

Conference and Incentive Tourism Study

Final Report

PART II : The Marketing Plan

Prepared for CYPRUS TOURISM ORGANISATION
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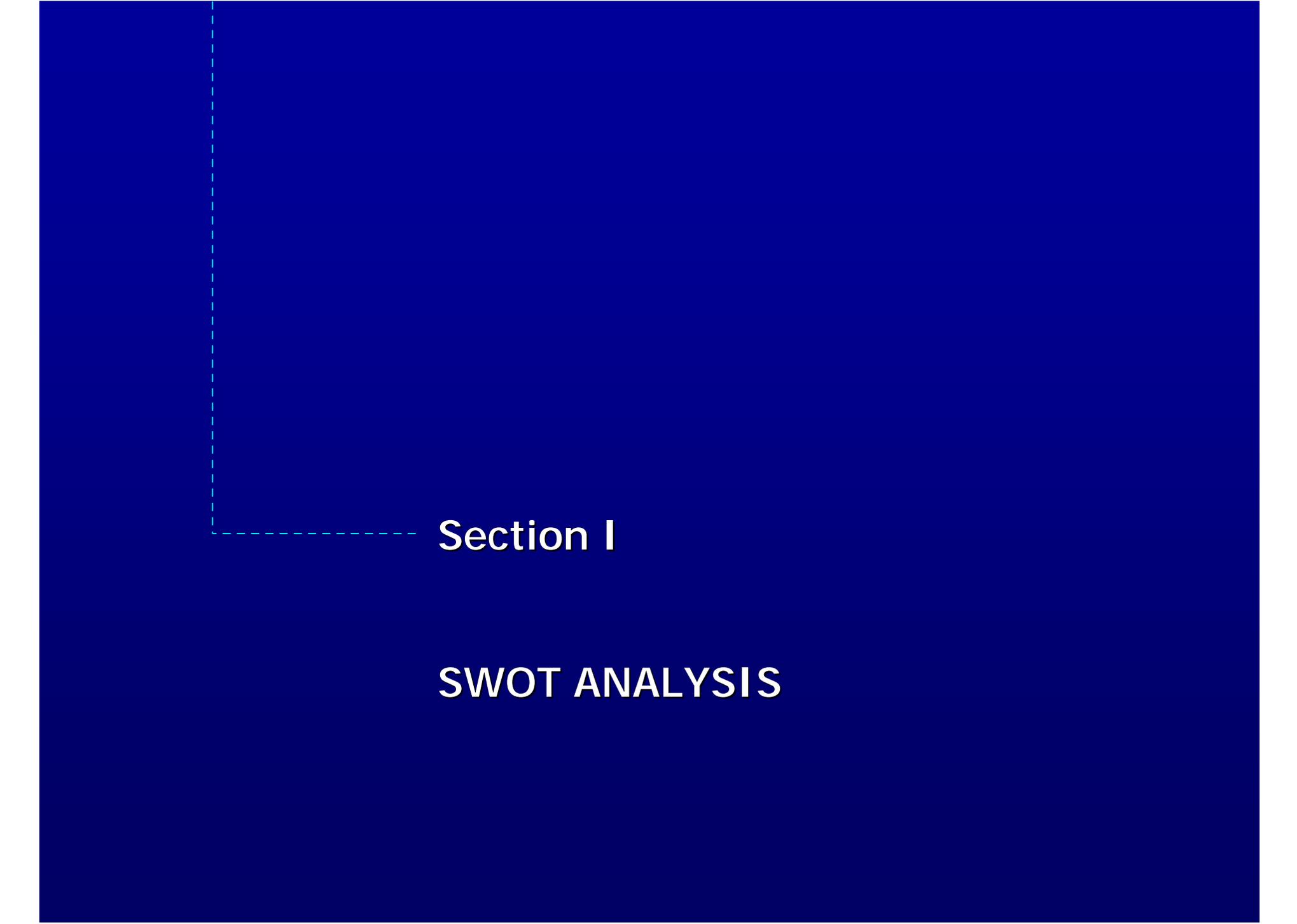
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Section I

SWOT ANALYSIS

1. KNOWLEDGE BASED ON EXPERIENCE

The travel trade in source countries rates Cyprus highly as a corporate event location. This is important, as in source countries in Europe agencies play the principal role in preparing destination options. Agencies in Europe on average arrange 24 conferences every year, and 26 incentive trips.

Those companies who have organised a conference in Cyprus have been very satisfied, finding the conference smooth running and successful. The main attributes of Cyprus that were seen to contribute to the success of the conference were the climate and the people.

Complaints were made about the difficulties of arranging flights for a large number of delegates, and the lack of originality in outdoor events, which is a drawback to the use of Cyprus as a destination for incentive trips.



2. EXPECTATIONS OF THOSE WITH NO EXPERIENCE OF CYPRUS AS A DESTINATION COUNTRY

Cyprus is perceived to be marginally above average in conference facility standards, compared particularly with those Mediterranean countries outside of the European Union.

The most attractive attributes of Cyprus, expected to make a contribution to the success of a conference are the weather and the people.

The least attractive attribute of Cyprus is the difficulty in making suitable travel arrangements for the large number of delegates, who may be arriving from different areas.

Doubt is expressed about the professionalism of the local tourist industry in Cyprus, and the standards of technical equipment and expertise that may be available. Originality of events is also questioned, because Cyprus is seen as a typical holiday island resort.

Cyprus is not known as a corporate event destination country. Links are not made to conferences and incentive trips, which require a business-like approach to agenda and time-table and make demands on participants. Links are made to vacation, to beach relaxation in the sun, rather than to high standard conferencing facilities.



SWOT ANALYSIS

As has been noted, actual experience enhances the perception of Cyprus as a quality location for business events. This emphasises the need to encourage experience through familiarisation trips and by personal presentations to the trade and to management to get the name of Cyprus known, and associated with the sophistication of the modern conference centre as well as the charm of the people.

In perceptual terms, Cyprus is consistently set into a group of countries sharing the warm Mediterranean climate, and each with an individual culture :

Egypt
Turkey
Cyprus
Morocco
Tunisia

All five are considered as alternative and interchangeable destinations, with many similar ratings for character and attributes. (*Source: Primary Research*)

This group of countries can be said to belong to the same perceptual map according to those who organise CIT events (both buyers and trade) because:

- The pattern of using them by the main source countries as a conference location during the year 2002 was shown to be similar (*Source: Primary Research*)
- They share a similar Geographical location – and the warm Mediterranean climate
- Their strong points such as the weather, and the people are rated similarly in the main source countries. (*Source: Primary Research*)



Of the countries which belong to the 'perceptual map' which includes Cyprus, the geographically closest is Turkey. The geographical proximity means that the most immediate competition to Cyprus comes from Turkey.

It is vital for Cyprus to establish a distinct personality to separate it from Turkey, and to meet the demands of the market.



3. SWOT ANALYSIS

As established from the interviews of our primary research, the most important destination determinant criteria are the perceptions of the decision makers regarding specific aspects of a conference / incentives providing destination. Various actual elements, such as favourable travel details and a centralised booking resource, contribute as motivators in the selection of a destination.

Perceptions can be the result of direct experience with organising an event in a specific country but, more often, they are not necessarily in accordance with the reality of a country. They are beliefs in the mind of decision makers, acquired from hearsay or from a myriad of other sources surrounding the image of a country. The aforementioned perceptions relate to the following:

- ✦ Overall costs
- ✦ Travel/flight details
- ✦ Accommodation
- ✦ Safety and security
- ✦ Professionalism of local tourist industry
- ✦ Originality of events
- ✦ Conferencing facilities available
- ✦ Technical equipment
- ✦ Handling agent's performance

When judging Cyprus, most of these criteria are shown in the primary research to be highly correlated with the incidence of having used Cyprus for a conference – and being shown as strengths of Cyprus as far as those who had the experience of a conference here, but as weaknesses by those who had not, when they expressed their expectations of Cyprus.

'Travel Details' is the main exception, being considered unfavourably by both groups of conference organisers – those with and those without experience of Cyprus.



Secondary criteria in the choice of a conference destination are :

- ✦ Climate
- ✦ People
- ✦ Food
- ✦ Cleanliness

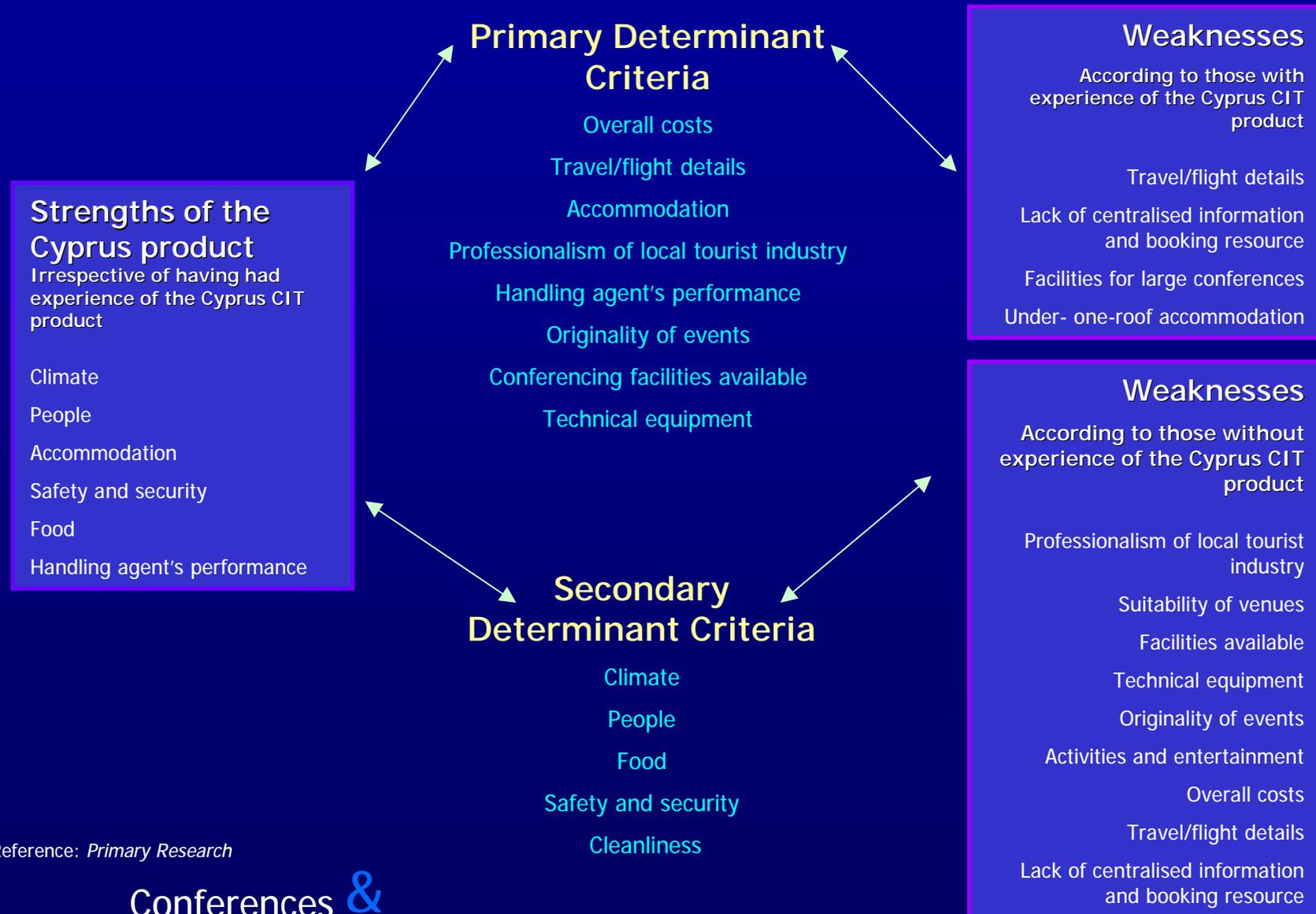
And the strong points of Cyprus, which are rated highly irrespective of having had experience of Cyprus are:

- ✦ Climate (a secondary criterion)
- ✦ People (a secondary criterion)
- ✦ Handling agent's performance (a primary criterion)
- ✦ Accommodation (a primary criterion)
- ✦ Food (a secondary criterion)

Obviously, Cyprus is seen in a positive light on account of these criteria and the two factors that are used as decision criteria are accommodation and handling agent's performance



SWOT ANALYSIS



Reference: *Primary Research*



4. HOW TO DIFFERENTIATE CYPRUS FROM THE IMMEDIATE COMPETITION WITH A DISTINCTIVE USP

There is a clear division in attitudes towards the Cyprus product between those who have experience organising an event here, who rate most aspects of the Cyprus product satisfactorily, and those who have no experience of organising an event here, who give an inadequate rating, based on assumptions. As a result of the fact that those with experience of the Cyprus product are a minority, the overall rating given by the group with no direct experience dominates the results and indicates an unsatisfactory state of affairs overall, a weakness.

The high ratings given by those with experience of Cyprus as a CIT destination are proof of the real potential of Cyprus.

There is a recognised capability of overall professionalism and reliability of the local industry and the availability of up-to-date conferencing facilities, including technical know-how and equipment. This already exists as a priority within the tourist industry of Cyprus.

Professionalism and reliability of facilities and equipment are strong factors in destination choice, and for conference organisers with no knowledge of Cyprus it is an area of doubt. Efforts to create a positive awareness of these factors would give Cyprus valuable recognition.

Another factor in the Cyprus product that acts as a determinant in destination choice is the safety and security of the island. There is a need for reassurance on this aspect, especially with the occasion of the accession of Cyprus to the European Union.

Incentive travel in Cyprus also shares the professionalism and reliability of the local industry. To strengthen the U.S.P. for incentive travel, there is a need to identify a distinct comparative advantage. A Cypriot differentiation of the product using the rich culture and heritage as a setting and context for outside events.



In the incentive travel sector, both those who have organised such an event and the local industry express some concerns.

In this sector of the market there is a demand for novelty of events and the inclusion of elements of the local culture, which is considered "exotic" by the European visitor. The flavour of Cyprus.

The fact that Cyprus is rich in its cultural heritage is a strength that would differentiate the destination from its competitors if used for the staging of events.



OPPORTUNITIES/THREATS

An analysis of the findings of the primary research in the context of the current socio-political climate reveals the following opportunities and threats

OPPORTUNITIES

- Demand for short/medium haul travel
- Unsettled political situation in the Middle East
- Strong Cyprus product with market relevant U.S.P. – a highly professional product, technical equipment and ability within an integrated industry, cultural heritage and holiday destination image
- Accession to EU brings Cyprus into the rotating European circuit of association congresses
- Accession also opens up the possibilities of attracting corporate events from Europe
- Conference facilities available
- Satisfactory customer service proven from experience
- Adequate infrastructure

THREATS

- No awareness of Cyprus product
- Inconvenient and infrequent flight schedules
- Aggressive marketing from other Mediterranean destinations
- Promotional stress on Cyprus only as a holiday island



Cyprus has all the elements in place to capitalise on the opportunities to extend its share of the conference/incentive travel market BUT the important strengths are not known. Promotional campaigns directed to the U.S.P. of professionalism and cultural heritage are needed to shift the perceptions of the market.

The occasion of the accession of Cyprus to the European Union offers an excellent opportunity for repositioning Cyprus as a CIT destination, as its image will gradually shift from its current perceptual map positioning to an identity more akin to the European.



5. POSITIONING

Taking into account the needs of the markets which were investigated for this study and identified as target markets, and the SWOT analysis, the proposed positioning for the Cyprus CIT product is:

- ◆ An established perception of a highly professional product, promoting technical equipment and ability within an integrated industry.
- ◆ With its cultural heritage of a meeting place of continents and peoples, Cyprus is in a good position. Cyprus can offer the “exotic” (i.e a culture that is considered unusual and different), in the context of a safe and secure environment in, a geographic region that is often characterised by social unrest and turbulence.
- ◆ Aiming to obtain maximum benefit from of the traditional image of a holiday destination that Cyprus is endowed with, the positioning effort of the Cyprus CIT product should capitalise on this image to its full advantage



6. RESEARCH IS THE BASIS OF THE CTO'S MARKETING ACTIVITIES

This present research project shows that organisers of conferences/incentive travel are increasingly making their decisions on the dimensions of speed and reliability. Reduction of lead times is one of the current cost-cutting measures, aided by technological advances. The reliability factor relates to the services at the destination. Problems occurring at the destination are an addition to the overall costs of the event.

As a result, the central focus of the CTO marketing strategy is the USP of

- ◀ A highly professional product, promoting technical equipment and ability within an integrated industry, in the context of a rich cultural heritage and its traditional image of a holiday destination.

But this cannot have effect without support, the support of easy access to information and booking of total package.

Speed in planning and organising a corporate event is important both to business enterprises and to the conference/incentive travel trade. Again we are looking at minimising the amount of staff time spent in collating information and negotiating prices.

It is obvious that in this volatile market, subject to fast reactions to external conditions research is a continuous tool, necessary to track the effectiveness of the Strategy, and to keep in touch with changes in the market.



7. USP EMPHASIS FOR INDIVIDUAL TARGET COUNTRIES

As already established, the core USP for the Cyprus CIT product should be of “A highly professional product, promoting technical equipment and ability within an integrated industry in the context of a rich cultural heritage and its traditional image of a holiday destination”.

Accentuating in each individual target market different aspects of the Cyprus product, by taking into account the specific nuances of that market would be advantageous. For this purpose, a list of *Tactical Variations* for each country has been prepared and is shown in the following pages.

The propositions set out in the following pages are put forward on the basis of:

- § what companies in each individual target market take into account when selecting a destination for one of their events
- § what CIT organisers who have experienced an event in Cyprus have appreciated about the Conference or Incentive product of Cyprus
- § what those with no experience doubt about the Cyprus product
- § and on what Cyprus can realistically lay claims upon.

Furthermore, a suggestion on where to place the emphasis – on either the Conference or the Incentive capability of Cyprus – in each target market is offered, based on factors such as the extent to which each type of activity is undertaken by each of the source markets, and the degree of experience and awareness of Cyprus as a destination of either conference or incentive travel.

(Source: *Primary Research*)



§ Tactical variations

United Kingdom

The ratio of conference and incentive trips originating in Britain is four to one. (There were 0.4m conference trips and 0.1m incentive trips in the year 2000 according to the European Travel Monitor). This might suggest a more promising potential in targeting the UK conference market rather than the UK incentive market. However, as established in our primary research, both the travel trade and the buyer companies in the UK see Cyprus as rather more appropriate for incentives than for conferences. Emphasising the Incentive product of Cyprus in the UK may therefore be a worthwhile pursuit in the effort to develop inroads and establish and strengthen awareness of Cyprus as a MICE market in the UK.

Aspects worth special mention in the UK about our Conference product, are the high standards of delegate accommodation and the professionalism of the local tourism industry. When promoting the Incentive product, the high standards of delegate accommodation, the suitability of venues and facilities and the overall costs are all worth an extra mention in the UK, all being aspects which were shown to be potentially motivating in this country. (Source: Primary Research)

Aspects to emphasise in the UK

Conferences	Incentives
<ul style="list-style-type: none"> ✦ High standards of delegate accommodation ✦ Professionalism of local tourist industry 	<ul style="list-style-type: none"> ✦ High standards of delegate accommodation ✦ Suitability of venues and facilities ✦ Overall costs



§ Tactical variations

Greece

Greece is an emerging source market and it is already one of the core markets sending MICE tourism to Cyprus. Although Greece itself can be considered a competitor in the CIT market, cultural links and an emotionally charged relationship make Greece an unquestionably valuable market.

Greece, like most other countries surveyed for the purposes of this project, sees Cyprus as rather more appropriate for incentives than for conferences. As mentioned in the case of the UK, which also tends to see Cyprus in similar terms, it may be worthwhile to emphasise the Incentive product of Cyprus in Greece, in order to build up the Cyprus CIT product awareness and usage in Greece.

Aspects worth special mention in Greece about Cyprus' Conference product, are the travel details in terms of time and cost and the cultural familiarity between our two countries. When promoting the Incentive product, the main element to emphasise would be travel details – these being aspects which were shown to be potentially motivating in Greece.
 (Source: Primary Research)

Aspects to emphasise in Greece

Conferences	Incentives
<ul style="list-style-type: none"> ✦ Travel details in terms of time and cost ✦ Cultural familiarity 	<ul style="list-style-type: none"> ✦ Travel details in terms of time and cost



§ Tactical variations

Russia

Russia is already a prolific organiser of conferences in Cyprus. However, Russia was shown in our primary research to have virtually no interest in organising incentive trips. For this reason, all the emphasis in this country, when promoting our product, should be placed on conferences.

Aspects worth emphasising in Russia about the Cypriot Conference product, are the transport, which comprises a good network of roads connecting the main cities and other parts of Cyprus and the activities and entertainment outside of the conference venue – these being aspects which were shown to be potentially motivating in Russia. *(Source: Primary Research)*

Aspects to emphasise in Russia

Conferences

- ✦ Transport on the island: a good network of roads connecting the main cities and other parts of Cyprus
- ✦ Activities and entertainment outside of the venue



§ Tactical variations

Germany

In Germany, as established in our primary research, both the travel trade and the buyer companies see Cyprus as more appropriate for incentives than for conferences. Emphasising the Incentive product of Cyprus in Germany may therefore be a worthwhile pursuit, in the effort to develop inroads and establish and strengthen awareness of Cyprus as a MICE destination in Germany.

Aspects worth focusing upon in Germany about our Conference product are overall costs of the conference and the professionalism of the local tourist industry. When promoting our Incentive product, the suitability of venues and facilities, the professionalism of the local tourism industry and the overall costs are all worth an extra mention, all being aspects which were shown to be potentially motivating in Germany. (Source: Primary Research)

Aspects to emphasise in Germany

Conferences	Incentives
<ul style="list-style-type: none"> ✦ Overall costs of the conference ✦ Professionalism of local tourist industry 	<ul style="list-style-type: none"> ✦ Suitability of venues and facilities ✦ Professionalism of local tourism industry ✦ Overall cost



§ Tactical variations

France

Our Primary research has indicated clearly that companies in France – both from the Trade and Buyers – consider Cyprus much more appropriate for incentives than for conferences. Therefore, placing emphasis on the incentive product of Cyprus when promoting it in France, would be expected to have a positive response, creating interest in our CIT product.

Aspects worth a special mention in France about our Conference products are: the professionalism of the local tourist industry, the availability of technical equipment and the type and quality of our local cuisine. When promoting our Incentive product, the high standards of delegate accommodation, the suitability of venues and facilities and the type and quality of our local cuisine are all worth extra mention, all being aspects which were shown to be potentially motivating in this market. (Source: Primary Research)

Aspects to emphasise in France

Conferences	Incentives
<ul style="list-style-type: none"> ✦ Professionalism of local tourist industry 	<ul style="list-style-type: none"> ✦ High standards of delegate accommodation
<ul style="list-style-type: none"> ✦ Availability of technical equipment 	<ul style="list-style-type: none"> ✦ Suitability of venues and facilities
<ul style="list-style-type: none"> ✦ Food – type and quality of local cuisine 	<ul style="list-style-type: none"> ✦ Food – type and quality of local cuisine



§ Tactical variations

The Netherlands

As with other European countries discussed, our Primary research has indicated that companies in The Netherlands – both from the Trade and Buyers – consider Cyprus more appropriate for incentives than for conferences. Therefore, placing emphasis on the incentive product of Cyprus when promoting it in The Netherlands would be advisable.

Aspects worth a special mention in The Netherlands about our Conference product are: the high standards of conference venues and facilities, the professionalism of the local tourist industry and the cleanliness. When promoting our Incentive product, the suitability of venues and facilities and the overall costs are all worth an extra mention, all being aspects which were shown to be potentially motivating in this country. *(Source: Primary Research)*

Aspects to emphasise in The Netherlands

Conferences	Incentives
<ul style="list-style-type: none"> ✦ Standards of conference venues and facilities ✦ Professionalism of local tourist industry ✦ Cleanliness 	<ul style="list-style-type: none"> ✦ Suitability of venues and facilities ✦ Overall cost



§ Tactical variations

Belgium

Belgium is yet another European country which was shown to consider Cyprus more appropriate for incentives than for conferences (*Reference: Primary Research*). Therefore, placing emphasis on the incentive product of Cyprus when promoting it in Belgium would be advisable.

Aspects worth a special mention about the Cypriot Conference product, when promoting in Belgium, are the high standards of conference venues and facilities, the handling agent's efficient performance and the cleanliness. When promoting our Incentive product, the suitability of venues and facilities and the overall costs are all worth an extra mention, all being aspects which were shown to be potentially motivating in this country. (*Source: Primary Research*)

Aspects to emphasise in Belgium

Conferences	Incentives
<ul style="list-style-type: none"> ✦ Standards of conference venues and facilities ✦ Handling agent's performance ✦ Cleanliness 	<ul style="list-style-type: none"> ✦ Suitability of venues and facilities ✦ Overall cost





Section II

TARGET MARKETS / SEGMENTS

1. CORPORATE CONFERENCES/MEETINGS

Analysis of our primary survey and published data shows that:

§ International corporate conferences and meetings vary from the small single-purpose seminar to the large scale inter-regional company conference. The defining feature of an international meeting is that delegates travel from one or more source countries to the host destination.

This is the largest sector in the MICE market and is predicted to see continued growth.

§ The corporate conference/meetings sector is global, with strong regional divisions. The strongest regional sector, both as source and host countries, is Europe. France, The United Kingdom and Germany have established conferencing facilities and easy transport access within Europe. This puts them in a prime position as host destinations.

§ Countries in Southern Europe, in particular Spain and Italy, have invested in conferencing facilities to become a presence in the European supply market. These areas benefit from the preference of European companies to hold business meetings within the European Union.

§ The average duration of a corporate conference is 3-5 days

§ These conferences and meetings are held in the spring and the autumn months, giving tourism a boost in the mid-low season, but not competing with the high season for holiday travel.

§ Budgets set for corporate conferences vary considerably according to the nature and size of the meeting. On average, the per capita cost of a meeting is set between Euros770 and Euros1750.



TARGET MARKETS/SEGMENTS

- § As would be expected, the larger the company the higher the conference budget. Also as would be expected the larger companies, with more than 500 employees, organise more conferences and meetings per year (on average 6) than the medium and small companies (on average 3).
- § Number of delegates to a meeting or conference is also influenced by the size of the company, although this variation is more noticeable for small meetings and seminars than for corporate conferences. For these larger conferences, large companies average an attendance of 315 delegates, whilst the medium sized companies have an average attendance of 290 delegates.
- § Currently, the strongest industry sector in this market is the professional services sector. Although the number of conferences organised by this sector is only marginally higher than others, these conferences have a larger number of delegates and higher budgets.
- § The practice in European companies is to have a well-defined decision structure for the planning and organisation of corporate events, national and international. Depending on size of company, this may be a department, a committee, or in the case of a small company, a dedicated individual. This in-house decision-making centre liaises with agencies specialising in the organisation of conferences and meetings, using the knowledge and experience of an agency as a resource and an idea base for destination countries. Working closely together, the in-house team and the specialist agency substantially reduces lead times.
- § On average, the lead time for the organisation of a corporate conference is six months or less for a large company, and under a year for a medium sized company. The lead time for the organisation of a corporate conference is shorter for a large company than for a medium sized company because large companies organise more conferences per year, ie more frequently, than medium sized companies.



1.1 Corporate Conference Requirements

Corporate decision makers base their choice of destination for a conference on the basis of the availability of the following essential requirements.

At Destination

Professional local tourist industry
Ease of access / travel details
Safety and security
Quality hotels
Overall costs within budget
Climate

At Conference Venue

State-of-the-art technical equipment
Educated technical support staff
Under-one-roof facilities
Meeting room flexibility – plenary/syndicate
High standard delegate accommodation
Communications technology
Easy, one-stop booking facilities

Additional provisions e.g. relating to entertainment, a wide choice of restaurants, and accompanying persons programmes, act as further impetus in the positive assessment and consequent selection of a particular country for a conference.



1.2 Trends apparent in this market

✓ *Cost saving measures*

- a reduction in the size of conferences, with a smaller number of delegates, supplemented with video conferencing between destination and regional offices
- making reductions in travel costs by taking out the long-haul destinations and substituting the medium haul – something from which Cyprus can benefit, being in a favourably close position from its target markets
- reducing the length of a conference, from the traditional four days, with three nights at the destination, to two days, requiring only one overnight stay for delegates

✓ *Technology*

- in-house use of the Internet for initial planning and comparison of destinations, which also reduces reliance on specialist agencies
- use of web sites to evaluate conference venues, by both the in-house team and the agencies
- aiming at shorter lead times that can be achieved with immediate “total package” booking, which again reduces the time spent by in-house staff, and consequently reduces the overall costs of the conference



The 9/11 effect

- In line with the global concern over terrorist attacks, there is an increased emphasis on safety and security
- This shows itself in a preference for airlines/routes with a good security record
- This criterion is also showing itself more significantly in the destination choice for a conference, with an extra emphasis on the social infrastructure, with a preference for countries with a generally well ordered society, and a reputation for a respect for law and order – elements on which Cyprus can lay claim to.



1.3 Implications for Cyprus

Cyprus is currently not well known as a destination for conferences and only a small proportion of the MICE market has experience of organising an event here. The proportions shown below are a generalised indication of the low scores of awareness and usage of Cyprus as a conference destination.

Aware of Cyprus as a conference destination	34% of companies surveyed in primary research
Ever used Cyprus for conference	12% of companies surveyed in primary research
Used Cyprus for last conference	4% of companies surveyed in primary research

Source: Primary research

Increasing awareness (for instance with the use of familiarity trips), and given the conferencing facilities which are available here – which are largely appreciated by those who had experience of organising an event here – would put Cyprus in a good position to increase its market share.



§ Buyers

One of the most constant findings of the primary research was the correlation between the incidence of having organised a conference in Cyprus and the positive evaluation of the Cyprus product.

It was shown by the research that those conference organisers who had experience of organising a conference in Cyprus tended to think higher of the Cyprus conference product than those who had no experience of organising a conference in Cyprus.

In other words, whilst conference organisers with experience of Cyprus were likely to be satisfied with the Cyprus product, those who had no experience of organising an event here, referring to their expectations, were likely to express doubt, expecting lower standards in those elements that contribute to the completion of a successful event.

The research showed that greatest experience of the Cyprus conference product was from companies in the United Kingdom, Greece, Russia and the UAE, therefore the evaluation of Cyprus in these countries tends to be higher than it is in other countries.

Experience of Cyprus as a conference destination was limited among the companies of other countries. Consequently, the rating of the Cyprus product among companies in most European countries has room for improvement.

§ Trade

On the whole, the travel trade in source countries rates Cyprus highly as a corporate event location, comparing it very favourably with other similar venues in the Mediterranean region and with other areas in general, with which they have experience.

This above-average expectation is to be found among the trade in all major source countries, with the one exception of Russia.

This is a major factor in this market, as in the source countries of Europe agencies play a principal role in preparing destination options for management choice and in organising travel and accommodation.



TARGET MARKETS/SEGMENTS

Attributes of Cyprus expected to contribute to the success of a conference by companies and agencies who have no experience of Cyprus as a conference location are:

- the weather
- the people.

From this position of no actual knowledge of the island, doubt is expressed regarding the anticipated originality of events and the professionalism of the local tourist industry.

An appraisal of the correspondence of the Cyprus product with corporate conference requirements shows that it is strong in most of the aspects which influence selection of a conference location.

At the level of the destination attributes, the local tourist industry is proficient as it is affirmed by those who had experienced it (although expectations of those who had not experienced the local tourist industry are less favourable); the safety and security is a well known reality in Cyprus and the hotel quality is both rated highly and promoted by the relevant bodies; overall costs are within the budget of most organisations as the availability of a range of hotel classifications (mainly four- and five-star hotels) can ensure. The favourable climate of Cyprus is a generally accepted fact.

At the Conference Venue level, Cyprus is strong in terms of the requirements of having available state of the art technical equipment and educated technical support staff for its operation – something which is more obvious to those who had experienced it and it is also an element of which the local industry feels exceptionally proud (source: Primary Research) – it has meeting room flexibility for plenary and syndicate sessions as it is reported by the hotel owners; and the communications technology available to the conference participants is both comprehensive and efficient – an aspect of the Cyprus product which is used extensively in the promotion of Cyprus to the Conference Market. (source: Cyprus Tourism Organisation Conferences and Incentives publication)

Taking into account the requirements which motivate the selection of a country for a conference, established by this study, the weaknesses of Cyprus are evident with regards to its ease of access from most European countries of origin, a drawback identified by both buyers and the trade in most of the countries of the research.

Equally in agreement with those with actual experience, the least attractive aspect of Cyprus is the expectations of difficulties in the travel arrangements.



TARGET MARKETS/SEGMENTS

Its other weakness is the lack of 'under-one-roof facilities' for large conferences.

Easy, one-stop booking facilities also need to be developed for the Cyprus product to meet the requirements of the conference planners and decision makers, as this was another element that was established as important in motivating the selection of a country for a conference.



IMPLICATIONS FOR CYPRUS

In addition to the aforementioned requirements, most of which Cyprus can satisfy, it is notable that the Cyprus conference product can benefit from the factors listed below.

- ✓ Accession to European Union  Brings Cyprus into the European circuit to attract the corporate conference
- ✓ Mild winter climate  Allows for the extension of the conference season with favourable package deals
- ✓ Developed social infrastructure  A country that respects law and order and offers safety and security and comfort to delegates
- ✓ Cost effective destination  Low cost accommodation compared with European destinations opens opportunities for 3-4 days at a lower price than 1-2 days in London or Paris*

* This assessment is based upon comparative five star hotel single room rates in Europe, which is in the region of Euro 250 and in Cyprus, which is in the region of Euro 180 (Source: EZ Associates, International Conferences and Marketing Research, Geneva, May 2002 and Quotation given by Hilton International, Nicosia)



1.4 Target Markets

From the countries that were included in the primary research, certain ones have been identified as presenting the greatest promise for the Cyprus Conference and Incentive market.

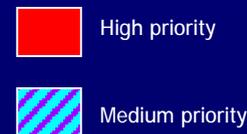
The United Kingdom, Greece, Russia, and The Netherlands have been identified as such mostly on the basis of their demonstrated substantial levels of awareness, incidence of past usage and potential future usage of Cyprus as a Conference and Incentive travel destination. Germany and France are considered worthwhile target markets mainly because they hold the top positions in the European league of countries with MICE outbound trips. Belgium is included in this list on the basis of its considerably large outbound MICE market but also its geographical, cultural and linguistic proximity to both France and The Netherlands.

For the most part, the target countries identified in this study coincide with the countries rated to be of the highest priority in the Cyprus Tourism Organisation's 10-year Strategic Plan for the tourism of Cyprus.

Target Markets

Target Markets for CIT	
United Kingdom	High priority
Greece	High priority
Russia	High priority
Germany	High priority
France	High priority
The Netherlands	High priority
Belgium	High priority

CTO Tourism high/medium priority markets in strategic plan up to 2010	
United Kingdom	High priority
Greece	High priority
Russia	High priority
Germany	High priority
France	High priority
The Netherlands	Medium priority
Belgium	Medium priority



TARGET MARKETS/SEGMENTS

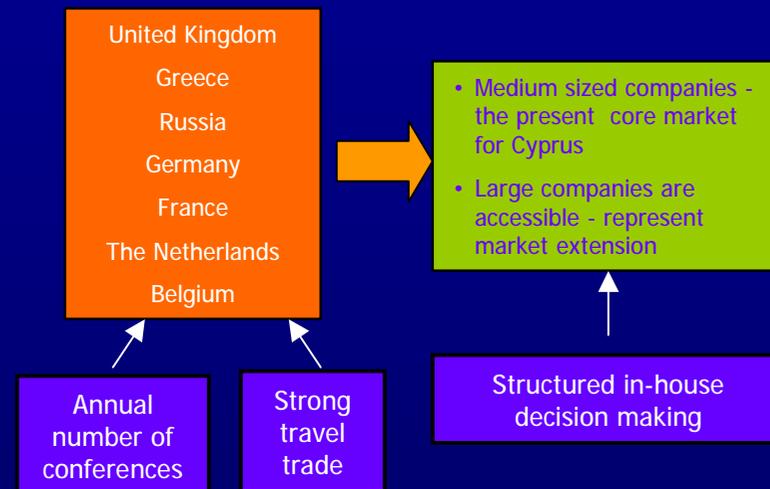
The countries identified as target markets for the Cyprus Conference tourist product are established and substantial and, to a certain extent, accessible to communication and information

Moreover, these markets, as it is discussed below, have in common various characteristics which would facilitate a homogenous approach for the promotion of the Cyprus conference product.

The common characteristics are as follows:

- They were all shown to have a habit of organising abroad annually substantial numbers of conferences (source: *Primary Research*), from which Cyprus should aim to take a share;
- they have a strong travel trade (source: *International publications including "Flight International"*), which would assist in providing access to Cyprus to potential conference participants;
- their conference requirements are dominated by medium sized companies (source: *Primary Research*) which at present are the core market for Cyprus given the capabilities of the Cyprus product (source: *CTO Web site, June 2003*).
- As it was also found in the primary research, these countries (with the exception of Russia) are characterised by structured in-house decision making, which enables defined and plausible channels of communication from the Cyprus bodies promoting the conference product to these countries.

Target Markets and their relevant characteristics



1.5 Types of MICE tourism

Cyprus has good experience of successfully hosting conferences and incentives on the island.

Its image as a destination suitable for incentives is already assured, and elements of the image of Cyprus as a tourist destination can reflect positively in this sector. The fact that incentives trips are made of relatively small groups of participants means that there are no limitations on the capacity of hosting this type of event.

The capability of the Cyprus tourist industry to successfully host corporate conferences from the point of view of organisation and service is not in doubt. However, there are limitations in this aspect of the Cyprus product, in that it can best provide for conferences of restricted numbers. But since the vast majority of conferences organised all over the world are within the limits that can be accommodated by the local industry and the demand for conference sites is great, aiming for corporate conferences is both feasible and worthwhile

The global concept of competition is applicable to the association sector of the market, which has delegates attending from all corners of the world.

Competition for association meetings is between the national branches of the association rather than a direct choice between the facilities and amenities of destinations. Location decisions depend on the strength of the local branch, and the proficiency of its bid.

Although having a very small share in the association sector of the market, Cyprus is not without experience. Factors that have assisted in a local branch winning a bid have been the amenities of Cyprus, both natural and man-made, such as sailing and sports training.

Accession into the European Union can be an advantage in this sector, but local branches will still face strong competition in the vigorous bidding process.



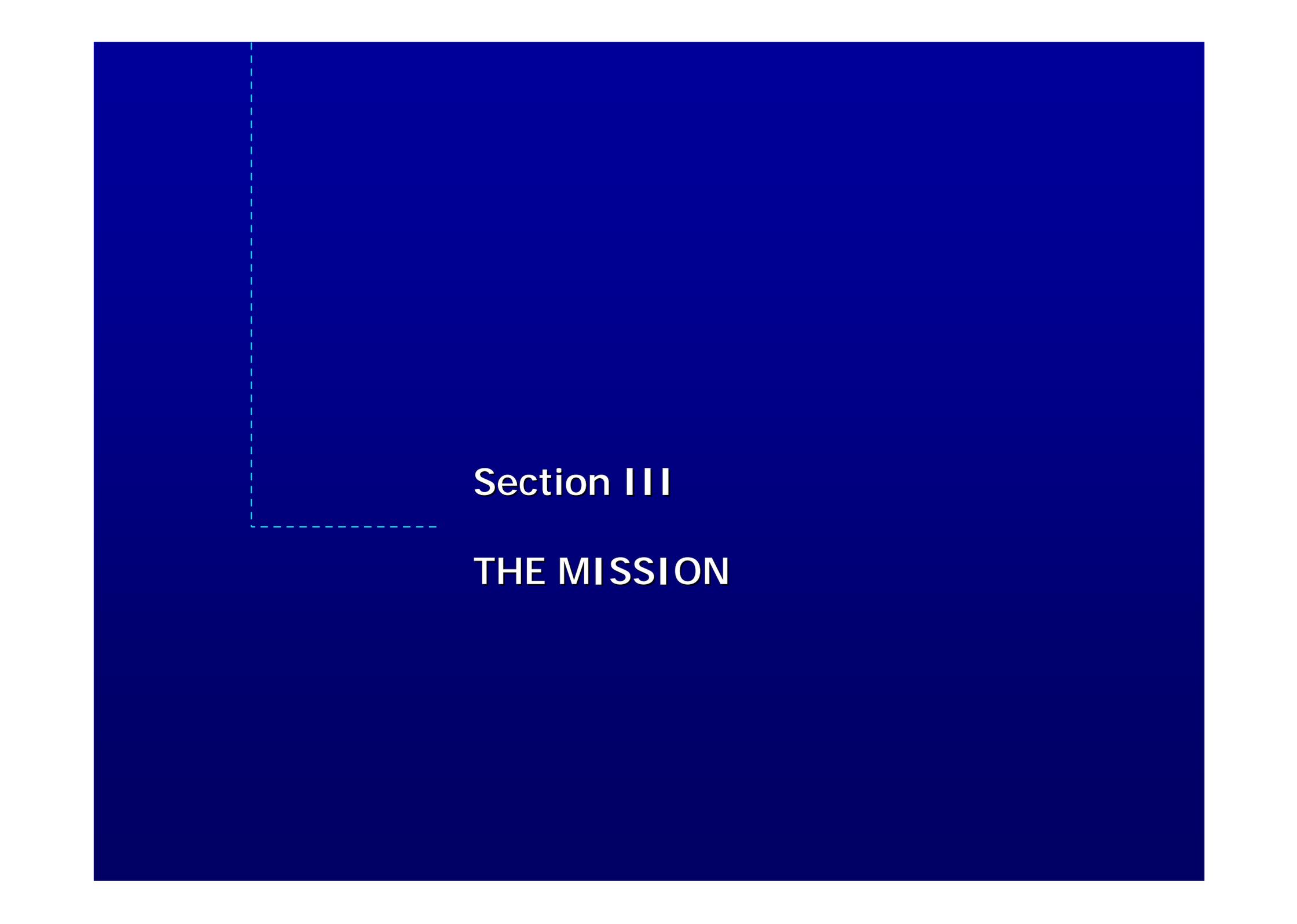
TARGET MARKETS/SEGMENTS

Association conferences are less dominated by the Northern European capitals, with a preference shown for the lesser known locations. This presents an optimistic picture for Cyprus.

Intermediate meetings of specialised interest groups, and incentive travel, more exotic destinations (i.e. destinations which are considered different) are sought out. The United Arab Emirates, Egypt and Lebanon have recently been selected. Again, this is a good sign for Cyprus, where the product can offer the cultural mix of three continents and three cultures.

There is little global awareness of locations offering conference and meeting facilities. An association does not need to build up a destination database.





Section III

THE MISSION

1. THE MISSION STATEMENT

Revenues from conference and incentive tourism can provide significant benefits for the economy of Cyprus overall, as well as strengthening the tourist industry.

The mission of the CTO is to enhance and extend local development efforts in this sector by taking the lead in promoting the Cyprus conference/incentive product to an international market and by continuous input to product development.

Taking a product to market demands a co-ordinated effort of research, product development, marketing and strategic partnerships. Taking an integrated approach to the conference and incentive tourism sector, the CTO can act to combine initiatives across the business functions of conferencing facilities, hotel accommodation and local agencies to

achieve the common goal of increasing the share of the market for corporate and association conferences and incentive trips.

Success is based on the ability to collaborate in the development of the Cyprus product and in the recognition of opportunities and target markets.



2. OVERALL OBJECTIVES

At the cornerstone of the Conference and Incentive Tourism Strategy are three high-level goals.

◆ *Industry Growth*

- ◆ The Strategy is intended to have a direct effect on economic growth for the conference and incentive tourism industry, individual business and the Cyprus economy.

◆ *Sustainability*

- ◆ The Strategy focuses on ensuring that the actions taken to develop the industry can be sustained for years to come, and the things that are done to-day will provide a solid base for long-term economic growth.

◆ *Quality of Life*

- ◆ Conference and incentive tourism contributes economically to the quality of life of all Cypriots by providing employment as well as generating tax revenues.



3. PRIORITIES FOR LONG TERM GROWTH

- ◇ Increase the number of conferences/incentives held in Cyprus
- ◇ Maintain and improve the quality and sustainability of the Cyprus conference product
- ◇ Enable the Cyprus Conference product to rival that of the other conference destinations
- ◇ Utilise the low-season/winter advantages of Cyprus to build a 12-month tourism season
- ◇ Improve transportation access, frequency and convenience of flights
- ◇ Explore viable niche markets
- ◇ Constant monitoring to achieve and maintain the high professional standards of the tourist industry in Cyprus



4. PRIORITY FRAMEWORK

4.1 Sustainability

The CTO recognises that the natural, historical and cultural resources of Cyprus offer visitors an array of outstanding and unique travel experiences.

The desire for the growth of tourism development and promotion is widespread across the industry. However it is a priority to balance this growth with not only the preservation of the Cyprus heritage and culture, but also their enhancement.

The priority is to develop sustainable conference and incentive tourism while maintaining the quality of life and protecting the natural, cultural, historical and recreational resources of Cyprus.



4.2 Infrastructure

The CTO recognises that it is important for the travel industry to take a leading role in the development of new conference tourism-related products and to improve those already in existence.

In the corporate events sector air transportation and ease of access merit special attention, along with highways and internal transportation, and the whole network of public and private facilities, attractions and events.

The capacity for conferencing facilities both in terms of availability and in terms of technical equipment is another area where expansion would be in good order

The priority is to develop and maintain the quality of the infrastructure to enhance destination appeal to corporate event planners.



4.3 Superior Customer Service

Customer service is an important part of maintaining the quality, competitiveness and sustainability of the Cyprus product. As such, extra efforts should be made to ensure high standards of these services are constantly developed and maintained.

Specialisation on the needs and nuances of the CIT market would facilitate this effort, ensuring that the requirements of this sector are catered for to the highest standards.



4.4 Visitor Expectations

Providing the very best possible experience for all visitors to the island will always be a basic fundamental issue of the travel industry. Satisfied visitors make return visits.

This is an on-going process of continuous improvement and monitoring of client needs. What exceeds expectations to-day will be what he expects to-morrow.

The priority is to have the ability to adapt or be flexible in meeting the needs of the corporate delegate to ensure a lasting memory of a quality experience.



5. UTILISE EFFECTIVE RESEARCH

- ✓ Develop a long-range research plan that allows for the delivery of relevant data in a timely and cost-effective manner.
- ✓ Prepare a timetable and a listing of the type of projects to be completed during the ten-year period of the Strategic Plan..
- ✓ Prepare an overview of the funds that will be dedicated towards research over the period of the Strategic Plan.



6. DEVELOP FACILITIES TO SUPPORT MORE VISITORS

- ✓ Continue monitoring infrastructure issues, such as the feasibility of access by air transport for corporate and association events from the target markets in Europe, and highway and transportation needs whilst in Cyprus.
- ✓ Examine the ease of access by air transport from successive waves of target market opportunities identified by research into the conferences and incentive tourism market during the period of the Strategic Plan.
- ✓ Monitor for product development in keeping with shifts in global needs and patterns, and in response to competitive activities.



7. INCREASE TOURIST EXPENDITURE

- ✓ Focus marketing efforts on targeting the most profitable conference and incentive trips, taking into account size, duration of stay and the amount of free leisure time for the delegates for shopping, sight-seeing and personal interest sporting and entertainment activities.
- ✓ Use information delivery systems (Internet) that allow for increased interaction with event planners, thus allowing for the promotion of the amenities of Cyprus outside of the meeting venue.
- ✓ Identify repeat event sources and develop market programmes specific to this segment. Recall successful activities and suggest further use of the amenities and leisure opportunities available.
- ✓ Encourage a diversity of activities and events, thus helping to prolong a conference with the addition of an incentive trip to extend the stay of selected groups of delegates.



8. NEEDS OF THE INTERNATIONAL MARKET

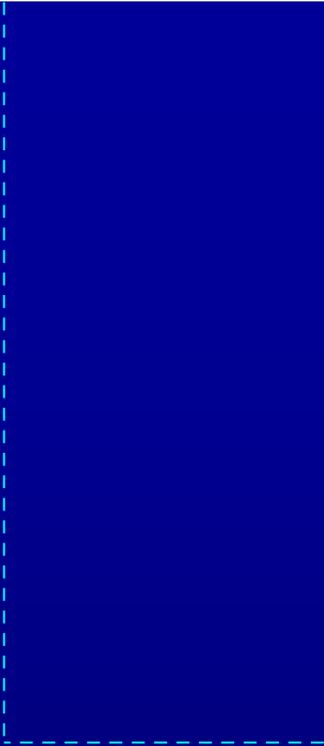
- ✓ From the international corporate and association events circuit, identify major markets and areas compatible with the Cyprus product.
- ✓ Develop foreign language literature to access the target markets in co-operation with overseas partners as appropriate.
- ✓ Utilise technology to reduce operating and fulfillment costs, which increases the speed and accuracy of information delivery to the international meeting planners.
- ✓ Provide regular educational seminars to the tourist industry in Cyprus on the needs of this conference and incentive tourism market.
- ✓ In communications, use recognised and acceptable international symbols where appropriate.



9. EFFECTIVE TRAVEL INFORMATION

- ✓ Expand electronic information systems allowing for wider access to travel information at reduced costs.
- ✓ Integrate database applications so that a single entry updates all systems, and entries and additions can be made on a local level.
- ✓ Develop the marketing capabilities of the CTO website to become an aggressive sales tool as well as an electronic information system.





Section IV

PROPOSED MARKETING PLAN

1. OUR PHILOSOPHY

In the following pages we set out our visualisation of the most constructive method by which to approach the issue of marketing successfully Cyprus as a destination for Conference and Incentive travel.

The thinking revolves around the parameters of *Targets, Budgets and the Modus Operandi*.

Targets refer to the objectives which are advocated for the Cyprus Conference and Incentives market, for the short the medium and for the long term. The setting up of definitive objectives is of crucial importance for this marketing plan, because they provide a direction, which would ensure that efforts exerted in the context of developing the Cyprus product are streamlined and focused. The targets are set in the context of:

- § Arrivals of Conference and Incentive tourists
- § Revenues from the Conference and Incentives sector
- § The sub-sectors of the Conference and Incentives tourism, the corporate sector and associations
- § The Cyprus infrastructure
- § Human Resources, I.e. the training of professionals in order to maintain and increase the competitive edge of Cyprus
- § Product development

Budgets refer to the financial amounts recommended to be spent for the development of the Cyprus Conference and Incentives product. Spending suggestions are broken down according to 'Best Practices' set by tourist boards around the world.

Modus Operandi refers to our recommended approach for the achievement of the targets set above, which is the creation of a National Convention Bureau in Cyprus. The National convention Bureau would handle the budgets of the Conference and Incentives market as well as being the:

- § Custodian of Quality
- § Coordinator of Communications
- § Champion of Change

The three parameters of Targets, Budgets and Modus Operandi are put forward in terms of global best practices, so as to avoid 'reinventing the wheel'; they are evaluated on the basis of the Cyprus reality; and they are tested against the capacities of the local industry, I.e. the incidence of whether they are achievable is examined.

Action Plan



2. DETAILED OBJECTIVES - ANALYSIS

2.1 Arrivals and Revenues

As has been established by our research, Conference and Incentive tourism in Cyprus amounts to a number in the order of 100,000 arrivals on the island, annually. These arrivals originate mainly from European countries, but Russia also has a strong position in the list of countries of origin. Some Arab countries such as Saudi Arabia and the UAE also send a small share of Conference and Incentive tourists to Cyprus.

Taking into account the European market, which is currently estimated to be in the region of 20m trips annually, the number of arrivals implies that Cyprus currently holds a share of approximately 0.5% of the European Conference and Incentive market.

That Cyprus has a potential to increase the number of Conference and Incentives tourists has also been established by our research: it is a destination that pleases those who had experienced the organisation of an event here, but it is not well known as a Conference and Incentive destination and consequently it is not taken into consideration

in a hypothetical list of destinations when selecting a destination for a future event. A determined effort to increase awareness by 'putting Cyprus on the map' among those decision makers who are not currently aware of it would also increase its likelihood of being selected.

The capability of Cyprus to deal with considerably larger numbers of Conference and Incentive tourists than it currently does is assured, mainly on the basis of the fact that this kind of tourism is concentrated during the months of Autumn and Spring, which are otherwise off peak periods for the local tourist industry, when tourist facilities are likely to be underutilised..



With concerted efforts, it would be a realistic expectation to increase the Conference and Incentives tourism to Cyprus to double its present size, from 100,000 to 200,000 in the short-to-medium term, I.e. by the year 2007 and to 300,000 in the long term, by the year 2010. These increases would amount to a gradual increase of the share of the European market, reaching a 1.5% by the year 2010.

Calculated on the basis of the current ratio of the Conference and Incentive revenues to that of the whole tourism of Cyprus, the revenues which would be expected from the increased numbers of conference and incentive tourists would be in the region of Euro 342 m by the year 2007 and Euro 513 by the year 2010, as it is shown in the table below.

CIT Arrivals and Revenues Targets

	Total Cyprus tourism	Total revenues in Euro	CIT arrivals (approx. number)	% of Cyprus tourism	Revenues (Estimated at Euro 1,710 per capita)	% of tourism revenues
Year 2003	2.3 m	1,746 m	100,000	4%	171 m	10%
Target for 2007	2.7 m	2,360 m	200,000	7%	340 m	14%
Target for 2010	3.5 m	3,100 m	300,000	8.5%	510 m	16%



2.2 Accessibility

Analysis of the survey data, and more particularly of the qualitative interviews throughout potential markets makes it clear that getting delegates to Cyprus is a problem

There is a close link between conference/ incentive tourism to Cyprus and the capacity and ease of access by air, which is the only access possibility for a corporate event from Europe.

The immediate priorities in aviation are a range of co-ordinated actions and marketing initiatives to counteract the present problem of low frequency of scheduled flights by Cyprus Airways from many of the target countries. This is currently a factor in the loss of conference/incentive travel business. They go to other Mediterranean destinations, often selecting our direct competitors, with better direct flights.

There are two essential elements in ease of access - frequency of direct flights at convenient times.

Without a direct flight, a conference/ incentive organiser will simply seek an alternative destination, of which there are many. When the delegates are coming from different countries it is important that they can all arrive on the same day - and leave on the same day. Given a tendency towards the 3-4 day conference, flights need to be more than one per week, to allow delegates to make the return journey on the final day.

Possibilities also exist to improve the situation by using certain airports with high frequency of flights to Cyprus such as Athens and London as linkages from other regional airports without direct flights to Cyprus, such as Lyon, Antwerp, Rotterdam etc.



- *Action*

- Negotiations with Cyprus Airways and other carriers to offer extended schedules to European capitals to be compatible with, and to attract, this market
- With liberalisation of the airways imminent, CTO can enter into discussions with potential competitors to Cyprus Airways on routes from the main target markets of the United Kingdom, France, Germany, Belgium and The Netherlands
- Bring together an information package of well-timed links and connections to be made widely available to event organisers as a part of the overall marketing communications package



2.3 Infrastructure

In spite of the short length of stay of a Conference or Incentive tourist and though delegates do not roam about like the ordinary holiday maker normally does, they do get an impression of Cyprus. A positive impression gives Cyprus a desirable image and can encourage delegates to come back for a holiday and or recommend Cyprus as a destination to others. Their feedback to the organiser would be positive, resulting in the repeated use of Cyprus as a conference or incentive destination.

The final aim of the Cyprus offering should be that of presenting the best experience to the delegates, which is in line with what the delegates expect when visiting on a conference or incentive activity.



§ Airports

The first impression for the tourists that visit Cyprus is the one they get at the time of arrival. The place of arrival must be welcoming and offer the necessary services that one expects to find. It should be ensured that the airport is efficient with good functions. Modern airports with good air linkages to the most important countries is an important element in attracting Conference and Incentive tourism.

Other airport elements that ought to be paid attention to in the development of the Cyprus MICE tourism product are luggage retrieval and passport control – which should be done efficiently and be flexible – and group check-ins.

Having available a VIP lounge capable of accommodating conference or incentive groups would be an added attractive element of the Cyprus conference and incentive product.



§ Accommodation/hotel based venues

The overall facilities at the accommodation are evaluated positively by conference or incentive buyers (*Source: Primary research*) and this is obviously a constructive element in the Cyprus product.

Accommodation standards should be in line with international standards and the infrastructure of surrounding areas should also be maintained in good order.

Cyprus, as a Conference and Incentive destination satisfies most of the needs of delegates, especially when it comes to the handling of small and medium sized groups. The conferences, most of which are held in a hotel based conference centre, are adequately catered for.

However, although at the moment a good variety of conference halls exists, the need for larger spaces which are capable to provide for very large groups of delegates, i.e. over 1,500 - 2,000 , with the availability of accommodation at a convenient location and ultimately under one roof facilities, should not be overlooked for the long term. Cyprus should aim at attracting large conferences, which it is currently not able to bid for due to the lack of the appropriate spaces which can accommodate conferences of more than approximately 1,600 delegates.



§ Non-hotel based venues

Non-hotel based venues can help somewhat in increasing the share of the Cyprus CIT market.

Venues such as the ancient theatre of Curium or the Colossi Castle, which combine beauty with history can be used creatively for incentive events and provide a very desirable and attractive angle to the choice of venues on the island and consequently increase its potential of being selected.

The bureaucracy entailed and costs would be issues to be addressed in the context of arranging for non-hotel based historic venues.

The International Conference Centre and the new development of the Cyprus State Fair Authority, consisting of a multi purpose hall complex can each provide space for relatively large conferences.



§ Entertainment and accompanying persons' programme

Cyprus has a lot of sport and entertainment facilities which can be used for enhancing a conference or and incentive programme. Also the generally nice weather gives DMCs the possibility to organize numerous outdoor activities.

Primary research indicates that conference and incentive delegates are quite happy with the entertainment facilities that are present on the island.

However, in a highly competitive environment, where Cyprus is compared to other conference and incentive destinations in the selection process, the continuous development of the entertainment aspect is strongly recommended, in order to attract Conference and Incentive customers. The expansion of the entertainment aspect will also be necessary in order to be able to cope with the expected increased numbers of the conference and incentive tourism.

In order to accommodate for the various age brackets as well as provide a desirable diversity to satisfy a variety of interests, it would be a sensible investment in the Cyprus infrastructure if the creation of the following facilities were considered positively:

- A golf course
- Casino
- Festivals for various interests
- Mega events similar to the Cyprus Rally or the International Regatta

Reference: General published information on the CIT business

The issue of entertainment involves also the accompanying persons' programme. Cyprus is full of places of cultural interest and this is would be appreciated by the delegates' companions.



§ General infrastructure and environment

Cleanliness and the general state of the environment are vital factors which influence perceptions of a country.

It is common knowledge that the roads are a cause of complaints in Cyprus, especially when road works are in process. These obviously give bad impressions to the conference and incentive delegates.

A solution to such bad exposure might be to distribute information to DMCs, on where and when works will be going on so that coaches can avoid being caught up in traffic jams.

Also, local authorities should be active in maintaining a good order with regards to debris left near the building sites close to hotels.

There is always work to do to stand up to international competition and to make each experience an unforgettable one. This is the role of the various authorities including the CTO



§ Human Resources Development

The professionalism and the service attitude of the staff are important in the site selection decision-making process. In most cases Cyprus is providing the level of service required and expected by the delegates and organizers of conferences and incentives, as it was indicated in our primary research.

However the need for further training throughout the whole spectrum of the conference and incentives sector would provide Cyprus with additional credits in the competitive arena of the conference and incentive market.

This training should specialise in the field of conferences and incentives and the related infrastructure, and should be taken by current employees working in destination management companies and students following tourism courses. The present College of Tourism may be one educational establishment that could undertake this task, but a specially designed Academy of Tourism may be better placed to deal with the specific requirements of such an undertaking.

In the short term, a study on the training needs of the local tourist industry with regards to conference and incentive sector would be necessary to identify the specific training needs. The results of the study would indicate areas which need immediate attention and areas for long term development

Further short term areas for training should be extended to other service providers including bus, coach and taxi drivers. Tourism is everyone's business in Cyprus, where a large part of revenues are sourced from it, and the general public needs to be educated on the importance of tourism and on the needs of different market segments.

Such training can be organized in collaboration with local authorities who would also benefit from such courses. If the local councils were educated on the importance of the conference and incentive market, the process of the issuing of permits, for example for the use of sites which fall under the responsibility of the local councils would be facilitated.



§ Product Development

Product development is an ongoing objective, responding to research findings regarding changes in the market

In the immediate term, there are two product development features that require action :

- limited accommodation capacity that militates against large “under-one-roof” conventions
- lack of distinctive comparative advantage for incentive travel

The perception of a destination has a strong influence on the location chosen for an event. Marketing strategies are implemented to influence the perception of decision makers on the destination in question. However, it is of utmost importance that a destination delivers what it promises through its marketing initiatives. The Cyprus product positioning – i.e. of a highly professional product, promoting the availability and high standard of technical equipment and ability within an integrated industry, in the context of a rich cultural heritage – is what differentiates our offer from that of competing destinations.

What is being promised through marketing initiatives should reflect the actual experience. Besides investing in the marketing of Cyprus, the strategy adopted by the CTO should have the product in the leading role.

The general friendliness and attractiveness of the destination is obviously considered to be important. It is clear that a destination must have the whole package of tourism infrastructure, offering hotel, catering, entertainment facilities amongst others, to attract conference and incentive business. But further to this safety and security issues are gaining in importance. The issue of terrorism has added a new priority to travel. Cyprus should establish globally approved standards for this criterion.



- ✓ Limited accommodation capacity
 - CTO to set up systematic groups of hotels, within the same location, to act in co-operation through a formalised structure: this to augment the present informal inter-hotel liaison.

- ✓ Comparative advantage for incentive travel
 - The essence of incentive travel is an awe-inspiring cultural experience. And this is the heart of Cyprus, but
 - cultural sites are part of the leisure programme, but these are not available for events, particularly in the evening
 - availability would immediately enhance the incentive travel product boosting the prestige of the event/activity in the aura of the memorable setting, and giving the participants "something to talk about" on their return



Negotiations between CTO and the Ministry to achieve some relaxation of regulations, which will also increase the revenues from the sites to the benefit of all parties



2.4 Communication and Promotion of the Cyprus Product

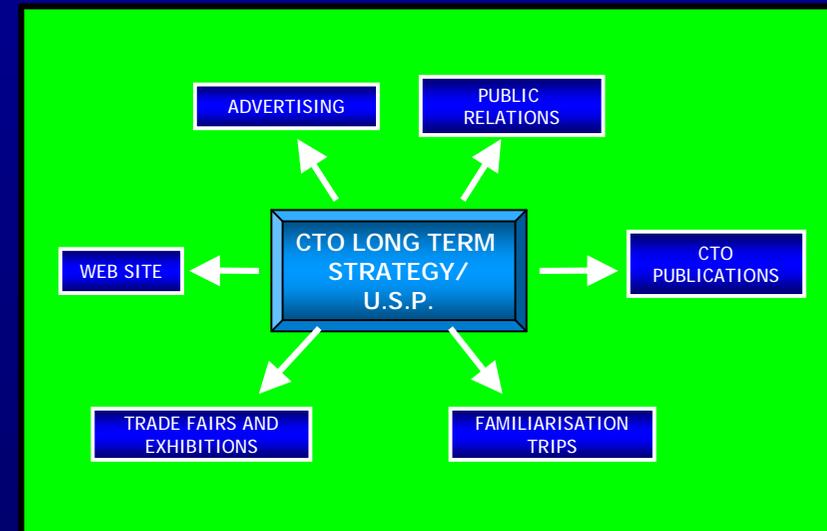
The promotion of the Cyprus product in the target markets is a central issue that would necessarily be addressed in the context of the development of the Cyprus CIT product.

The separate channels which are suggested to be utilised for this purpose would enable the communication and promotion of the Cyprus product to the diverse markets and segments, to the potential conference and incentive organisers, both the 'buyers' and the 'trade'.

The channels, which are discussed in detail in the following pages are:

- Advertising
- Public relations
- CTO Publications
- Familiarization Trips
- Trade Fairs and Exhibitions
- A dedicated Web Site

Aspects in the communication and promotion of the Cyprus product



§ Advertising

In the highly competitive world of travel, name recognition and buyer awareness is the key to selling a destination.

The advertising objective is to build awareness of the Cyprus conference and incentive travel product as a professional and comprehensive industry.

This adds another facet to the image of Cyprus, and counteracts the stress on Cyprus as a holiday island, which acts as a negative in the choice of a non holiday travel destination.



International Media Plan

- Target markets
 - U.K., Greece, Russia, Germany, The Netherlands, Belgium, France
- Target audience
 - Corporate management, middle and senior levels
 - Management of professional conference organisers
 - Management of incentive travel agencies
- Time period, to link into decision-making lead times of 6-12 months
 - January to April
 - September to November



Media Strategy

- Print media
 - Advertisements placed in newspapers and periodicals with a business orientation are effective in this market. These are read on a regular basis by the target audience of corporate management. Suggested titles, which were identified as those read most frequently by decision makers during our primary research are shown overleaf:

Cont../.



Media Strategy (cont'd)

- ✓ International magazines: Time, Newsweek, The Economist, GEO
- ✓ UK dailies: The Times, Daily Telegraph, Financial Times*
- ✓ UK magazines: Management Today, Sunday Times
- ✓ Greek dailies: Ta Nea, Kathimerini, To Vema, Eleftherotypia
- ✓ Greek magazines: Oikonomikos Tachydromos, Ta Nea (on Saturday), To Vema (On Sunday)
- ✓ Russian dailies: Pravda, Nizavisimaya Gazetta, Cosmolskaya Pravda, Izvestia
- ✓ Russian magazines: In Vesti

*An average of 92% of readers of these newspapers in the UK are top executives
Source: *Financial Times European Business Readership Survey 1998*



Media Strategy (cont'd)

- ✓ German dailies: Die Welt, Express
- ✓ German magazine - Der Spiegel

- ✓ Belgian dailies: De Financeel Economische, TIJD, Belgisch Staatsblad
- ✓ Belgian magazine: Le Soir Illustré

- ✓ Dutch dailies: De Telegraaf/ Netherlands Dagblad
- ✓ Dutch magazine – Elsevier

- ✓ French dailies: Le Monde, Le Figaro
- ✓ French magazine: Paris Match



Media Strategy (cont'd)

Given the influence of the travel trade on the choice of destination for corporate conferences and incentive trips, parallel advertising in trade journals is essential. Again this is the most effective way to reach trade management as these specialist journals are read on a regular basis. Suggested titles are :

- Conference and Incentive Travel <<http://www.citmazine.co.uk>>
- The Meeting Professional <<http://www.mpiweb.org/news/mkit>>
- Meetings and Conventions <<http://www.meetings-conventions.com>>
- FVW <<http://www.fvw.de>>
- CIM <<http://www.cim-publications.de>>
- Events <<http://www.events-magazine.com>>
- L'Echo Touristique <<http://www.lechotouristique.com>>
- Incentive Journal <<http://www.incentive-journal.de>>



§ Public Relations

Public Relations is the securing of third-party editorial coverage. This is accomplished through developing networks with editorial professionals within the print and electronic media.

Third-party endorsements are a strong motivator for organisers planning international conferences and incentive trips. They carry a higher credibility than advertising.

To develop the Public Relations network

- Host FAM tours for editorial professionals in the corporate travel market
- Send regular press releases to contacts to alert them to product developments, news angles about Cyprus and timely features
- Maintain a media resource area of the CTO website.



§ CTO Publications

All the advertising in the world means nothing without follow-up.

Some of the most important follow-up mechanisms are the CTO publications, which not only offer information but also act as a sales tool, helping to turn the initial interest into an actual conference/incentive booking. These publications are available at travel fairs and exhibitions but can also be mailed directly to relevant organisations.

In preparing publications, the primary emphasis must be on the USP of the total professionalism of the tourist industry in Cyprus. This is what the target market is looking for. This is closely followed by the need to know, to be reassured, of the standard of the facilities that are offered. Features of the landscape, culture and heritage of the island have their place, but in a secondary role, that becomes important once the primary necessities are issued.

It goes without saying that all publications should be available in the language relevant to the target market.



§ Familiarization Trips

It is clear from the survey findings that actual experience of Cyprus significantly raises the rating of Cyprus as a conference/incentive travel host country.

Familiarisation trips, if offered to management level of conference organising and incentive agencies are an effective promotional tool.

These agencies recommend destinations to clients. These recommendations come from a library of information, but they undoubtedly are biased by personal experience.

Familiarisation trips have an additional contributions to overall strategy. They promote a strong and important element of personal contact with CTO staff and representatives of the conference/incentive industry in Cyprus.



§ Presentations and sales calls to organisations

Presentations of the Cyprus conference and incentive product to organisations which regularly arrange conference or incentive travel for their employees or their members are an effective way of building up awareness.

Also effective are sales calls by CTO representatives to the relevant individuals in target countries.

Both these methods are currently the practice of CTO representatives in various European countries.



§ Trade Fairs and Exhibitions

Attendance at European Travel Fairs and Exhibitions is a must, with emphasis on meetings of conference planners.

The most important of such exhibitions are:

EIBTM – Barcelona (The European Incentive, Business Travel & Meetings Exhibitions)

IMEX – Frankfurt (Worldwide Exhibition for Incentive Travel, Meetings and Events)

CONFEX – London

WELTRA – Brussels

ITB - Berlin

World Travel Market - London

- Such attendance allows direct contact with conference/incentive planners.
- This contact can be augmented by direct representation, taking note of interested parties for follow-up calls and presentations by a CTO representative.
- At general travel fairs, displays of conferencing facilities must be distinguished in a clear and separate manner from vacation tourism to the island, so that the holiday image does not detract from the professionalism of the conference and incentive sector of the tourist industry in Cyprus.



§ Web Site

As has been indicated in our primary research, the Internet is used by conference and incentive organisers for the gathering of information with regards to conference and incentive travel. Obviously, the internet has an important role in the spreading of awareness of the facilities and image of Conference and Incentive destinations. The importance of this tool in the current practices of information gathering and booking cannot be overestimated. Evidently, a proof of the recognition of the importance of the Internet is the existence of dedicated websites for conference and incentive tourism among all the major Conference and Incentive destinations.

Overleaf are suggestions for the content of the Conference and Incentives web site, drawn on the basis of the requirements of the conference and incentive organiser and decision maker.



Suggestions for the Content of Dedicated Web Site

- Develop the conference and incentive section of the CTO website to give a picture of the Cyprus product that is relevant to the conference/incentive travel market.
- Show latest technical equipment in use.
- Include information and illustration of flexibility of meeting rooms.
- Links to show a total package, with hotels, DMCs and handling agents working together.
- Advertising of the website is the initial lure. It encourages potential buyers to find out more, for example by accessing the website, which must be accurate in its information and easy to use in its links.
- Current usage of websites in this sector leads to high expectations. The aim of the national website is to act as a central resource for information and a facility for high speed booking of accommodation and venues. A one-stop shopping approach.



3. MODUS OPERANDI – THE NATIONAL CONVENTION BUREAU

As has already been indicated, we suggest that the administration of the marketing of Cyprus as a Conference and Incentives destination should be the responsibility of the National Convention Bureau. It is envisioned that the National Convention Bureau would act as a catalyst which would coordinate the various elements of the local industry, aiming at maximizing the benefits of both the local economy and of the clients utilising Cyprus as a Conference or Incentive destination. It is essential for Cyprus to compete effectively for a satisfactory share in the international Conference and Incentive market, that a National Convention Bureau is created to coordinate and facilitate this effort.

The National Convention Bureau would be like a key to Cyprus. As an unbiased resource, it can serve as a broker or an official point of contact for convention and meeting planners, tour operators and visitors.



3.1 The need for a National Convention Bureau in Cyprus

Around the world, countries looking forward to attracting the Conference and Incentive Travel business operate, either at the national or at a regional/city level, a Conventions and Visitors Bureau.

In line with global trends, the presence of a National Convention Bureau in Cyprus would have a fundamental role to play in the Cyprus Conference and Incentive market, representing the interests of the Cyprus Conference and Incentive Tourism industry.

It would set standards to the industry and would thus be the Custodian of Quality; it would act as coordinator of the communications, ensuring that targeted messages reach their intended audiences; it would be the champion of change, identifying the need for improvement where necessary and implementing programs of change.

Another role of the National Convention Bureau would be to research for future events, for example by exploring the activities of associations or by following up sales leads provided by IKA.

- § Custodian of Quality
- § Coordinator of Communications
- § Champion of Change
- § Research for future events



3.2 The Role of the National Convention Bureau

§ Custodian of Quality

The National Convention Bureau of Cyprus should be accredited with the power to bestow a **Seal of Approval** to organisations (e.g. hotels, restaurants, as well as PCOs) which meet required standards in the various fields of Conference and Incentive tourism. The standards would be carefully defined on the basis of internationally set up rules.

In order to improve the standards for the Conference and Incentive sector, regulations should be developed for all tourism service providers. This would ensure that all conference and incentive tourism service providers are in line with the relative regulations having the necessary permits and expertise to operate.

The National Convention Bureau would address the issue of quality standards through the development and enforcement of regulations for accommodation, catering and other service providers in the conference and incentive tourism sector. Moreover, it should develop standards for travel agencies and DMCs. Accommodation and catering establishments would have to offer the required physical, hygiene and service standards and non compliant establishments would not be entitled to the **Seal of Approval**.



§ Custodian of Quality (cont'd)

An 'enforcement authority' within the National Convention Bureau should have a duplicate role, as an educator and as a monitoring and enforcement body. However, before implementing enforcement action the National Convention Bureau would need to confirm that all Conference and Incentive tourism providers have been educated on the required standards, which would be in line with international standards. Moreover, the regulations developed by the National Convention Bureau should take into consideration the standards being offered in other destinations.



§ Custodian of Quality (cont'd)

A strategy is not complete without control and evaluation - a calendar, a target and built-in monitoring

- Develop a score card that will allow for the analysis of current and new markets, identify and compare marketing activities and evaluate their effectiveness. The resulting evaluation rating will indicate which activities to repeat, and will reveal more effective ways to market the Cyprus product.
- Monitoring should take place on an annual basis, so that targets may be adjusted in response to shifts in the global marketplace and competitor activities.
- To set up the monitoring calendar, a base year is chosen, with actual statistics available. Targets for the succeeding year are then set, data collected during the year and evaluated against the base data to assess results and to set the next year's targets.
- Present research gives a base year of 2003

For a source of best practices in the organisation and standards applied to the conference and incentive product please refer to Appendix A outlining IAPCO's guidance in "Guidelines for Cooperation between International Association, the National Organising Committee and the Professional Conference Organiser".



§ Coordinator of Communications

Coordinating the advertising and promotion programmes of the Cyprus product would be a central role of the National Convention Bureau.

The CTO, through the National Convention Bureau, would contribute to the Conference and Incentive sector in terms of marketing and promotion and strategy development, as outlined above in the section covering the targets relating to the Cyprus CIT product..



§ Champion of Change

As custodian of quality, the National Convention Bureau would identify areas of need by constantly monitoring the services available in the Conference and Incentive product and coordinate improvements and adjustments where necessary. Its search and suggestion for areas of improvement would be relevant to both the Cyprus reality and the International offer in this field.



§ Research for future events

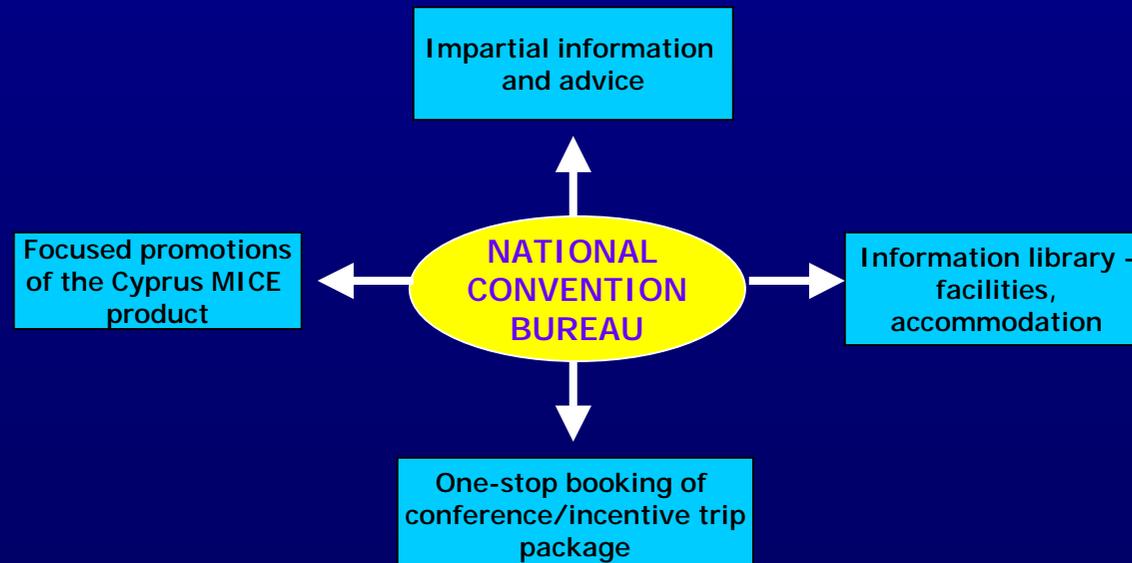
The National Convention Bureau would have the important role of researching for future events planned by organisations. For example, Associations have regularly occurring events, in the form of festivals. The National Convention Bureau would develop a database of such events, providing leads for representatives of the CTO to approach organisations aiming to promote the Cyprus conference and incentive product.

Researching for future events could also take the form of following up leads from ICCA sales.



3.3 Central Duties

Marketing of the Cyprus Conference and Incentive product, the National Convention Bureau should have a dedicated mission to facilitate and encourage Conference and Incentive tourism to Cyprus. Coordinated information should be readily and easily available to interested parties through the focused web site as well as being available in print format for supply to DMCs, PCOs and other MICE organisers and buyers.



3.4 Advantages

A National Convention Bureau is a client-friendly approach, making corporate event planning easy and quick, and therefore attractive

- Meets the demands of the market for the booking of a total package
- Reinforces the professional nature of the Cyprus conference and incentive tourism product
- Reassures the event organiser of the reliability of the product by presenting an integrated industry
- Coordinates the whole of the Cyprus conference and incentive offering



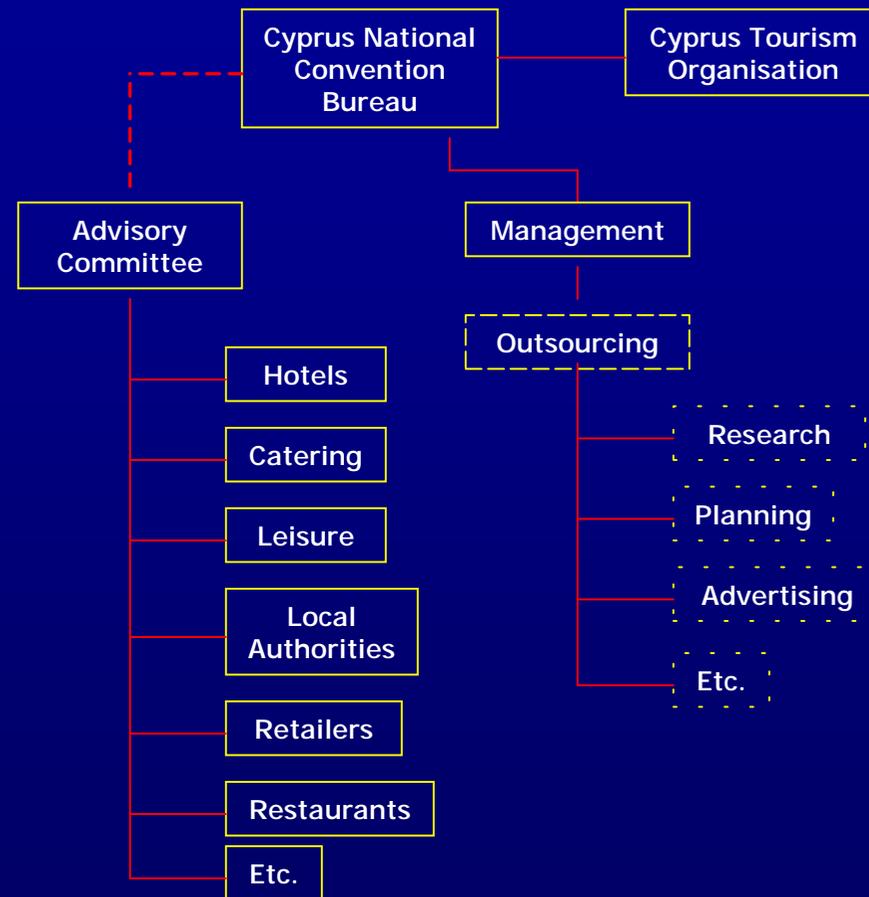
3.5 Suggested Organisational Structure of the National Convention Bureau

Currently, most countries which have National or Regional Convention Bureaus, operate them as a division of their 'Tourist Board'. This practice gives a meaningful platform for providing support to both the local marketing effort and to potential organisers of Conferences and Incentives.

As it is the global norm, so it is suggested that the National Convention Bureau of Cyprus be operated as an integral part of the Cyprus Tourism Organisation, with the potential to utilise the knowledge and experience of the CTO for maximum benefit.

The constructive involvement of the various sectors of the Conference and Incentives market of Cyprus would be ensured with their participation in Advisory Committees.

The duties of the management of the Convention Bureau would include the coordination of outsourcing activities.



Convention Bureau activity levels in selected MICE destination countries

	Has National Convention Bureau as part of National Tourist Board	Has regional/city /State Convention Bureau	Has web site dedicated to Conf. And Incentive product
USA	No	b	b
UK*	b	b	b
Germany	b	b	b
Japan	b	b	b
Australia	b	b	b
Italy	b	b	b
Spain	b	b	b
France	b	b	b
Denmark	b	b	b
Austria	b	b	b

	Presence of National Convention Bureau as part of National Tourist Board	Presence of regional/city /State Convention Bureau	Has web site dedicated to Conf. And Incentive product
Egypt	No	b	b
Greece	b	b	No
Israel	No	No	No
Malta	b	No	b
Portugal	No	b	b
Tunisia	No	No	No
Croatia	b	b	b
Turkey	No	b	b

* <http://www.visitbritain.com/business tourism/>



It is considered pertinent to the development of the National Convention Bureau of Cyprus to adhere to the best organizational and financial practices already in existence. Building on the experience of the organisations which have already gone through the various stages of development of their Convention Bureaus would enable the efficient and cost effective organisation of the Cyprus Convention Bureau.

The practices of the average convention bureau adopted in our analysis are those reported in the '2001 CVB Organizational and Financial Profile Report' published by the international association of Convention and Visitor Bureaus Foundation (IACVB). *(Please refer to Appendix B, which is the complete report of the 2001 IACVB Foundation CVB Organizational & Financial Profile report)*



3.6 Suggested Financial Structure of the National Convention Bureau

The following observations regarding the Financial Structure of Convention and Visitor Bureaus are the result of a survey conducted among IACVB members world-wide, among whom a total of 172 regional Convention and Visitors Bureaus responded from the USA, Canada, Hungary, Australia and Scotland.

According to the 2001 CVB Organisational & Financial Profile (IACVB Foundation) the majority of CVBs are independent not-for-profit organizations classified as "business leagues" Some are government agencies, chambers of commerce, or divisions of chambers of commerce.

Approximately half (53%) of the respondents indicated they are a membership organization, averaging 663 members. These members are primarily comprised of convention services and suppliers (24%), lodging establishments (20%), restaurants (15%), and retail establishments (10%).



PROPOSED MARKETING PLAN

The average Convention Bureau is funded primarily from public sources (82%), specifically, room taxes.

Private sources of funding (18%) come from such items as membership dues, advertising, promotional participation, merchandise sales, co-op advertising, donated (non-cash) services, interest, and building revenue.

Translated into the proportions that would apply to the suggested budget for the Cyprus Convention Bureau, these amounts would be Euro 2.25 m from Public sources and Euro 0.49 m from Private sources.

The overall financial target of the National Convention Bureau would be to have a balanced budget of Euro 2.74 in the initial short term. (This amount is 16% of the total CTO budget, which is currently Euro 17.1 m. please see pages 126-127 for further details on the budget)

Although the option of obtaining funds from private players has been considered, it has been concluded that this would be untenable due to the tremendous pressure that the local tourism industry is experiencing as a result of the negative international tourism trends.

Funding – best practices

Public sources	82%
Private sources	18%

Source: 2001 CVB Organizational and Financial Profile Report, IACVB Foundation, December 2001

Funding – Cyprus National Convention Bureau

	Euro
Public sources	2.25 m
Private sources	0.49 m
Total Budget	2.74 m



Taking best practices as a basis for the calculation of the distribution of the expenses on direct marketing of the average Convention Bureau, a Budget for these expenses for the Cyprus Convention bureau has been drawn up. This is shown in the following section, which is dedicated to Budgets.



3.7 The Nature of the National Convention Bureau

- An independent non-government body with equal participation and input from all operating in the tourism industry in Cyprus.
- Separate identity, but working together with the CTO to enhance and extend individual efforts in this sector by actively marketing the Cyprus product to an international market.
- Funded by the national government of Cyprus, through the CTO, and by the tourist industry.
- Benefits shared across the whole trade by acting in a co-ordinated manner. Co-operation rather than competition in the interests of developing the Cyprus product and extending this sector of the tourism market.
- Located in Nicosia, to take advantage of the resources already in existence at the CTO offices.



3.8 Services of the National Convention Bureau

§ Pooling Resources

To bring together all those with a stake in the conference and incentive tourism industry in Cyprus.

- Pooling of resources for strategic initiatives to promote Cyprus as a preferred convention, corporate meeting and incentive travel destination.
- To extend and support the marketing activities of the members the Cyprus National Convention Bureau marketing plan would focus on personal meetings with event planners to build relationships.
- A central body to examine sustainable incentive programmes to influence event planners.



§ Major Events and Conventions

- To encourage major events and conventions to Cyprus, members identify events that are in preparation.
- The Bureau staff acts to pursue each event, locating decision makers and pitching aggressive presentation of the Cyprus product.
- Identify membership of international associations within the Cyprus population.
- Encourage and support the local members of associations to put in bids to the Board of the association for Cyprus as a viable and attractive venue for international or regional congresses.
- Free Meeting Planners' Guide to local planning committees. The guide provides details on everything from developing conference budgets to scheduling event timelines.



§ Personal Marketing Calls

- Maintain a systematic plan of travel by members or Bureau staff to centres populated by meeting planners in the target markets for Cyprus to promote the destination.
- Arrange marketing calls and attend events such as annual meetings of conference planners and trade shows that bring together meeting planners and destination promoters.
- Sell the appeal of the destination. Contact with international meeting planners to emphasise destination appeal that focuses on the ability of Cyprus to meet the central needs of facilities and professionalism, but also includes accessibility, uniqueness, heritage, activities, safety and security.



§ Bid Assistance

Skill and patience are required to prepare a bid presentation to event organisers

- Trained staff at the National Convention Bureau can develop bid styles to meet the varied market. A bid book presentation showing all there is to know about Cyprus as an event destination.
- This saves the time of hoteliers and agencies on the island, each preparing one-off presentations, as well as projecting professionalism in this field.
- Help with making bids for the hosting of conferences is particularly important in the association sector of the market. Here the planning of a destination choice begins with the bid from the local branch. In Cyprus, this local branch may be small in size, in comparison with the larger European countries, and needs the backing support of the National Convention Bureau to add strength and muscle to the bid.
- Other assistance that can be co-ordinated within the National Convention Bureau to promote Cyprus and encourage market growth are donations from members of airline tickets or accommodation to persuade event planners to preview the destination.



§ Partnership Prevails

- Within the bids section of the National Convention Bureau, records will be kept of bids made for follow-up. In the first bid phase, Cyprus may lose out to a competitive destination. This is very likely with association conferences.
- It is important to keep such records, as by learning from the first bid, an adjusted and more assertive bid for a future event can be made. With more likelihood of success as the name is now known.
- Unlike the hotelier, the agency and the local branch of an association, the Bureau can persevere with second or third bids. Persistence pays, and lead times are known. Destination appeal adjustments can be an on-going action.
- All this is outside the scope of the individual members. The Bureau and its members are making concerted efforts in a strong partnership.



§ Connecting Members with Clients

- Client servicing and marketing staff at the National Convention Bureau act as a liaison between business and association travel clients and members who provide accommodation/meeting space. Staff refer only member properties that meet the specific needs of the client, removing from the client the time-consuming burden of making contact with individual members to collect this information. This is the professional client-friendly approach, which is much appreciated by the event organisers.
- Marketing staff of the Bureau deliver leads to members based on meeting planners' requests. The client also submits needs for other goods and services, such as catering and speaker gifts. Client servicing staff bring together the meeting planner and all member services to provide a total package meeting the precise needs for the event.
- To encourage spending by individual delegates at the destination, the Bureau can co-ordinate and distribute discount booklets to delegates. These discount booklets can include both the businesses run by members of the Bureau, and a wider range of shops, sporting activities and tourist attractions.



§ Reservation Service

The comparative advantage of having an efficient reservation service cannot be over-emphasised in this market.

- Bureau accommodation staff provide a computerised service for any meeting, convention or incentive trip in Cyprus. This is fast and efficient, and covers all facilities required by the client. The event organiser can gather information about Cyprus and make a booking with one contact. Simplifying the procedure is an essential part of the client friendly policy, and also subtly promotes Cyprus as a reliable destination with a smooth-running tourist industry.
- In response to client-driven choices, reservation staff refer business to local providers. The client does not have to contact a large number of local providers to determine a compatibility with requirements. This is a service which is offered by the National Convention Bureau, quickly and efficiently, again saving the event organiser time and effort.



§ Meeting Service

The role of the Bureau does not end once the event has been booked, but continues throughout the event by making arrangements for participants and assisting the host venue

- Visitor counseling is provided in the form of visitor publications and referrals for members' products and services
- Help with supervision of the social programme and entertainment
- Welcome ceremonies, provision of name badges and gift items.



§ Second Generation Marketing

One visit leads to another in the future, but this future event needs reminders and persuasion

- Keeping systematic records, the Bureau institutes a follow-up plan, going back into the marketplace to meet and encourage the same event planners and travel buyers to return to Cyprus at a later date. This cannot be carried out satisfactorily by the individual members, each working alone.
- Build on conference satisfaction with Cyprus as a destination, and the Cyprus conference and incentive travel product, to encourage the use of the destination as a site for larger international conferences and more frequent smaller seminars and meetings.
- By maintaining contact and recall of requirements a rapport between the organiser and the Bureau can be created, putting Cyprus at the front of the mind when initiating destination decisions.





Section V

IMPLEMENTATION TIME FRAME

IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Set up National Convention Bureau						<p>A National Convention Bureau acts like a key to a destination. It is an unbiased resource which serves as an official point of contact for convention and meeting planners, tour operators and visitors.</p> <p>The role of the National Convention Bureau is to act as the Custodian of Quality – setting industry standards: the Coordinator of Communications – ensuring that promotional messages reach their intended audience: and the Champion of Change – identifying where improvements are necessary and implementing appropriate programmes of change.</p>
<i>Organisational Structure</i>						
Approve relevant legislation and standards						
Set up the management structure of the Bureau as a division of the CTO.						
Set up an advisory committee bringing in all aspects of local industry						
Co-ordinate Communication and Promotion of the Cyprus Product/Take over all facets of communication and promotion						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Set up National Convention Bureau						
<i>Extend and Consolidate Services</i>						
Training of staff in the Bureau to develop a liaison system to connect members with clients and to prepare professional bid styles and approaches to potential clients						
Set up and maintain records of presentation bids made and their outcomes, for on-going adjustments to destination appeal elements.						
Develop a computerised reservation system for one-stop booking						
Bring together all with a stake in the industry to create a resource centre.						
Organise a systematic plan of personal marketing calls on potential clients in target countries.						
Prepare an aggressive presentation pitch to pursue leads to the hosting of major events and conventions.						
Use systematic records to institute a follow-up plan, creating a rapport with satisfied clients and encouraging a return event in Cyprus						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Prepare Detailed Marketing Plan						
Communication and promotion of the Cyprus Product						This is a CTO responsibility in the short term, to be taken over by the National Convention Bureau
Appoint Advertising Agency to produce creative for the New Positioning of the Cyprus CIT product						
Advertising agency to develop detailed Media Plan						
Take advertising space in daily newspapers aimed at corporate management in the target countries – January-April, and September-November						The advertising objective is to build awareness of Cyprus as a conference and incentive travel destination, with a professional local industry
Place advertisements in business periodicals – January-April and September-November						
Place advertisements in travel trade journals – January-April and September-November						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Flight Schedules						Access to Cyprus is a high priority issue. It is most consistent factor put forward as a barrier to the organising of corporate events in Cyprus – put forward both qualitatively and quantitatively by buyers and the trade equally (except from those based in London which has daily flights)
Produce an information package of convenient flight links from European capitals to Cyprus						
Negotiate with Cyprus Airways and with other carriers to arrange flight schedules from European capitals to be compatible with the demand for a 3-4 day corporate conference						
Contact with potential competitors to Cyprus Airways on routes from the main target markets to negotiate compatible flight schedules						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Product Development						
<i>Conference / Accommodation Venues</i>						
To counteract limited accommodation capacity, set up a formalised structure of groups of hotels within the same location to act in co-operation to meet the demand for larger than average conferences						The promise is the product. It is the Cyprus product overall that differentiates our offer from that of competing destinations.
Negotiate relaxation of the regulations governing the use of archaeological sites to give the necessary comparative advantage to attract CIT groups						
Offer incentives (e.g. tax incentives) to hotels to further develop areas for hosting conferences						
Create a new Conference Centre to host up to 4000 persons to accommodate the largest of corporate and association conferences and be able to cope with the planned increase of the conference and incentive tourism numbers :						
Planning and design						
Implementation						
Fully functional						
Build 'under-one-roof' facility for up to 2,000 delegates (lack of which is currently one of the obstacles to booking large conferences)						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Product Development						
<i>Technical equipment</i>						State of the art technical equipment is high on the list of decision criteria for conference organisers, both corporate and trade
Check international standards of equipment and compare with what is available in Cyprus						
Prepare a list of equipment available in Cyprus for local conference organisers and hotels						
Set up a monitoring system for advances in modern equipment and ensure its availability in Cyprus						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Product Development						
<i>Human Resources</i>						Professionalism and service attitude are at the top of the list of the criteria for destination selection for corporate events, emphasising the importance of rigorous training programmes and an agreed level of qualification for staff in this market sector
Make check-list of "best practice" qualifications internationally to identify specific training needs to serve the conference and incentive market						
Set up an Academy of Tourism in Cyprus with courses designed to produce graduates motivated specifically to serve the corporate/association events market						
Ensure that courses are available, short term and long term, for the DMC and travel agent strata of the market						The DMC and ground handling operations are just as important in the overall satisfaction of a conference as the hotel staff and venue
Organise short training courses for other service providers in this market, e.g. bus, coach and taxi drivers						This training can be organised in collaboration with local authorities, who also gain from the extension of the conference and incentive market. Such collaboration would also facilitate the issuing of permits for the use of archaeological sites.



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Product Development						
<i>Human Resources</i>						
Seal of approval: investigate best practices and identify elements required for seal of approval:						<p>The seal of approval would consolidate the role of the National Convention Bureau as Keeper of Quality.</p> <p>The legislation and establishment of standards, which would be put in action (ref. Page 111) would be relevant here.</p>
For accommodation standards						
Conference Halls standards						
Executives						
Catering						
DMC services						
Set up authority within National Convention Bureau which would bestow seal of approval.						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Infrastructure						
<i>Airport facilities</i>						<p>The airport is the first sight delegates get of Cyprus. It is an important impression of the island and of its standards, and an impression that will be spread throughout this market by word of mouth. The point of arrival – the airport – must be clean, welcoming and efficient in its functions</p> <p>Arrival is the first impression of Cyprus, which colours the views of delegates. Departure is the final impression, which influences the overall satisfaction with the destination, and is a prominent factor in recommending the destination to other conference organisers</p>
Arrange for designated passport control for conference delegates to avoid queues and delays						
Organise a priority luggage retrieval system for conference delegates						
Clean up the airports to give an immediate good impression of international standards						
On departure, advance group check-ins						
Group use of a conference delegates lounge – the VIP lounge						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Infrastructure						
<i>Transportation</i>						Transportation between cities and mountain areas is again rated as an important attribute by those planning events, both trade and buyers. Road works delays give an adverse impression that can be avoided by advance planning.
Alleviate the problem of road works by advance publication to DMCs, who can then plan alternative route						
In co-operation with the Municipal Authorities, a clean-up campaign must be put into effect to remove all the unsightly "building debris" which is left around conference-based hotel venues						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Infrastructure						
<i>Entertainment</i>						<p>Conference delegates have little spare time, and are therefore quite happy with the entertainment facilities presently offered on the island.</p> <p>But, looking to the future and to maintaining a competitive presence in the market, it must be noted that delegates are often accompanied by partners. For an event to be successful, there must be an interesting and varied programme for the accompanying partner.</p>
Produce a list of village festivals around the island, e.g. wine festivals in the autumn, flower festivals in the spring						
Develop folkloric festivals, such as of traditional songs and dances						
Make a programme of mega events taking place in Cyprus, such as the annual Cyprus Rally or the International Regatta						
Lobby for a limited casino culture						
Set Up a golf course for conference delegates in the vicinity of the greatest collection of conference events						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Communication and promotion of the Cyprus Product						
<i>CTO Website</i>						The Internet is heavily used by conference and incentive travel organisers as a tool in the gathering of information on appropriate destinations
Develop the conference and incentive travel section of the website to show such things as the latest technical equipment in use and the flexibility of meeting rooms.						
Provide links on the website to show a total package with hotels, DMCs and handling agents working together.						



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007 - 2010	
Communication and promotion of the Cyprus Product						
<i>Fairs and Exhibitions</i>						
Attendance at European Travel Fairs and Exhibitions with an emphasis on meetings of conference planners.		■	■	■	■	
Direct personal contact with planners and decision makers at these Travel Fairs to be followed up by visits and presentations by a CTO representative.		■	■	■	■	
<i>Familiarisation Trips</i>						Experience of a destination significantly raises awareness and positive ratings of that destination. Additionally, they promote personal contacts between the CTO, the trade in Cyprus and the decision-makers and planners in the target countries
Offer familiarisation trips to management of conference organising and incentive travel agencies		■	■	■	■	



IMPLEMENTATION TIME FRAME

Action	Short term		Medium term		Long term	Comments
	2003	2004	2005	2006	2007-2010	
Communication and promotion of the Cyprus Product						
<i>CTO Publications</i>						The needs of this market to be addressed are the professionalism of the local industry and the availability of technical equipment and expertise, set within the context of the warm and welcoming nature of the island of Cyprus
Prepare informative brochures to follow up advertising, stressing the ability of Cyprus to meet the needs of this market.						
<i>Public Relations</i>						The objective is to build up a network of contacts within the print and electronic media to give third-party endorsements of Cyprus as a suitable destination for the conference and incentive travel market.
Host familiarisation tours for editorial professionals in the corporate travel market.						
Provide contacts with regular press releases to keep up-to-date with product development and features about Cyprus.						
Maintain a media resource section on the CTO website.						





Section VI

BUDGETS

Budget for the Short and Medium term

The suggested budget is dedicated to the National Convention Bureau and in particular to the promotion of Cyprus by the National Convention Bureau. As discussed, the National Convention Bureau is visualised as the Modus Operandi that will enable the targets set for MICE tourism to Cyprus to be achieved. That is, it would be the body which would carry the responsibility of marketing Cyprus as a Conference and Incentives destination.

The budget takes into account the current tourism revenues overall which are Euro 2,184 m, the expected tourism revenues by the year 2010 as defined in the CTO Tourism Strategic Plan, which are Euro 3,088 m, I.e. an expected increase of approximately 4% per year, and the proportional revenues expected to be received from Conference and Incentive tourism.

Currently, Cyprus receives Euro 2,184 m from tourism. Conference and Incentive tourism is estimated to bring to Cyprus Euro 171 m, which is calculated to be 8% of the total tourist revenues. The target medium term revenues, I.e. by the year 2007, are expected to be approximately 16% of the total tourist revenues. With the prospect of achieving revenues which would amount to 16% of those of the total tourism, it is suggested that 16% of the budget which is dedicated to tourism in general be used initially for the marketing of the Conference and Incentive sector. This proportion is suggested as a rational starting point, in view of the necessity for a certain investment with the expectation of increasing revenues. In subsequent years, an annual 10% increase in the budget would be necessary to cover for the increase in the cost of living and other development plans that would be put into action.

With a current budget of Euro 17.1 m dedicated to the marketing of tourism as a whole, the budget for the marketing of the Conference and Incentive sector at 16% of that amount in the immediate and short term would be Euro 2.74 m. A subsequent 10% yearly increase would bring the budget dedicated to the CIT to Euro 3.65 m in the year 2007.



Short / Medium term budget

	Revenues from total tourism	Revenues from conference and incentive tourism	% of total tourism revenues from CIT	Suggested Budget
<i>Revenues 2003</i>	Euro 1,176 m	Euro 171 m	10%	Euro 2.74 m (16% of total CTO budget)
<i>2004</i>	Euro 1,870 m	Euro 205 m	11%	
<i>2005</i>	Euro 2,000 m	Euro 240 m	12%	Euro 3.01 m
<i>2006</i>	Euro 2,180 m	Euro 283 m	13%	Euro 3.32 m
<i>2007</i>	Euro 2,360 m	Euro 330 m	14%	Euro 3.65 m



Best practices with respect to the budget of the marketing of Conference and Incentive product indicate that the budget for the marketing of the Conference and Incentive product is divided into 37% personnel costs 43% direct promotions costs and 20% goes to various other expenses.

However, a reality check shows that the total budget of Euro 2.74 m would be needed in order to execute a promotional programme with a certain impact. This would be possible if we take into account that personnel costs are in effect sunken costs, covered by the total budget of the CTO and 'other' costs are an element that can be kept to a minimum with various economies applied.

A detailed analysis of the suggested breakdown of the Direct promotions costs can be found in the BUDGETS section on page 129.

	% of total Conf. & Incent. budget
Personnel costs	Sunken
Direct promotions (including travel, event hosting etc)	100
Other (miscellaneous)	-

Reference: 2001 CVB Organizational & Financial Profile – IACVB Foundation (see Appendix B)



National Convention Bureau - Budget for Direct Promotions

	Best Practices % of direct promotions budget*	Suggested budget of total Euro 2.74 m allocated to direct promotions
Travel and entertainment	7.5	200,000
Trade show participation	6.8	185,000
FAM tours/site visits	2.0	50,000
Event hosting – industry sales prom events	6.0	160,000
Event hosting (member/community events)	3.7	100,000
Media advertising	37.5	1,000,000
Web site expenses	1.8	50,000
Printed collateral material	14.4	400,000
Giveaway promotional items	2.0	50,000
Cost of merchandise sold	0.9	25,000
Research	1.8	50,000
Other direct promotions	15.3	400,000

* Source: 2001 CVB Organizational and Financial Profile Report, IACVB Foundation, December 2001

