

***SEASONALITY ISSUES IN ESTABLISHED  
TOURISM DESTINATIONS: EXPANDING  
TOURISM SEASON IN SITHONIA  
PENINSULA, CENTRAL MACEDONIA, GREECE***

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**Introduction**

Sithonia peninsula is part of the greater Halkidiki area tourism destination in the region of Central Macedonia in northern Greece. Since the 70's and 80's Sithonia is realized an established tourism destination attracting visitors from both abroad and domestic especially from the nearby Thessaloniki urban center. Its basic tourism form is the one of resort holidays although a remarkable number of visitors use the area as a second home tourism destination. Most of the tourism activity is concentrated in the peak summer months of July and August that means a high degree dependency by seasonality, raising in such a way, to the local businesses as well as to local communities, certain sustainability issues, both economical and environmental. The awareness over the issue of developing a more balanced tourism activity that expands all year around expressed by local key tourism players, like tourism entrepreneurs and municipality authorities as well as tourism scholars, led to undertaking and implementation of this research\*. Its main purpose is to

investigate all the crucial factors that play important role to the implementation of the specified target, factors varying from a multiple tourism resource base to infrastructures and marketing strategies.

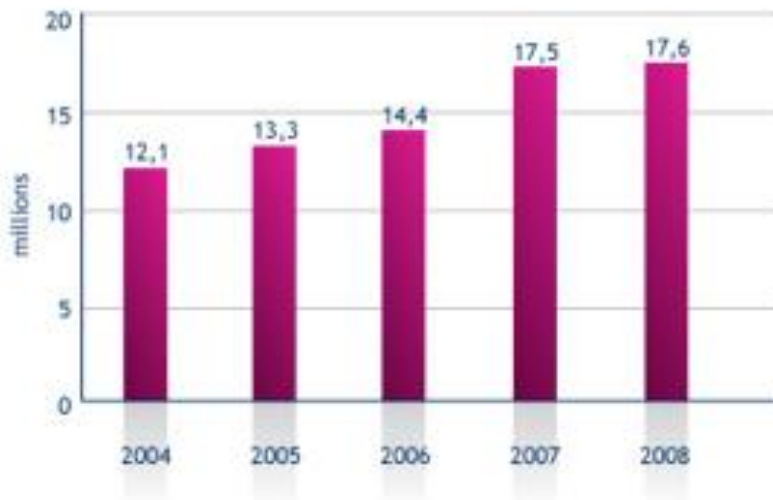
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### **Tourism in Greece**

Greece is one of the top tourism destinations in the world. The number of tourism visits over the last decade has shown a steady increase. From 14.2 million international visitors in 2004, more than 17 million people visited Greece in 2008. In the midst of recession in 2013 almost 18 mil. visitors visited the country, and it is expected that that up to year 2020 this number will reach 20 million, almost twice the country's population and making Greece a global tourism destination. In fact Lonely Planet placed Greece among its top 10 destinations for 2010 and Greece ranked second in England's 2008 TELEGRAPH TRAVEL AWARDS in their Best European Country ranking. Greece has more than 15,000 km of coastline, 190,000 beaches, and 6,000 islands and islets. In addition, visitors are discovering the diverse selection of sailing and cruising options, incentive travel, and weekend breaks, opening up new opportunities in niche and attractive markets. Except beaches Greece has also mountains of excellent natural and manmade environment offering multiple tourism products and experiences to the alternative tourists. Greece's Mediterranean climate is ideal for year-round tourism and one of the core priorities of Greece today is to create a dynamic, sustainable, four-season tourism infrastructure that responds to the diverse and challenging needs of contemporary tourist. In numbers Greek tourism industry accounts for 18% of Greece's GNP, directly or indirectly employs more than 900.000 people, and is the leading source of the country's invisible receipts (36% in 2007).

Approximately 85% of arrivals originate in Western Europe: 21.2% from the United Kingdom, 17.5% from Germany, 8.8% from Italy, 5.3% from France, 5.2% from Holland, and 7.5% from the Scandinavian countries. Last few year's significant numbers of visitors from Eastern Europe and China are making Greece their preferred destination, creating a wider base of origin countries and new demands for services, facilities, and attractions.

**Chart 1. Tourist Arrivals in millions by year 2004-2008**

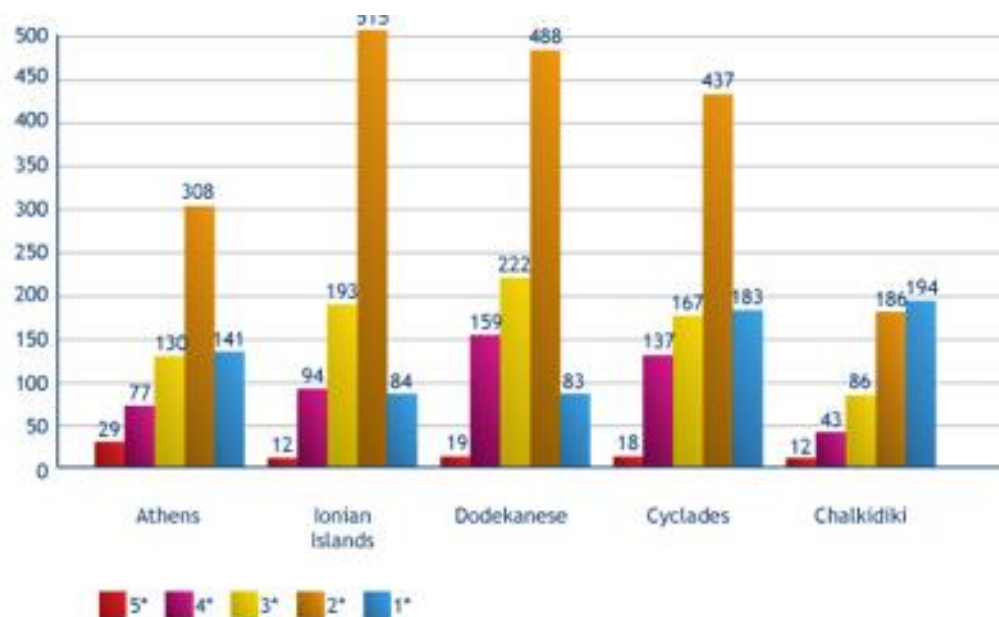


Source: Greek National Tourism Organization and National Statistical Services of Greece 2009.

### **The Greek hotel industry**

Historically, hotels in Greece have been small in size, with the average number of beds per hotel standing at 76. Larger hotel units with more diverse offerings will be a welcome addition to the current accommodation infrastructure. Most of the hotels in Greece are categorized as 1- and 2-star hotels, meaning there is plenty of room for investors to establish 4- and 5-star properties. According to the Greek Hotel Branding Report, branded hotels in Greece account for only 4% of the total number of hotels and 19% of total availability of rooms, while in other European countries this figure lies between 25 and 40%. Chart no.2 shows the breakdown of hotels by star rating at key tourist destinations.

CHART 2. Hotels By Star rating at key Tourist Destinations including Halkidiki.



Source: National Statistical Service 2013.

### The tourism period

Although the country's tourism infrastructure is well developed, Greece is committed to expanding its tourism offerings and establishing itself as a 12-month destination. Its Mediterranean climate is ideal for activities such as year round golf and trekking and it is estimated that one million Europeans would consider Greece as a second home destination. At present, 70% of arrivals are in the May-October period and visits are disproportionately concentrated in Crete (21% of total bed capacity) the Dodekanese islands, which includes Rhodes (17%), the Ionian Islands, which includes Corfu (12%), Attica, which includes Athens (9%), the Cyclades islands, which includes Santorini and Mykonos (6%). The entire Halkidiki peninsula attracts 6.5% of the total arrivals. Among the targeted sectors for expansion include the development of integrated resorts and residential real estate, golf courses and sports tourism, wellness and health tourism, upgraded and new marinas, conference centers, agro tourism products, religious tourism, thermal spas and thalassotherapy centers, gastronomy tourism, and a wide range of

thematic offerings related to Greece's rich cultural and historical heritage. The completion of new basic road infrastructures connects north and south, east and west of the country and helps even the most forested areas to be achieved. . The newly completed Egnatia Highway, connecting Igoumenitsia with the Turkish border, is one of the most ambitious transport projects in the European Union of the last decade. The Ionian Highway, which connects Patras with Igoumenitsa, complements to the system's upgrading.

### **The area**

Sithonia is the middle of the three Halkidiki peninsulas located in the Region of Central Macedonia in the northern Greece. The entire area is also a municipality, with the seat town of Nikiti.



A number of gulfs surrounds the peninsula with the Singitic Gulf to the west and the Toronean Gulf to the east. Also the mount Itamos lies in the center of the peninsula. Amongst the places of archeological interest in the area is the ancient city of Toroni, the

castle and the church of Agios Athanasios, also in Toroni, and the nearby ancient cities of Olynthos, Potidea and Stageera hometown of philosopher's Aristoteles. Also the windmills in Sikia as well as the 16th century church in Nikiti are basic tourist's attractions in the area.

### **Literature review**

Seasonality in general is defined as a "temporal imbalance in the phenomenon of tourism, which may be expressed in terms of dimensions of such elements as numbers of visitors, expenditure of visitors, traffic on highways and other forms of transportation, employment and admissions to attractions" (butler 2001).

Seasonality is realized as a major problem in the tourism industry since is responsible for low returns on investment, overuse and underuse of facilities in high and low season respectively, as well as seasonal employment of staff and high unemployment subsidizes during the unemployment season. Also creates both natural and social implications since environment and local communities accept huge pressures in high/peak season that lead many times to the decrease of visitor's satisfaction and the tourism product as a whole.

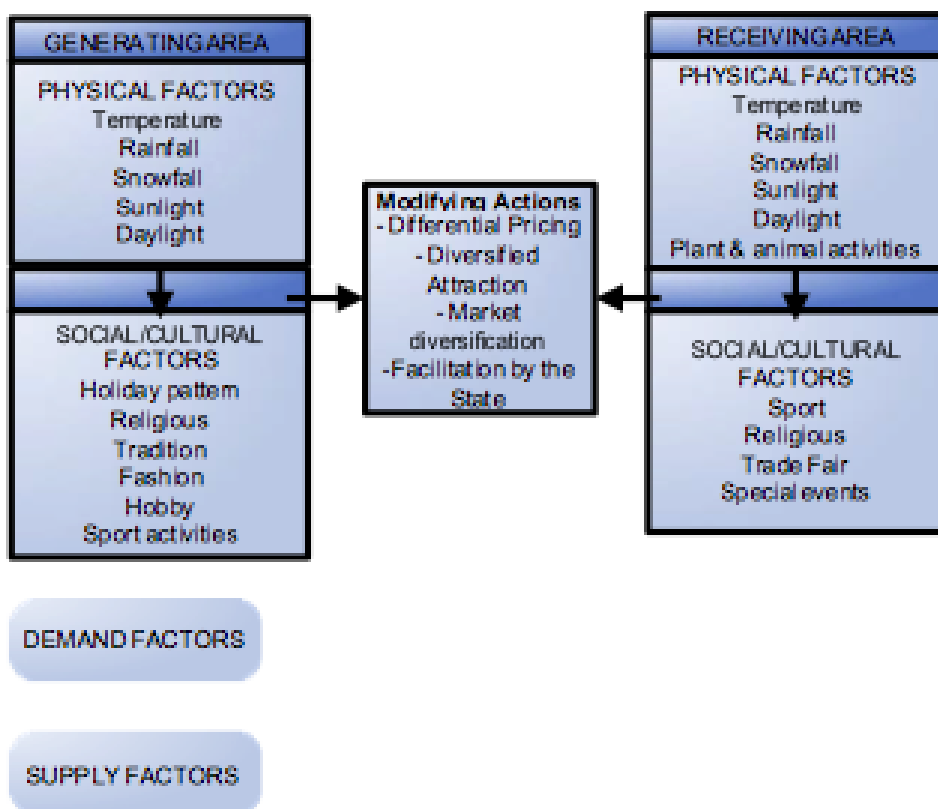
To address the effects of seasonality there this number of strategies that are used. These include:

- pricing strategies
- diversifying the attraction
- market diversification

All the strategies must take into consideration all local stakeholders since expanding tourism season is a matter of many key players. This includes central government tourism policy, tourism industry, regional and local authorities. Seasonality has been studied in a number of ways raising the issue in both temporal and spatial dimension and expressed in both monetary terms (social and capital costs) as well visitor numbers (JANG 2004). A number of studies have so far taken place regarding seasonality in tourism and the negative impacts on the destination. For instance BUTLER'S AND MAO'S (1997) study identified the two dimensions of seasonality for both the origin and the destination areas. These are the natural (physical) and institutional (social and cultural) dimensions (Fig. 3). Regarding natural seasonality this relates to temporal variations in natural phenomena (e.g. rainfall, sunlight, snowfall etc). For certain tourism forms this is easily understood. In

the case of Sithonia peninsula sea bathing or yachting for instance, require both warm temperatures and generally calm weather. On the other side institutionalized seasonality is more complex as it is based on human behavior and consumer decision like for instance the timing decision of going vacation or travel.

**FIGURE 3: FACTORS OF SEASONALITY IN TOURISM, BUTLER AND MAO (1997)**



**Methodology**

Literature review on tourism seasonality was the first step that was adopted regarding the specific research. Also national bodies’ studies were taken into consideration. A field

research with a semi structured questionnaire was adopted to identify opinions of local stakeholders over the issue of extending tourism period. The target groups were:

- local tourism entrepreneurs
- professional bodies that are directly and indirectly dependent from tourism like honey producers, fishermen, wine makers, olive oil producers etc
- local cultural associations
- local community.

## **Results**

Expanding the tourism period in Sithonia peninsula by reducing seasonality is a matter of many factors that include tourism infrastructures, a variable tourism product as well as the use of certain marketing tools. Specifically:

### a. Infrastructures

Includes investments in the tourism sector like the upgrade of the marina at Porto Carras, as well as upgrade of existing hospitality infrastructures. A new law in 2011 that subsidizes upgrading of hotel infrastructures will help although certain concerns were expressed over the issue of investor's subscription to the project since they must have their own contribution. An issue remains the lack of financing by the banking system. Another type of infrastructures includes the development of natural and cultural pathways as well interpretation, in order to divert the destination from a sea resort to alternative forms of tourism destination.

### b. Sustainability

Inherent in the area's tourism development policy is the issue of sustainability. Some hotels and resort complexes are installing photovoltaic systems in an effort to become more carbon neutral from one side and lowering the operational cost on the other side so they can be operational in a larger time period. And here the issue of self financing such projects becomes a major issue due to the lack of means.



c. New tourism products

Alternative to mass tourism activities becomes a part of a strategy that leads to seasonality reduction. Environmentally (natural and manmade) tourism activities like cultural, rural (agro tourism), ecological tourism are some of the alternative tourism products that combined with distinctive lodging, can increase tourism experience and can work as a tool of minimizing dependency of tourism seasonality in the area. The introduction of a “local quality agreements” by all stakeholders can improve the destinations’ brand image.

d. Human resources development

Human capital must respond to the new challenges. From management to catering and recreation as well as local authority personnel must be trained to the new competitive environment and the target for expanding tourism period. Developing local tourism consciousness and identity by local communities becomes of paramount importance. Alternative forms of tourism put a special emphasis on human interaction between the visitors and the locals. So, local communities and businesses must respond on that.

e. Tourism policy

Reflecting the importance of expanding tourism season not only for Sithonia peninsula but also for the entire Greek economy, national authorities like Ministries of Tourism, Finance, Employment must be dedicated through certain measures to encourage tourism businesses to operate larger periods of time by giving certain incentives, like lowering V.A.T. and other taxation for certain low season or subsidizing employment in tourism. Also the same applies for local authority.

f. Marketing

Marketing can be a useful tool for creating a brand image of the destination. Basic infrastructures that help increase tourism period. The forming of the Halkidiki Destination Management Organization will help on this direction presuming that all the above will be met.

g. Holiday Homes

Finally, holiday homes a paradigm from international experience can create new perspectives for the area. Although in the area there are a significant number of second

homes from the vicinity Thessaloniki area residents, the idea to develop holiday homes for foreigners, especially from northern Europe's cold climates will improve seasonality figures. A new, comprehensive legislation that is under consultation in government and refers to the construction of holiday homes for foreigners, according to expert estimations more than 1 million Europeans would consider a second/holiday home in Greece as a whole with a reasonable number going to the Sithonia area.

### **Conclusions**

Expanding tourism period and reducing seasonality is of paramount importance for any tourism destination. To accomplish this target a number of actions has to be undertaken involving in this process all the local, and not only, stakeholders. This research revealed that extending tourism period is not a simple process. Involves commitment and strateging planning of all interested parts related with actions varying from infrustructures development to developing local tourism consiousness culture and brand image of new tourism products. It is a process that also must me embraced by central national tourism policy giving certain incentives to local tourism industry.

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