

GREECE IN POLAND



Santorini



Getting Back on Track

Tasia Athanasiou, ambassador of Greece to Poland, talks to Ewa Hancock.

■ **Has Greece bounced back from its financial, economic and social crisis?**

Undoubtedly, Greece was hit harder by the crisis than any other EU country and many analysts were deeming the so-called “Grexit” inevitable. Today, however, thanks to many painful but necessary measures implemented by the Greek government, this risk is significantly reduced and the Greek economy is getting back on track. On the domestic front, pessimistic expectations have dissipated considerably and confidence is improving, resulting in a reversal of the downward trend in deposits. Abroad, the climate is also

turning around. The changed climate is reflected in a sharp narrowing of the yield spread between Greek and German 10-year government bonds. In the fiscal domain, the deficit reduction has been remarkable. Between 2009 and 2012, both the general government deficit and the corresponding primary deficit were reduced by 9 percentage points of GDP, while the fall in the structural deficit, at 15 percentage points, was even larger. What is more, the general government primary balance is expected to move to a surplus this year. Regarding the external sector, the current-account deficit shrank to 2.9 percent of GDP in 2012, down from a peak of almost 15 percent in 2008. More importantly, between 2010 and 2012, Greece recovered more than 75 percent of the loss in cost competitiveness incurred over the 2001-2009 period →

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⇒ od. Also, exports have increased. In fact, in 2012 Greece had the highest year-on-year growth in the export of goods among euro-area countries. Finally, we are looking to a significant boost from the tourism sector, since we are expecting more than 17 million tourists to visit our country this year.

■ How would you assess the European Union's role in coping with the crisis?

The crisis that hit mainly countries in southern Europe was unique and unexpected and proved that the EU lacked the necessary experience and institutions to tackle it. However, the EU took a series of measures to support the crises-stricken countries and created frameworks and institutions in order to be more prompt in its reactions and more efficient in tackling similar situations in the future.

■ What is the Greek people's attitude to the European Union right now and how do they see its future development?

It's true that there is a sentiment of bitterness within a certain segment of Greek society that has suffered more from the crisis and the structural reforms implemented to tackle it. Even now there is a lot of discussion about whether it is worth staying in the eurozone. However, there is a widespread feeling among the Greeks that there is no real alternative to being a member of the European family and eurozone in particular. Greek society realizes that the recession

was mainly caused by a lack of fiscal consolidation and lower competitiveness. And these are the problems we strive to correct. The idea is not to demonize the EU institutions and their performance, but how to make them more efficient in tackling the problems that many EU countries still face.

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Playing for Keeps

■ With its familiar white-and-purple logo and advertised by celebrities, mobile phone network Play boasts an impressive 9.1 million customers in Poland and a market share of over 16 percent.

The P4 company, which operates the Play network, is 50.3-percent owned by the Tollerton investment fund held by Greek businessman Panos Germanos, with the remaining 49.7 percent belonging to Icelandic fund Novator.

Play entered Poland's highly competitive mobile phone market more than six years ago, on March 16, 2007, when the market was equally divided among three players. From the very beginning, Play decided to strike out firmly and break the existing arrangement. Each change was a small revolution and consumers benefited from Play's presence. Upon its launch, Play offered a one-minute charge of just zł.0.49, in addition to flat-rate charges for calls to all networks, and cheap text and multimedia messages. The operator followed up with an attractively priced wireless internet service in July 2008. In March 2009, Play came up with a new offer called Play Fresh, with the lowest per-minute charges in prepaid plans at the time—at just zł.0.29. At the end of March 2012, Play revolutionized the market again with its FORMUŁA 4.0 no-limit package.

Play's consistent market strategies led to an increased number of customers and excellent financial results. In 2012, the company reported revenues in excess of zł.3.4 billion, 29 percent more than a year earlier. Its earnings before interest, depreciation and amortization (EBITDA) rose by 40 percent, from zł.874 million in 2011 to over zł.1.2 billion in 2012.

Over the past several years, Play has invariably been the most popular operator with customers deciding to migrate to another operator while keeping their number. Seven in every 10 customers changing their operator choose Play, making it the leader on the Mobile Number Portability market.

In February this year, the Office of Electronic Communications (UKE), Poland's telecommunications market regulator, announced the results of a tender procedure for frequencies in the 1800 MHz band, which is especially suitable for high-speed mobile internet and data transmission. Three of five available frequencies were allocated to P4. Thanks to them, Play will build a mobile internet network based on Long-Term Evolution (LTE) technology, which will make it possible to increase the availability of broadband services not only in cities, but also in rural areas and towns. As a result, Play will be able to offer even more attractive services to its customers.

Until recently dubbed the *enfant terrible* of Polish telecommunications, Play is now the fifth most valuable brand in Poland, worth over zł.1.4 billion, according to an annual league table compiled by the *Rzeczpospolita* daily newspaper.

Hybrid bank: the post-crisis model of banks is 'clicks and mortar'



The way consumers choose to transact is going through transition, with digital banking (whether internet or mobile) rapidly becoming the preferred medium for transactions. In fact, all major research houses predict that by 2015 digital banking will be the norm in transactions, with 60 percent of the global population transacting online. Almost in parallel, banks are making significant progress towards stabilizing after the financial crisis, launching numerous initiatives to improve capital efficiency, revenues, and costs. A happy coincidence? With the relative transaction cost of the branch being almost 50 times higher than that of online and mobile, and five times higher than that of self-service, it seems that truly embracing the hybrid bank model is really a one-way street.

Converting a bank branch into a place for communication and advice, while taking advantage of "digital potential" will bring huge advantages to banks to minimize costs while increasing sales, offering an overall new, tailor-made customer experience.

About Mellon Poland

Mellon Poland, a member of the Mellon Group of Companies, was founded in 2006 in Warsaw. The company provides advanced technology solutions and outsourcing services to organizations with strong consumer business, including retail banks, public utilities, telecommunications providers and insurance companies.

Incorporating the group's international know-how with the company's local expertise, Mellon Poland is uniquely positioned to address the modern needs of its customers, enabling them to optimize their operations, increase their market share and improve their bottomline.

However, this combination of "clicks and mortar" cannot happen overnight. Banks need to rethink the way they operate and lay down carefully detailed plans that will allow them to remain sustainable and profitable. The technology to support the new hybrid bank model is already available. Mellon Poland, a Warsaw-based company that provides advanced technology solutions and outsourcing services to organizations, offers its customers a number of opportunities to gain rapid returns on investment and achieve ongoing operational excellence. These include:

○ **Location-based offers and loyalty programs.** To remain competitive it is important to leverage data and create a more interactive customer experience across channels. This can be done with advanced segmentation tools that will help them understand consumer wants and needs and identify segmentation strategies and marketing tactics for implementing loyalty programs and provide value propositions for the appropriate audience. Likewise, by adding the location parameter in their segmentation, a bank can reevaluate its branch network, the locations and their potential in accordance to their target audience. With such a tool, the bank can decide not

only which branches to open, maintain or downsize, but also what type of services will be most attractive for the predominant consumer profiles of each location.

○ **Customer Flow Management.** The branch will not be extinct; it is however being transformed as consumers' expectations from the "bricks" channel are shifting from performing mundane transactions to getting advice on financial issues. Improving the customer experience at the branch is therefore critical if a bank wants to transform its branches to advisory and selling points. For the customer, this experience can start even before visiting the branch, with mobile and internet booking applications that can show the user the nearest bank branches, waiting times for the desired service, and appointment scheduling options, all from the comfort of their home, office or while on the move. This will minimize waiting times at the branch, provide the bank with valuable pre-visit data, and enhance overall customer service experience.

○ **Mobile integration.** More and more banks want to incorporate mobile banking as a regular delivery channel as consumer adoption continues to increase. With security and integration issues playing a decisive role in providing true mobile banking experience, it is important to leverage a consistent mobile platform and a strong authentication technology that can work across all major operating systems of touchscreen mobile devices. This infrastructure will be able to support enhanced applications like imaging, payments and location-based services that will soon become a prevalent trend as more and more consumers use smart phones and tablets for their interactions.

○ **Self-care options are now the norm for our everyday transactions.** Even when visiting the branch, consumers choose to perform the more simple transactions at the ATM. It is therefore important for banks to include various customer touchpoints to deliver a streamlined, end-to-end multichannel experience. ATM and Bill Payment manufacturers have been working towards this end for some time now, and are providing a host of features and functionalities that can really enhance the customer experience at the self-service channel. With large color displays, video chat options, but also recycling and contactless capabilities, the self-service network can really transform into a cost effective self-care channel.

○ **Outsourced and Shared Services** are becoming more and more popular as they allow banks to maintain a lean, focused operation, while leaving mainstream, non-core processes to be handled by expert third parties. And although the concept is not new, the transforming financial environment and the urgent need of banks to rethink their operations in terms of productivity, efficiency and profitability, are bringing a growing interest once again in delving into talent management, end-to-end process delivery, innovative structuring and gain-sharing partnering.

For more information please visit Mellon's site:
www.mellon.com.pl

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■ **What is the current state of Polish-Greek relations and what's their potential for growth? In what areas are the two countries particularly attractive to each other?**

Greece's political relations with Poland have traditionally been good and close, since both countries share the same democratic principles and respect the same values, as EU and NATO member states. Our cooperation is being enhanced continuously and there is a growing number of bilateral visits by officials. As we speak, the possibility of an official visit to Warsaw by Greece's President Karolos Papoulias is being explored.

Our economic relations also look good. Greek-Polish bilateral trade and economic relations have been growing steadily for the past 20 years, especially since Poland's accession to the EU in 2004. According to the Greek statistics office, in 2012 the volume of bilateral trade was at 627 million euros, while Greek exports to Poland stood at 274 million euros. Poland ranked 13th among our export markets in Europe and 23rd worldwide. Also in 2012, the value of Polish exports to Greece amounted to 353 million euros, which makes Poland Greece's 13th most important import market in Europe and 25th worldwide.

The growing and promising trade relations are complemented by Greek investment in Poland. There are 45 Polish companies with Greek capital in Poland, with the outward FDI stock of over 800 million euros. Greek-owned companies employ some 3,000 people in Poland. Some of the best-known examples are Play in the mobile telephony sector, Coca Cola HBC in the bottling industry, Chipita in the food industry, Totolotek in betting, Mellon and Mantis in the IT sector, and Terna in wind farms. However, the level of Polish investment in Greece is not as high as we would wish. A

rough estimate puts Polish outward FDI stock in Greece at a mere 3 million euros. There is clearly room for improvement here, mostly in the energy, tourism and real estate industries, while also bearing in mind that a very ambitious privatization program is currently being implemented in Greece.

Another important aspect of our relations, tourism, is an area we can be proud of. Anywhere from 250,000 to 400,000 tourists from Poland visit Greece every year. Greece steadily ranks among the top four tourist destinations among Polish travelers and is currently number one as regards charter flights. We are particularly glad that Aegean Airlines recently decided to include Warsaw in its flight schedule.

■ **How would you describe the state of the Greek tourism industry this summer?**

Tourism is the country's heavy industry. During the last three years, despite the crisis, tourism continued to contribute over 15 percent of Greece's GDP. In both 2011 and 2012 there were more than 16 million international tourist arrivals, and preliminary data suggest that this year's arrivals are likely to reach 17 million. In this sense, I would say that Greece remains one of Europe's favorite holiday destinations, as a result of factors including the competitive prices that one may now find in Greece, the landscape diversity, the excellent facilities, the superb food and the renowned hospitality of the Greek people. With regard to Polish visitors, I would like to draw your attention to data recently released by the Polish Tour Operators Association (PZOT). Almost 90 percent of Polish tourists prefer charter flights. According to PZOT data for the first 23 weeks of 2013 (that is until the end of May), bookings for Greek destinations, such as Heraclion, Rhodes, Corfu, Zante, Chania and Kos, made up about 19.8 percent of all charter flight bookings. Greece ranks first, for the first time in recent years, ahead of other very popular destinations. Taking this into account, there is a good chance that more than 350,000 Poles will visit Greece this year, compared to 255,000 in 2012. ■

Mykonos





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Kuba Wojewódzki is with Play and has **FORMUŁA 4.0**, where – with no limit – he talks, texts and sends MMS messages to everybody in Orange, T-Mobile, Plus and Play.

Which **FORMUŁA** will you choose: **S**, **M**, **L** or **4.0**? Check which one suits you best.

7 out of 10 people transferring their number choose Play.

For details visit a Play store or www.play.pl
Poland's fastest growing network.

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