Investigation of the Main Trends of Tourist Expenses in Georgia

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Abstract—The main purpose of the article is to make complex statistical analysis of tourist expenses of foreign visitors. We used mixed technique of selection that implies rules of random and proportional selection. Computer software SPSS was used to compute statistical data for corresponding analysis. Corresponding methodology of tourism statistics was implemented according to international standards. Important information was collected and grouped from the major Georgian airports. Techniques of statistical observation were prepared. A representative population of foreign visitors and a rule of selection of respondents were determined. We have a trend of growth of tourist numbers and share of tourists from post-soviet countries constantly increases. Level of satisfaction with tourist facilities and quality of service has grown, but still we have a problem of disparity between quality of service and prices. The design of tourist expenses of foreign visitors is diverse; competitiveness of tourist products of Georgian tourist companies is higher.

Keywords—Tourist, expenses, methods, statistics, analysis.

JelClassification—C18.

I. INTRODUCTION

FOR estimation of events in a tourism field, as well as for detection of trends and determination of statistical rules, we need objective information that requires perfect adaptation of international techniques of statistical accounting of tourism and practical implementation of these techniques on-site. Currently tourism statistics is at the stages of transformation and perfection in Georgia. The basic actual problems are related to complexity of information gathering and incomplete accounting. Tourism, as a sample of economic activity, is not separated in a classification of types of economic activities. Therefore, information that is partially related to tourist events is included in different categories of services and economic sector [1, p. 84]. Besides, categories of services do not fully include service objects, where tourism is represented. For this reason, tourism indicators are not yet calculated in Georgia and correspondingly, their quantitative analysis is still impossible. Because of non-adequate and incompatible information, precise determination of touristic opportunities with its anticipated results and predictions is also impossible. Therefore, our study theoretically, as well as practically, is one more attempt to develop certain opinions about tourism and create stimulus for the following higher-level studies. The aim of studies must be investigation of complex statistics of tourist expenses with modern techniques. It will create precondition for development of an efficient technique of determination of impact of tourism on a country's economic growth.

The basic aim of this study was to make complex statistical analysis of touristic expenses of foreign visitors.

We noticed the interesting trend in the distribution of expenses for first and second-time visitors. First-time visitors spent almost 1.5 times more money for recreation than those during return visits. Besides, first-time visitors spent 1.3 times more money for small-scale purchases, 1.6 times more for local transport and 1.4 times more for food compared to second-time visitors. Lastly, for the case of purchasing items of long-term usage, second-time visitors spent 1.4 times more money for such items than first-time visitors.

II. SCIENTIFIC AIM

Study was oriented on a solution of the following problems: the design of expenses of foreign visitors; competitiveness of touristic products of tourist companies. In case of necessity, recommendations will be prepared to develop activities of tourist companies.

III. METHODOLOGY/METHODS

We used mixed technique from the techniques of selection in the study process. It implies rules of random and proportional selection, because random technique guarantees the most objective results and the proportional technique is the most available taking into account the project resources. It implies completely random selection of a certain part of the population of international visitors of the airports (selection base) and proportional distribution of this population in the cities according to an interesting indicator (in this case expenses) [4]. Data from airports was uploaded to a united database and analyzed in MS Excel and SPSS 20 software by means of sorting, filtering, recoding, cross-tabulation, typological, structural and analytical grouping, preparation of group and combinational tables, as well as calculation of different statistical indicators.

A study questionnaire including 16 questions was developed according to respondents' age, sex, employment status, citizenship, number of visits in Georgia, number of days spent in Georgia, location types, purpose of arrival, types of transport, travelled places, types of tourist packets, prices, and expenses, etc. [3].

IV. RESULTS

Study of foreign visitors included people who arrived in April-August of 2016 by means of air transport. Therefore,

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information gathering and grouping was accomplished according to major Georgian airports [1, p. 250]. On the basis of our calculations and a pilot study, selection size was determined and a representative population of foreign visitors was selected. It included 2,167 people. The selection base included passengers in May-August of 2016. We used data from Tbilisi, Batumi and Kutaisi airports, particularly flight schedule, average number of flights and number of sold tickets. On the basis of the official schedule of international flights, we determined number of daily, each alternate day and singular flights during one month, as well as the average number of passengers; we determined the above-mentioned number on the basis of weighted arithmetic mean.

According to official data of the Georgian Ministry of Internal Affairs, Tbilisi airport is the absolute leader by number in terms of foreign visitors leaving Georgia. Its share is 81.9%, if we count the number of foreign visitors using air transport [6].
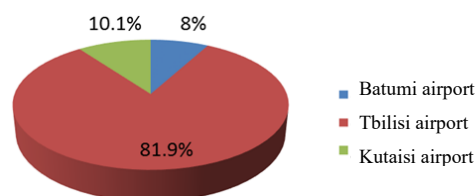

Fig. 1 Percentage share of passenger transfers according to international airports Source: The chart is based on data of the Ministry of Internal Affairs of Georgia about border-crossings in 2013 [7] and on the data of the National Statistics Office of Georgia [5]. The latest data are not available by airports, due to aggregate format of border crossings

As the pilot research shows (100 respondents were questioned), the visitors were mainly residents of Russia, Ukraine, Azerbaijan, Turkey, Armenia, Kazakhstan and other countries [6].

After determining sample size, passengers were distributed according to citizenship and proportionally to the number of visitors of international airports and number of sold tickets. The following quotas were established for the cities: 1,775 – Tbilisi; 174 – Kutaisi and 218 – Batumi. These quotas were distributed among regions according to Tbilisi, Kutaisi and Batumi [2, p.250].

A monthly study was conducted in May-August of 2016. The target segment of the study included foreign visitors aged 15 years and over, who arrived in Georgia during the target month (data was generalized for target month with current methodology). Weighting and imputation of results was conducted according to each particular month.

The study showed that 47.2% of respondents were women and 52.8% men, and that 58.3% were hired employees, 18.9% - self-employed, 4.7% - retired, 2.5% - unemployed and 5.4% - housewife [2, p. 251].

Younger people account for the largest proportion of the selected population at 33.5% from the 20-30 year age group, 32.2% were 31-40 years old, 16.5% - 41-50 years old and 12.3% - reached 60 and above.

As we concluded, the most frequent visitors of Georgia are citizens of Ukraine (21.4%), Russian Federation (18.3%), Middle Asia (9.3%), Armenia (8.6%), Iran (5.3%), Azerbaijan (4.6%), European Union (7.9%), etc. [2, p. 252].

TABLE I
NUMBER OF PASSENGERS LEAVING GEORGIA ACCORDING TO INTERNATIONAL AIRPORTS AND COUNTRY OF RESIDENCY

Check point	Georgia	Turkey	Armenia	Azerbaijan	Russian Federation	Other	Sum	%
Batumi airport	15,189	11,539	226	359	15,051	30,605	72,969	8.0
Tbilisi airport	286,142	22,130	19,419	17,236	94,260	311,488	750,675	81.9
Kutaisi airport	26,901	109	652	395	8,019	56,940	93,016	10.1
Sum	328,232	33,778	20,297	17,990	217,330	399,033	916660	

Source: [7] The table is based on data of the Ministry of Internal Affairs of Georgia about border-crossing in 2013. The latest data are not available by airports, due to the aggregate format of border crossings.

TABLE II
DISTRIBUTION OF QUESTIONED RESPONDENTS ACCORDING TO AIRPORTS

Share of border crossing	11.0%	26.0%	20.0%	7.7%	14.8%	9.0%	11.5%	100%
Check point	Germany	Turkey	Ukraine	Azerbaijan	Russian Federation	Belorussia	Other	Sum
Batumi airport – air	0	140	20	0	40	10	8	218
Tbilisi airport – air	220	405	340	165	250	185	210	1775
Kutaisi airport – air	10	25	80	0	30	0	29	174
Sum	230	570	440	165	320	195	247	2167

Growth of tourist numbers from the Russian Federation and Ukraine is especially important, because it is quite profitable for our economics, if we take into account the fact that the citizens of these two countries have significant share in tourist expenses. As the study showed that the majority of tourists who visited Georgia for the first time belong to the younger age population, as shown in Fig. 5. The share of 20-40 year old tourists is very large (71%), and therefore, there is an

expectation that they will visit Georgia again at a future time [2, p. 253].

The results show that 1295 respondents, i.e. 59% visited Georgia for the first time. Most of them (13.6%) spent six nights in Georgia, 11.7% - seven nights and 8.8% - one night. Generally, the average number of nights spent by foreign visitors in Georgia was 8.5 according to our calculations. Meanwhile, 21.4% of visitors travelled alone, 39.6% - with

relatives, 26.5% - with friends and 4.4% - with group. Besides, 34.8% of visitors were accompanied by two people, 22.4% - one person, 17.4% - three people and 11.2% - four people.
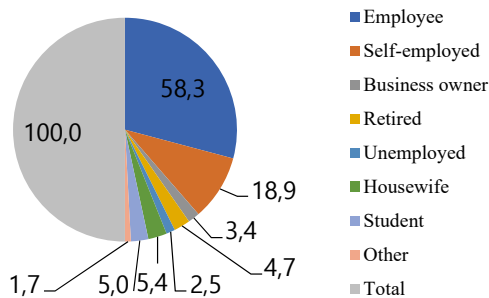

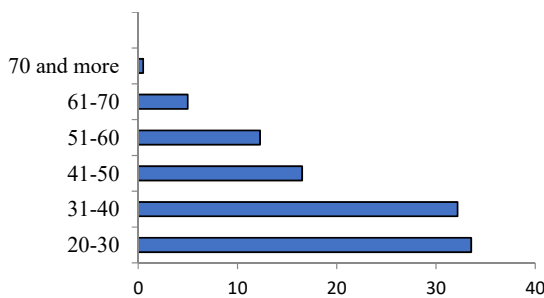Fig. 2 Distribution of Tourists by Economic Status
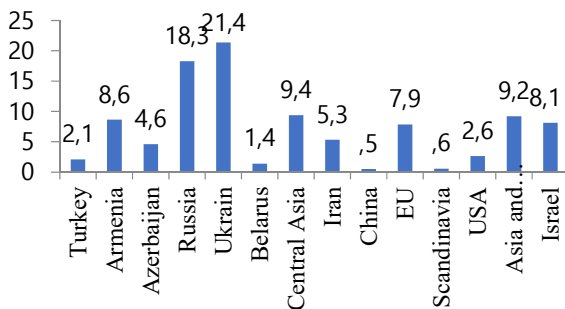

Fig. 3 Distribution of Tourists by Age

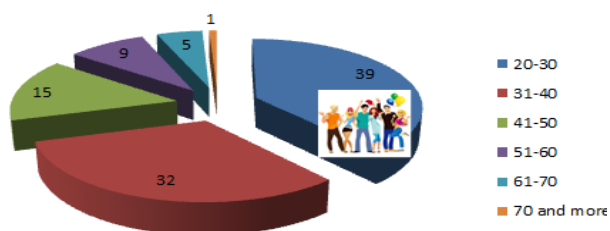Fig. 4 Distribution of Tourists by Citizenship

Fig. 5 Age and First Visit cross tabulation of Tourists

The majority of respondents (59.6%) visited hotels as the most popular means of placement, 10.8% - guest house, 9.9% - hired apartment, 9.2% - hired private building, 5% - lived in friends' apartments.

For 67.8% of visitors, the purpose of visit was recreational,

while 14.4% were in Georgia to see friends and relatives and 13.7% had professional goals.
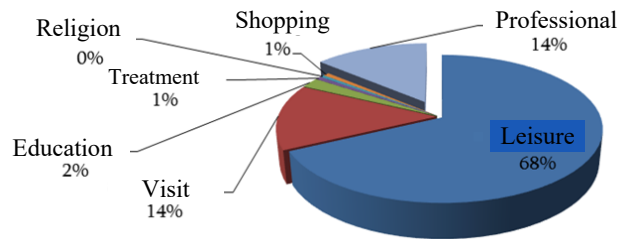

Fig. 6 Distribution of Tourists by Aim

It should be noted that as the study showed, tourists also had business interests in Georgia. In this regard the following post-Soviet countries were distinguished: Russia, Ukraine and Middle Asia (Kazakhstan and Uzbekistan).
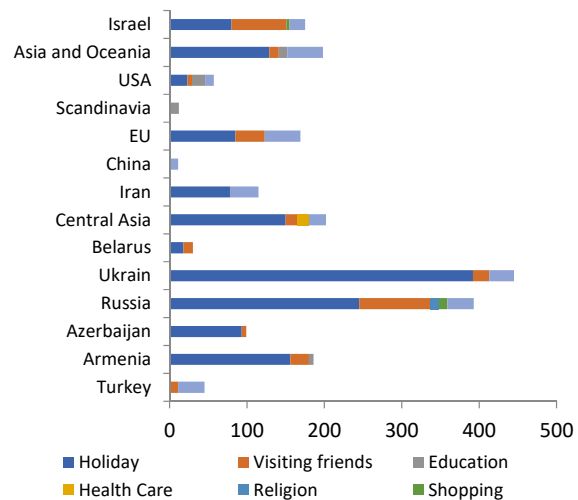

Fig. 7 Cross tabulation of Purpose and Citizenship

It is a fact that majority of respondents (85.7%) used services of foreign airlines for visiting Georgia. According to study results, as it was predicted, the most frequently visited sites are Tbilisi and Batumi seasonally: 71.9% of respondents visited Tbilisi, 52% - Batumi, 15.2% - Borjomi, 13.8% - Kutaisi, 11.7% - Gori, 3.2% - Bakuriani, 2.7% - Dmanisi, 3.8% - Gudauri, 10.5% - Kazbegi, 3.2% - Kvareli, 2.8% - Marneuli, 6.7% - Mestia and Ushguli, 15.7% - Mtskheta, 5% - Rustavi, 10.7% - Signagi, 5.5% - Telavi, 4.2% - Zugdidi, 3.4% - Ureki, etc.

Analysis of the results presents an interesting picture of the visitations of touristic places according to country of residence of tourists. For example, Anaklia was visited by 12 tourists only from Belorussia and Israel. Bakuriani was visited by 55 tourists; 31% of them were from Russia, 27% - from Azerbaijan and 20% - from Iran. Batumi had 1,079 visitors; 29.7% of them were from Ukraine, 16.8% - from Russia and 9.9% - from Israel. Borjomi had 314 visitors and most of them, particularly 27.7% were from Middle Asia (Uzbekistan

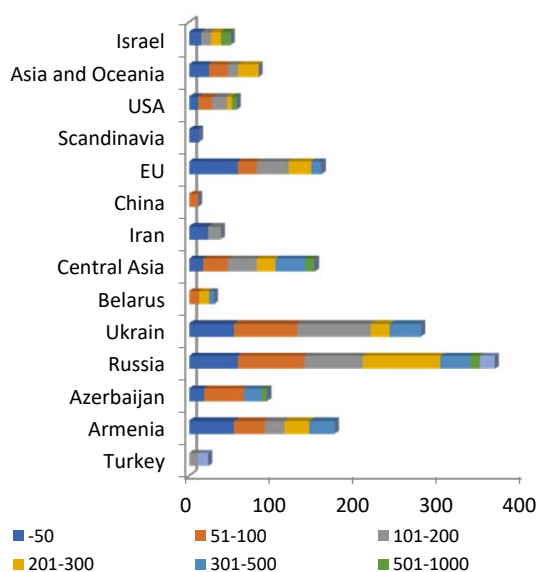and Kazakhstan), and 23.6% were citizens of Russia, etc.

Fig. 8 Cross tabulation of Food Expenses and Citizenship

In terms of package tour bookings, 80.2% of respondents did not travel on a pre-planned package tour and planned their Georgian tour independently, while for the remaining respondents (19.8%), 2.4% bought tourist packages from Georgian tour operators and 17.4% used services of foreign tour operators. The price of the majority of tourist packages was US $601-1000, and 26.5% paid $401-500 for their package. The statistics of tourist expenses of visitors who traveled without buying packages is quite interesting. In the case of independently planned tours, 34.3% of respondents paid $101-300 to hire a translator, 31.7% paid $301-700 for the same purpose, while 18.9% paid over $1,000.

In terms of spending for recreational purposes, 31.1% of visitors paid $101-200, but 38.7% paid only $50 for the same purpose. In this regard, the residents of Russia, Ukraine, Israel and EU countries stand out once again.

In terms of spending on purchases, 28.2% of respondents paid over $100 to buy different goods, while 15.3% paid $201-500 for the same purpose. Once again, the residents of Russia, Ukraine and Middle Asian countries stand out. A total of 82.5% of visitors expended over $500 for commercial purchases and 8.8% expended over $1,000 for the same purpose. Commercial purchases were basically made by tourists from Russia, Ukraine and Israel.

On food expenditure during their stay, 22.4% of respondents spent over $50, while 23.1% of respondents indicated expenditure of $51-100, 17.1% - $201-300, 11.5% - $301-500, and 2% of respondents spent more than $1,001 for food.

As Fig. 8 shows, Russia, Ukraine, European Union, Armenia, Azerbaijan and Middle Asia are distinguished with the highest expenses. Respondents who visited Georgia for recreational and professional purposes spent more money on food than others.

According to the study results, every questioned respondent used local transport services, with the majority (64.5%) spending over $50 for this purpose, 21.4% - $50-100 and 10.6% - $101-300 and 3.5% - more than $300. A total of 192 visitors bought items for long-term usage, while 33% spent $100-200, 54.7% - $201-500 and 12% - more than $501. Only 17 visitors bought jewelry and it is only 0.8% of respondents. Mostly visitors from Israel were interested in jewelry. Meanwhile, 1% of respondents, i.e. 21 visitors bought real estate.

We could calculate average indicators of expenses by means of discretization of interval indicators according to each type of expenses.

According to the study results, average visitor spent $98.50 for recreation, $98.50 for small purchases, $521.40 for commercial purchases, $62.13 for local transport, $319.2708 for items of long-term usage, $250 for jewelry, $5,000 for real estate, $198.55 for food and $602.8139 for the other purposes (basically transport expenses were indicated here). In conclusion, respondents spent $892,575 after deduction of other expenses.

A total of 1,309 visitors had individual expenses, and these reached in total $535,545. According to our calculations, the individual expenses of the average visitor were $409.13, while for the collective expenses (with relatives and family members) totaled $357,030, which represents 858 respondents from 3,281 visitors. The study showed that one average group of relatives included 3.8-4 people. Expenses on one person totaled $108.81 according to our calculation. Therefore, the average visitor spent $413.5 in this case.

TABLE III
EXPENSES ON FOOD AND PURPOSE OF VISIT

	Expense (US dollars)					
	Over 50	51–100	101–200	201–300	301–500	501–1000
PurposeRecreation	282	283	342	252	228	47
Visit	35	48	51	31	21	0
Education	18	23	50	6	0	0
Treatment	0	17	0	0	0	0
Religion	0	11	0	0	0	0
Shopping	20	44	17	21	0	0
Professional	130	75	55	60	0	0
Sum	485	501	515	370	249	47

Study showed that the highest share of tourists was the first-time visitors, i.e. 69% arrived with their friends and relatives. From the second-time visitors, 27% arrived alone and 38.9% - with relatives. It is worthwhile to note that 40% of visitors had visited Georgia several times, i.e. almost every fourth visitor returns to Georgia.

We noticed the interesting trend in the distribution of expenses for first and second-time visitors. First-time visitors spent almost 1.5 times more money for recreation than those during return visits. Besides, first-time visitors spent 1.3 times more money for small-scale purchases, 1.6 times more for local transport and 1.4 times more for food compared to second-time visitors. Lastly, for the case of purchasing items of long-term usage, second-time visitors spent 1.4 times more money for such items than first-time visitors.

V.   CONCLUSIONS

When we processed the empirical data, the following important problems were outlined that deserve our attention:

- There is a trend of growth of tourist numbers from post-Soviet countries: Russia, Ukraine, Uzbekistan, Kazakhstan, Armenia, Azerbaijan and other countries are especially distinguished;
- Younger tourist population predominates;
- Share of recreational expenses is especially higher for residents of Russia, Ukraine, and Israel, as well as countries of the European Union;
- Share of expenses on different goods is highest for citizens of Russia, Ukraine and Middle Asia.
- Share of expenses on food is also highest for citizens Russia, Ukraine, European Union, Armenia, Azerbaijan and Central Asia;
- Tourists who visit Georgia for recreational and professional purposes spent most on food;
- Most commercial purchases were made by tourists from Russia, Ukraine and Israel. Tourists from Israel were also interested in jewelry;
- Level of satisfaction with tourist infrastructure and quality of service is higher, but the problem of incompatibility of prices and quality still exists;
- Respondents who bought tourist packets (regardless of the residency of tour operator), indicated only food expenses (average of $189.55), when they classified expenses;
- Share of the second-time visitors was 40% of tourists, i.e. almost every fourth tourist returns to Georgia;
- Tourist visits have similar trends according to cities, but representatives of Middle Asian countries and Israel are especially interested in the resorts of Borjomi and Tskaltubo;
- Social-cultural, as well as political factors, has an impact on the distribution of visitors according to cities. Particularly, the majority of citizens of Azerbaijan visit Batumi and Armenians prefer Kobuleti.
- Traditionally, first-time visitors spent more in Georgia than those during the second visit.

In addition, the authors of this study are currently developing recommendations for the improvement of statistical accounting of tourism, which will be presented to the National Statistics Office of Georgia, Georgian National Tourism Administration and other interested organizations.

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