



CYPRUS TOURISM ORGANISATION

A FRAMEWORK FOR A STRATEGIC ACTION PLAN FOR THE IMPLEMENTATION OF E-MARKETING IN CYPRUS TOURISM ORGANIZATION

CTO'S E- MARKETING STRATEGY OVERVIEW

NOVEMBER 2005

CONTENTS

1	CTO'S E-MARKETING STRATEGIC VISION.....	3
2	CTO'S E-MARKETING MODEL.....	5
2.1	MARKETING FRAMEWORK	5
	2.1.1 Portal and Content Management System (CMS)	6
	2.1.2 CRM and Database Marketing System (DMS).....	9
	2.1.3 e-Booking system	10
	2.1.4 Marketing Management Information System (MMIS)	10
	2.1.5 Knowledge and Performance Management System (KMS / PMS)	11
	2.1.6 Geographical Information System (GIS).....	12
2.2	CTO'S E-MARKETING BUSINESS PROCESSES.....	12
	2.2.1 Business Processes Models.....	12
2.3	CTO'S E-MARKETING ORGANIZATIONAL STRUCTURE	15
	2.3.1 e-Marketing Structure	15
	2.3.2 e-Marketing Unit People	17
3	IMPLEMENTATION STRATEGY	19

1 CTO'S E-MARKETING STRATEGIC VISION

The tourism industry has specific features that explain its importance for economic (regional) development and its inclination toward IT systems and e-Marketing technology. In addition, tourism greatly influences regional development, social, economic and demographic environment and with major changes taking place in international tourism, with tourist/customer behavior changing continuously as the type and duration of holiday-taking changes, competition is growing faster than the pool of tourists. The tourism domain is an excellent example of the trend towards personalized services and a complex marketing mechanism and it reflects customers becoming a part of product creation. It should also be noted that, a number of non-IT/technology related issues with regards to the tourism market and its customers, such as:

- Dynamic market and network structures,
- Pricing and market design,
- Designing and experimenting business models,
- User decision modelling and usage analysis

should be taken into consideration in order to meet the challenges and explore the opportunities as well as to improve e-Marketability and capture the clear benefits of e-Marketing, such as, overall customer-lifetime value orientation, customer dictates, selling process customization, interactive/information-enriched solutions, continuous customer interaction and customer expectations set by customer's experience across the market.

The primary tool of growth and profitability for the tourism industry in Cyprus will be the effectiveness of the marketing system CTO puts into place to support e-Marketing and existing channels.

Based on the results of the overall analysis done and the supporting technology related projects, within the context of its vision for e-Marketing CTO should be transformed into a knowledge organization and a knowledge hub for the tourism industry as a whole, the tourists and its employees and CTO should increase its internal as well as external communications and become more and more interactive through e-channel optimization.

A holistic approach should be applied in terms of exploration/exploitation of e-Marketing opportunities, meaning that CTO should address not only strategic opportunities but process opportunities to create a more effective, stable and sustainable business infrastructure.

The e-Marketing strategy of CTO should be one that is strongly linked to the strategic goals of CTO, stays focused on market demand generation and relates directly to business opportunities that should be pursued for e-Business, namely:

- **Establishing new channels**
- **Creating new value**
- **Extending boundaries**
- **Establish CTO, as the Center of Excellence for guidance, market rules setting and information dissemination.**
- **Provide the capability for individuals to plan and manage their own program but also to e-mediaries to excel through the e-marketing support capabilities.**

The e-marketing strategic process should be dynamic taking place at the pace of the market and enabling CTO to monitor and review its strategic goals and objectives.

CTO as a broader cross-channel organisation, aiming in combining a strong Internet presence with existing offline channels' activities will need to execute the following:

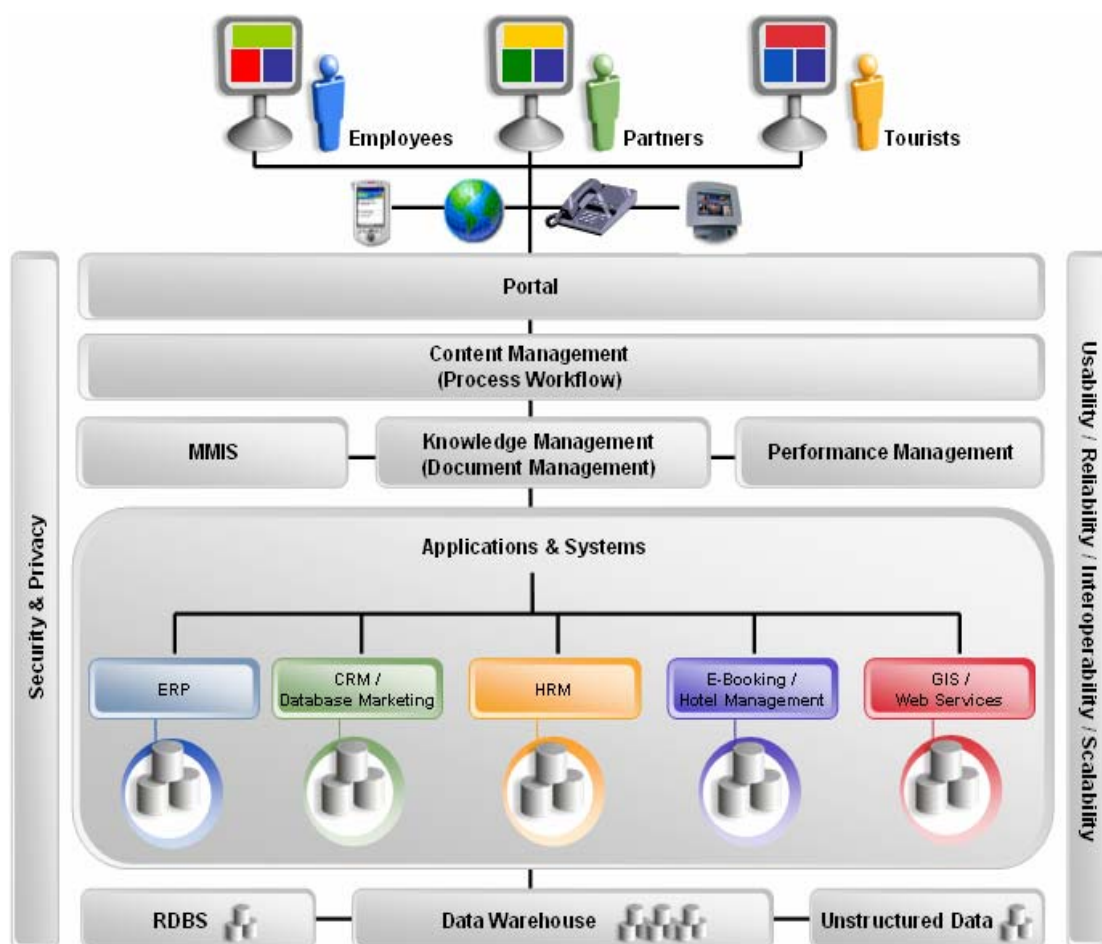
- Address a full range of existing and latent tourist needs to promote/provide a unique tourist experience.
- Rapidly build a brand strategy eliminating existing brands and/or introduce new one(s) that will be used throughout the organisation, independently from the channel, for all kind of communications with tourists.
- Extend the emerged brand(s) on the internet.
- Use on- and offline tourists information to win the battle for valuable tourist profiles.
- Develop and implement "product" strategies that are unique to the e-environment.
- Deploy channels that integrate the internet with existing B2C & B2B networks.

2 CTO'S E-MARKETING MODEL

2.1 E-MARKETING FRAMEWORK

It is argued that a rapidly changing business environment, largely brought about by the Internet, requires organisations to quickly implement new business methods and systems, develop new networks and alliances, and be creative in their marketing. Structural changes in the tourism industry involve the necessity to elaborate an appropriate response to communication and transaction needs within a given nexus of market forces and opportunities. Therefore, there is an imperative need for CTO to actively select between business models or frameworks that can support more efficiently its effective online strategy.

In order to determine CTO's e-Marketing framework, the Consultant firstly reviewed CTO's Vision and Strategic Plan, and then examined and analysed from an e-Marketing perspective its strategic objectives. The Consultant then proceeded to the examination and evaluation of CTO's internal and external environment in order to analyse and compare the competitive environment with a clear focus in the e-Marketing related critical areas of: website, intranet, e-Branding, e-Trading and info kiosks. The evaluation was made according to functional and non-functional features as well as qualitative and quantitative factors with the use of statistical analysis tools. As a result, eleven (11) e-Marketing thematic areas were selected for detailed examination by the Consultant, who carried out a gap analysis in order to exhibit the missing critical features and characteristics for every thematic area. Finally, an e-Marketing framework was proposed as it is presented in the figure below.



The proposed e-Marketing framework is comprised by a number of integrated systems that cover the areas of Portal and Content Management, CRM and Database Marketing, e-Booking, Marketing Management, Knowledge and Performance Management, GIS, etc. These systems should be implemented in a secure multi-tiered environment that will provide improved reliability, availability, scalability and serviceability. A short description of the proposed e-Marketing framework is outlined in the following sections:

2.1.1 Portal and Content Management System (CMS)

The implementation of the Portal and Content Management system, as a main project will support the realisation of the CTO's e-Marketing strategy. The system will provide the means towards the transformation of the CTO into a knowledge hub for the tourism industry in Cyprus and abroad, as well as the customers (the tourists that will visit the portal in order to be informed and make their decisions), and will increase its internal, as well as its external communications and interactivity through system optimization.

The proposed system aims at:

- The legible provision of accurate and valuable information to tourists, partners and other users.
- The interface provision for the functional interconnection between CTO and other organizations, in order to achieve a systematic and an ad-hoc exchange of information.
- The provision to CTO and its partners of an effective collaborative platform to exchange data and information about provided services.
- The integration of all CTO's applications and information systems in a system that will organize the information and the services provided.
- The centralization of the process of publishing content by providing a set of processes enabling the capture , management, publishing, presentation and sharing of information / web content systematically.

The proposed CMS system will also contribute to the improvement of the existing communication channels with the tourists/customers interaction, the accurate and personalized information dissemination, etc. towards the achievement of the goals decided to close the gaps between CTO e-Marketing framework and those that are currently in use by the competitors.

The minimum **Information/Content Elements** that CTO's web properties should include are the following:

Information/Content Elements for the CTO's Portal

- Tourist Information that refers mainly to static information that is provided to tourists through CTO's web pages and should contain the following content elements:
 - Contact Information
 - Weather report
 - Calendars / schedules / events information
 - Tips/ FAQs
 - Itineraries Information
 - Exchange rates
 - Company information
 - Important information

- Current time
- Links to other Travel / Tourism Organizations
- News
- Cultural Information
 - Thematic routes, such as Religious, Agriculture, pottery etc.
 - Churches and Monasteries
 - Archaeological sites
- Additional Functions that contain dynamic information content and must contain the following elements:
 - Travel guides
 - Transport Information
 - Maps
 - Travel schedules / planners
 - Multimedia content
 - Product / service comparison tool
 - Search engine
 - Street finder
 - Personal agenda
 - Chat / discussion forum
 - On – line auctions
 - On – line gallops
- Subscription functions. Capability to assign username and password to visitors that would like to subscribe for the CTO Portal, and hence be able to disseminate information that may be of interest to that specific customer segment or communicate with them in a familiar manner.
- Corporate Image contents
- Description of CTO, CTO offices, strategy, history, partners and associate members as well as the selected brand image
- Queries, e-mails and registration forms
- Privacy policy of CTO / Disclaimers

- CTO's brochures
- Link to B2B portal
- Tourism Awards
- Affiliations with organizations / embassies etc.
- Possible future Accreditation for CTO Portal

Information/Content Elements for the CTO's B2B Portal

- Detailed presentation of CTO's environment, its strategic Marketing – Mix and its undertaken Marketing campaigns and PR efforts.
- e-news, marketing newsletters, newsroom, message boards, facts and information about partners in the travel media industry.
- Information about policies, procedures, best practices, legal information and related issues applied in the tourism sector.
- Tourism initiatives that may be of interest to CTO's business partners (training and development programs, partnership marketing opportunities, actions taken to encourage people to be involved with the tourism sector, investment and business initiatives, etc.).
- Additional services provided to tourism partners (e.g. statistical tourist data, product catalogue for holidaymakers, Business net for assistance in planning meetings/conferences and events, jobs on-line, advertising issues, interactive educational programs, web-hosting services, promotional material, information about hotel's profile that wishes to cooperate with tour operators, on-line auctions, etc).

2.1.2 CRM and Database Marketing System (DMS)

Tourists have greater influence in the market than ever before. Building and maintaining close relationships with tourists, has become an issue of great importance for tourism organizations. Each tourist interaction constitutes an opportunity for an organization to collect valuable information and provide better and innovative services. For this reason, it is crucial for CTO to implement a CRM and DB Marketing system that will assist in:

- Improving interactive personalized communication with tourists through the Portal system and the other marketing channels.
- Improving organization's knowledge about tourists and CTO's users.

- Increasing the number of repeatable visits to Cyprus (improve customer retention) through improved customer service offered by the tourism industry.
- Winning new customers using different procedures like effective marketing and campaign management.
- Supporting advertising, market research, service development and motivation procedures in order to improve performance, efficiency and effectiveness in marketing communications.
- Developing a clear actionable understanding of customers and a dialogue that ideally should always be relevant, timely and focused on qualified opportunities.

2.1.3 e-Booking system

An e-Booking system is an online web-based booking service that is provided directly through the Web. At the same time, it enables hotels and other tourism service-providers to accept instant and real-time reservations. The system can be designed in order to manage all type of bookings, whether made directly by tourists or through travel agents, tour operators, hotels or other tourism service-providers. Hence, CTO will be able to act as an intermediary between tourists, who would like to make on-line travel reservations and any tourism service-provider who would like to promote its services/products. In this framework, CTO's e-Booking system can either be seamlessly integrated into the existing CTO's website or will function as a separate but dynamically driven website using an ASP model. Another option for CTO is to become an affiliate member with existing online travel service-providers in Cyprus without having to proceed with the implementation of a separate or integrated e-Booking system.

2.1.4 Marketing Management Information System (MMIS)

Tourist-centric marketing pervades the core of every modern tourism organization. CTO's proficiency in understanding tourism market and creating tourist value is a primary determinant of its long-term performance. However, as tourism market structures and communications technologies evolve, managers face new challenges in their efforts to market services and tourism products. MMIS will introduce participants to the process of developing and managing CTO's marketing strategy, examining how it should create and sustain tourist value from market analysis and service positioning to communications and channel systems design.

Marketing Management system will provide CTO's executives with an overview of the marketing disciplines and a framework that will present marketing as a value creation process. Participants will learn how to evaluate marketplace potential and risk from the perspective of the organization's unique ability to develop and deliver information and services of meaningful tourist value. The system should explore the principal concepts and tools of contemporary marketing management, from market segmentation and service positioning to the design of distribution channels and communications strategy, in order to maximize the value delivered to tourists. CTO's executive team will be in a better position to:

- Analyze and understand tourists needs and personal behavior
- Understand marketing program development and implementation
- Comprehend their roles in a fully integrated, strategic marketing plan
- Perceive how CTO captures value through marketing initiatives

2.1.5 Knowledge and Performance Management System (KMS / PMS)

Knowledge management initiatives should be concerned with promoting, sharing and transferring of knowledge, within and across different CTO's units. Thus, gaining a deeper awareness of the diverse viewpoints and attributes of the various organizational units is one of the important challenges facing CTO's organization-wide Knowledge Management (KM) initiatives. In addition, it is imperative for CTO to be sensitive to the inherent differences within different units and align their KM strategies so that the differences are suitably reflected and addressed appropriately in the organization-wide KM strategy.

The underlying focus of the KM system should be the creation of a dynamic platform that systematically collates expert knowledge, enables and ensures that organizational members draw on the pooled expertise. As part of an internal IT strategy, a KMS would derive both direct and indirect strategic benefits to the organization. While the KMS system and the associated initiatives/activities would be a source for creating and sustaining fast-paced organizational efficiency and innovation, a greater understanding of the drivers and limitations of managing CTO's knowledge will also be gained by a closer examination of the unique embedded socio-cultural and business issues. Thus, while IT is seen to play the role of an enabling agent in the process of managing organizational knowledge within CTO, more attention should be given to the intricacies of the subtle exchanges and transfer

of knowledge taking place informally within and across different units / departments / groups, etc.

At the heart of an ideal definition for knowledge capital is creation and provision of "value". Without linkage to strategic initiatives, reflected through some form of measurement or recording of value, whether it is simply anecdotal or more quantifiable, knowledge management could probably become one more piece of business management hype. On the other hand, a conscious effort in conceptualizing, designing and putting to practice metrics can actually help one to realize the true value of KM. So, it is strongly recommended that CTO implements a management system that will enable the organization to clarify its vision and strategy and translate them into valuable knowledge and remarkable action.

2.1.6 Geographical Information System (GIS)

The use of Geographical Information Systems (GIS) and the Internet has changed the way organizations use geographic information, the processes of accessing, sharing disseminating and analyzing data. The proposed GIS should be a visual and analytical tool that will help CTO to understand, visualize and export its geographic information in interactive web-based maps via the Portal, information kiosks, mobile devices, etc. and enable tourists to manage this information interactively and analytically in order to plan and undertake a trip or to make a potential decision. Using the system, CTO will be also able to integrate tourism information, visualize complex scenarios, present powerful ideas and derive effective solutions which would otherwise be impossible to achieve.

2.2 CTO'S E-MARKETING BUSINESS PROCESSES

In this section, the proposed main business processes for each system are mentioned as follows:

2.2.1 Business Processes Models

2.2.1.1 Portal Business Processes Model

The process map of the proposed portal consists of three main process areas:

- Share Information
 - Dynamic Personalized Content and Services
- Managing Multiple Portal Applications

- Content Access and Management Portlets
- Multiple Web site & Portal Management
- Portal Management
 - Centralized Command Center

2.2.1.2 Content Management Processes Model

The Content Management lifecycle consists of four business processes related to web content as well as their sub activities, namely:

- Capture / Create Content
 - Content Collection
 - Content writing
 - Assigning metadata to each content item
- Manage / Review Content
 - Edit content
 - Content quality control
- Distribute / Publish
 - Content Distribution / Publication
- Store / Preserve
 - Content Storage
 - Content Archiving
 - Content Disposal

2.2.1.3 Knowledge Management Process Model

Knowledge Management process model promotes an integrated approach to identifying, managing and sharing all of CTO's knowledge assets including unarticulated expertise and experience resident in CTO's employees. More specifically the knowledge management process model is about identifying knowledge needs, knowledge capturing and structuring, knowledge distribution and usage and it consists of:

- Identification of Knowledge needs
- Knowledge Capturing
- Knowledge Structure

- Knowledge Distribution
- Knowledge Usage

2.2.1.4 e - CRM Business Processes Model

The process map of the proposed e-CRM system contains three main process areas:

- Strategy and Planning
- Marketing Operations
- Channel and Customer Contact Management

2.2.1.5 Data Base Marketing Business Processes Model

The process map of the proposed Data Base Marketing system contains five main process areas:

- Basic Direct Marketing
- Customer Satisfaction
- Customer Segmentation
- Customer Profitability
- Strategic Data Integration

2.2.1.6 Data Warehouse & Marketing Management Information System Business Processes Model

Data warehouse will serve as the foundation for creating analytic applications that will be linked to critical business processes that will be accessible to a broad range of users. In order to remain competitive, CTO should leverage its data warehouse to deploy applications such as, customer relationship management, database marketing, performance measurement, knowledge management, content management. Data should be extracted, transformed and integrated from multiple source systems while specialized extraction, transformation and load tool will automate the process of developing and maintaining the data warehouse.

Data warehousing is an iterative process. The proposed framework consists of five groups as shown below:

- Data Fusion
- Data Analysis
- Predictive Modelling

- Event Detection
- Data Sharing

2.2.1.7 GIS Business Processes Model

The proposed process model of the GIS system consists of the following main business processes:

- Data Classification
- Geographical Data Approval and Entry
- Geographical Data Update
- Geographical Data Management

2.2.1.8 Performance Management Business Processes Model

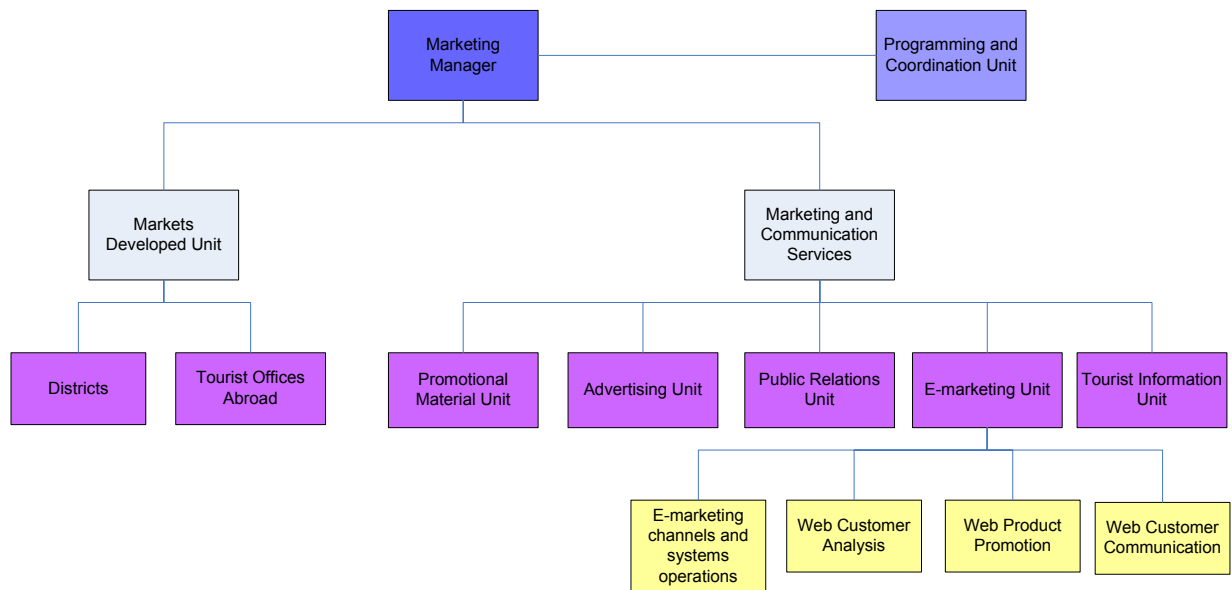
The process map of the proposed performance management system contains three main process areas:

- Clarify Vision and Identify Strategic Objectives
- Select Measures
- Monitoring and Controlling Measures

2.3 CTO'S E-MARKETING ORGANIZATIONAL STRUCTURE

2.3.1 e-Marketing Structure

The proposed scenario for the role that e-Marketing unit might have within CTO's Marketing Department organizational structure, is presented in figure below:



The e-Marketing unit will operate as an e-channel provider that will support the other units of CTO (Marketing department, Tourist Services Department, Tourist Planning Department, Administration Department), in order to provide their services and products via e-channels (portal, infokiosk, PDAs, etc). The e-Marketing unit will need to play a major role in developing the e-tools capabilities and will need to enhance their current capability most significantly. It is important that CTO has a liaison between Marketing, Channels, e-Marketing unit and others crucial CTO's departments. Its main role will be to organize and co-ordinate actions and resolve practical implementation problems in order to develop its marketing strategy.

It is proposed for the e-Marketing unit to have four major **business** sections, namely:

- Web Customer Analysis (this often includes market research)
- Web Product Promotion
- Web Customer Communications
- Web Customer Strategy development.

To achieve this structure, CTO would need to develop its skills and capabilities, in the following areas:

Web Customer Analysis

This is a major role within e-Marketing and should have the responsibility of understanding web user behavior and implementing web customer contact campaigns. The principle activities to be undertaken are the development of various measures of user behavior and value, particularly:

- Web Customer segmentation
- Propensity models (i.e. the probability of a customer selecting a particular tourist product/service)
- Web Customer and web product profitability measures
- Data mining activities
- Campaign performance assessment.

Web Product Promotion

This section refers to the development and maintenance of a competitive set of e-products, the build-up of strategic partnerships and co-operations and the participation in online promotions. Marketing and tourism knowledge is required.

Web Customer Communications

Web customer communications, through portal, belong to a third section proposed for the e-Marketing unit. Under the CTO e-Marketing strategic action plan, there would be different activities involved in:

- e-Marketing campaign design.
- e-Marketing campaign planning.
- e-Marketing campaign execution.

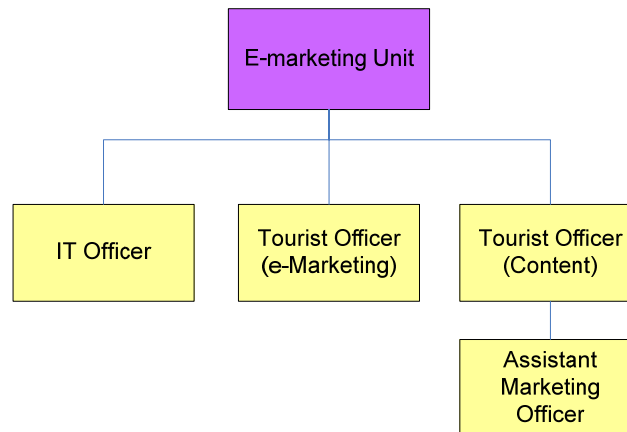
Web Customer Strategy development

The e-Marketing unit would need to take the leading role in defining the user (web customer) strategy development and how this is to be applied to the customer base.

In addition, it is proposed for an e-Marketing unit to have a section for e-Marketing channels and tools, such as portal, e-CRM, Database Marketing system, GIS, on-line booking, namely “**e-Marketing channels and tools operations**”. This section should have the responsibility of designing the processes for each e-Marketing channel and tool (system) and supporting functions such as portal content, content compilation, designing and publishing of web content.

2.3.2 e-Marketing Unit People

The proposed roles of e-marketing unit's staff are presented in the figure below:



- **e-Marketing Manager**

Responsible for developing and implementing broad range activities in the e-Marketing function. Responsible for market research, competitive analysis, acquisition opportunities, product development and business opportunities. Liaises with CTO's Marketing Unit and other departments and managers when appropriate.

- **IT Officer**

Directs and controls the IT for the e-Marketing unit, including systems development, operation and support of the infrastructure in support of e-Marketing business objectives. Responsible for the data and system administration. Liaises with users play a key role in setting IT strategy.

- **Tourist Officer (e-Marketing)**

Overall control of the e-marketing operations and functions. Develops and improves the Organisation's image in e- marketing sector.

- **Tourist Officer (Content)**

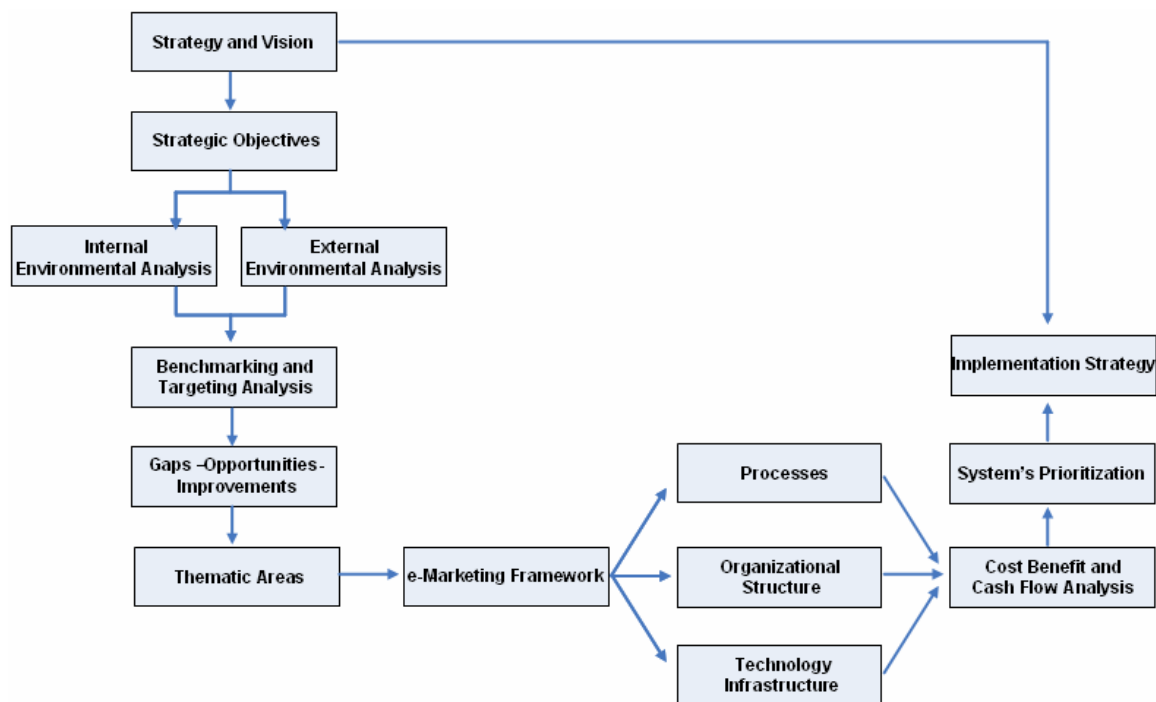
Develops and improves content for e-Marketing needs. Oversees all aspects of web content with emphasis on customer (web users) preferences.

- **Assistant Marketing Officer(s)**

The generic marketing assistant role supports one or several of the more specific functions within the e-Marketing unit.

3 IMPLEMENTATION STRATEGY

By developing and exploiting CTO's Implementation Strategy during the project phases and by taking into consideration the vision, strategy, requirements and needs as well as the particularly competitive environment of CTO, the Consultant determined in an extensive and analytical manner the proposed e-Marketing systems that CTO should design and implement in order to achieve its major objectives by the year 2010 in accordance to its strategic plan. Consequently, the Consultant allocated the required processes, the necessary organization structures and the technological infrastructure that should be developed inside CTO for each of the proposed systems. Critical part of the project was the cost benefit and cash flow analysis that took place in order to calculate the initial and total costs for the implementation and maintenance, the Cyprus revenues and the CTO qualitative benefits that each system provide. The whole schema of our methodological approach is presented below.



Next step was to find the relationships between the proposed systems in order to finally prioritize them, taking into consideration the following:

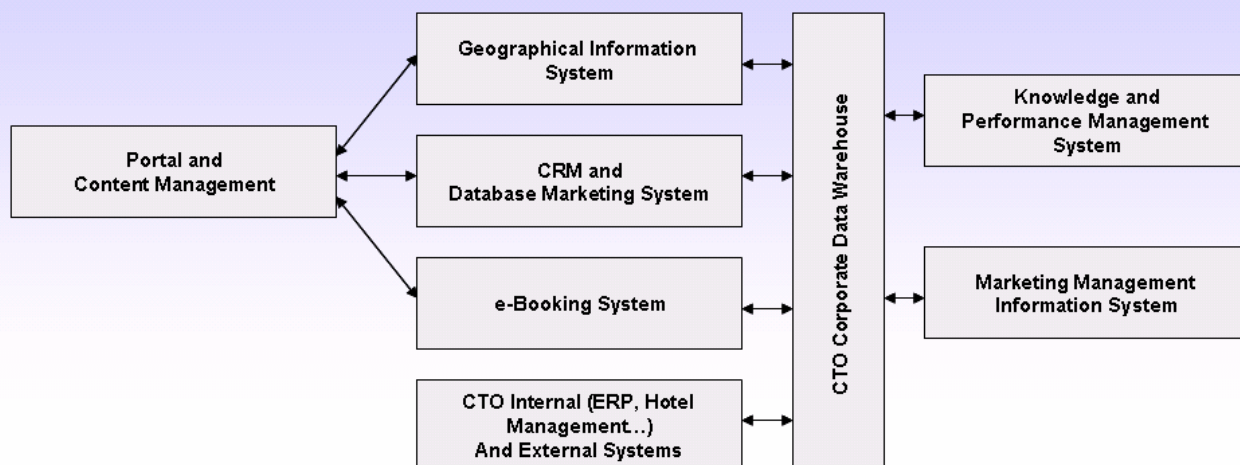
- The qualitative and quantitative benefits and revenues

- The implementation time needed for each system as presented in the table below
- The relationships between the proposed systems and order of implementation.

Systems' Correlations and Prioritization

The prioritization procedure of the proposed CTO's e-Marketing systems depends strongly from:

- The qualitative and quantitative benefits and Cyprus revenues.
- The implementation time needed for each system (see also the table that follows).
- The correlations between the proposed systems.



Dependency Matrix

The table below represents the time plan necessary for the implementation of each project based on the above dependency matrix.

System	Months																						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Portal and Content Management																							
CRM and Database Marketing																							
e-Booking																							
Marketing Management Information																							
Knowledge and Performance Mgt.																							
Geographical Information System																							

Legend:

High Priority

Medium Priority