

The application of new technologies in the creation of tourist clusters. Case study from Greece

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Abstract

Digital technology is gaining more and more ground in today's world, especially in the tourism sector, with the majority of tourism businesses following the modern trends of technology, in order to enhance their competitiveness. It is important for tourism businesses to promote the tourism product, as digital technology has a high penetration in the marketing and sales of tourism businesses, while digital applications also facilitate the travel experience, as it is widely used by the potential tourist at all stages of travel preparation. Entrepreneurs now in order to cope with the competition, among related businesses in tourist destinations, have started introducing some flexible methods. One such method is clusters. A tourism cluster is a cluster of businesses and includes businesses with different elements and activities such as accommodation, travel agencies, aquariums, theme parks, public transport, etc. that are enhanced by using the tools offered by technology. The article discusses the role of new technologies in the creation of tourism clusters by presenting a case study from Greece. The conclusions drawn are quite consistent with the theories analyzed throughout the paper.

Keywords: Digital Technology, Clusters, Tourist Destination.

1. Introduction

New technologies have undoubtedly invaded people's lives by regulating their everyday life. According to Friedman (2005), "since the beginning of the 21st century, the information society has entered a new phase characterized by an enormous growth in digitization, virtualization and automation of processes and products".

The tourism industry, like most sectors of the economy, has been significantly affected by these changes and new data at all stages. Before even deciding where to go on holiday, tourists try to gather as much information as possible about a destination. Information plays a key role from its production and collection by tourists to its processing and application. Nowadays, tourist information is taking on new dimensions with the emergence of the Internet, moving away from the information provided by tour operators and travel agencies. It is therefore understandable that IT support is considered necessary both for the operation of tourism businesses and for the online connection between them and upgrading the tourism product and services (Adesina & Chinoso, 2015).

In addition, information links all sectors of the tourism industry, tourists, tourism businesses, airlines and ferry companies, tourist offices and agencies, etc., creating so-called clusters, with the aim of increasing and optimizing tourism in the geographical area where they operate. Technology is the key player in clusters. According to Porter (1998), technology has contributed a lot to the development of business clusters and their productivity. When a firm uses technology to serve itself and its customers or suppliers it becomes more competitive with the rest of the industry Its development especially in recent years has helped to improve the maintenance of contacts between firms (customers - suppliers).



2. The concept of the Tourist CLUSTER

Clusters are particularly important for businesses, especially SMEs, because they can take advantage of the opportunities presented by the market and overcome the difficulties they would have faced if they had operated in isolation.

The importance of clusters, in the tourism sector, is a new perspective for growth. Enright & Flowcs-Williams' (2001) definition of the concept of business clusters as "geographical concentrations of interrelated and interconnected firms that produce and sell a range of related and/ or complementary products" has several elements in common with that originally introduced by Porter in 1998. The above-mentioned scientist pointed out that networks are a set consisting of many firms, which are geographically interconnected, but also of cooperating institutions, in a well-defined area of business activity. Business clusters can be either large or small in size, both in terms of the total number of members and the number of interactions between members. Moreover, they are structures or mechanisms, which involve increased levels of complexity, dynamism, mobility and interaction between them, thereby changing and defining their own context each time. However, in the cluster, each member/cluster tries to add value to the value chain of the cluster by assimilating innovation into cost and growth. This creates a common-purpose economy (common interest on a common background). According to Piperopoulos (2007), networked firms show higher profits, promote direct and accurate information and know-how among cluster members and cope better with competition. In addition, the environmentally friendly behavior of firms contributes to sustainable.

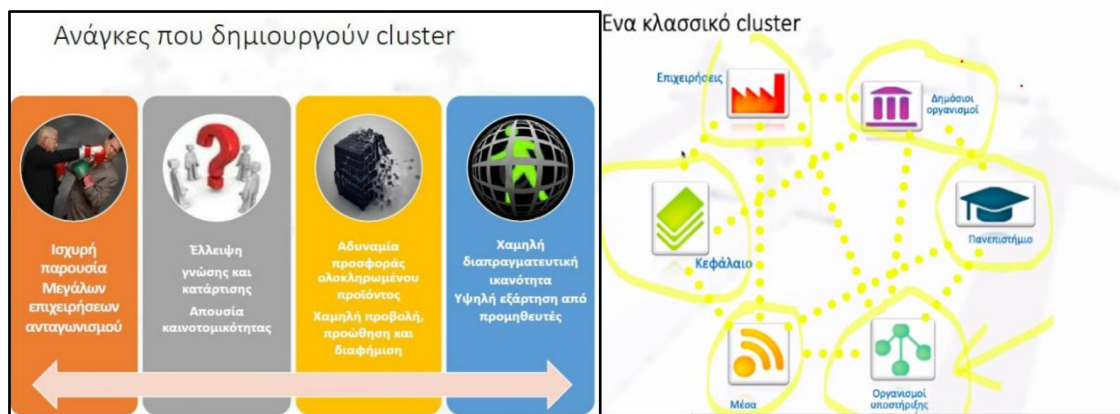


Image 1 & 2. Tourist Cluster

3. The Cluster organization in Greece and internationally

In Greece since the beginning of 2000 there was a call for cluster creation in the second Community Support Framework, with not very encouraging results. Over the years the third Community Support Framework included a call for cluster creation in industry and tourism. In industry there were three proposals and they were approved and in tourism there were some business networks (clusters), which were funded under the third CSF.

In Greece there were also clusters developed, which were not funded by a Community Support Framework. Enterprises, companies and organizations, which were in favor of creating business networks with the basic principle of co-competition (competition + cooperation). In other words, those who are in a cluster do not necessarily mean that they are only partners. They can also be competitors.

The development of clusters in the tourism sector is an important prospect for the development of this sector of the economy, however, due to the specificity and characteristics



of the tourism market, innovation in this sector is quite lacking (Breda et al., 2004). Piperopoulos (2007), points out other obstacles regarding the creation and development of clusters in our country, focusing on:

- managerial inefficiencies,
- negative characteristics of entrepreneurs but also,
- limited access to finance.

In our country, some clusters that have been created in the tourism sector are the Tourism Startup Cluster of Greece, ELITOUR, the various clusters in dental tourism, such as Ex.in.Da and Athens Dental Tourism Cluster, the Local Tourism Clusters of Western Greece, the Athena Health Tourism cluster and the cluster in Fthiotida.

At international level, successful efforts have been made to create tourism clusters in various countries, some of which are New Zealand, Poland, Canada and Australia, which essentially demonstrate the benefits of creating tourism clusters, both for the businesses themselves and for the destination.

4. Digital technology in the creation of Clusters

Digital technology is key to increasing the competitiveness of small businesses in Greece. In Greece they are the backbone of the national economy as they account for 99% of the number of businesses (around 730,000 businesses) and 78% of private sector employees.

However, due to their small size and limited resources, they have low productivity, are less outward-looking and contribute only 40% of the total value added to the national economy. Increasing their competitiveness, usually achieved by increasing their size either through mergers and/ or sectoral clusters, is a priority objective that digital technologies prove to be a complementary tool in increasing their productivity, and ultimately in increasing their competitiveness.

Digital technology is also having a significant impact on the tourism industry. Its main applications are online booking platforms, social networking platforms where potential travelers have access to information and tourism services/ products offered by businesses in the tourist destination.

Digital technology has also enabled the use of data analytics, which helps tourism businesses to better understand their customer base and adjust their marketing strategies accordingly. For the first time, the Digital Readiness Index (DRI) was created and recorded for small businesses in Greece, based on the use of 10 digital technologies/ systems: website, social networks, online store, digital campaign, digital communication tools, digital communication tools, ERP systems, CRM systems, cloud infrastructure, digital security, IoT technology. Businesses now, can track customer interactions and use this data to identify patterns and trends in customer behavior. This helps businesses understand what their customers are looking for and develop targeted marketing campaigns and promotions to meet their needs.

5. Case study: The Greek Medical Tourism Council (ELITUR)

The Hellenic Medical Tourism Council (ELITUR) is a Non-Governmental Organization, which sets as its main objective the promotion of health tourism in Greece and the cooperation with similar bodies abroad.

It was founded by the largest private health care providers in the country, creating a cluster of reliable and state-of-the-art health care facilities and companies from various sectors such as airlines, insurance companies, travel agencies, facilitators, hotels, advertising,



business consultants and certification companies that cover the entire spectrum of medical tourism throughout Greece. It is a founding member of the Global Healthcare Travel Council. ELITUR's goal is to promote medical tourism for each of its member companies, to collaborate, resolve common issues, and create economies of scale. Greece, due to its geographical location and geological structure, has a large number of mineral resources. Every year, more and more people of all ages are visiting destinations famous for their thermal waters, wellness and thalassotherapy centres in order to benefit from their beneficial properties, to relax, to feel physical and mental peace, to rejuvenate and ultimately to fight a disease.

Well known are the baths of Loutraki, Pozar in Pella, Sidirokastro and Agistro in the prefecture of Serres, the clay baths in Picrolimni Kilkis and Krinides in Kavala, the famous Edipsos Baths, the thermal baths in Lagada, the steam baths of Amarantos in Konitsa and many more around Greece attract daily visitors who wish to indulge in the services of thermalism, wellness and health tourism. It is noted that ELITUR, Greek Health Tourism Council, which promotes this thematic form of tourism, has taken several initiatives and actions for the development of Health Tourism, its further extroversion and has also developed a network of contacts with Greek Embassies in most countries as well as a data base of contacts in these countries.

Examples are the memoranda of cooperation between the Hellenic Chamber of Hotels (HCH) and Athens International Airport (AIA), with the Hellenic Health Tourism Council ELITUR, aiming, apart from development, to create packages for health tourists in the new international environment and to promote Greece's excellence in health, thermalism and wellness tourism services.

As the President of ELITUR and Governor of Attica, George Patoulis, said, Greece has managed to rise from the 10th position it held in the past to the 5th position worldwide in terms of medical tourism. One of ELITUR's main objectives is now the creation of a global wellness village, where visitors will have the opportunity to be trained 12 months a year on how to conquer wellness. "Health tourism is not only about patients, but also about healthy citizens who want to create better living conditions", Patoulis said.

ELITUR, with the support of the Greek National Tourism Organization and the Ministry of Tourism, participated for the first time as a Gold Sponsor in one of the largest international medical tourism exhibitions, IMTEC 2015, held in Dubai, 7-8 October 2015. It is a unique platform for showcasing participants in the fast-growing medical tourism industry, networking and reaching agreements. In this context, appointments were held with medical tourism intermediaries, hospitals, clinics, dental centres, insurance providers, etc. and, in addition, international networking was significantly enhanced, as meetings were held with representatives of companies and international organisations.

6. Conclusions

An interdependent relationship has been established between tourism and technology. On the one hand, tourism is one of the most important factors in the development of the global economy, thus facilitating technological development, and on the other hand, technology helps to promote, distribute and diversify the tourism product through unlimited access to all information from all over the world. In order for destinations to respond to digital transformation, they are creating support mechanisms that provide expertise, knowledge and resources to businesses and organisations. In today's international and domestic economy, dealing with competition, expertise, immediacy and trust in supplier-buyer relationships, innovation and scale are factors that are as necessary as ever to address.



Clusters of companies is an important institution that provides the possibility of grouping companies in a geographical area, either from the same or from different supply chains, to implement a common project and common objectives, without losing flexibility and independence. It is a dynamic practice that can address the above-mentioned concerns in the context of teamwork

In Greece, although there have been significant practices of clustering, the performance of clusters is nevertheless below the average of the EU countries. Although over the last fifteen years there have been interventions to promote and strengthen networking initiatives. An important example is the non-governmental organisation ELITUR, which has set up business clusters to promote health tourism in Greece and cooperate with similar bodies abroad. A number of actions and initiatives with the support of technology media are taking place for this purpose.

It is imperative that the Greek environment supports the warmth of clustering, which allows mainly small and medium-sized enterprises, which form the basis of the national economy, to improve their competitiveness, productivity and innovation.

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Appendix

1. Studies

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