A. Executive Summary

As an established and mature tourist destination in a highly competitive environment, Cyprus is subjected to the influences of globalisation and the maturity of the tourist market.

Competition has considerably intensified both among new tourism destinations and tourist enterprises and this has a particularly strong impact on those tourism destinations that are presently under pressure regarding pricing policies.

Demographic, social and technological changes are decisively altering the international tourist market of the future, a market that will be characterized by maturity (expertise), high levels of knowledge and information and also considerable complexity.

Because of their experience and education, today's tourists are generally more demanding, independent, active and well informed on tourist destinations. Their needs and expectations are diverse and constantly changing.

The tourist product of Cyprus is therefore encumbered by accumulated problems and weaknesses such as its one-dimensional development and standardisation, the multiple stresses on the environment as well as on our cultural identity, incidents of deviant behaviour, high operational costs, seasonality, dependence on certain tour operators, substandard infrastructure and facilities, and other issues.

Temporary and spasmodic actions are dangerous. Cyprus must take advantage of the opportunities offered and protect itself in an effective and timely fashion from threatening changes that occur in the field of tourism; at the same time Cyprus must face the challenges of the industry in a new, scientific, dynamic and effective approach. The development of the tourist sector is in the hands of both the private and the public sectors; therefore their co-ordination within a long-term strategic plan is of paramount importance if Cyprus is to secure success as a tourist destination.

Cyprus possesses a vast experience of over 30 years in tourism, and now it is called upon to use its accumulated knowledge to make a fresh start within the new global tourist environment.

Vision

The vision that inspires our strategy for the coming decade can be epitomised in the following statement:

"Cyprus: a qualitative tourist destination that will satisfy the visitor with various interests and quests and ensure the continuous improvement of the quality of life of the locals."

The achievement of this vision will be accomplished through a strategy whose central point of reference is Sustainability, which is identical with the concept of Quality. In this sustainability context, tourism development will safeguard and nurture the quality of the tourist experience, the beauty of the natural environment as well as the quality
of life of the inhabitants by making the best use of the resources available without over-stretching or exhausting them. The destination will thus be allowed to respond successfully to the present and future needs of both visitors and the locals.

**Targets**

The maximisation of the socio-economic benefits will be pursued mainly through the increase of revenues; this will be the basic index of the success of the strategic plan. The maximisation of revenue from tourism will be achieved through the:

- increase of the tourists’ expenditure
- improvement of seasonality
- increase in arrivals
- increase in duration of stay
- increase in repeat tourism

Crucial to the achievement of the target of the increase of tourism revenue will be the abandonment of the traditional practice of concentrating mainly on the increase of new arrivals and the turning to the maximisation of income earned from tourism. The overall revenue target will be met through the achievement of the predetermined growth rate and the priorities of the different parameters that constitute the «revenue» target.

**Numerical Targets**

Numerical targets are useful as an incentive for all parties involved to become actively engaged towards a common and correct effort. Numerical targets must be viewed as indices that require constant monitoring as a whole in order to assess the course followed and ascertain the degree to which the main goals of the strategy have been achieved so that the necessary action can be taken.

The key numerical target of the strategic plan is **to maximise the income from tourism in real terms (£1.8 billion in 2010)**. The achievement of this target will be pursued through strategic interventions and a balanced growth of the two constituent parameters – arrivals and expenditure.

**As far as arrivals are concerned, 3.5 million tourists by 2010 must be considered as the maximum limit, since it is acknowledged that an increase in revenues which is fueled by increased arrivals depletes available resources and undermines the sustainability of the destination.**

The targets for the remaining numerical parameters are the following:

The **Average Length of stay** must increase to 11.6 days and **Seasonality** must be tackled through an improved distribution of arrivals throughout the year. More specifically, the decrease of the share of the peak period arrivals i.e. July to September to **33% from 40%** (which was the rate in recent years) must be pursued, to the benefit of arrivals in the other months, especially January-March and October-December. The Strategy also aims at increasing the rate of **repeated tourism**.
Any improvement in the above indices will constitute an additional success for Cyprus, since it will have a substantial contribution to the socioeconomic benefits pursued.

Repositioning

The enhancement of the competitiveness of Cyprus is of critical importance to the achievement of these goals. Cyprus will attempt to reposition itself on the tourist map by exploiting the comparative advantage that allows it to differentiate itself from the competition – the great diversity in the tourist experience that Cyprus offers in a relatively small geographical area.

“A mosaic of nature and culture, a whole magical world concentrated in a small, warm and hospitable island in the Mediterranean, at the crossroads of three continents, between East and West, that offers a multidimensional, qualitative tourist experience”.

The strategic effort for repositioning by 2010 is supported by three component strategies: the Marketing Strategy, the Product Strategy and the Quality-Value Added Strategy.

MARKETING STRATEGY

The strategic direction that the marketing of the tourist product is expected to follow calls for a focused and aggressive approach, aiming at developing these markets and market segments that can yield the most for Cyprus tourism.

In its first years of implementation, the Strategic Plan calls for emphasis to be put on the penetration of existing markets and markets/segments in an effort to attract the clientele from these markets/segments that will yield the most. Meanwhile, as the desired product will be forming through the upgrading of existing products and the development of new ones, the emphasis will switch to the diversification of the markets, i.e. the development of new markets/segments.

Market Prioritisation and Market Segments

The segmentation of the tourism market was carried out with the new positioning of Cyprus as a tourist destination in mind, and it was based on the motives/ reasons for travel (motivational segmentation) for trips as these have been identified in relevant studies and as they are expected to be transformed over the next 10 years according to the changing characteristics and expectations of the tourist clientele.

The segments based on motivation that were identified and evaluated, are those that best serve the measurable targets of the strategy as well as other criteria. The following are the criteria used for the evaluation of these segments:

- Per person expenditure of tourists
- Tourist arrivals
- Average length of stay
- Improvement of seasonality
- Repeated tourism
- Product fit
• Investment (in marketing and product)
• Environmental, sociocultural and economic impact
• Potential to complement the tourist experience (add-on)

The various market segments identified on the basis of motivation are the following:

- **Sun and Sea plus**
- **Culture**
- **Conference and Incentive Tourism**
- **Nature**
- **Walking/Hiking**
- **Sports Tourism**
- **Cycling**
- **Marine Sports and Yachting**
- **Mega Events**
- **Weddings and Honeymoons**
- **Sea cruises**

In terms of the geographical segmentation of the market, countries that can constitute source markets for Cyprus were identified, evaluated and prioritised in accordance with the following criteria:

- daily per person expenditure
- average length of stay
- size of the market towards the Mediterranean in relation to direct competitors
- the share of Cyprus in the specific markets
- ability to positively contribute towards the improvement of seasonality
- accessibility
- product fit
- the match of the targeted segments and markets
- overall trends and market potential

The degree to which each particular market satisfied the above criteria was used to classify them as High Priority, Medium Priority and Low Priority Countries.

Another, fourth category of countries was created, to include emerging markets which have good potential to become important source markets in the future. These countries must be constantly monitored and preparations must be made so that Cyprus will be in a position to take advantage of any future opportunities that may arise there.

This prioritisation of the markets may be reviewed from time to time, as necessitated by any substantial changes in their conditions in the future. On the basis of the changes that took place and developments in recent years the following classification of markets is proposed:

**High Priority Markets**
United Kingdom
Russia
Greece
Germany
Republic of Ireland
France
Medium Priority Markets
Countries of the Persian Gulf
Countries of the Middle East
Israel
Belgium
Sweden
Norway
The Netherlands
Italy
Switzerland
Austria

Low Priority Markets
Poland
Finland
Denmark
Czech Republic
Hungary
USA
Ukraine and Belarus

As far as emerging markets are concerned, Spain, the countries of former Eastern Europe (e. g. Romania, Bulgaria), the countries of former Yugoslavia, other countries of the Commonwealth of Independent States, Canada, China and India are the best prospects.

Air Transport

With the full accession of Cyprus to the EU in May 2004, air transport within Europe will become fully liberalised. This development, coupled with the expected lifting of the Government’s restrictions in issuing licenses for chartered flights to and from Cyprus from third countries is expected to bring positive changes in the field of air transport.

Thus, specific markets and specialized market segments like special interest tourism and Conference and Incentive Tourism that are not adequately serviced under the present conditions, are expected to acquire a new momentum, and present renewed potential and opportunities that will contribute to the increase of tourist arrivals and alleviate the problem of seasonality.

It is furthermore believed that the deregulation of air transport and the ensuing intensity in competition between Cypriot and foreign air carriers that are expected to show an interest in increasing their flights to and from Cyprus, will bring about substantial benefits for the public-at-large in the form of more attractive fares. This will facilitate the development of individual tourism, as airfare is an important factor in the destination selection process.

Having determined that the development of specific markets or market segments with good potential is a primary goal, the destination must then encourage the introduction of new flights to serve them, where necessary. Therefore, given the limitations that arise from the legislation on State Aid, which does not allow any subsidies to the air
transport industry, the CTO will have to device a special plan to encourage and support flights serving the aims and goals of the Tourism Strategy.

The scheduling of new flights, the increase in the frequency of flights, the improvement of the flight time-schedule, the proper management of airline seats and the geographical cover of each market are, among others, factors of critical importance to the development of a specific market. This is especially true in the case of Cyprus that, as an island, depends almost exclusively on air transport.

**Domestic Tourism**

The development and promotion of Domestic Tourism may contribute positively towards the improvement of hotel occupancy rates and the strengthening of the local economies. In addition to that, it enables the locals to become acquainted with their culture and civilisation and strengthen their ties with the island.

The most important problem in the effort to further develop domestic tourism lies in the fact that the majority of Cypriots, especially those employed in the private sector, take their annual leave mainly during the months of July-August.

Spreading employee holidays throughout the year will require a co-ordinated approach and a good understanding and spirit of collaboration between employers and staff.

Additionally, especially in recent years, many Cypriots opt to spend their holiday abroad. This trend can be attributed to a number of reasons, such as the need to get to know and experience other destinations and cultures.

The above trend is expected to continue and intensify, especially after the full deregulation of air transport from May 2004 onwards, as by then the choice of flights out of Cyprus will be widened and consequently more attractive fares to various destinations abroad will be offered.

Since the domestic clientele is very good, in order to succeed in attracting it in conditions of intensifying competition, the hotel industry of Cyprus will have to approach it more systematically, offering attractive holiday packages and competitive prices.

The Organisation will increase and intensify its efforts towards the promotion of domestic tourism through advertising and promotional activities, in coordination with all the parties involved. This effort will not focus only on the summer holiday season but will be expanded to cover the rest of the year also e.g. for short breaks and trips in the winter or the springtime.

**Communication Strategy**

The Communications Strategy aims at creating a clear and unique image and identity for Cyprus and at repositioning the island in the international tourist market. The CTO will take advantage of advertising and the various promotional and public relations tools to systematically project a coherent and unique image on the basis of repositioning. It will also attempt to target selected markets and market segments in the most effective possible way.
To achieve the above, the CTO must follow an approach as highly focused as possible, cooperate with renowned advertising and public relations companies, and continuously monitor the effectiveness of its marketing activities.

As far as cooperation with the private sector is concerned, new methods of collaboration and monitoring are proposed to ensure that all communication efforts are included in a common framework based on repositioning, so as to achieve the goals and aims of the strategy.

More specifically, a framework for the cooperation and co-financing of different marketing activities on a regional basis will be established. This framework will cover marketing activities undertaken jointly by local organisations of tourism stakeholders and the local authorities. Eligible activities would include the undertaking of surveys and studies, and the preparation and execution of marketing plans.

**Distribution Strategy**

For the time being the greater part of the tourist flow will continue to be channeled to Cyprus through the Tour Operators. However, a differentiated approach to collaboration with the Tour Operators will be followed, so as to cover new areas (upgraded presence in tour operator brochures, inclusion in specialised programmes, extension of specialised programmes) and to strengthen the cooperation with specialist Tour Operators and Cyprus specialists. In the longer term, a gradual decrease of the dependence on tour operators will be pursued.

At the same time, the development of alternative ways of travel planning and bookings outside the tour operator network will be pursued, through the use of e-marketing and the creation of a destination management system. Such activities will be undertaken with a view to promoting individual tourism.

**Information/Research Strategy**

The successful implementation of this strategy requires a system for the collection, processing, utilisation and channeling of information, and the monitoring and evaluation of the market intelligence. The supply of timely, accurate and systematic intelligence to all the stakeholders of tourism is the main goal of the Intelligence/Research Strategy.

**Organisation of Marketing**

Finally, the Marketing Strategy suggests that the organisation of the marketing activities of the destination be altered and improved via the introduction of co-operation mechanisms between the tourism stakeholders, both at the regional and the national level.

**PRODUCT STRATEGY**

The tourist product offered by a destination determines the type of customer it will attract. The success or failure of a tourist destination in the international tourist market depends to a large extent on the range and quality of the tourist product it offers. In an extremely competitive contemporary marketplace, the winning product is
the one that covers and satisfies to the maximum degree possible, the needs and requirements of the customers to which the destination appeals.

It is therefore imperative for a destination to exploit its comparative advantage and to create the right product that will allow it to attract the desired market segments, if the destination is to compete successfully.

As an island tourist destination, Cyprus has invested mainly in the Sun and Sea clientele. Given the conditions prevailing in the tourist marketplace of the 1980s, it was the right choice at the time — Cyprus was a new destination, there was a demand for Sun and Sea holidays, customer expectations were different, fewer destinations were available etc.

However, this approach resulted in the creation of a one-dimensional product, which today is no different from that of many other destinations, and it places Cyprus in a disadvantageous position as far as its competitiveness is concerned.

The proposed Product Strategy aims at the development of a product that:

- Will exploit the comparative advantage of Cyprus as a tourist destination and will also create the conditions for repositioning the island on the tourist map as a destination offering a multifaceted tourist experience in a relatively small geographical space.
- Will be based on the sustainability of the tourist sector.
- Will cover the needs and requirements of the targeted market segments.

The success of this Strategy will be judged by its ability to create the appropriate tourist product as quickly as possible. The various aspects of the product will be developed with culture and the environment as the central points of reference. It must be emphasised at this point that the environment and culture constitute the two main axes that will help Cyprus to bring out its identity and become a unique destination. The culture and civilisation of Cyprus is centred on the human factor, which is of paramount importance in the effort to emphasise the uniqueness and distinct identity of the destination.

**Special Interest Products**

Cyprus has the potential to develop a wide range of special interest products.

This particular strategy focuses on the development of products that can bring out the unique character of the destination on the basis of the pursued repositioning, and revolve mainly around the two main axes — culture and the environment.

Special interest products are products that will function as points of attraction and at the same time they will present opportunities for different activities and recreation. The development of the proposed products is necessary in order to create and offer the multi-dimensional tourist experience on which the repositioning of Cyprus is based, and these products are mainly aimed at the targeted market segments. At the same time, special interest products will combat the most fundamental weakness
of the Cyprus tourist product, as it has been identified in the various studies and surveys i.e. the limited opportunities for various activities (things to see and do).

The identification of the new special interest products that must be developed and the existing products that need to be upgraded and/or enhanced was based on the targeted market segments and determined by motivation, the social and demographic features of each segment and seasonality.

The special products identified were then prioritized by order of frequency i.e. by the number of segments to which they appeal. Next, the special products were evaluated from the point of view of their contribution to the overall quantitative and qualitative targets of the strategy. These targets include the average per person expenditure, seasonality, average length of stay, tourist arrivals, environmental impact, socioeconomic impact. In addition to the above, the potential for developing each product was taken into account i.e. the availability of the required resources (Capital, Land and Infrastructure).

**Suggested Special Interest Products**

The methodology used identified the following special products, which are aimed at the different targeted market segments and are listed here, in no particular order:

- Museums
- Routes:
  - Cultural
  - Composite
  - Thematic
- Nature Trails
- Information Centres
- Agrotourism
- Football Grounds
- Infrastructure for Swimming, Track & Field and other sports of priority
- Golf
- National Forest Parks
- Marine Parks
- Botanical Gardens
- Exhibitions
- Velodromes
- Cycling Routes
- Conference Centres
- Organised Tours
- Marinas/Fishing Shelters
- Marine Sport Centres
- Events
- Coastal Cruises

Most of the above products also cover the basic segment of the «Sea and Sun plus» clientele.

To develop these special products investment will be required from the public sector, (including the local authorities) and the private sector alike.
To motivate and encourage the private sector to invest, it is suggested that incentive schemes be introduced.

It is necessary to speed up the development and completion of a series of projects that concern special interest products and have been under consideration for quite some time now. Specific actions are therefore recommended for the following products:

**Sports Tourism Infrastructure**

The potential for developing Sports Tourism was re-evaluated in the light of the opportunities presented by the Olympic Games of Athens in 2004, as Olympic Teams from many countries decided to come to Cyprus to train for this event. This is an area of very high priority. As decided in the ministerial meeting held on 28.08.03, a survey was carried out on the track and field events that attract the greatest interest and at present an action plan is being drawn up. This plan will cover both the professional/championship level and the leisure aspect of Sports Tourism and it will consist of specific actions of priority in the following areas:

- Completion and development of infrastructure projects of international calibre for all priority sports (football, swimming, cycling, athletics) and other sports, including marine sports.

- Operation of an administration and bookings system for all sports facilities that will be used for Sports Tourism purposes.

- Organisation of international athletic meetings, events etc.

**Golf Courses**

In order to encourage investors to develop high quality golf courses in privately owned land, the existing policy and criteria relating to the development allowed and the respective conditions for approval are under review.

Regarding the creation of three golf courses on government land (at Ayia Napa, Oroklini, Pentakomo) alternative methods for the leasing of the respective state-owned/forest plots are under consideration, with a view to securing the viability of the projects as well as the interest of the investors.

**Marinas and Nautical Tourism Infrastructure**

On the premise that the 2003 invitation to tenders - which at present is at the evaluation stage - will bear fruit, the contracts for the development and operation of the Marinas in Lemesos, Larnaka and Agia Napa may be awarded as soon as possible.

The procedure to be followed for the creation of one more Marina in Pafos remains to be decided, and proposals for the development of other infrastructure projects and the arrangements necessary to fully develop Nautical Tourism will be put forth.
1. Agrotourism – Rural Tourism

The Plan for the Development of Rural Tourism has been drawn up in line with the National Development Plan 2004-2006 and the Single Programming Document Objective 2. The former does not limit itself only to the development of accommodation infrastructure in restored traditional houses, but it also includes actions and measures towards the creation of an integrated tourist product for the countryside, enhanced by projects of cultural and environmental nature that are addressed to special interests and activities. More specifically, action plans and incentive schemes have been drawn-up which are aimed at:

- The creation of new accommodation and the upgrade of existing agrotourist accommodation and traditional restaurants, and the promotion of other activities like exhibition areas, museums, workshops for traditional handicrafts and other activities.
- The support of units that manufacture local produce.
- The development of nature trails, cycling routes, theme and combined routes, theme museums, information centres etc.

The Plan is complete with actions aiming at the organisation and promotion of the tourist product of the countryside.

Cultural Tourism Products

Culture is one of the central pillars of the repositioning effort and the major feature that enhances the wealth and value of the tourist experience for all customer segments. The potential of Cyprus to satisfy a wide range of cultural interests like history, archaeology, religion, traditions and customs, arts and handicrafts etc. is evident, and the opportunities offered to the tourist to discover and appreciate the depth and extent of the civilisation of Cyprus in its wider sense must be broadened. There are fundamental weaknesses in the way that monuments, sites of natural beauty and historical importance and the cultural wealth are presented and promoted.

As analysed in the Strategy Implementation Plan, the Public Sector and in particular the Department of Antiquities, the Cultural Services, District Administrations, the Handicraft Centre as well as the Local Authorities (Local Government) must invest heavily in this area. The CTO has included in its activities an ambitious scheme for the development of cultural and other routes, new museums, information centres, workshops, and the organisation of events like International Festivals, for example an Annual Film Festival, Opera and various other artistic, cultural and folklore events.

Environment Related Products

Beyond the recognition of the undisputed two-way relationship between tourism and the environment, immediate action must be taken to protect and promote the environment as a basic factor of the effort to achieve the repositioning of tourist Cyprus. The areas where intervention is required include the strengthening of the regulatory framework for the protection of the environment, the introduction of environmental criteria in policy-making and project planning and design, the adoption
of environment-friendly practices and the promotion/cultivation of environmental consciousness.

The development of nature tourism projects such as nature trails, routes, environmental centres, cycling routes, camping sites and the protection of salt-lakes and the local flora and fauna, ranks high in priority in the planning programmes of the CTO and other Government departments such as the Forestry Department and the Environmental Services Department.

**Accommodation**

In order to identify the types of accommodation that should be offered, the needs of the selected market segments were linked to the corresponding types of establishment. The prioritisation of the latter was based on the number of the market segments to which they appeal. Based on criteria such as the potential for development of new beds, the required new capacity to satisfy demand until 2010, and on the conclusions drawn from the evaluation of the existing bed stock, the following strategic directions/intervention areas are proposed:

- The new types of accommodation that will be developed must fall into these categories and classes where a need for new beds was identified; these are the 3 to 5 star hotels, tourist villages, mixed use destination resorts, small units of character and agrotourist establishments.

- In order to better serve the targeted market segments, there is a need for the development of new types of accommodation such as mixed use destination resorts and small units of character.

- The existing accommodation must be upgraded.

- Accommodation in lower categories must be encouraged either to upgrade to the priority categories and classes or withdraw from the market.

To implement these strategic interventions the following measures are suggested:

(a) The review of the institutional framework that regulates the development and operation of tourist accommodation establishments is necessary. This must be done in order to determine the specifications for the new types of accommodation, to introduce qualitative criteria and to clarify/modernise the quantitative specifications, the classification system and the mechanisms for the approval of plans, and

(b) The introduction of Incentive Schemes towards the upgrade of hotel beds or their withdrawal from the bed supply.

The required number of beds to cover the maximum number of visitors (3.5 m) in 2010 was estimated at 131,000. Therefore, the additional number of beds required to the year 2010 was estimated at 22000.

On the basis of current data (beds in operation, beds under construction and extra beds that can be added to rooms according to the legislation), the total number of
beds in operation at the end of 2004 is estimated at 120,000. Consequently, 50% of the required additional beds has been created within a three-year period.

At the same time there is an increase in the number of second homes purchased by non-residents of Cyprus, and this trend is expected to continue through the accession of Cyprus to the European Union. As these residences are used for tourism purposes, the impact of this phenomenon of the second homes will be the subject of a special study.

This is a development that demonstrates the urgent need to speed up the implementation of the recommended strategic interventions, so as to achieve the construction of new beds in the desired categories and classes of tourist accommodation establishments that will satisfy the needs of the targeted market segments, and to control the rate of creation of new bed space.

**Catering**

The Strategy for the Promotion of the Local Cuisine aims at the satisfaction of the culinary needs of the tourists by offering quality food at different price levels.

This main aims of this strategy concern the revision of the institutional framework governing the establishment and operation of restaurants and bars - which are generally characterized by the common and standardised product they offer, a lack of originality and authenticity and poor service – and the promotion of the traditional Cypriot cuisine and hospitality. A pilot programme on the traditional cookery of Cyprus has been launched, and if successful, it will be further expanded. Other suggestions concern the conduct of a special survey, which will ultimately lead to the production and publication of a Good Food Guide, and the introduction of an incentive scheme that will encourage the upgrade of existing catering establishments.

**Basic Infrastructure**

The extension and upgrade of the airports that will lead to an increase in their capacity and the supply of top quality facilities and high service levels is a matter of great priority. Additionally, high priority should also be attached to the improvement of the ports and harbours, so as to enable their use not only as access points but also as areas offering services to the passengers of cruise ships.

The improvement and upgrade of the island's road network also requires urgent action, as the uniqueness of the tourist experience of Cyprus relies on the visitor's ability to travel in comfort and safety. The same holds true for the development of a satisfactory system of pavements, pedestrian streets and bicycle lanes, especially in the tourist areas.

**Internal Transport**

The repositioning of Cyprus aims at establishing the island as a quality destination that offers the visitor a rewarding, multi-faceted experience in a relatively small geographical area.
Towards this end, the improvement of the inland transportation services is a pressing need. Such services must be organised in a more efficient way, and be further upgraded through the introduction of new means of transport that will be providing smooth, comfortable, safe and reasonably-priced transport.

**Shopping and Merchandising**

Trade is in a position to contribute substantially as a means of projecting and promoting the rich cultural heritage of Cyprus. Consequently, it is important to take measures towards the replacement of the standardised, non-traditional items on offer at present, by authentic Cyprus products, and provide the tourists with ample shopping opportunities all over Cyprus.

**Regional Strategy**

Within the framework for the strategic repositioning of Cyprus, each region will be invited to create its own particular (regional) vision for its tourist development which will culminate in the offer of a special product (regional brand). The regional brand will be drawing on the particular characteristics (environmental, cultural etc) and strengths of each area, so as to gradually build-up a unique identity.

The stakeholders of every region were invited to prepare their own regional strategies, with financial and technical assistance from the CTO. These strategies must ultimately lead to the preparation of product development and marketing action plans.

In this way, every region of Cyprus will be able to make to best of its potential to achieve the appropriate tourist development in accordance with the repositioning effort and the overall strategic targets, to solve the problems it currently faces (such as the seasonality problem) and to reap the benefits associated with tourism.

**QUALITY AND VALUE-ADDED STRATEGY**

The primary aim of the Quality/Value-Added Strategy is to increase the value for money offered to the tourist by improving the relationship between price and quality.

Based on the aims of the Strategic Plan, the special targets of the Quality/Value-Added Strategy may be summarised as follows:

- The maximisation of the visitor’s satisfaction.
- The offer of a rich and multifaceted tourist experience.
- The development of a unique character and identity for the destination.
- The supply of tourist facilities and infrastructure of a greater breadth and attractiveness, and their constant maintenance at high quality levels.
- The respect and protection of the natural and cultural environments and social values.
The attainment and maintenance of high quality service levels.

The enhancement of the flexibility, readiness and effectiveness of the tourist sector.

The attainment of more rewarding but still competitive prices that will be in line with the quality and the value-added offered.

The increase in the productivity and performance for the sector in general.

The better use of investment in tourism, and the improvement of its returns.

The recruitment of Cypriot citizens for the most part, to meet the human resource needs of the tourist industry.

The preservation of the notion of hospitality and authenticity in the dealings of the locals with the tourists, and the development and nurturing of tourist awareness and consciousness.

The elevation of the levels of professionalism.

There are three basic areas of intervention for the Quality/Value-Added Strategy:

- **Quality**
- **Human Resource Development**
- **Prices**

Both the Marketing and the Product Strategies cover in part certain aspects of the above sectors, and contribute positively to the value offered to the tourist.

In the field of Quality it is suggested that incentive schemes be introduced, to encourage the implementation of quality certification and environmental management systems in the Hotel and Catering Industry. Moreover, a Customer Satisfaction Survey will be introduced, to gauge the satisfaction of customers and to evaluate the performance of the various aspects of the tourist product.

The existing institutional framework which regulates the operation of the hotel and catering establishments will be reviewed to incorporate new qualitative criteria. At the same time, the mode of operation of the above framework will be reviewed, so as to become more flexible and efficient.

A System of Sustainability Indices for the destination will be introduced, based on the recommendations of the consultant who was retained by CTO towards this end. This system will allow regular monitoring of the success of the Strategic Plan in meeting its qualitative targets.

Furthermore, at the regional level, the preparation and implementation of plans to reshape and chasten the built environment of tourist areas is proposed.

In the area of Human Resource Development, a survey must be conducted, which will determine the quantitative and qualitative needs of the tourist industry and
propose the introduction of training programmes for the entire spectrum of the people employed in the industry as well as for new sectors and fields of specialisation.

The conclusions of that survey will also determine the role and mode of operation of the Tourism Academy. New foreign personnel will be forced by legislation to attend a mandatory introductory training programme that will be introduced. Additionally, the minimum qualifications required of foreign personnel to be employed in the tourist industry will be defined and checked.

As far as prices are concerned, these will be under constant monitoring and systematic comparison with the prices of competing destinations.