records the flows of goods and services trade between countries as well as capital movements, a significant proportion of which comes from tourist receipts (Lagos, 2005). For example, the purchases made by tourists in the national currency are inputs and affect the balance. We understand, therefore, that the current account balance (trade balance, service balance, income balance, current transfer balance) occupies a prominent place in shaping a country's financial conditions, whichever one of its financial transactions may include spending and present the position that a country occupies in the international financial market.

In terms of employment, tourism creates jobs and new prospects in its sector, thereby helping to reduce unemployment. According to Goeldner (2009), a survey by the Organization for Economic Co-operation and Development (OECD) showed that tourism creates jobs for the part of the workforce that is the core of unemployment (young people, women, unskilled) while the unemployed who find work in the tourism sector account for 70% of non-tourism occupations, indicating its importance in absorbing the unemployed.

However, the growth of the tourism industry in terms of turnover shows little prospects for development. In addition, despite the increase in tourist receipts from 2011 onwards, real data receipts are still at a low level compared to the previous decade. The reason for this is the tendency of tourists to move to destinations much cheaper than Greece, and as a result tourism companies are adjusting and lowering prices significantly. Therefore, this decrease in the services offered leads to a

downward trend in revenue (BSE, 2017). In summary, it is obvious that tourism interacts with the economic data of each region. Haralambopoulos and Pizam (1996) argue that there are strong economic benefits from tourism, which are mainly related to improved tax revenues and personal income, improved living standards and employment opportunities.

Tourism in Rhodes

Due to Rhodes being the target of the research that takes place in this paper, some relevant information should be mentioned. The course of Rhodes in the tourism sector and the growth it has experienced over the years are not accidental but are the result of a number of factors that have favored them. Rhodes is a place with a rich cultural past and a special beauty and thus an attractive destination. Therefore, the residents of Rhodes made good use of their land and created appropriate conditions and infrastructures to promote and maintain tourism on their island. According to INSETE data on Greek tourism, Rhodes Airport is in the third place of total tourist arrivals from abroad after Athens and Heraklion Airport. Specifically, for 2017, Rhodes Airport welcomed 2,178,663 people from abroad, an increase of 4.2% compared to the previous year (2016), when arrivals were 2,091,066. Similarly, arrivals for domestic tourism in 2017 reached 429,571 with an increase of 6.3% compared to the previous year (INSETE, 2017).

A study on Rhodes trade and tourism in 2013 showed that the main countries of origin are the United Kingdom with 17.3% followed by countries such as Russia with 15.8%, Italy with 9.2% and Germany with 7.4%. Another important element is that the main source of information of the tourists for choosing Rhodes as their destination is the Internet with 42.2% and the information through travel agencies with 34%. Finally, a sufficient number of people (14.7%) receive information from their immediate social environment (INEMY, 2013). Rhodes harbor is one of the most popular destinations for tourism and the arrival of people from their daily cruises is a major point of interest. Of course, this form of tourism, as stated by KEPE (2014) can provide many economic benefits to a local community and support the home market although it does not require an island stay but a long visit.

However, at this point we must mention some of the attributes of the tourism of Rhodes. One of them is tourism seasonality, a phenomenon very recent in the Mediterranean region that is particularly concerning for international and domestic tourism operators. By seasonality is meant the model of summer holidays, i.e. the tourist season from April to October and even the peak of July, August and September. Seasonality has had a negative impact on tourism with hotel businesses being mostly affected. Also, seasonality can affect the tourists themselves and a large percentage of visitors are looking for calm conditions during their holidays and therefore avoid the high tourist season. Indeed, Greek National Tourism Organization (GNTO, 2011) states that most complaints that arrive at the Greek National Tourism Organization offices are generally from summer tourists.

Another characteristic of the Rhodian tourism is the existence of many all-inclusive hotels and the high demand for them. Such businesses provide their clients with a vacation package that includes everything they need (meals, services, entertainment, etc.) and ensures a cheaper vacation overall. However, we can understand that this system, although beneficial for hotels, significantly burdens the island's wider tourist market (shops, restaurants, etc.), since they are all offered in one accommodation.

In the next chapter we will present the individual steps of the methodology that we have followed to better comprehend how the hospitality industry affects Greece in terms of growth, employment and its economy, as well as the extent at which this industry has been affected by the financial crisis.

Methodology

This chapter will present the methodology for the empirical work of the paper, justify the choice of quantitative methodology, while analyzing the applied research tactics (questionnaire and interview) as well as the ethics that govern the whole research effort. The research, as mentioned earlier in the paper, concerns the impact of the financial crisis in the hospitality industry of Greece, and in particular, the businesses of the island of Rhodes. The hypothesis is that tourism related businesses have struggled during the crisis in the island. As Wellington (2015) states, the research methodology is an action in which the researcher is asked to select, create interactions, set evaluation criteria, and determine the methods to use. The selection of research methods is an important process as the researcher has to study in depth in order to gather the necessary information and data that will help to extract the results and answer the research questions that have been asked.

The most efficient method of collecting the required data from businesses in the sector, is through primary research. Primary research, as a method, seeks to immediately investigate the questions raised in the context of the research. Data and information are collected directly from their source, without the involvement of other factors. With this logic, researchers may be able to capture the data they desire and pursue, unaffected by external factors. There are, however, some problems with this approach. The time required and the complexity of the process, make it difficult to accomplish. On the other hand, secondary research is distinguished by limitations in the possibilities for further analysis of the findings, which although they exist, probably relate to other objects and have been collected in a way that may not be relevant to other studies. Therefore, for the purposes of this research, primary research is more appropriate to collect the data needed. The present study follows the quantitative and qualitative methods of data collection.

The Questionnaire is one of the main tools of quantitative research, which is the most used and common one. Quantitative research attempts to collect and

analyze relationships between different factors by deepening the systematic investigation of social phenomena through statistical methods, mathematical models and numerical data. It is also possible to use a sample to represent a larger proportion of the population in order to reach generalized conclusions (Aliaga & Gunderson, 2000). As the main objective of the research is to record opinions that can be considered and coded as quantitative data, a structured questionnaire is considered as the most appropriate tool for this research. A well-structured questionnaire will be able to achieve the individual goals and contribute to the comparative study as discussed above.

Concerning the qualitative research, it is mainly an exploratory type of research that aims to assess motives, beliefs and the cause behind the phenomena of interest, but also helps assist the quantitative research by providing further ideas. Qualitative research aids us in revealing a trend in thought or opinion and analyze deeper phenomena. “Qualitative data collection methods vary by the use of unstructured or semi-structured techniques. Some common methods include focus groups (group discussions) and individual interviews, while sample size is usually small” (Herman, 2009). For the purpose of this paper, an interview was conducted with a hotel owner. It has many advantages as a research tool, because it provides opportunities for clarification, additional questions to deepen the subject and as a result has been widely accepted by research participants. On the contrary, the disadvantages are the increased cost of interviews, the increased time required and the increased requirements for the coding and decoding of open-ended questions (Oppenheim, 2005). The combination of both qualitative and quantitative research is expected to provide more accurate results.

Sample, Location, Time

The questionnaire was conducted in the period September to December 2019 in the Rhodes region. 25 accommodation businesses of the area responded electronically, and questionnaires were provided to either owners, or managers of each business. The questionnaires were sent and the purpose of the research was explained to the respondents. Then, after some basic instructions were

given, the questionnaires were filled out. The data collected through the completion of the questionnaires were coded in such a way that appropriate conclusions can be drawn. The questionnaires, after their final collection, were examined for the validity of the answers, as well as for any questions that had not been answered. They were then judged to meet the validity criteria (fully completed, no errors in the answers) and then the questionnaires were examined one by one, the overall results for each question were collected and I came up with the results of the survey as a whole. The data were imported and processed through the aid of the statistical program Microsoft Excel. The next move was to analyze the data gathered and to create graphs and charts, which are presented in the next chapter. The questionnaire can be found in *Appendix B*. The sample yielded some results that can support a relatively safe conclusion. “

The interview was conducted in the period of October 2019, with Mr. Kosmas Kaisaridis, owner of the 5-star boutique hotel “Caesars Gardens Hotel & Spa” in Rhodes. The timing proved ideal since it was the end of the season and the influx of tourist was relatively small at the time, compared to earlier months. Mr. Kaisaridis, devoted 15 minutes from his precious time. The transcribed interview can be found in Appendix A.

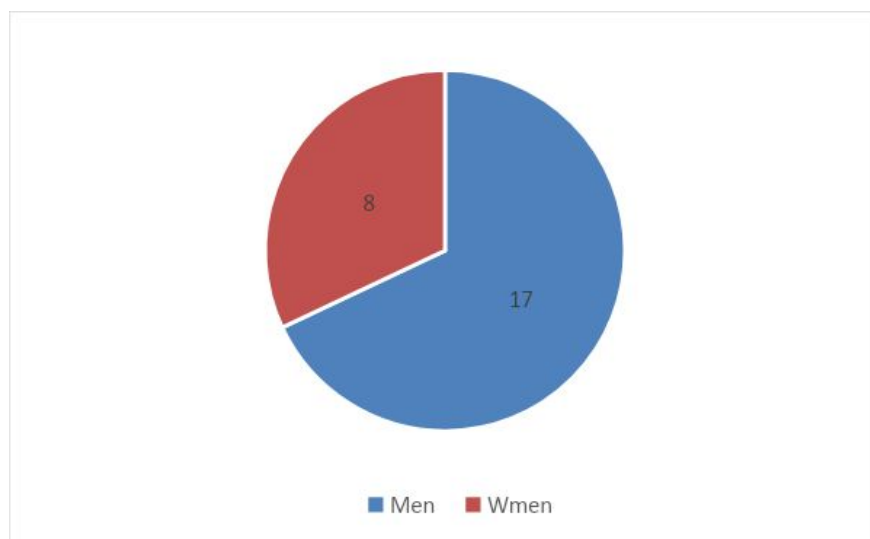
The present work can ensure the ethic part of this research. That is substantiated through the fact that everything that is recorded is being provided in full anonymity, with no possible way of the participants being recognized. The only personal data reported are gender, age, and educational level. Those are significant in the measuring and presenting process of the results. Therefore, we may claim that sensitive personal data are not infringed or harmful to the individuals who contributed to our research.

Findings/Data Analysis

The following is a presentation of the findings of the research. First, the data gathered from the questionnaires that were complete, along with relevant charts. Then, a summary of the answers provided during the interview will be provided.

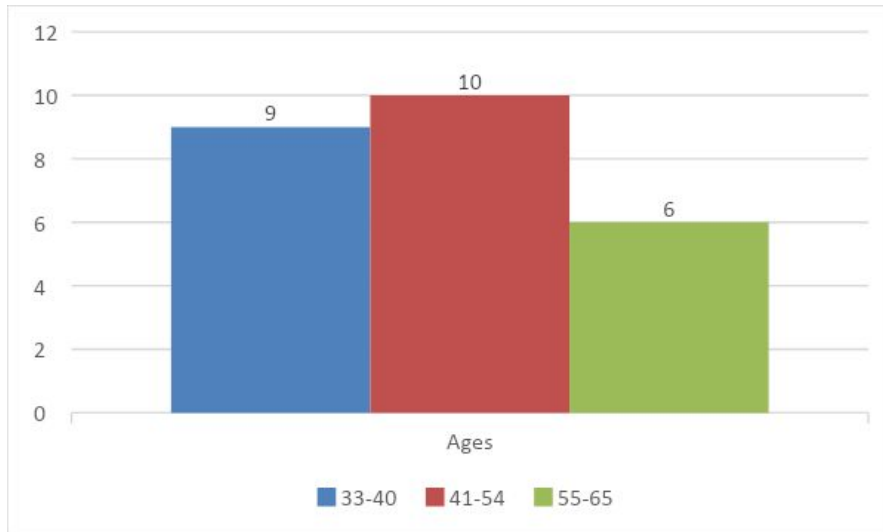
Demographics

Figure 5– What is Your Gender?



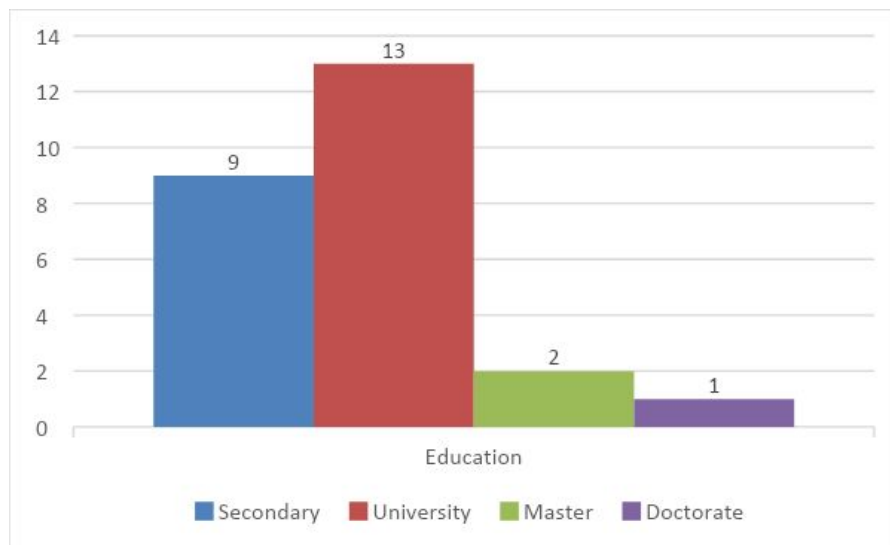
The sample of the questionnaire was comprised of 17 men and 8 women.

Figure 6 – What is Your Age?



Out of the 25 participants, 9 were aged 33-40, 10 were aged 41-54 and 6 were 55-56.

Figure 7 - What is Your Level of Education?



The educational level of our sample comprised of 9 participants who had secondary education, 13 who had a university degree, two who had finished a Master’s degree, and one participant who had a doctorate degree.

Questionnaire

Table 2 – Which Type of the Following is your Business?

Type	Number	Percentage
Hotel	16	64%
All-inclusive	5	20%
Rooms to let	4	16%

16 of the participants managed a hotel, five of them managed an all-inclusive hotel, and finally, four of them managed rooms to let.

Table 3 – Which is the Stars Rating of your Business?

Stars	Number	Percentage
3	14	56%
4	8	32%
5	3	12%

At the question referring to the stars rating of each business, 14 of the participants managed a 3-star business, eight of them managed a 4-star business, and three of them a 5-star business.

Table 4 – During Which Months Do you Attract the Highest Number of Tourists?

Time of Year	Number	Percentage
Summer	22	88%
Winter	0	0%
Entire Year	3	12%

The third question was asked to answer which months have the highest number of tourists. Most (88%) responded that they have the highest number of tourists during the summer months while only 3% receive adequate tourists all year long.

Table 5 – Are the Tourists Visiting Your Business Mostly Foreigners Or Greek?

Tourists	Number	Percentage
Greek	10	40%
Foreigners	15	60%

The participants were then asked to specify whether the tourists are mostly Greeks or foreigners. The table above shows that the largest percentage of them (60%) are international tourists and not Greeks, as is expected for the particular island.

In the next question they were asked to tell us why they believe foreign tourists are choosing Greece as their destination. In the following order, these were the top answers:

1. The sea
2. Its climate
3. The hospitality
4. Its archaeological sites
5. The service that tourists enjoy
6. Low prices
7. The sun

Table 6 – Is Greece a Cheap Destination Compared to Neighboring Countries?

Question	Number	Percentage
Yes	9	36%
No	16	64%

For this question we asked them if they believe that Greece is a cheap tourist destination compared to other neighboring countries. According to their answers we can see in the table above, 36% answered yes while 64% answered no. It is noteworthy that those who responded favorably are mostly three-star hotels. They probably offer vacation packages that are cheaper than in other neighboring countries.

Table 7 – How Long Is the Average Reservation?

Days	Number	Percentage
1 to 4	10	40%
5 to 7	12	48%
8 to 15	3	12%
16 or more	0	0%

The seventh question asked how many days tourists were booking. Most (48%) book for five to seven days. 40% book from 1 to 4 days while 12% book from 8 to 15 days. No one chose more than 16 days. Here it is worth noting that the businesses choosing “8 to 15 days” are mostly 3- and 5-star businesses.

Table 8 – Has the Crisis Affected Your Businesses?

Question	Number	Percentage
Yes	24	96%
No	1	4%

The above question was asked to see what tourism businesses think about the financial crisis, and more specifically if they believe it has affected tourism in relation to them. As we can see from the table above, almost everyone believes that the financial crisis affected the hospitality industry and in turn, their business.

Table 9 – Is the Crisis the Only Factor Responsible for Tourism Issues?

Question	Number	Percentage
Yes	5	20%
No	20	80%

But is the international financial crisis the only to blame for the decline in Greek tourism? 20% responded positively and 80% negatively.

The respondents who chose No as the answer in the previous question, were asked to choose on of 5 alternatives, or all. 32% believe that all of the following factors are the cause of the decline in Greek tourism:

- 1) Inadequate tourist promotion
- 2) Poor quality of tourist services
- 3) Non-specialized tourist staff
- 4) High prices of tourist products and services
- 5) The unstable social environment (labor-strikes at ports and airports during the summer months).

Also, 20% believe that inadequate tourist promotion is the main cause, while 12% consider the unstable social environment with strikes at ports and airports to make it difficult for tourists to stay and move. 8% believe that the reason is the high prices of tourist products and services compared to other countries, while the same percentage (8%) believe that Greece does not offer good quality tourist services.

The results can be seen in the table above:

Table 10 – Which of these Factors Affect Tourism Negatively?

Factors	Number	Percentage
Inadequate tourist promotion	5	20%
Poor quality of tourist services	2	8%
Non-specialized tourist staff	0	0%
High prices of tourist products and services	2	8%
The unstable social environment	3	12%
All of the Above	8	32

Table 11 - Which of the following is an effect of crisis relevant to your business?

Factors	Number	Percentage
Less Customers	5	20%
Less workforce	3	12%
Less Profit	5	20%
All of the above	12	48%

In the eleventh question they were asked to tell us how the financial crisis has affected them. 48% said they resorted to downsizing their business, having their customers and, consequently, less business profits. 20% said only customers declined while the same percentage reported reduced business profit. Finally, 12% said the company had to cut staff because of the financial crisis.

Table 12 – What is Your Forecast for the Future of Tourism In Greece?

Factors	Number	Percentage
Difficult	3	12%
Optimistic	5	20%
Optimistic under Conditions	11	44%
Uncertain	6	24%

The last question requested from the participants to answer how they feel about the future of tourism in Greece. Most are optimistic as 44% believe that the future of tourism in Greece is good if the right conditions are met, such as good services and competitive prices. Also, a large percentage (20%) see the future of tourism with optimism. That is, 64% believe that tourism in Greece has a better future. However, there is also a share of 36% who find the future of tourism difficult and uncertain.

Interview

The owner of the 5-star Boutique Hotel “Caesars Gardens Hotel & Spa”, Mr. Kosmas Kaisaridis agreed to talk about the effects of crisis on the hospitality industry. His business has been operating since 2007, before the crisis began in Greece. He stated that the hospitality industry, is the biggest industry in Greece in terms of GDP of the country, containing almost 40% of the Greek economy, and should definitely be maintained, upgraded and promoted further. In terms of benefits that the industry offers to the society, he said that a large percentage of Greece’s workforce is related to it, and many families maintained by it. Wages are also better than in many other industries. To tourists, the cultural, archaeological,

gastronomical and traditional heritage of our country is provided to explore. Furthermore, he insisted on the importance of quality and the great outcomes it can offer. When asked if affected by the crisis, he replied that his business, and businesses in most islands were not affected as much. By focusing on hard work and a good mood, the quality was maintained, and thus tourist activity was maintained as well. In addition, he believes that many tourists from all over the globe chose Greece as their destination in order to help the country. Finally, when asked about the issue of capital controls and their effect on tourist transactions and fear, he said that it was mostly an issue created and spread by social media, and not a real problem, since most foreign visitors chose to pay for goods and services via debit and credit cards.

Discussion

I addressed tourism companies with their headquarters in Rhodes. Our goal was to determine if the financial crisis has influenced their functioning in a negative manner. And the viability of the businesses operating in Rhodes was an important aspect of this research, along with their own perspective on this matter. So out of the 25 tourism companies, hotels with different categories of stars were the largest because we believe that they attract the largest percentage of tourists. Also, most of them belong to the category of three stars and very few have five stars. This shows that in Greece the hotels are still not as competitive as other neighboring and developed countries and are lagging behind in tourist services. Since Greece is a geographically attractive area due to its sunny weather and countless shorelines, tourists are more likely to choose it in the summer. Unfortunately, this also means that tourism is mainly active during three months of the year and neither cultural nor archaeological tourism has developed at all as in other countries and thus the tourist season has not been prolonged, making it more difficult for tourist businesses to operate (Holloway, 2004).

But what is remarkable is the fact that the majority of the tourists are foreigners and not Greeks, which means that in the current economic situation in Greece the Greek tourists are also reduced due to their financial problems. The funds that foreign tourists provide are decreasing annually, as seen earlier, and many tourists opt for "all inclusive" tourist packages offered by the top five hotels. Another factor that reduces tourism in our country, apart from the financial crisis that is going on, is that Greece is not considered a cheap tourist destination compared to the neighboring countries due to the monetary difference. Consequently, foreign tourists prefer countries where the exchange rate is large and combined with the provision of excellent tourism services and environment. Thus the days of tourist booking have been shortened as it is usually booked for at most one week compared to other destination countries where tourist booking is from ten to fifteen days. In order to cope with the difficulties of reducing the tourist season, tourism companies

resort to various measures, such as offering discounted packages, as they all believe that the economic crisis has affected tourism in our country. Of course, what is worth noting here is that the majority of the businesses that answered, thought that there are more issues than the obvious one of the financial crisis, that affect the operation of businesses in the tourism sector of Greece. Inadequate promotion by the nation itself, seasonal workforce, high pricing on products and services due to higher VAT and taxes, labor-strikes, among other things, all make it harder to plan a trip to Greece.

The tourist companies facing all the above problems and given the decrease of their customers resorted to the reduction of their staff due to the decrease of their profits. This is certainly not the case in the top five hotels and some of the three-star hotels, which means that tourists are now selective and want their holidays not only to be cheap but also to be associated with high-end tourist services. For this reason, they resort to large and well-organized hotel complexes, which results in few star hotels having operational problems. However, despite the problems that tourism faces in Greece, representatives of tourism companies are optimistic about the future of tourism in our country, certainly under conditions such as to make tourism services more competitive and to have adequate tourism visibility by those responsible.

The main factors that positively influenced business activity (hotel and other tourism) are primarily related to the upward trend of arrivals from overseas, both traditional and new markets. In addition to the increase in group arrivals, flights with companies of lower cost contributed to this (IOBE, 2016).. More attractive prices are provided for services along with the effort to highlight value-for-money, are also cited as significant factors. On the contrary, the negative impact on the operation of the (hotel and other tourism) companies involved in the survey has been caused by the negative image of the nation globally, coupled with financial uncertainty due to the crisis that plagued the country's economy. A general finding that comes from the responses given by tourism businesses through questionnaires by IOBE and SETE shows that the majority of businesses find their situation deteriorating compared to the previous quarter. We conducted a personal survey and reached out to tourism

companies to determine by which extent the financial crisis has altered their operation. Our goal was similarly to investigate how viable the businesses are and what their perspective is on the Greek hospitality sector's issues. We have found that hotels are not as competitive as other neighboring and developed countries and are lagging behind in tourist services and tourist packages offered. The tourist season is also limited to July-August with a reduction of booking days of up to five days compared to other destination countries where tourist booking is from ten to fifteen days. Another thing we have noticed is that the tourists in the areas we are targeting are foreigners, but many foreigners possibly do not consider our country to be a cheap tourist destination compared to other neighboring countries that provide an equally natural environment and more excellent tourist infrastructure. To cope with all the above problems, tourism companies resort to package travel offers to lengthen their stay and to attract foreign tourists.

Through this recording and analysis, one can first analyze the evolution of Greek tourism, as well as the trends created in the development and evolution of tourism in these new economic and social conditions. To achieve the central objective of the paper, namely the recording and analysis of the importance of tourism for the Greek economy and society, and the effects the financial crisis had on it, a survey was conducted using a structured questionnaire. The questionnaire was organized into 2 main categories of questions, each with its own purpose. The first category contained general statistical questions, mainly demographic, in order to record the profile of the respondents. The second category contains questions related to the operation of the businesses and the impacts they observed during and after the crisis, as well as their thoughts on the importance of Tourism and its future in Greece. Through the analysis of the questionnaires, conclusions were drawn on the basic research question, as well as the individual objectives of the research. It is easily understood that there has been a change in businesses of the tourism sector, and hence in their reactions.

Finally, an interview was conducted, which helped gain some direct insights from the owner of a large, 5-star hotel. The owner of the hotel Mr. Kaisaridis provided his own perspective on the effects of crisis, stating that it was essentially up

to the business to remain resourceful, happy to provide services and kind with tourists, in order to retain their loyalty as customers. His opinion that crisis has not affected the islands' tourism extensively, are somewhat contradictory to other businesses in the sector, who expressed in the questionnaires their belief that the financial crisis affected them in many ways. The two researches seem to agree on the fact that most business owners are optimistic, and believe that tourism has tremendous prospect in Greece, and under the right conditions can thrive in the years to come. The hypothesis that Greek businesses in Rhodes have been largely affected by the crisis was partially confirmed, although not by all research methods.

Conclusion and Recommendations

In the context of this work we have studied the case of the global financial crisis of recent years, in particular the case of Greece. At the same time, we have analyzed basic concepts and distinctions of tourism in an effort to better understand what pushes people to make specific choices. We also described the current situation in the case of tourism, given the overall economic situation in the overall market in this sector. It is a fact that in recent years, the economic situation in Greece has changed dramatically. Various longstanding wrong decisions have led to the financial crisis, wage cuts and the shift in citizens' choices to a number of issues in their daily lives. In this difficult environment, tourism as a social as well as an economic phenomenon could not be left untouched. However, what are the effects of the economic crisis on businesses? How much and how have tourists changed their vacation choices? The contribution of Tourism to GDP is steadily increasing as

we saw earlier in the paper. Tourism's contribution is also important to socio-economic development at regional and local level. A clear indication, to the proof, is the increase in the population of tourist regions during a time when most prefectures lose population due to internal migration caused by local unemployment.

The purpose of this paper was to record, as well as analyze, the shifts that occurred by the impact of the economic crisis on various businesses in the sector of hospitality, and discover the importance of the hospitality industry for the entire country. Tourism can act as a “driving force for the development of many financial activities in the right direction, and thus improve the economic performance of a country. Governments are therefore able to use their own competitive advantages to develop their local tourism industry, thereby generating more local economic benefits”. Greece, as a tourist destination, has begun to attract more and more foreign tourists since the early 1950s, and is today the most dynamically growing sector of the Greek economy, which has achieved satisfactory global performance. This is why attempts at managing to maintain increased levels of competitiveness in the tourism industry should be the main aim of the industry itself, and the nation (IOBE, 2016). Developing a better tourism product is not only beneficial for the added revenues due to higher influx of visitors, but can be fundamental in the creation of employment and the overall growth of a country. “The general trends of Greek tourism are long-term increasing, according to the World Tourism Organization, who ranked Greece 15th in the world and 10th among European destinations (2016).

This paper faced various limitations, due to the nature of the research materials themselves, and other factors. A larger sample involving many businesses from different geographical locations could help gain further insight, while more and more thorough interviews could be conducted with business owners who suffered from the crisis and have different opinions on the matter. Finally, several questions were not answered. For example, the rise of the euro against the dollar, could be preventing tourists from coming to an "expensive" destination such as our country. The euro is now considered an expensive currency, which may keep American and Asian tourists away from the eurozone, and by extension our country as well. On the

contrary, those who travel to the US, Canada, Japan and the countries of the Far East and the rest of the world outside the EU are the winners, as travel becomes cheaper at these destinations. Such factors among many others, should be taken into consideration in future research attempts.

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Appendix A – Transcript of Interview

-Here we are with Mr. Kosmas Kaisaridis, owner of the 5-star boutique hotel “Caesars Gardens Hotel & Spa”, and we’re going to talk about the hospitality industry in relation to the Greek economy and society in the era of crisis.

-Good morning Vasilis.

-Good morning Mr. Kosmas. How are you?

-Very well, thank you.

-First of all, I would like to ask you how long your business has been operating.

-The hotel has been running since 2007. So it’s the 12th year we’re operating.

-Very nice. What impact do you believe that the hospitality industry has in the Greek economy?

-The hospitality and tourism industry is the biggest industry in Greece in terms of GDP of the country, containing almost 40% of the Greek economy, so I believe it is huge and we should all attempt to increase and maintain, mainly, upon our possibilities and abilities in total to enhance our product and to become leaders in the world tourism market.

-What benefits do you think this industry brings to the society?

-Well, that’s an interesting question. When it comes to our country, it provides quite a big amount of the workforce of the Greek economy, so it has a huge impact on the workforce and the people related to the tourism industry and many

families that this industry maintains. The payments, being better than in other industries in Greece benefit many individuals. We are also providing the archaeological, cultural, gastronomical and traditional heritage of the Greek society to the rest of the world who become our guests.

-Thank you. Do you believe that Greeks should invest more in hospitality, and what are the opportunities for the stakeholders?

-Yes, we should invest further in the hospitality industry, try to increase from year to year, our percentages, in terms of quantity and mainly quality. The opportunities for the stakeholders include the fact that someone who invests in the hospitality industry in Greece, by focusing on quality, are huge. It is hard to say exactly the benefits, but focus on quality presents many good outcomes.

-I totally agree. Last but not least, going back to the topic of crisis. You were operating in the middle of crisis. When it started, and as it continued. So, did crisis affect your business? And what impact did the unstable economic environment have in the willingness of tourists to visit Greece in your business?

-Well, to begin with, it did not affect the tourism industry too much, at least in the islands. The islands were mostly excluded in a way. It is quite significant that we did not have any major consequences, neither as businesses and for the people that work in this industry. I believe that by focusing on bringing out our best selves, we have the recipe for success. So, we should always focus on the finest quality in terms of products, tangible and in terms of services, intangible. Smile, present your happiest self. Here, we have focused in giving the finest services and finest of ourselves towards our guests, the visitors that come to our hotel and on the island in general. So I believe it was a crucial factor for the hotel specifically to increase its reputation, to overcome difficulties that presented in the past 10 years. When it comes to willingness, in a large percentage, people tried to come to Greece for this reason, to help the Greek economy, so there was a large number of tourists visiting for this reason, having of course already decided to go on a holiday, and then choosing our country and help sustain its growth.

-What about fear regarding the banks not providing enough money, and having to carry various payment methods? There was much concern on the media about this topic.

-As you said, it happened on the media. This brought a negative impact to potential tourists feeling threatened by this fuss, however, in reality, we knew that tourists were potentially not capable of going to an ATM and getting the amount they wish, but in practice they were not affected, since they paid almost all of their expenses via credit cards. So mainly, it was the media creating this issue, instead of an actual serious issue. Once the tourists were here, they had all of their assets available and used their cards everywhere. The media changed the mentality of people in a way, the reality was better.

-So this is the end of the interview. Thank you very much for your very interesting insight.

-Thank you.

Appendix B – Questionnaire

Part 1 – Demographic Information

1) What is your gender?

Male Female

2) What is your age?

33-40 41-54 55-65

Part 2 - Questionnaire

1) What is Your Level of Education?

Secondary University Master Doctorate

2) Which Type of the Following is your Business?

Hotel All inclusive Rooms to let

3) Which is the Stars Rating of your Business?

3-Stars 4-Stars 5-Stars

3) During Which Months Do you Attract the Highest Number of Tourists?

Summer Winter Entire Year

4) Are the Tourists Visiting Your Business Mostly Foreigners Or Greek?

Greek Foreigners

5) Why do you believe foreign tourists are choosing Greece as their destination?

- The sea
- Its climate
- The hospitality
- Its archaeological sites
- The service that tourists enjoy
- Low prices
- The sun

5) Is Greece a Cheap Destination Compared to Neighboring Countries?

Yes No

6) How Long Is the Average Reservation?

1 to 4 Days

5 to 7 Days

8 to 15 days

16+

7) Has the Crisis Affected Your Businesses?

Yes No

8) Is the Crisis the Only Factor Responsible for Tourism Issues?

Yes No

If your answer was no for Question (8), choose from the following other factors:

Inadequate tourist promotion

Poor quality of tourist services

- Non-specialized tourist staff
- High prices of tourist products and services
- The unstable social environment (labor-strikes
at ports and airports during the summer months).

9) Which of these Factors Affect Tourism Negatively?

- Inadequate tourist promotion
- Poor quality of tourist services
- Non-specialized tourist staff
- High prices of tourist products
and services
- All of the Above

10) Which of the following is an effect of crisis relevant to your business?

- Less Customers
- Less workforce
- Less Profit
- All of the above

12) What is Your Forecast for the Future of Tourism In Greece?

Difficult

Optimistic

Optimistic under Conditions

Uncertain