

## Prospects of Russian Tourism in Greece

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### Abstract

*Greece is very attractive country for Russian tourists. Outbound flow from Russia to Greece is constantly growing. Problems of the Russian economy, decline in purchasing, the devaluation of the national currency, the European Union sanctions have led to a great decrease in demand for tourism in Russia. In this context, Greece is one of the potential leaders for Russian tourists. This article describes the main characteristics of Russian tourists, their preferences, with recommendations to improve the attractiveness of Greece, the necessary efforts to retain tourists from Russia. Russian tourists are the main source of income for mass-tourists destinations. Such countries as Turkey and Egypt make huge efforts to maintain and increase the amount of Russian tourists. Greece needs to learn from their experience. The main problem is the price and visa formalities. It is necessary to identify the correct price segment of Russian tourists and to simplify the entry procedure.*

**Keywords:** Greece, Russia, tourism, outbound flow, inbound flow.

### 1. Introduction

Greece is a magnificent country. It is the birthplace of the ancient myths, ancient Greek heroes and gods, prestigious resorts and various tourist attractions. Greece fascinates by azure shores, soft sands, warm sea and favorable climate. Holidays in Greece is a unique event in the life of every tourist. Greece is a place where concentrated a huge amount of historical monuments. Being the cradle of civilization, in this country as anywhere else in the world are concentrated unique attractions of antiquity. Greece is a country where tourists are offered plenty of entertainment for every taste. You will be able to pay attention to active water sports, to visit the spa treatments, beauty salons, explore the underwater world of Greece.

Greece is very attractive for Russians. Greece has not only sea, beach and all-inclusive hotels but the great history and culture.

Economic and political situation in Russia is very difficult. Most tourists will prefer domestic trips in 2015. The question is: where will go the rest? Greece has all opportunities "to grab its piece of a pie".

### 2. What is Greece for Russians?

The majority of Russians (32%) consider Greece primarily as a country for a family holiday. The main part of the flow from Russia is the middle class (35%). Most Russians are attracted to the sea and islands of Greece. The main reasons for visiting tourists are islands (50%), culture and history (20%). The rest chose Greece as their place of rest for reasons of price, security and hospitality (10% each).

Not less than 40% of Russian tourists are choosing to holiday at sea, 30% – on the coasts, 10% – goes to sea cruises. The most popular among Russians is the island of Crete. Here rests 33% of all tourists. In Northern Greece (Thessaloniki, Chalkidiki) – 25%, on the islands of Rhodes and Kos – 20% and 17% on all other resorts in Greece.

Russian tourists spend in Greece more than 1 thousand Euros per tourist, while the average tourists spend about 670 Euros.

The dynamics of growth of tourism from Russia is positive. More and more travelers are choosing for themselves exactly Greece (see table 1).

**Table 1.** Statistics of Russian outbound tourism (in thousands)

Year	Country of destination					
	Turkey	Egypt	Greece	Spain	Thailand	Germany
2002	690,1	239,7	89,7	227,9	40,3	209
2003	1038,6	368,4	91,4	168,4	54,8	278,1
2004	1445,9	586,4	100,3	190,9	80,5	256
2005	1562,7	695,7	146,3	218,7	70,9	231,1
2006	1475,6	902,8	198,8	246,1	144,8	225,7
2007	1923,4	1255,4	244	318,6	232,3	231,3
2008	2212,8	1426,7	349,2	365,4	258,8	330,3
2009	1966,7	1615,4	282,3	296,3	233,1	363,3
2010	2367,6	2198,3	386,7	411,4	264,1	470,8
2011	2681,7	1452,8	612,5	645,3	780,2	702,3
2012	2516,1	1906,6	690,4	792,1	885,1	713,1
2013	3078,5	1909,2	1175,6	1012,8	1034,9	830,1
2014	3278,4	2565,7	1016,1	982,3	933,8	820,1
Rate position in 2014	1	2	3	4	5	6

Tourists from Russia account for an increasing share of the total arrivals in Greece and are among the top five source countries (see table 2). Greek and Russian arrivals statistics differs because Russian takes into account only officially bought tours.

**Table 2.** Top-5 Greece inbound tourism countries in 2013

Country of origin	Number of inbound travelers in Greece (in thousands)
Germany	2267,5
Great Britain	1846,3
Russia	1352,9
France	1152,2
Italy	964,3

In today's unstable economic and political situation in Russia, Greece can count on the growing interest among Russian tourists.

### 3. Economic and Political Situation in Russia

Most economic indicators in Russia (GDP, industrial production index, unemployment rate, the real incomes of the population) in 2013-14 decreased. Indicators of outbound tourism also fell. The main factors that influenced this decrease: the economic situation in the country, reducing the purchasing power of tourists because of the collapse of the national currency, the decline of confidence in the market, foreign-policy factors, the restriction on travel for certain categories of consumers and increase the number of independent tourists.

2014 was one of the most difficult for Russian tourism. Against the background of political tension and weakening of the ruble, many Russians refused to travel abroad. First of all European destinations was affected. On average, organized Russian tourist flow to Europe decreased by 25-30%. The increase was only towards Cyprus and Hungary. Hungary has its own currency, and the price level is relatively low compared to other European countries. For Cyprus, Russia is one of the key source of tourists, so the country is trying to make every effort to maintain the current level of Russian tourist flow. From the "dollar-zone" countries only Turkey and Egypt had the growth.

In spite of everything, Russian tourists prefer to vacation abroad. The main reasons for this choice: climate conditions, high prices for accommodation and air travel in Russia, service quality, low maintenance, general negative image of the country.

Under the circumstances, Greece is becoming the one of the most important tourist destinations for Russians.

EU sanctions, strong devaluation, inflation, growth of consumer price index led to the downfall personal income by 30%. This will affect the overall market of outbound tourism and choosing of the travel direction.

Sanctions against Russia also influence the tourist flow to Greece. The number of tourists in 2014 decreased by

15%, leading to a drop in income from tourism. However, the general interest to Greece among Russians is very high.

#### 4. Russian Tourism Trends

About 96% of outbound tourism market is in 20 states. Among them are European countries, Israel, China, Thailand. The demand for outbound tourism in Russia in 2014 fell on 30-40% compared to previous year.

Price to tours in Turkey rose by 10%, in Europe by 15-20% due to the increase of the Euro exchange rate. Egyptian hotels offered attractive prices to Russian tourists, and the Egyptian authorities actively informed about the safety of the resorts. This has led to an increase in tourist trips by 10-15%.

Greece has lost 15-20%. The main reasons: bankruptcy of large Russian tour operators, overbooking in hotels associated with the activation of the German, British and Scandinavian tourists.

Spain had 25% drop down because of the bankruptcies of tour operators, sanctions against Russia.

In 2014, price for tours rose by 20%, and flights abroad rose by 22%.

The depth of sales reduced to one to four weeks bookings. Booking for more than two months halved. 27% less tourists began to book tours in advance for one or two months. The proportion of bookings for 15-30 days rose to 37%.

Growth of domestic tourism in Russia in 2014 is ranged from 30 to 40%. In 2015 it will rise to 15-30%.

During the first two months of 2015 Russian outbound flow decreased by 30-40% compared to the same period in 2014. The number of early bookings declined significantly. Such negative statistics is a concern among representatives of foreign tourist industry. It is expected that problems of the Russian economy will not disappear by the summer, so a number of countries are taking efforts to support the tourist flow from Russia. For example, Turkey is going to subsidize charter flights in the amount of \$6000 per flight.

#### 5. Proposals to Increase the Numbers of Russian Tourists to Greece

Prices in 2015 will be a major factor when planning a vacation by Russians. In case to save, tourists will prefer hotels "all inclusive" or places where to get cheap. A level of service and sacrifice exotic impressions will fade into the background, because the real income of Russians dropped significantly in 2014 (see table 3).

**Table 3.** Level of personal income in Russia

Year	Personal income in Russia, Euro
2002	116,78
2003	142,43
2004	174,66
2005	236,50
2006	295,19
2007	347,37
2008	347,28
2009	385,73
2010	470,43
2011	515,63
2012	576,20
2013	561,21
2014	397,84

The most stable demand for tours will at price about a thousand Euro. Relatively stable tours will be sold in the segment of "luxury". However, the number of tourists in 2015 will be significantly reduced. Finally, the greatest fluctuations undergo a mid-priced segment (1000-2000 Euro). In part, these tourists will go in the budget-class.

Comfort goes by the wayside. Tourists are again ready to fly with several transfers or night flight, if tickets cost less. Instead prestigious hotels are increasingly looking more budget options: apartments, hostels or guest houses.

The most in the trip will be to save the middle class. They are the ones who used to spend on vacation from one thousand to two thousand Euros. The demand for such tours will drop for 80%.

The number of tourists traveling on their own will increase. This situation was in 2014 and will remain in 2015. Even at the popular resorts (Turkey, Egypt) due to bankruptcies of tourist companies, Russians will begin to book a trip by themselves.

Wildest predictions: Internet for the first time will surpass the usual travel agency by the number of trips sold. And will come to the forefront of the online travel agencies – sites where you can find and book flights, hotels, buy insurance, rent a car. In general, to make a whole tour.

Beach destinations that will always be in demand among Russian tourists are Turkey, Egypt, Thailand, Greece, Spain. In 2015, Greece and Spain may fail because they are more expensive and have a strong visa formality.

Russian tourists are the main source of income for mass-tourists destinations. Many hoteliers reacted adequately to the fall of the ruble. They reduced the prices. On average, prices were down about 20 percent. Price for the tour in Russian national currency is still increased, but not so dramatically. Tour operators have adjusted their programs in favor of the most popular resorts and budget tourism. Even with the negative scenarios in the economy sale of tours to Turkey and Egypt may remain at the level of previous years. Greece has to offer special programs to compete with these tour destinations.

## 6. Conclusion

Greece is one of the leaders for the Russian outbound tourism. The crisis in the Russian economy has made strong changes in tourist preferences. Greece can keep and even increase the tourists flow in current and future years. To do this, Greece must correctly identify the price segment of Russian tourists, as well as to take action in support of tourism at the government level.

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