

THE ROLE OF REGIONAL TOURISM AUTHORITIES IN TOURISM POLICY MONITORING – THE CASE OF GREEK RTOS

Polyxeni Moira

PhD, Professor, Department of Tourism Industry Management, Technological Education Institute of Piraeus/Greece
polmoira@teipir.gr

Dimitrios Mylonopoulos

Associate Professor, Department of Tourism Industry Management, Technological Education Institute of Piraeus/Greece
dimilon@teipir.gr

Aikaterini Karavasili

National Tourism Organization of Greece
katerina_karavasili@hotmail.com

ABSTRACT

Over the last decade, Russia's national income has been constantly growing, which has resulted in the increase in outbound Russian tourism. As Russian tourists are sought-after in tourist destinations due to their high consumer expenditure, Russia is emerging as a new source tourist market especially for the countries of the Mediterranean, like Greece.

Greece's objective is to attract as many Russian tourists as possible and for this reason it has been trying to develop the Greek-Russian relations. As for the tourism sector, Greece is attempting to promote its tourist product in Russia and convince Russian citizens of its quality and attractiveness. For the achievement of this objective a specific administrative unit, with exclusive competence in the tourism sector, has been founded in Moscow. This unit is staffed with specialized executives and it is supervised by the Greek National Tourism Organization (GNTO). This administrative unit is called Office of the GNTO in Moscow.

This article aims to study the structure, organization and function of the Greek tourism office in Moscow, by analysing and assessing its activities. One of its goals is the submission of proposals that will map out the appropriate tourism policy, which will enhance Greece's competitiveness among the Mediterranean countries and will result in gaining a bigger share in the Russian tourism market.

KEYWORDS

Greek-Russian Tourism, Office of Greek tourism, Moscow.

1. INTRODUCTION

The Manila Declaration on World Tourism underlines the importance of global tourism for the economic, social and cultural development of the nations (GNTTO, 1981). Tourism, according to the Global Code of Ethics for Tourism, is a living force for peace, an agent of friendship and understanding among nations.

Tourism, as a multifaceted activity, is a driving force for natural and human resources that go beyond the frontiers of a country (Moirira and Mylonopoulos, 2004: 122). MacCannell (1976: 8) claims that tourists try to escape from their alienated and non authentic daily lives, seeking for authenticity in other places and times. Through the quest for authentic experiences, tourists try to reconnect with what is genuine and natural. Authenticity comprises not only the social relations with the local population but also acquaintance with the natural amenities at a destination. Tourism includes a number of activities that go beyond the territorial and cultural frontiers and consequently, it contributes to intercultural communication. Tourists take advantage of their free time to go on a trip away from their place of residence and work. Tourism is a multidimensional social phenomenon which has always been intertwined with free time and free choice.

Through its culture and democracy, Greece has attracted since antiquity visitors from all over the world, who seek for the deepest meaning of the human existence. Considering the constant flow of international tourists to Greece, Russia is an emerging tourist market.

Greece and Russia are connected with powerful bonds of friendship based on the common religious element (orthodox Christian faith), on common cultural values and historic memories. Throughout history there has been a strong presence of Russian citizens of Greek origin, who live mainly in Southern Russia, but also of many Russians who live in Greece (Fotiadis, 2003).

During the last decade, the bilateral trade agreements have increased and Greek-Russian economic relations, the tourism sector included, have developed substantially. In order to promote cooperation in the field of sustainable tourism, Greece and Russia signed in 1993 an Agreement on Cooperation in the field of Tourism, which included, inter alia, the exchange of information, know-how and best practices in the field of alternative forms of tourism (cultural and religious, rural etc.)

This paper aims to study the structure, organization and function of the Greek national tourism office in Moscow, as well as examine and assess its activities. The material collected concerns the operational costs, the advertising expenditures and the participation expenses in international tourism exhibitions and fairs. It also seeks to examine the relation between the overall cost and the final result, that is whether the Russian tourist arrivals in Greece have increased or not. Finally, some proposals are made concerning the tourism policy that the Greek National Tourism Office in Moscow could follow so that Greece can become more competitive among the Mediterranean countries resulting in a greater share of the Russian tourism market.

2. THE RUSSIAN TOURIST MARKET

Russia is the largest country of the world, with regard to its area (17,075,200 km²) while its population is 140,041,247 inhabitants, according to estimates for 2009. Its capital is Moscow, the Holy Mother of the Russians, which is considered as the economical, political and cultural centre of Russia. The official language is Russian and the national currency is the ruble.

After 1991, the most important objective of the economic policy was the change of the economic mechanism in Russia in order to achieve the transformation of the economy, to stabilize the macroeconomic factors and to set the foundations for the future development of the country (Malkidis, 2008: 73).

During the last decade, Russia thanks to its oil and natural gas resources, has achieved an important economic development (Russian Embassy, 2008). Its GDP is constantly rising, and the household consumption is increasing annually by 15%. Services, tourism included, are the largest share of GDP.

Russia is an emerging international tourist market with an increase in 12% in outbound tourism. Russians are considered to be the most sought-after tourists for Greece. They usually travel with their families (4 or 5 people) and avoid the prepaid packages. They prefer to stay in luxurious hotels, independent villas or bungalows and choose to have meals and entertain themselves in tourist businesses (e.g. restaurants, cafeterias, bars) of high standards close to their place of residence. Their consumer expenditure while on holidays is high and it is reported that the tips they give range between 30 and 40 euros (Katsos, 2005: 63).

Russian tourists wish to have the outmost satisfaction from their vacations by spending a lot of money on shopping (e.g. clothing, shoes, furs). It has to be noted that they hold the third place among the top nations of the world concerning tourism expenditures.

3. GREECE AS A TOURIST DESTINATION FOR RUSSIANS

Greece is located in the southern tip of the Balkan Peninsula and is surrounded by the Mediterranean Sea. It has an area of 131,957 km² and its population in 2008 was estimated at 11,237,068 inhabitants (Hellenic Statistical Authority, 2010). It has an extended coastline of about 16,000 km.

Greece has a rich natural, cultural environment and unique climate conditions and consequently, it can develop different forms of tourism (e.g. cultural, religious, agrotourism, marine, congress, health tourism) focusing on the particularity of each area.

250,000 Russian tourists visited Greece in 2007 and the year after (2008) there was an impressive increase of 20%. With regard to the destinations, the first choice is Crete, which is preferred by 27%, followed by N. Greece (16%), Attica (12%), Rhodes (8.5%), and Corfu (7%). N. Greece has also a commercial interest because of the fur industry (Express, 2010). Russian tourists consume 80% of the Greek fur production, while the 45% of the commercial transactions between Russia and Greece concern the fur export. During the summer months more than five charter flights are landed daily at Macedonia International Airport of Thessaloniki, which carry wealthy Russians who want to purchase fur (Ministry of National Education and Religious Affairs, 2010).

From the table below (Table 1) concerning the arrivals of Russian tourists in Greece for the years 2002-2010, it is clear that until 2006 there was a rising trend, but in 2007 there was a slight decrease. Unfortunately 2009 was a critical year not only for the Greek tourism but for the world as well due to the international financial crisis. As it was expected, the incoming tourism from Russia concluded with a negative sign in comparison with 2008. An additional reason for this was the high accommodation rates compared with the neighboring rival countries.

Table 1. Arrivals of Russian tourists in Greece (2002-2010)

YEAR	ARRIVALS (in thousands)	PERCENTAGE CHANGE
2002	135,978	
2003	144,685	+ 6%
2004	142,346	-1.6 %
2005	182,334	+28%
2006	261,253	+ 43%
2007	257,411	- 1.5%
2008	309,071	+ 20%
2009	251,279	- 10.7%
2010	415,298	+65.3%

Source: Hellenic Statistical Authority

But in 2010 there was a significant increase in the arrivals of Russian tourists in Greece. The reason for this was the simplification of the procedure of visa issuance. The Greek Government decided to set up some “Visa centers” that assisted the tasks of the Greek Consulates in Russia and the GNTTO Office in Moscow. This decision confirms the Government’s priority to strengthen the relations between the two countries and to gain a bigger share of the Russian market. The visa application is processed within 48 hours. This visa issuance procedure is the fastest among all the EU Consulates in Russia.

Most of the visitors belong to high income class and seek for luxury in every aspect of their holidays. The duration of their stay varies from one to three weeks. They enjoy the Greek cuisine, the Greek lifestyle and entertainment and they wish to participate in cultural events. Russian tourists feel like home in Greece because of the religious bonds that connect the two nations. The religious element is a very important motivation for Russian tourists, that is why they always include a visit to sites of religious interest while on holidays (Moirá et al., 2009a: 471; Mylonopoulos et al., 2009b: 527). An additional pull factor is the hospitality spirit that characterizes the Greek people, which is something that Russian tourists seek for while on holidays. Furthermore, security and safety at the Greek tourist destinations Russian is important for Russian tourists. Of course, the 3S model of the Greek tourism product, namely: sea, sun and sand, should not be ignored.

However, making Russia an important source tourism market for Greece is impeded by different obstacles, such as the visa issuance procedure in the Greek Consulates in Moscow and Saint Petersburg. Although over the last years the procedure has been simplified, it still remains complicated in comparison with other rival countries such as Spain and Turkey. Also the lack of frequent scheduled or chartered flights from Russia to Greece restrains the tourist flows. The fact that Russians do not speak foreign languages makes communication at tourist destinations difficult. This imposes the use of the Russian language in all campaigns and tools for the promotion of Greece as a tourist destination for the Russians (Katsos, 2005: 64).

4. THE GNTTO OFFICE IN MOSCOW

The Ministry of Culture and Tourism is responsible for the tourism policy in Greece. Greece considers tourism and culture as the two sides of the same coin. For the implementation of the tourism policy a special entity has been established: the Greek National Tourism Organization (GNTTO). GNTTO for the accomplishment of its mission operates regional Offices in Greece and abroad. Because of the significance

of the Russian tourism, GNTO set up an Office in Moscow in March 1994 on the occasion of the annual MITT Exhibition and the launching of the air flight connection Athens-Moscow operated by Olympic Airlines.

4.1. PROMOTION

The GNTO Office aims at the promotion of Greece in Russia. In particular, it monitors the development of the Russian tourist market and proposes annual marketing action plans to the central administration. It disseminates information, printed and other advertising material, it cooperates with the printed and electronic press of Russia, it participates in international tourism exhibitions aiming at the more effective promotion of Greece.

Especially with regard to the promotion of Greece in the printed press of Russia, certain ways are being followed such as the contact of the GNTO with the press either through the Office of the GNTO in Moscow or through a Greek agent, or through an advertising company doing business abroad.

The proposal for the advertisement and the participation in exhibitions comes from the Office in Russia but the final decision is taken by the central administration namely from the GNTO in Athens. The Office in Moscow before the beginning of the economic year sends its proposals with costs and waits for the final approval from the central administration. The decision of assignment is signed by the President of the GNTO. Therefore during the year it is aware of the amount of funds it can spend on promotion and advertising.

The general promotional campaign is designed by the central administration of GNTO in Athens, though the selection of the destinations to be promoted is made either by the GNTO Office in Moscow or by the advertising company in case there is cooperation.

For the years 2007, 2008, 2009 the advertising expenditure reached the amounts of 454,855.36 €, 967,401 € and 2,439,960.06 € respectively. Their distribution is demonstrated in the following table (Table 2):

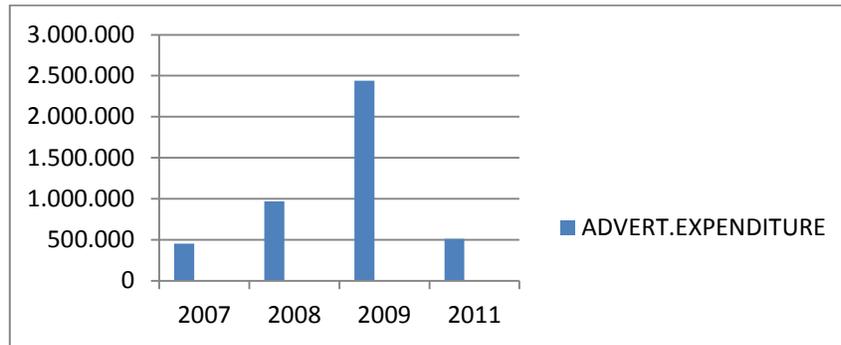
Table 2. Advertising Expenditure years 2007-2011

	2007	2008	2009	2011
Magazines-Press	124,445.36	349,432	93,811.80	
External Advertisement	330,410	433,672	823,960.30	
INFLIGHT advertisement		117,811	76,050	
Cooperation with tour operators			760,113	510,000
Television advertisement			401,724.96	
Other promotional activities		66,486	284,300	
TOTAL IN €	454,855.36	967,401	2,439,960.06	510,000

Source: GNTO

In 2010 due to the economic crisis there were no funds spent for the advertising of Greece in Russia but only for participation in exhibitions. It is obvious that in the last years Greece spends more funds for promotion in Russia (Graph 1). The promotion cost increased from 2007 to 2009 by 436.4 %.

Graph 1. Advertising Expenditure years 2007-2011



Source: GNTO

For 2011 the only data that we currently have is the participation of GNTO in programs of advertising and promotion always in cooperation with T.O. of Russia. The total amount that will be spent is 510,000 €. If no additional activity is to be approved then the advertising expenses from 2009 to 2011 decreased by 489%.

4.2. PARTICIPATION IN TOURISM EXHIBITIONS AND FAIRS

Another important competence of the GNTO Office in Moscow is the participation in exhibitions and fairs for which great amount of funds is being spent. For the years 2008, 2009 and 2010 the amounts of 1,139,350 €, 943,500 € and 1,018,258 € were approved and spent respectively (Table 3).

Table 3. Participation cost (2008-2010)

EXHIBITION	TOTAL PARTICIPATION COST IN €		
	2008	2009	2010
ITM/International Trade Fair for Tourism	103,650	72,275	72,510
MITT/ Moscow International Travel & Tourism Exhibition	700,750	613,062	639,235
UITT/ Ukraine International Travel & Tourism Exhibition	117,500	72,940	84,350
KITF/ Kazakhstan International Tourism & Travel Fair	48,300	40,300	46,800
MITF/ Moscow International Travel Fair	79,150	61,300	57,445
CIS / Commonwealth of Independent States Travel Market	90,000	50,100	55,550
TOURSIB/Siberian International Travel & Tourism Show		13,780	15,930
AITF/Azerbaijan International Travel & Tourism Fair		8,000	28,998
EUROTOUR UKRAINE		11,743	
TTTF/Tashkent International Tourism Fair			17,440
TOTAL IN €	1,139,350	943,500	1,018,258

Source: GNTO

After the completion of an exhibition, the GNTO Office in Moscow sends to the central administration in Athens, a Record of Good Completion so that the settlement of the suppliers can be approved. In case of non fulfillment of the agreement, it is reported on the Record and therefore the Central Administration does not approve the settlement.

The cost of participation in exhibitions has been decreased in 2010 in comparison with 2008, fact that defines the lack of resources but also maybe the political will to draw another promotion strategy of the tourism product, more innovative, economic and effective.

4.3. FINANCIAL CONTROL OF THE OPERATION

For the operation of the GNTO Office in Moscow, the Greek State provides a great amount of money not only for the leasing of its premises, but also for the wages of the permanent and temporary administrative staff and other operational expenses. The expenses for the period 2006-2009 are shown in detail in table 4.

Table 4. Operational expenditures of the Office in Moscow (2006-2009)

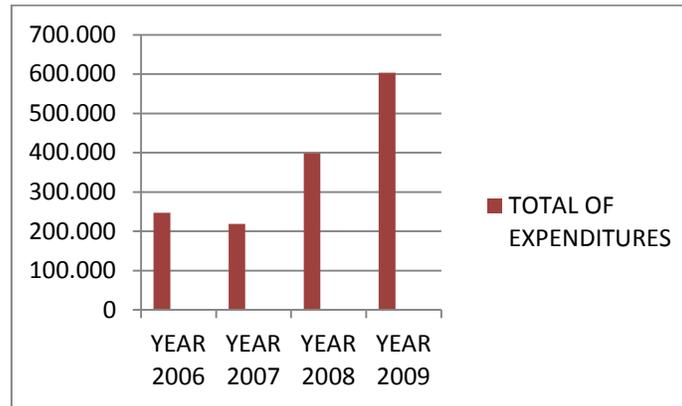
EXPENDITURES/YEAR	2006	2007	2008	2009
Rent-heating-shared upkeep expenses	25,400.00	26,965.69	24,000.00	48,000.00
Wages-insurance of the permanent staff	42,000.00	76,926.00	142,000.00	198,900.00
Postal fees	33,000.00	12,511.99	5,000.00	20,000.00
Printings-press- writing material	8,000.00	2,281.52	6,500.00	34,000.00
Subscriptions	-	377.93	1,000.00	2,000.00
Furniture & building maintenance	5,000.00	1,396.00	3,000.00	8,000.00
Travel expenses of permanent staff	8,000.00	3,894.01	11,500.00	20,000.00
Water supply-lightning - cleanness	8,600.00	3,218.16	3,000.00	6,000.00
Wages-insurance of local staff	83,000.00	90,375.00	170,200.00	213,400.00
Equipment material	8,000.00	20.93	12,800.00	25,000.00
Other expenses	1,000.00	218.37	2,000.00	6,000.00
Unexpected and urgent expenses	25,000.00	248.09	1,000.00	
Travel expenses of local staff			16,000.00	22,000.00
TOTAL IN €	247,000.00	218,433.69	398,000.00	603,300.00

Source: GNTO

It is noted that in 2008 10 people were employed additionally as temporary staff for the Visa issuance procedure with a cost of 42,000€. In 2009 10 people were employed as temporary staff with a cost of 84,000€.

The rent, the wages not only of the permanent but of the local staff as well, the printing- press-writing material and the equipment material remark the greater increase. In particular in the last year the wages have been raised due to the additional employment of local staff for the visa validation. It is actually strange that the wages of the permanent staff have been increased by 373% from 2006 to2009, those of the local staff by 157% while the costs for the printing material has gone up by 325% (GNTO, 2010). For the forthcoming year the GNTO Office in Moscow sends its expenditure forecast regarding its operational expenses and it cannot proceed to any kind of expenditure without the approval of the central administration in Athens.

From the chart representation (Graph 2), it is obvious that for the last two years the operational costs of the office in Moscow increased by 51%, whereas the change from 2006-2009 was 144%.

Graph 2. Operational costs of the GNTO Office in Moscow (2006-2009)

Source: GNTO

The expenditures of the office in Moscow, like all of the offices abroad, are monitored by the central administration of the GNTO in Athens, by a specific department which is the Department of Accountable for the Offices Abroad. The accounts that are subject to control are: a) account of administration and operation of the office, b) account of exhibitions, c) account of Public Relations, d) account of advertising.

The Director of the GNTO Office in Moscow is obliged to submit every three months a detailed list of all the expenditures concerning the administration and operation of the office and every year for the rest of the accounts. The accounting department of GNTO in the headquarters (Athens) proceeds to a legitimacy control of the expenditures. It also sees that all documents such as receipts or invoices, copies of advertising material, photographs from participation in exhibitions, are duly submitted according to regulations.

5. CRITICAL APPROACH

From the study and research of the administrative framework, that organizes and implements the competences of the office in Moscow, it is concluded that it implements the decisions taken on a central level by the GNTO headquarters in Athens. The office in Moscow is not in the position to take initiatives for the mapping out of the appropriate tourism policy that will attract more Russian tourists. Its activity is mainly focused on the participation in tourism exhibitions and fairs and advertising promotion in the Russian media. It should also be underlined that there is a lack of policy regarding the employment of the office with specialized and scientific staff that will work on a permanent basis so that it will be more productive and efficient. On the contrary, they keep on hiring local, temporary staff. This policy is considered to be expensive and non efficient. The operational expenditure of the office is rather high and its constant increase over the last years leads to suspicions for maladministration.

A very serious problem that was an obstacle to the increase in the tourist flows from Russia to Greece was the visa issuance procedure. In many cases, this bureaucratic procedure has acted rather as a deterrent to travelling and has led the Russian tourists to other tourist destinations. In 2010 there was a significant simplification of the procedure that resulted in visa issuance within only 48 hours. In fact nowadays the procedure is the fastest in comparison to all the other Embassies of E.U. It has been also decided to issue

long-term and multiple-entry visa for Russians who have already traveled to Greece once or twice. Furthermore, there was no increase in the visa issuance fee for 2011. Through all these new measures, it is obvious that Greece aims at the enhancement of the bilateral tourism relations.

6. CONCLUSION

In the beginning of the 21st century Russia is an important tourist market. Greece with its magnificent cultural, historical heritage and its numerous ancient routes could benefit from the constantly increasing tourist flows from Russia to the countries of the Mediterranean. Greece should build on the friendly, traditional Greek-Russian relations and shape the proper tourism policy in order to attract a bigger share from the Russian tourist market. In this attempt, the GNTTO Office in Moscow should draft a tailor-made strategy geared towards this market through specific actions. In order to achieve this, it is essential that the GNTTO office in Moscow have more functional and financial independence.

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