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Marketing of Georgia with the Objective of Maximizing Tourists inflow into the Country

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Declaration:

I hereby declare that I am the sole author of the thesis entitled "Marketing of Georgia with the Objective of Maximizing Tourists inflow into the Country". I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

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Date :

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Abstract

The main goal of the present master's thesis is to provide suggestions and strategies through the marketing plan in order to create a distinctive image of Georgia among tourists, raise awareness and increase inflow of tourists into the country.

Tourism in Georgia has been on the rise since 2003. Even though, the growth has been evident within past 6-7 years, Georgia has yet to find its distinct niche in the modern day in competitive tourism industry.

The theoretical part consists of overview of literature related to the thesis topic of the destination marketing. In the empirical part, will be provided analysis of the research conducted among tourists and based on the obtained information helpful recommendations will be provided and marketing methods will be identified that can be used to promote Georgia and thus attract more tourists.

Key Words: Georgia, tourism, destination marketing, country branding, tourism of Georgia, promotion of Georgia.

Abstrakt

Hlavním cílem této diplomové práce je poskytnout návrhy a strategie pro marketingový plán k vytvoření jedinečné image Gruzie pro turisty, zvýšit o ní povědomí a zvýšit příliv turistů do země.

Cestovní ruch v Gruzii je od roku 2003 na vzestupu. I když byl v posledních 6-7 letech nárůst zřetelný, Gruzie potřebuje v dnešním konkurenčním prostředí v cestovním ruchu najít své jedinečné místo.

Teoretická část se skládá z přehledu literatury vztahující se k tématu diplomové práce, k marketingu turistické destinace. V empirické části je podána analýza výsledků výzkumu provedeného mezi turisty a na základě takto získaných informací jsou poskytnuta doporučení a doporučeny marketingové metody, které mohou být použity k propagaci Gruzie, aby přilákala více turistů.

Klíčová slova: Gruzie, cestovní ruch, marketing turistické destinace, značka země, cestovní ruch v Gruzii, propagace Gruzie.

Table of Contents

List of Acronyms

GNTA – Georgian National Tourism Administration

GDP – Gross Domestic Product

GCC - Gulf Cooperation Council

GEL – Georgian Lari

EU - European Union

EUR - Euro

USA – United States of America

SWOT - Strengths, Weaknesses, Opportunities and Threats

UNWTO – United Nations World Tourism Organization

USP – Unique Selling Proposition

USD – Dollar of United States

USSR - Union of Soviet Socialist Republics

List of Figures:

List of Charts:

List of Tables:

Introduction

Globally, tourism is one of the largest growing industries, development of which has important impact on economic growth of countries. Over time traditional traveling activities have been changed and modified. At present tourists travel not only for leisure but they also seek the type of holiday where there is a combination of rest, leisure, adventure and a possibility to learn and experience something new and exceptional. In the era of globalization and internet, spreading information about tourism industries to global markets has become easier than ever before. Nowadays, tourists are willing to gather detailed information about the travel destination in advance from different sources (webpages, blogs, articles, social network, travel agencies and etc.) and with no expenses at all. Therefore, in order to gain benefit from tourism industry, to make information available for tourists and to survive the competition, marketing of tourism destination and creation of a strong country brand has gained vital importance.

Georgia, for a long time has been one of the most popular vacation locations during the Soviet era. Although, the popularity within the Soviet Union, where choices of the travelers were limited and the economy was controlled (planned), is not a guarantee that the country will become competitive within open economy, but the country, due to its natural heritage, has big potential to become one of the interesting destinations in Caucasus. Nevertheless, there are some serious problems that prevent the destination from use of its potential as an attractive location for tourists. This thesis will focus on the given challenges, analyze them in depth and develop a marketing strategy aimed at improving and solving the problems that exist within the area. This extremely challenging process of marketing the destination is the topic of my thesis.

The goal of this thesis is to provide suggestions and strategies through marketing plan in order to create distinctive image of Georgia, raise awareness of the country and increase tourists' inflow.

In personal point of view, I was interested in research on issues concerning how developing countries market themselves and use their exiting potential, as well as how new country brands were formed.

The present thesis includes both, theoretical and practical analysis. Chapter one consists of theoretical analysis of innovative marketing approaches to destination marketing, development and history of tourism marketing and explains strategic marketing approaches for destinations.

Chapter two will provide general information about Georgia and will discuss tourism industry of the country including all tourism facilities and characteristics. This part will also provide quantitative and qualitative research conducted among the real and potential tourists and hotel managers in Georgia. Received results will be used to derive SWOT analysis, to identify the main segments of the country and to create consequent positioning and a country branding strategy.

Chapter tree will concentrate on practical implementation of theoretical instructions in order to derive a marketing plan for promoting Georgia. In this part we will focus on the challenges facing Georgia, analyze them in depth and derive a marketing strategy oriented towards improving and ideally solving the problems existing in the area.

It is important to mention that, this thesis is written from the standpoint of a government, mainly Georgian National Tourism Administration (GNTA). Since the problems that exist within the tourism industry of the country cannot be solved by a single company and should rather be the priority of the government, because it is the only entity that can ensure and enforce coordination, will not have conflict of interests, when choosing one area over the other and can implement the regulations that a single company will never be able to do.

Finally, in conclusion we will summarize the findings and provide further recommendations for the future strategies for development of tourism in Georgia.

1. Destination Marketing

All tourism involves travel, yet not all travel is tourism. All vacation travel involves recreation, yet not all tourism is recreation. All tourism occurs during leisure time, but not all leisure time is spent on tourism activities.

Mill & Morrison

1.1. Introduction to theoretical overview

Tourism, and specifically destination industry is a very large, important and complex industry. Following machinery and oil industry, this sphere received vast amount of attention from government, public and media, which has increased in the recent years, especially for the countries that are rich in historical, cultural, natural and other attractions - that hold value for potential customers.

The main complexity of the industry derives from the fact, that it is modern service-providing area, which sells a product that is totally intangible – in other words, it sells experience for which a customer has to pay in advance. In addition, the whole tourism industry consists of a wide variety of such services that are interrelated in terms of attitude and perception, but they might not be correlated in terms of operations and management. For example, a person travelling to a new country for leisure will need transportation, accommodation, food and guide services. If a person is dissatisfied with one of the components e.g. he/she had a bad flight, the negative attitude might extend to other services of the bundle and therefore result in general dissatisfaction towards the destination.

Additionally, tourism industry has become more and more competitive around the whole world, making the environment harder to operate within due to the following main reasons: the first reason is creation of the World Wide Web as a communication tool. If before it was very expensive and hard to promote the destination in different countries, today it can be done with minimal costs, using social media. Secondly, if previously the only information source was travel agencies and limited information provided in brochures, at present tourists wishing to travel can access full information about destination (accommodation, food establishments and etc.), by visiting websites or reading articles or reviews. They even can find alternatives and compare prices and what is more, all this can be done with minimal energy and time - without leaving home. In addition, customers now have access not only to controlled, but to uncontrolled information, meaning vast number of the blogs and websites, where tourist write/read the

reviews and provide a very good base of unbiased information for any future decision makers. Thus, the tourism industry has become very transparent and competitive at the same time, what also has made communication process more difficult to manage, as word of mouth information is easily spread.

Another reason for increasing competition and therefore need of marketing is related to the global economic crisis that began in 2008 and from which the world has not fully emerged yet. During the crisis, disposable income decreases, people tend to be afraid of future and therefore decrease their spending and save more. As usual, people economize on leisure and tourism. Therefore the demand for tourism has evidently decreased since 2008. With decrease of demand, the competition has increased, which means that each of the destinations has to increase their effort to keeps their sales.[1]

There is widespread attitude, companies tend to minimize their costs and therefore decrease their marketing expenditures during crisis. In contrast to this concept, more and more companies have realized that this is not a wise step, as no matter how hard the time, any company needs sales to get the income and decreasing the marketing expenditures is automatically negatively correlated with sales figures.

Due to the increase of focus on destination marketing, more and more theories are being developed pertaining this field. Since the marketing theory is universal and most of the concepts can be used among all of the industries, this part of thesis will focus on the innovative theories that are tailored specifically to destination marketing industry.

1.2.   Theoretical overview of tourism marketing

1.2.1. Historical overview of tourism marketing

In order to provide the theoretical background for thesis, it is of utmost importance to be clear about the definitions of main terms and understand what tourism marketing means and entails.
Even at present tourism marketing as a field of study is not fully developed, and many of the scientists claim that enough attention is not paid to the industry in practice as well as in theory. "Marketing y Turismo" (Marketing of Tourism) was one of the first books to be published regarding tourism marketing. It was written by G. Schellenberg and was first published in Spain and three years later in

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[1]Arthur D. Little, 2009, Tourism Industry in Turbulent Times, Travel Viewpoint

Switzerland by J. Krippendorf .[2] These two books were the main foundation for defining and explaining the science of tourism marketing, its importance and its differences and similarities with other industries pertaining to the service marketing industry.

1.2.2. Main definitions

There are several definitions of tourism that are universally accepted. Although they do not directly contradict each other, the main concepts of definition vary.

According to UNWTO :"Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited."[3] Another definition states that tourism is: "The temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs." [4]

Destination is a more specific term and concept than tourism, as it refers to the concrete space, but on the other hand, it is much more difficult to manage, as it consists of various components from different industries.

According to Buhalis, destinations are an aggregation of tourists services (products), providing consumers an integrated experience[5]. Leiper defines destination as a unification of services, products, natural resources, information and other elements, to which people travel and where they choose to stay for a while [6]. Pike determined destination as " a geographical space in which a cluster of tourism resources exist, rather than a political boundary"[7]. Rubies further defines a cluster as: "… an accumulation of tourist resources and attractions, infrastructures, equipments, service providers, other support sectors and administrative organisms whose integrated and coordinated activities provide

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[2] Considerations on Tourist Marketing Theory and Practice in Romania, Journal of tourism, Issue13
[3] http://statistics.unwto.org/sites/all/files/pdf/unwto_tsa_1.pdf (10.12.2014)
[4] Mathieson, A., Wall, G., (1982). Tourism: Economic, physical, and social impacts, Longman: Harlow, UK., ISBN 0582300614
[5] Buhalis, D., (2000). Marketing the Competitive Destinations of the Future Tourism Management, pp.97-116
[6] Leiper, N.,(1995). Tourism Management, ISBN:0730679314
[7] Pike, S., (2008). Destination Marketing. An Integrated Marketing Communication Approach , Oxford OX2 8DP, UK,.Elsevier, ISBN: 9780750686495.

customers with the experiences they expected from the destination they chose to visit."[8] (as cited by Pike, 2008)

Alternative definition is provided by UNWTO according to which "local tourism destination is a physical space in which a visitor spends at least one overnight. It includes tourism products such as support services and attractions and tourism resources within one day's return travel time. It has physical and administrative boundaries defining its management, and images and perceptions defining its market competitiveness. Local destinations incorporate various stakeholders, often including a host community, and can network to form larger destinations"[9].

No matter how vague its definition, we should clarify that tourism, definitely is a service. There have been identified four main characteristics that define tourism services[10]:

- **Variability** – tourism services vary according to the destinations and people who provide service within these destinations. Thus, tourism service is heterogeneous and it cannot be standardized, meaning that service providers (who are human beings) cannot provide exactly the same service. However, with the increase of competition, most of the service providers attempt to develop at least minimal level of service that they have to meet.

- **Intangibility** – with tourism services, people are offered and sold experience - something they cannot see, taste, feel, hear or smell, before they buy and "use" it. When developing marketing plans, intangibility of tourism as a service must be taken into account, as it makes communication part of marketing very important as decision-making involves trust.

- **Perishability** – tourism services cannot be stored for later use. Customers pay money for pleasure that lasts only for the duration of the trip and memories that they create.

- **Inseparability** – tourism cannot be separated from the producer. Accordingly, tourism services are produced and consumed at the same time. In other words, service provider and service buyer must come together e.g. tour service is provided and consumed simultaneously.

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[8] Pike, S., (2008). Destination Marketing. An Integrated Marketing Communication Approach , Oxford OX2 8DP, UK,.Elsevier, ISBN: 9780750686495.

[9] http://destination.unwto.org/content/conceptual-framework-0

[10]Tassiopoulos, D., (2008), New Tourism Ventures: An Entrepreneurial and Managerial Approach, Juta and Co Ltd., p.205-207

Due to these four attributes of services and specifically tourism services, the marketing process for the industry is more complex, creative and challenging than usual and is very effective when done right.

As for the definition of tourism marketing, among the first works that tried to define the concept, was J. Krippendorf's "Marketing et tourism" (Marketing of Tourism). The definition is still considered to be a classic one and is therefore widely acknowledged. According to the definition offered within the book, tourism marketing is a set of systematic and coordinated activities (usually executed by state owned or a private companies), that are aimed at fulfillment of needs of target segment in order for the company to gain profit[11].

Tocquer Gerard and Zins Michel have given another definition that can be regarded as more comprehensive one: "tourism marketing is a process in which the structure of tourism demand is anticipated and satisfied by the design of a product (service), physical distribution, establishment of the exchange value (price), communication between the tourism organization and its market, for the best interest of the company and consumers".[12]

However, instead of using definitions for tourism marketing, the authors refer to definitions of marketing in general and apply it to tourism marketing as well as other industries. Therefore, it is important to mention general definitions of marketing.

According to Kotler, a market is: "a set of actual and potential buyers who might transact with a seller. This market can be a physical or virtual space"[13] and marketing is: "a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others"[14]

It should be stated that tourism marketing includes destination marketing as one of its components and therefore any all of the above stated definitions fully apply to the field. Both involve creation, communication with potential tourists and exchange of value between sellers and consumers. It is

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[11] Considerations on Tourist Marketing Theory and Practice in Romania, Journal of tourism, Issue 13
[12] Considerations on Tourist Marketing Theory and Practice in Romania, Journal of tourism, Issue 13
[13] Kotler, P., (2003) Marketing Management, 11th Edition , Prentice Hall, ISBN 0130336297, p.20
[14] Kotler, P., (2003) Marketing Management, 11th Edition , Prentice Hall, ISBN 0130336297, p.12

important to analyze what value is – in other words, what motivates the potential consumers to buy specific product – i.e. what defines destination attractiveness.

Up to present, scientists doing marketing research in the area have mainly put effort in studying specific elements and components of market attractiveness. Namely, Echner and Ritchie named destination image, which is intangible component of service, as the main denominator of the destination attractiveness, while majority of other papers published focuses on more tangible and physical attributes of destinations that determine perceptions of potential customers and become the main purchase motivators.[15]. However, none of the given researches provide the full picture of why or how the customers choose a specific destination.

Destination attractiveness as a whole is very hard to measure as it consists of several components, such as customers' judgments and their perceptions, that have tendency to become biased. Taking into account stated tendencies, difficulties and potential biases, majority of studies conducted are therefore incomplete. The most comprehensive study conducted in the field of measurement of destination attractiveness is regarded to be the one provided by Cracoli and Nijkamp.[16]Within their research, scientists used the multi-attribute model where the overall attractiveness is evaluated through a mix of features, taking into account both physical attributes of a destination and perceptions of customers.

Mayo and Jarvis proposed another view of destination attractiveness and defined it as the ability of a specific destination to deliver the value to the tourists in their own perception[17]. Their definition focuses on perceptions of the customers which are affected by the physical capabilities of the destinations. This version correlates with the definition provided by Formica and Uysal who regarded destination attractiveness as the relationship between the existing attractions within the destination, and the importance of these attractions to the values of the tourist.[18] Both of these definitions are valid, as they take into account the physical aspects of the destination as well as the perceptions of the potential

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[15] Echtner C. M., Ritchie J.R.B., (1991). The Meaning and Measurement of Destination Image, Journal of Tourism Studies, Vol. 14, No.1, MAY '03 37.

[16] Cracoli, M.F. and Nijkamp, P., (2008) The attractiveness and competitiveness of tourist destinations: A study of Southern Italian regions, Tourism Management, 30, pp. 336–344

[17] Mayo, E. and Jarvis, L. (1981) The Psychology of Leisure Travel: Effective Marketing and Selling of Travel Services Boston: CBI Publishing Co., Inc.

[18]Formica, S. and Uysal, M. (2006). Destination attractiveness based on supply and demand evaluations: an analytical framework, Journal of Travel Research, Vol. 44(4): 418-430.

customers. In my opinion, though physical attributes impact perception, they are not the only variables that form judgment and therefore these two should be considered separately.

As it can be seen by the studies conducted above, various standpoints and definitions, the measurement of destination attractiveness is still problematic and not very specifically set. According to Petersen, the main derivative of given problems lies in the intangible attributes, such as customer perception that defines attractiveness, which in turn may cause bias and manipulative inconsistencies coming from the aims and objectives of the researcher.[19]

Another problem of measuring destination attractiveness derives from the inconsistencies and difficulties that are caused by timing of destination attractiveness. For example, Cracoli and Nijkamp measured destination attractiveness with the sample of people who had already visited the destination. The critique of this method is that the results display more satisfaction than attractiveness.[20] On the other hand, pre visit measures are regarded to be incomplete, as they are formed by the influence of provided information and these perceptions are considered not to be of customers' own i.e. these attitudes are regarded to depend on the ability of an information giver and are not customers' real own perceptions.

Kozak and Rimmington provided a very comprehensive and all entailing list of components of main determinants of destination attractiveness. They divided the term into six elements: attractions (scenery, climate, culture, food, history, ethnicity and accessibility), facilities and services available in that destination (entertainment, accommodation, shopping centers, etc.) infrastructure, hospitality, costs that are related to a trip.[21].

Given attributes, though incomplete and broad give an overall picture of standard features that a destination must hold in order to be considered as competitive on the market. As a service attractiveness is more of a psychological factor, as a physical one, the communication effects and brand perceptions also need to be taken into account when deriving marketing strategy.

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[19] Petersen, D. C. (2004), The city as a destination, Journal of Convention and Event Tourism, 6(1), 145-157.

[20] Cracoli, M.F. and Nijkamp, P., (2008), The attractiveness and competitiveness of tourist destinations: A study of Southern Italian regions, Tourism Management, 30 (2008), pp. 336–344

[21] Kozak, M., Rimmington, M., (1998).Benchmarking: destination attractiveness and small hospitality business performance. International Journal of Contemporary Hospitality Management 10 (5), pp.74-78.

Upon forming the main definitions and explanations for the industry and key terms, we should focus on describing main techniques and approaches that are used within the industry of tourism marketing. It should be stated, though, that marketing is valued by its novelty and creative/innovative approach and even though the given techniques might provide ground framework, they should not be directly copied in terms of marketing plan.

1.3. Strategic marketing approaches for places

1.3.1. Unique selling proposition strategy

In order for a destination to be successful in today's competitive world, it not only has to exceed the expectations of the customers, it also has to be different in the areas where different holds value to potential customers. In other words, it has to hold a special place in the mind and in the heart of a customers.

The concept of a Unique Selling Proposition (USP) was developed by Rosser Reeves in 1950's[22]. He focused on advertisements and proposed three main postulates :
1. "Each advertisement must make a proposition to the consumer. Not just words, not just product puffery, not just show-window advertising. Each advertisement must say to each reader: "Buy this product, and you will get this specific benefit."
2. The proposition must be one that the competition either cannot, or does not, offer. It must be unique—either a uniqueness of the brand or a claim not otherwise made in that particular field of advertising.
3. The proposition must be so strong that it can move the mass millions, i.e., pull over new customers to your product."

To apply to the definition to the present market, the term can be regarded as the unique benefit, whether actual or understood, of a product or service that sets it apart from competitors and makes it more desirable than other brands.

"The problem with tourism industry is that tourist destinations are becoming increasingly substitutable."[23] Even though the destinations may differ from each other by some attributes, if you look

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[22] Reevs, R. 1961, Reality in Advertising, New York, Knopf , ISBN 0394442288
[23]Bieger, T (2005) Management of Destinations, Oldenbourg (München)

at them from the bigger picture they become more and more similar to one another.[24] In other words, the places that tourists visit, have become more similar to one other as at present majority of destinations offer: good weather and climate, high quality hotels and resort, variety of attractions, activities and facilities. In addition, each destination claims to have a unique culture and heritage, friendliest people and most superior service. Thus, all of the attributes mentioned above, have become a standard and it is impossible for a destination to compete within the tourism industry, without having those.

The process of finding unique USP is made harder due to the fact that, attributes described above are mainly the features that define the overall attractiveness of the destinations. Since these determinants have become a commodity that a place must possess in order to survive on the competitive market, marketing managers of destinations are forced to create and promote psychological and physical features that are distinct, innovative and valuable to their target segment. Destinations with a strong USP makes customers choice easier while choosing the travel packages .

In order to differentiate destination from its competitors, it should develop competitive and strategic advantage.[25] To do so, destination marketers should have a thorough understanding of what economic, environmental, social and cultural resources and strengths destination possesses and how to use and communicate them in the most effective and profitable manner.

According to Enright and Newton, destination's resources not only consist of the destination's attributes or attractions, but also include destination management (promotion, services, information systems, etc.) and marketing of the destinations[26]. In order to create a unique identity destinations develop strategic advantages either based on their distinctive attractions or comparative advantages.[27] Nevertheless, during this development process, it is essential to take into account the motivations of potential visitors and deliver and advantage from their point of view. i.e. the unique selling proposition has to hold competitive value to the target segment and hold the main rationale for the purchase of the destination.

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[24] Butler, R.W. (1998) "Still peddling along. The resort cycle two decades on" Paper to Progress in Tourism and Hospitality Research. CAUTHE Conference, Gold Coast
[25] Crouch, G. I. and Ritchie, J. R. B., (2003), Competitiveness and Tourism, ISBN: 9781849809276
[26]Enright, M., and Newton, J.,(2005), Determinants of Tourism Destination Competitiveness in Asia Pacific: Comprehensiveness and Universality. Journal of Travel Research, 43: 339-350.
[27]Morgan, N., Pritchard, A., and Piggott, R., (2002), New Zealand, 100% Pure: The Creation of a Powerful Niche Destination Brand, Journal of Brand Management, Vol. 9, NO.(4/5), 335-354

"A sustainable competitive advantage (SCA) is gained when consumers perceive a performance capability gap that endures over time."[28] In other words, in order to create a strong USP, a company must possess a sustainable competitive advantage. This kind of attributes are expressed in terms of competitors and customers.

Of course it should not be forgotten, that there are places that have unique physical features that cannot be found anywhere around the world e.g. Paris has Eiffel Tower, Rome has Coliseum and Venice is the only city built on water. But, there is vast amount of destinations that do not have these kinds of heritage and therefore, they need to have very strong differentiating features in order to compete with other destinations around the world.

1.3.2. Destination branding

Although branding of the products and services has become very popular, branding of destinations and other tourism services is a relatively new trend. But it also should be stated, that hotels have been branding themselves for some time now. The beginning of usage of branding is known to go back to 19th century, that is a period associated with the development of first branded products, namely Gillette and Quaker Oats. But branding as a science became popular and gained attention of researchers and scientists only in 1990's.[29]

Branding of tourism destinations did not really begin before long ago. The issue became specifically popular in 1998, gaining the status of most important topic during Travel and Tourism Research Association's Annual Conference. Ever since, the topic is becoming more and more popular both in theory and practice. Even the textbooks and guidebooks oriented on tourism marketing have already included branding strategies as a part of them. It is important to mention, that a very popular branding publication – "Journal of Brand Management" published a special issue focusing on brand management within the tourism industry. [30]

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[28] Coyne, K.. P., 1986, Sustainable Competitive Advantage: What It Is, What It Isn't, Business Horizons 29 (January-February): 54-61.

[29] Blain, C., Levy, S.E., and Ritchie J. R. B., (2005) Destination Branding: Insights and Practices from Destination Management Organizations, Journal of Travel Research.

[30] Blain, C., Levy, S.E., and Ritchie J. R. B., (2005) Destination Branding: Insights and Practices from Destination Management Organizations, Journal of Travel Research

When discussing branding of destinations, we should start by analyzing a classical theory of branding, which relates to all industries, including tourism. David Aaker is often associated with development of branding as an independent science, as he provided probably the most comprehensive and important insight into the classical theory and effective practice of branding. According to him: " a brand is distinguishing name/or a symbol (such as logo, trademark or package design, intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors."[31] Furthermore, he come to a conclusion, that a brand equity is created through five main attributes: brand awareness, perceived quality of the brand, name awareness, brand loyalty and other propriety brand assets such as: patents, trademarks, etc.[32]

Hankinson had derived and explained another framework of destination branding[33]. His theory is based upon the "brand network", that possesses four main functions:

- "Brands as main communicators" - where brands give information about the product/service that a customer buys. This information is represented in names, logos and trademarks.
- "Brands as perceptual entities"- where the psychological aspects of branding are stressed. According to the author, brands appeal to the senses, reasons and emotions of a customer. If the branding is done successfully, it engages the feelings of a customers. According to researches, some destinations appeal to customers, while they cannot clearly explain the reasons why. This usually means that their subliminal sense and emotions are engaged in forming such attachment.
- "Brands as value enhancers"- explains the fact why customers are ready to pay premium in order to own some particular brand. This kind of loyalty has made researchers to derive the concept of brand equity.
- "Brands as relationships" –where brand is construed as having a personality which enables it to form a relationship with the consumer. More and more companies are engaged in creating a distinct personality for a brand as first of all, it has proven to increase brand loyalty, and second of all, it is viewed as a tool to define the target market and communicate the value to the customers. If the brand personality communicated is real and effectively transmitted into the actual service, there is little chance that those who it holds for will be dissatisfied.[34]

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[31]Aaker, D. A. 1991. Managing Brand Equity: Capitalizing on the Value of a Brand Name. New York: The Free Press.
[32]Aaker, D. A. 1991. Managing Brand Equity: Capitalizing on the Value of a Brand Name. New York: The Free Press.
[33] Hankinson, G., 2004. Relational network brands: Towards a conceptual model of place brands, Journal of Vacation Marketing, 10(2), pp. 109 - 121
[34]Hankinson,, G., 2004. Relational network brands: Towards a conceptual model of place brands, Journal of Vacation Marketing, 10(2), pp. 110–111

Hankinson has developed the general model of the place brand that names place as "relational brand networks"[35] in which the place brand can be broken down into components: core brand, that involves main minimal characteristics of the brand and additional four relationship levels, depending on the target market of communication. Namely, the relationship categories are: consumer relationships, primary service relationships, brand infrastructure relationships and media relationships. Hankinson further clarified that it is the relationships that enhance the brand equity.[36]

Figure N 1: The relational network brand (Source: Hankinson, 2004)
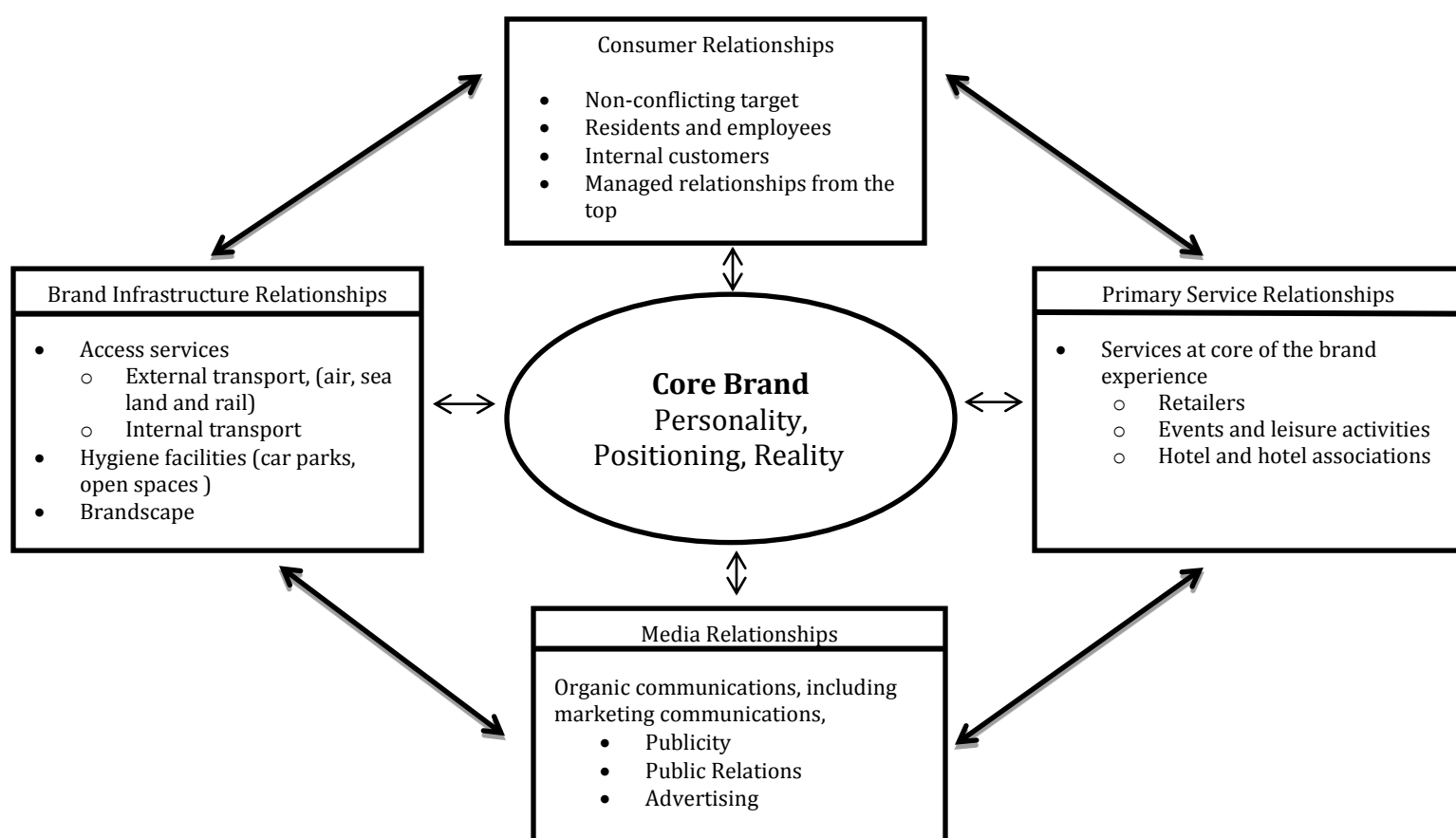
The Figure N1 above describes core functions of a brand together with four categories of the brand that are interconnected and influence the brand image in general.

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[35]Hankinson, G., 2004. Relational network brands: Towards a conceptual model of place brands, Journal of Vacation Marketing, 10(2), pp. 114

[36] Hankinson, G., 2004. Relational network brands: Towards a conceptual model of place brands, Journal of Vacation Marketing, 10(2)

Apart from the functions mentioned above, brand offers several other benefits for both, buyers and sellers. It should be noted that brands serve as "symbols around which both parties can establish a relationship"[37] From the standpoint of sellers the logos and other symbols (e.g. package design, trademark, etc.), that are considered to be key integrals of the branding process, help companies to gain awareness and to become more known and visible. They also help companies to differentiate from competition as well as to gain loyalty of the customers. From the standpoint of buyers, brands provide security of knowledge and prevention of risk of choosing wrong product. What is more, brands also provide prestige and status to the buyers.[38]

According to several researches and also practical information, although travelers purchase different individual services during their trip, the overall perception is created by uniting those experiences in one. This view has been analyzed and explained in the article – "The service experience in tourism," published in 1996 by Otto, J.E., and Ritchie, J.R.B.[39]

Exact importance of symbolic representation of a brand were clearly analyzed in the publication of Ritchie and Ritchie , where they introduced a term and provided a definition of "destination brand." The term can be defined as "as a name, symbol, logo, word mark or other graphic that both identifies and differentiates the destination; furthermore, it conveys the promise of a memorable travel experience that is uniquely associated with the destination; it also serves to consolidate and reinforce the recollection of pleasurable memories of the destination experience".[40]

During the process of building a brand it is important not only to focus on the image and visual attributes, but it is essential to establish emotional relations between destination brand and potential customers. The main reason behind is that, majority of the customer choose the certain brands as they help to express their personalities. [41]According to Morgan, Pritchard and Pride, in order for a brand to have potential of forming emotional attachment, it should demonstrate following qualities:

[37]Berthon, P.R., Hulbert, J, and Pitt, L.F.,(1999) Brand Management Prognostications, Sloan Management Review, 40, 2 (Winter), 53 – 65

[38] Berthon, P.R., Hulbert, J, and Pitt, L.F. (1999) Brand Management Prognostications, Sloan Management Review, 40, 2 (Winter), 53 – 65

[39]Otto, J.E., Ritchie, J.R.B.,(1996). Tourism Management, Vol. 17, No. 3, May 1996 , pp. 165-174(10).

[40]Ritchie, R.J.B. and J.R.B. Ritchie (1998), The Branding of Tourism Destinations: Past Achievements and Future Challenges, 1998 Annual Congress of the International Association of Scientific Experts of Tourism, Marrakech, Morocco, September.

[41] Morgan, N., Pritchard, A., and Piggott, R., (2002). New Zealand, 100% Pure: The Creation of a Powerful Niche Destination Brand, Journal of Brand Management, Vol. 9, NO (4/5),335-354

- Credible

- Deliverable

- Differentiating

- Conveying powerful ideas

- Enthusing for trade partners

- Resonating with the consumer"[42]

1.3.3. Building a brand

The beginning stage in the process of building a destination brand (and any brand in general) is to establish the core values and features of the brand. Established elements should be credible, memorable, relevant, communicable and valuable/beneficial for the target group. After establishing the core values and features, the focus should be made on development of communication strategy – meaning to communicate established core values through different marketing activities which includes sponsorship, public relations, trade fairs, etc .[43]

In order to build a strong brand, it should have a strong presence in terms of personality. It should be both, rich and complex. In other words, it should have both "head" and "heart" elements, where head focuses on the logical values and heart refers to feelings. Brand benefit pyramids summarize consumers' relationships towards a brand. They are usually formed during the research process when customers are asked to explain what features a destination offers and what meaning the place holds for them.[44] The Figure N 2 demonstrates the brand benefit pyramid.

[42] Morgan, N., Pritchard, A., and Pride, R., (2004), Destination Branding, Creating the unique destination proposition, Second Edition, Elsevier Butterworth-Heinemann, p70, ISBN: 0750659696

[43] Kotler, P., and Keller, K. N,.(2012), Marketing Management, 14th Edition, Pearson Education, ISBN 9780132102926, p.241-254

[44] Morgan, N., Pritchard, A., and Pride, R., (2004), Destination Branding, Creating the unique destination proposition, Second Edition, Elsevier Butterworth-Heinemann, p70, ISBN: 0750659696

Figure N 2: Brand benefit pyramid
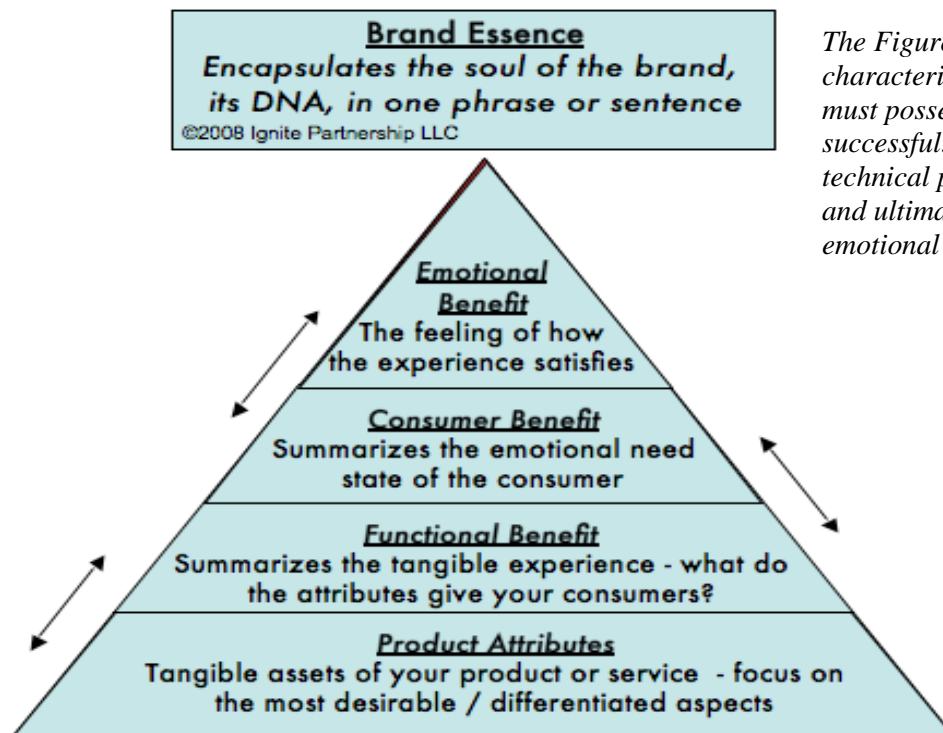
The Figure N 2 describes the characteristics that a brand must possess in order to be successful. It starts form technical product attributes and ultimately evolves to emotional benefits.

Source: http://stevensonfinancialmarketing.files.wordpress.com/2012/10/brand-loyalty-pyramid.png (10.03.2014)

"A brand architecture is in essence the blueprint that should guide brand building, development and marketing, and is a device that can be used by all destination brand managers"[45]. It should indicate all the aspects of the brand, including emotional and functional benefits, its positioning and personality. In order to reach superior position in comparison to their competitors, more and more tourism destinations want to establish their brand architecture.[46]

1.3.4. Destination image

According to the several studies, potential customers choose the destination, which has more

positive image. Thus, destination image has big importance and strongly influences customers' travel decisions. Echtner and Ritchie defined that destination image is "not only the perceptions of individual destination attributes but also the holistic impression made by the destination".[47]

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[45] Morgan, N., Pritchard, A., and Pride, R., (2004), Destination Branding, Creating the unique destination proposition, Second Edition, Elsevier Butterworth-Heinemann, p 71, ISBN: 0750659696

[46] Morgan, N., Pritchard, A., and Pride, R., (2004), Destination Branding, Creating the unique destination proposition, Second Edition, Elsevier Butterworth-Heinemann, p 71, ISBN: 0750659696

[47] Echtner, C. M., and Ritchie, J.R.B., (1991), The Meaning and Measurement of Destination Image, The Journal of Tourism Studies, Vol 14, No1, May '03, 37 .

According to Gunn, destination image is formed at two levels - organic and induced. Organic image towards product or service is developed through every day gathering of information from variety of non-commercial sources e.g. information received at school, from books, magazines and friends. While, induced image is created through the influence of marketing communications such as: personal selling, public relations and advertising. Stated communications become more important when a person has already decided that he/she is going to go on a trip and begins gathering information about specific destinations. Gunn suggested that destination marketers should focus on modifying the induced image since they can do little to change the organic image.[48]

According to Echtner and Ritchie, destination images are very hard to evaluate and control. There are various industries, where image level and characteristic perceptions can be stained through controlled commercial communication messages, but destination image is formed by complex amount of characteristics. Due to this conclusion, they further stated that Gunn's concept of organic and induced images were unique to destinations. Two very important conclusions can be derived from their findings. The main conclusion involves a fact, that people have pre-conceived image perception of destination before they visit it. This is mainly formed by commercial communication and also by social norms and opinions of friends. On the other hand, the perception might change after the visit and it is vital to separate these two. [49]

1.3.5. Positioning and target markets

1.3.5.1. Positioning

Positioning theory is based on three propositions. First postulate involves the fact that, there is overflow of information within all industries around the world. Second proposition involves, that consumers have developed selective attention and retention as a defense mechanism for the increased information thrown at them. Third statement involves the instruction, that the communication messages have to be clear and simple, and at the same time valuable for the segment in order to cut through the clutter and gain both, attention and retention within the memory. Therefore, vague, disoriented or indistinctive position on the

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[48]Gunn C., (1988). Vacationscape: Designing Tourist Regions, Second Edition, New York

[49] Echtner, C. M., and Ritchie J.R.B., ((1991). "The Meaning and Measurement of Destination Image." The Journal of Tourism Studies, Vol 14, No1, May '03, 37.

market can cause serious damage to the company and lead to stronger competition with stronger brands.[50]

According to Heath and Wall the positioning process consists of the following four steps. The first step involves identifying the competitors and their place in the market. The second step includes, selection of desired position, meaning that comparative and competitive advantages of a destination has to be determined and analyzed, taking into account the needs of target market. Through this process, destination will be able to distinguish its offer from that of the competitors. The next step includes planning of the positioning strategy in order to achieve the desired position and the final step is implementation of the strategy.[51]

1.3.5.2. Target markets

Worldwide tourists differ in terms of lifestyle, upbringing, education, background, social and demographic groups, thus will behave differently. They will respond to different stimuli at different times because of various reasons: including why they want to travel, how much money, time or both they have, etc. As mentioned by Pike, Duncan states that: a market orientation implies outward-inward market-organization thinking.[52] According to Pike, this statement can be transmitted into tourism industry by stating, that destinations should predict the needs of potential tourists and create products or infrastructure services in accordance to those needs[53].

According to Haahti, positioning has its roots in segmentation theory and these two stages have become inseparable and are part of same marketing process. Market aggregation implies an undifferentiated approach, where all consumers are communicated to and treated in the same manner. The total opposite of this strategy would be total market customization, which is usually referred to as individual marketing. With this kind of approach, each customer is treated differently according to his/her psycho-type, needs, wants and preferences. It should be stated that, it is easier to implement this kind of approach with services than physical products, as services usually involve more individual communication and

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[50] Pike, S., (2008). Destination Marketing. An Integrated Marketing Communication Approach , Oxford OX2 8DP, UK,.Elsevier, ISBN: 9780750686495.
[51]Heath, E. T., and Wall, G.,(1992) Marketing Tourism Destinations: A Strategic Planning Approach, John Wiley and Sons Inc. New York.
[52]Pike, S., (2008). Destination Marketing. An Integrated Marketing Communication Approach , Oxford OX2 8DP, UK,.Elsevier, ISBN: 9780750686495.
[53] Pike, S., (2008). Destination Marketing. An Integrated Marketing Communication Approach , Oxford OX2 8DP, UK,.Elsevier, ISBN: 9780750686495.

cooperation and rarely aim to achieve economy of scale. But with destination marketing, there are obvious limits to how far the disaggregation process can go. But there are parts of a whole destination, which can easily target customers individually (as majority of the tour operators do, for example).[54]

The promoted image of a destination can differ between geographical markets, between different segments and in different travel contexts.[55] The most important is that, all of the destinations should differentiate their messages according to the preferences of the chosen target segments. In order to do so, they should conduct the segmentation of the market.

Main objective of market segmentation is to divide markets into groups of individuals, where their characteristics, that are important for the product, are the same and at the same time, stated characteristics are different between segments.[56] The main benefit of segmentation is that it groups the individuals to respond to the same psychographic and behavioral stimuli together. This fact helps to predict their behavior, understand market better and explore new market opportunities. In addition, segmentation allows marketers to cut on ineffective marketing costs, to increase the demand on existing products and services, as well as to introduce new products/services by adding valuable characteristics for each segment.[57]

According to Kotler, in order for segmentation to be effective, the segments should be: measurable, accessible, substantial, actionable and differentiable. Measurable is a segment when its size and the relative purchase power can be quantified. Accessibility indicates that, a communicating entity must be able to reach and serve it effectively. Moreover, the segment must be large enough in order to generate profit and must have different characteristics from all of the other parts of the target market in regard to the customer behavior and preferences towards the product or service being marketed.[58]

There is a vast amount of complex techniques for segmentation in order to derive several segmentation variables simultaneously. The biggest challenge is to choose the right variables and therefore the right

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[54] Haahti, A. J., (1986). Finland's competitive position as a destination, Annals of Tourism Research, Vol. 13, pp. 11-35.

[55] Hunt, J. D., (1975). Image as a factor in tourism development. Journal of Travel Research, Winter, 1– 7.

[56] Kara, A., and Kaynak, E. (1997), Markets of a single customer: exploiting conceptual developments in market segmentation, European Journal of Marketing, 31, 11/12, pp. 873-95.

[57] Hoek, J., Gendall, P. and Esslemont, D. (1996). 'Market segmentation: A search for the Holy Grail?', Journal of Marketing Practice, 2, 1, pp.1355-2538.

[58] Kotler, P., Brown, L., Adam, S. and Armstrong, G., (2001) Marketing, 5th Edition, Pearson Education, Frenches Forest.

segments to focus on. Hoek, Gendall and Esslemont have argued that, even though, there are sophisticated approaches to market segmentation, usually the decisions that are made during the process of selecting the variables, on which such studies are based, are subjective.[59]

1.3.6. Instruments for marketing communication

Kotler, Haider and Rein have distinguished three most important communication tools for destination promotion strategies. According to them, destination can be advertised through slogans, themes and positions, as well as visual symbols, events and deeds.[60]

Creation of the slogan is very important for promotion strategy. Due to the information clutter and the mind's resistance to remember it, the effective slogan has to be a short and a catch phrase, but at the same time, has to be fully matching and representing overall vision of the destination. Besides, slogan has to generate positive emotions and visualize real performance of a destination in order to be popular over time and avoid dissatisfaction. As for themes, marketers of a destination can choose a certain theme (e.g. environment) that attributes to the country and promote it in that certain way. As for positioning it is important to position the destination on regional national and international levels and to communicate the benefits and unique attributes of the place in a way, that will help to form the distinctive image of the country in the mind of the customers.

Visual symbols also play important role, as publics' mind can connect certain landmarks to concrete destinations e.g. Eiffel Tower is associated with France, the Great Wall with China and Big Ben with London. As usual, such symbols are used in promotional materials: brochures, billboards, etc.

It is also possible to promote the destination and create its image by different events and activities. This can only be achieved if events are consistent with the characteristics of destination image e.g. if destination wants to be associated with youth it should host events such as: film festivals, concerts, modern technological exhibits, etc. Thus, determination of how destination should be perceived among tourists is vital in advance, before planning the events. In addition, in order to strengthen the brand image, promotion of events should be supported with communication activities through media.[61]

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[59]Hoek, J., Gendall, P. and Esslemont, D., (1996), Market segmentation: A search for the Holy Grail?, Journal of Marketing Practice, 2, 1, pp.1355-2538
[60]Kotler, P., Haider, D. H., & Rein, I., (1993), Marketing Places. New York: Free Press.
[61]Kotler, P., Haider, D. H. & Rein, I., (1993), Marketing Places. New York: Free Press.

2. Industry Overview

2.1. General information about Georgia

Georgia is a small mountainous country with total area of 69.700[62] square meters and the population of 4 483.800 million.[63] It is located at the cross roads of western Asia and eastern Europe , in the south western part of Caucasus also known as Transcaucasia. Caucasus covers the area between Black, Azov and Caspian seas. Country is bordered by the Black Sea in the west, the Russian Federation in the north, Turkey and Armenia in the south and Azerbaijan in the east.

Georgia represents democratic state with semi-presidential form of government. The president is head of state, while prime minister is the head of government, which represents supreme executive body carrying out the country's domestic and foreign policies. The government is accountable to parliament – which represents the country's highest legislative body.[64]

Georgia is divided into two major parts - east and west, nine administrative regions and two autonomous republics. The capital Tbilisi is one of the most ancient cities in the world, which dates 1500 years back into history.

2.1.2. Historical background

Georgia emerged in the place of two ancient states Kolkhida and Iberia. During its history it was under the reign of "Bagration" dynasty. The 12th-13th century in the history of the country is regarded as the Golden Age, the period when the it reached its highest stage of development. From 1801 up to the Russian October Revolution of 1917, Georgia has become the part of Russia. In 1918 Georgia gained its independence and was named as "Democratic Republic of Georgia", but soon after independence, in 1921, country was again occupied by Russia and became part of the Soviet Union until its collapse in 1991. After collapse of communism, Georgians voted for restoration of independence and first president of the county was selected. Since independence Georgia has experienced civil war and unrest followed by the conflict in Abhazia and Tskhinvali regions in 1993, supported by Russian military forces. In 2008 country faced renewed aggression from Russia which ended up in occupying the 20% of Georgian

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[62]http://geostat.ge/ (19.4.2014)
[63]http://geostat.ge/ (19.4.2014)
[64]http://www.parliament.ge/ge/kanonmdebloba/constitution-of-georgia-68(19.4.2014)

territory and Russia formally recognized occupied regions of Abhazia and Tskhinvali as independent states.

The Georgian people felt increasingly at the mercy of poverty, corruption and crime for 11 years. In November 2003 started mass demonstrations over the conduct of parliamentary elections, that was followed by revolution known as "Rose Revolution", from where recovery of the country started. At present country is in the transition period with the new government in the place.[65]

2.1.3. Economy and current situation

During the soviet era, Georgia exported agricultural and industrial products to the Soviet Union countries. After independence in 1991, the economy of country has collapsed due to the civil war and loss of access to former soviet markets. Sustained growth of economy has started after "Rose Revolution" in 2003. Over the last few years, government of Georgia has implemented comprehensive and radical reforms that were directed towards fight against corruption, liberalization of economy, free market orientation, creation of favorable business environment and development of private sector. Noteworthy measures have been made in the trade area, such as: lowering tariffs, simplification of customs and administrative reforms, improvement in regulation system and adoption of trade-related legislation compatible with European and international standards.

All above mentioned factors and additionally advantageous geographic location with skilled and educated workforce made Georgia an attractive destination for foreign direct investments. Since 2003, FDI has a major role in a rapid economic growth of the country.

Economic performances have been impressive until 2008, before the economy was hit by the two shocks: the global financial crisis and Russian-Georgian war causing serious decline in economic growth. The conflict led to a fall in investments and resulted in direct physical damage to the infrastructure. Georgia had to face increasing unemployment, drop in export and sharp decrease in bank lendings. Economy started the slow recovery from 2010.

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[65]https://www.president.gov.ge/en/Georgia/AboutGeorgia(19.4.2014)

2.1.3.1. Gross domestic product

Until the critical period of 2008-2009 GDP had the tendency of positive growth. The highest rate of growth 12.3% was reached in 2007.[66] In 2008 economy grew by 2.6% and was followed by sharp decrease in 2009 to -3.7%. The recovery started from 2010 reaching 6.2% of growth, 7.2% in 2011 and 6.4% in 2012. In 2013 the real GDP decreased and amounted in 3.3%.[67] In the first quarter of 2014 real GDP growth was 7.2%.[68]

Based on 2013 statistical data important share of GDP falls on the following sectors: trade 17.3%, industry 17.2 %, transport and communication services 10.7%, public administration 10.1%, agriculture 9.3%, construction 6.7%, health and social work 5.8 % and other sectors 22.9%. [69]

Table N 1: GDP growth

	2008	2009	2010	2011	2012	2013 (I)	2013 (II)	2013 (III)	2013 (IV)	2013	2014
GDP at current prices	19074.9	17986.0	20743.4	24344.0	26167.3	5776.8	6544.5	6835.0	7691.0	26847.4	6307.2
GDP at constant 2003 prices mil. GEL	12555.3	12085.5	1235.0	13757.2	14637.7	3269.3	3725.0	3886.4	4243.0	15123.7	3504.1
GDP real growth percent	2.6	-3.7	6.2	7.2	6.4	2.4	1.6	1.4	7.6	3.3	7.2
GDP deflator percent	9.4	-2.0	8.6	9.5	1.0	-0.5	-0.6	-1.1	-0.7	-0.7	1.9

Source: http://www.geostat.ge/index.php?action=page&p_id=119&lang=eng (20.07.2014)

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[66] http://www.geostat.ge/cms/site_images/_files/english/nad/pres-relizi_2013_ENG.pdf (20.07.2014)

[67] http://www.geostat.ge/cms/site_images/_files/english/nad/pres-relizi_2013_ENG.pdf (20.07.2014)

[68] http://www.geostat.ge/index.php?action=page&p_id=119&lang=eng (20.07.2014)

[69] http://www.geostat.ge/cms/site_images/_files/english/nad/pres-relizi_2013_ENG.pdf (20.07.2014)

2.1.3.2. Inflation

In June 2014 the annual inflation rate was 2%, caused by the increase of prices on the following groups: health prices increased up to 5.6% , resulting in 0.58% of annual index, alcoholic beverages and tobacco prices were up by 7.5 %, contributing 0.40 % on the annual inflation, transport increased for 3.2% , contributing 0.38% and for food and non-alcoholic beverages the prices increased for 0.7 %, reflecting 0.29%. [70]

2.1.3.3. Foreign direct investment

According the preliminary data provided by National Statistics Office of Georgia, in 2013 FDI amounted to 914 million USD, which is 6% higher compared to the same period of year 2012. However, 328 million USD out of total FDI has been reinvestments. The highest amount of FDI inflow - 2015 million USD was reached in 2007. Investment inflows decrease from 2008 and reached minimum rate at 658 million USD in 2009. In 2010 investments start to rise again until 2011 but show downward trend in 2012.[71]

Figure N 3: FDI inflow
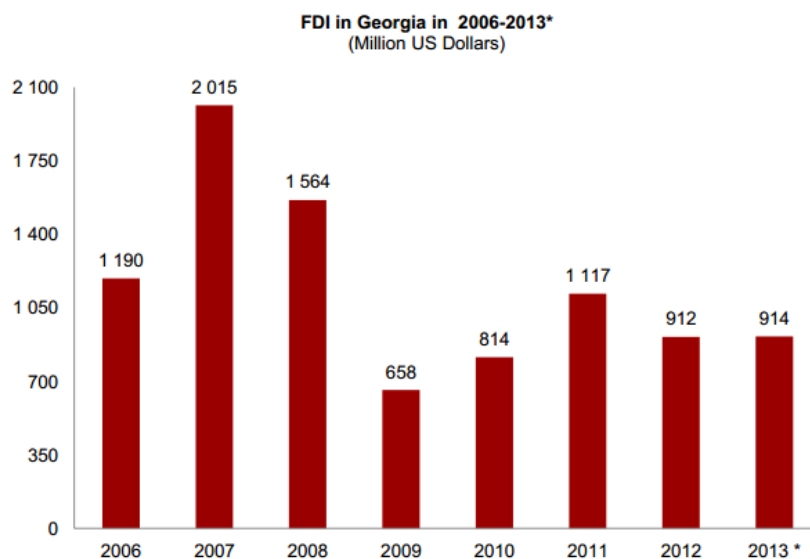
Source: http://www.geostat.ge/cms/site_images/_files/english/bop/FDI_2013Q4-2013-ENG.pdf (20.07.2014)

[70]http://www.geostat.ge/cms/site_images/_files/english/price/CPI%20Press%20release_06_2014_Eng.pdf (20.07.2014)
[71] http://www.geostat.ge/cms/site_images/_files/english/bop/FDI_2013Q4-2013-ENG.pdf (20.07.2014)

2.1.4. Georgian culture and architecture

With its distinctly national characteristics and blend of different influences of eastern and western civilizations Georgia formed its original, national culture and rich architectural heritage. Country has more than 12 000 historical and cultural monuments four of which are among UNESCO World Heritage list: Bagrati Cathedral and Gelati Monastery in Kutaisi , historical Monuments of Mtskheta and Ushguli Village in upper Svaneti, which is regarded as highest settlement in Europe.[72]

The greatest architectural treasures are churches and cathedrals all over the country. Towers and village strongholds build in late middle ages on the slopes of Great Caucasus Range (Svaneti, Khevsureti and Tusheti) represent an inseparable part of Georgian architecture. Period between the 11th -13th centuries is characterized with highest rate of constructions that provided important historical treasures for the country, both in terms of architecture and culture.

Fine arts also played important role as well, especially frescos, paintings and enamel which display Byzantine styles. Icon painting, wood ornaments and precious metal are other areas where Georgia developed its own style and work techniques.

2.1.5. Georgian wine

Georgians are one of the oldest wine making nations with strong wine making traditions in the world.[73] By the number of experts Georgia is considered as the cradle of wine-making. According to the archaeological findings, viticulture may have begun here 8,000 years ago[74]. Researchers also believe that international words wine and vino are derived from the Georgian word "Gvino".[75]

At present there can be distinguished more than 500 varieties of grape species that are grown in the country. In most of the regions wine is still made in the old traditional way: grapes are pressed by foot and the juice is poured into massive clay vessels buried under the earth called - "Qvevri", where wine is

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[72]http://whc.unesco.org/en/statesparties/ge (24.04.2014)

[73] http://mtltimes.ca/social-life/food/georgia-cradle-wine-civilization/ (1.08.2014)

[74] http://georgianwine.gov.ge/eng/text/122/ (1.08.2014)

[75]Goldstein, D., 1993, The Georgian Feast: The Vibrant Culture and Savory Food of the Republic of Georgia, introduction xix

left to ferment for months and finally is kept in wine cellars for the perfect temperature. Georgian wine-making method is among the list of Intangible Cultural Heritage of Humanity of UNESCO.[76]

Historically viticulture and wine making has had vital part in Georgian culture and thus has become inseparable with the national identity. Wine production remains one of the important industries in the country, having strong potential for development of wine tourism and thus becoming an important economic resource for the country.

2.1.6. Georgian cuisine

Georgia has its own distinct culinary traditions, that differs from region to region by cooking techniques, flavorings and ingredients. The cuisine is influenced by culinary of Transcaucasia, Asia and the Black Sea coast, but at the same time stays totally unique due to its individual characteristics.

Georgian cuisine is probably one of the most important attraction of the country. Combined with tradition of table culture known as "Supra", which includes feast accompanied with polyphonic music, poetry reading, tradition of toast-making. "Supra" is one of the most vivid expressions of Georgian character[77] and it has become the integral part of culture.

2.1.7. Dance and music

Georgian music and dance hold a central part in country's culture. Each dance portrays the nature and sprit of the region in which it was originated, thus dances strongly differ according to the techniques, traditional costumes and their character.

Georgian music traditions include polyphonic music, folk songs and church hymns that have been developed for centuries. Due to its complexity – the three type polyphony, it has been a subject of special interest among musicologists. Georgian polyphonic singing is included in list of the Intangible Cultural Heritage of Humanity of UNESCO.[78]

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[76]http://www.unesco.org/culture/ich/RL/00870 (20.07.2014)
[77]Goldstein, D., 1993, The Georgian Feast: The Vibrant Culture and Savory Food of the Republic of Georgia,p23-26
[78]http://www.unesco.org/culture/ich/RL/00008 (2.05.2014)

2.2. Tourism in Georgia

Georgia is a unique country that attracts tourists with different interests. Although it is small, Georgia's biodiversity is large: subtropical marshes, lofty alpine meadows, semi-deserts and mighty snow-covered peaks can be found within a hundred kilometers of each other. Big part of Georgia is still untouched and natural, which makes it even more interesting for tourists.

Georgia was one of the most developed countries within the Soviet Union in terms of tourism. People from all over the Union as well as other socialistic countries usually spend their vocations in the different regions of the country, as it held a number of competitive advantages that matched their preferences. These included the hospitality of Georgians, historical and cultural heritage, wine, great natural beauty, fact that both sea and mountains could be found within one country, food and well-developed infrastructure according to the standards established in the region at that time. Due to all these factors Georgia attracted over 3.5 million[79] tourists annually during the Soviet period**.**

With the collapse of the USSR and start of civil war in 90's tourism infrastructure, resorts and industry itself were destroyed and also number of tourists has strongly decreased. After the "Rose Revolution" in 2003 as economy started to increase, the tourism industry has also began slow development. In 2010 development of tourism industry was announced as one of the most important priorities of the country. A number of measures were implemented to popularize and facilitate tourism firstly among the local residents and further within the foreign tourists. Government introduced simplified visa regime, started rehabilitation of roads and renovation of touristic regions, privatized infrastructure and hotels, improved security and established limited tax incentives for tour operators.

In regards to tourism marketing activities, first time in the history of the country the logo and slogan of Georgia were created by GNTA between 2011- 2012. The slogan is: "**Georgia – Country of life"**. The logo reflects national flag[80], both in terms of colors and symbols (crosses). The Figure N4 represents national flag, while the Figure N5 represents the country logo.

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[79] http://photos.state.gov/libraries/georgia/749756/zavrashviliex/2013-CCG-Georgia.pdf (1.8.2014)
[80]http://government.gov.ge/index.php?lang_id=geo&sec_id=56 (10.12.2014)

Figure N4: National flag of Georgia (Source: http://government.gov.ge/, 10.12.2014)
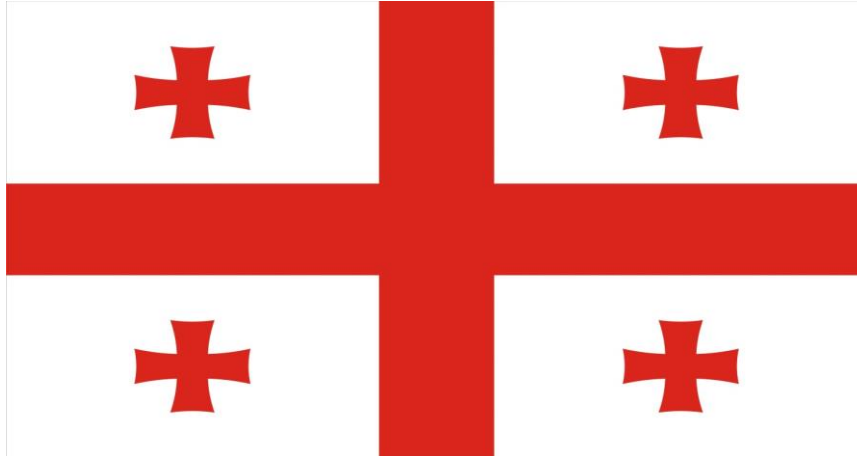
Figure N 5: The logo of Georgia (Source: GNTA)

As a result, in 2014 competitiveness of Georgia has increased by seven positions and ranks as 66 among other 140 nations. Furthermore, "Rough Guides" ranked Georgia as the fifth country from top ten countries to be visited in 2014.[81]

2.2.1. Statistical data

Compared to global growth rate of international arrivals, Georgia has shown the fastest increase. Accordingly, in January 2014 was rated as one of the highest increase of arrivals in central and eastern Europe according to UNWTO.[82]

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[81]http://www.roughguides.com/best-places/2014/georgia/ (15.4.2014)

Even during the global crisis in 2008 when arrivals of tourists fell worldwide, the number of international arrivals to Georgia increased by 22.7%. Especially last five years have been most important for the industry. In 2011, the number of foreign tourists amounted in 2, 822, 363, which is 38,9% of increase compared with the previous year. The highest growth rate was registered in 2012, when the number of international arrivals increased by 56.9% and reached 4, 428,221. In 2013 the growth was 22 % reaching 5,392,303 arrivals for the first time[83].

According to the statistics of past years, the largest number of tourists is observed in July and August. The vast majority, approximately 88% of visits, are from neighboring countries of former Soviet Union, while European travelers are just beginning to discover the country. The top four countries by visits are: Turkey 30%, Armenia 24%, Azerbaijan 20% and Russia with14%, that are followed by: Ukraine, Iran, Iraq, Israel, Poland and Germany. Significant increase of arrivals can be seen from Poland due to the introduction of direct flights to Poland by Wizz Air airlines in 2013.[84] The Chart N1 below represents the inflow of the tourists in 2013.

Chart N 1: Inflow of tourists in Georgia 2013
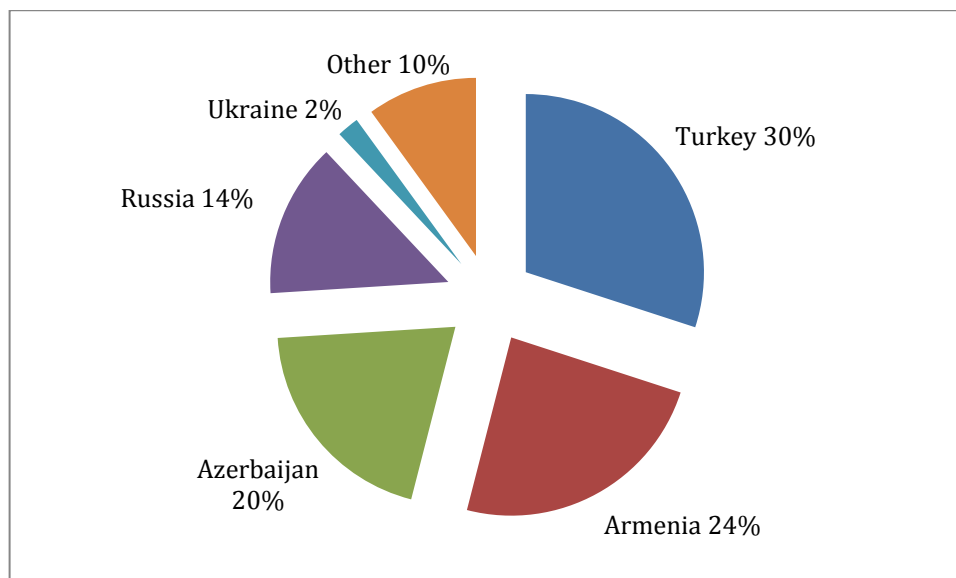
Source: http://georgia.travel/uploads/angarishiweli/eng.pdf (17.4.2014)

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[82]UNWTO, Tourism Highlight, 2014 Edition (15.4.2014)

[83]http://police.ge/files/pdf/statistika%20da%20kvlevebi_new/geo/sazgvris%20kvetis%20statistika/2014/sazgvris%20kveta%202014%20ian.pdf (17.4.2014)

[84]http://georgia.travel/uploads/angarishiweli/eng.pdf(17.4.2014)

Concerning the transportation, the highest percent of arrivals - 87% is by land transport and 11% by air transport. Sea and railway transport share 1% each.

2.2.2. Importance of tourism for the economy

The direct contribution of tourism to country's GDP in 2013 was GEL 1,660.5 million (6.2% of GDP) and total contribution was GEL 5,654.8 million (21.2% of GDP).[85] In 2013 the tourism industry supported 318 thousand jobs which is 18.0% of total employment[86] while 89,500 jobs were generated directly (5.1% of total employment). Employment was in the following areas: hotels, travel agencies, airlines as well as restaurants and within leisure industry. [87]

In the same year, visitor exports generated US$ 1.98 billion (32.1%) of total exports and the tourism investment was US$ 0.12 billion - 3.4% of total investment.[88] The share of tourism in total output of country's economy was 7.1% in 2013.[89]

2.2.3. Types of tourism in Georgia

The most popular tourism types that at present can be identified within Georgia and due to which country has gained awareness among different segments are as follows:

- o **Nature based tourism (ecotourism)**

According to the statistics is one of the leading type of tourism in Georgia[90]. The untouched nature variety of landscapes, combination of sea, mountains and deserts in one location makes country more attractive for the tourists.

- o **Adventurous tourism**

Represents type of tourism that has gained popularity in recent years. Includes outdoor activities that takes place in a remote or a wild area and involves low or high levels of physical activity. Country provides many types of products and services in this category such as: mountain climbing, hiking, expeditions, rock climbing, rafting, watching wildlife, wind surfing and paragliding.

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[85]Word Travel and Tourism Council, The Authority on World Travel & Tourism, Travel &Tourism, Economic Impact 2014, Georgia. (17.4.2014)
[86]http://wttc-infographic.org/georgia (17.4.2014)
[87]Word Travel and Tourism Council, The Authority on World Travel & Tourism, Travel &Tourism, Economic Impact 2014, Georgia. (17.4.2014)
[88]http://wttc-infographic.org/georgia (17.4.2014)
[89]http://mfa.fas.ge/4959(17.4.2014)
[90]http://georgia.travel/uploads/angarishiweli/eng.pdf(18.4.2014)

- o **Cultural tourism**

Concerned with destinations' culture, historical heritage, art, architecture, traditions, lifestyle of the people and other elements. Besides, cultural tourism includes cultural facilities such as museums and theatres, that Georgia is rich for.

- o **Leisure tourism**

Gudauri and Bakuriani are winter resorts on the impressive mountain peaks of Caucasus which meet the high international standards and therefore have been attracting tourist for skiing and snowboarding for a long time.[91]Another newly developed skiing resort is in Mestia, in north east of the country. Concerning the summer sea resorts, there are five main destinations and each of them has its own segment. Batumi is most famous for its nightlife and entertainment, Kobuleti and Sarpi represent peaceful vacationing locations for families, Ureki is regarded as health resort due to the magnetic sand and finally Anaklia, where usually summer music festivals take place.

- o **Health and wellness tourism**

Health resorts in eastern Georgia provide healing procedures through mineral water, medical mud, medical climate and medical sand. The main tourists are families with children and older people, who mostly are visiting healing and health sanatoriums. Main resorts are: Borjomi, Sairme, Likani, Baxmaro and Ureki.

2.2.4. Main purposes to travel to Georgia

According to the statistics, the biggest percent (37 %) of international travelers are visiting Georgia for holiday, leisure or recreation reasons, out of which 39% visits Tbilisi and 69.8% Batumi. For 26% of visitors, the main purpose to come to Georgia is to visit friends or relatives, 17% are transit tourists, 8% travel for business or professional purposes, 9% -for shopping, 4% - for business and 7% -for other purposes.[92]

2.3. Competition

2.3.1. Competitors analysis

In regard to competitors, in the beginning author was oriented on three main countries: Turkey, Armenia and Azerbaijan. After a deeper study, it has become evident that the main competitor for Georgia within

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[91]http://www.gudauri.info/about_gudauri/ (18.4.2014)
[92]http://georgia.travel/uploads/angarishiweli/eng.pdf (18.04.2014)

tourism industry is Turkey, as it represents the only country with similar features to Georgia expressed by same seasonality of tourism, similarities in types of tourism that are given priority in both countries and diversity of activities. For these reasons, only Turkey will be analyzed as a main competitor.

Tourism is a vital sector for Turkey as it has high contribution to local economy for the country. The share of tourism industry in total GDP is 4%, while its total contribution was 32.3 billion USD in 2012.[93] Currently country represents the 6th most popular tourist destination in the world.[94] According to the Turkish Statistical Institute, within past years tourists arrivals increased from 31 456 076 million in 2011 to 34 910 098 million in 2013.[95] Number of tourists that visit Turkey is far bigger compared to Georgia, where as mentioned previously, the highest amount reached was 5 million in 2013 (Chapter Two, Tourism in Georgia, Statistical Data). Main nationalities that visit Turkey are as follows: Germany, Russia, United Kingdom, Georgia and Bulgaria.[96] In contrast, majority of nationalities that visit Georgia are from following countries: Turkey, Armenia, Azerbaijan, Russia rather than Europe (Chapter two, Tourism in Georgia, Statistical Data).

In the following part will be provided comparison analysis of Georgia and Turkey on the set of specific parameters that are important for both countries and at the same time, play important role for development of tourism. The parameters include: location, diversified activities, places to visit, transportation, workforce and main tourism types.

Location – Both countries are strategically positioned on the crossroads of Europe and Asia, but it must be mentioned that Turkeys' location is closer to Europe compared to Georgia, which positively affects the awareness of the country in Europe.

Diversified activities –Similar to Georgia, Turkey also provides diverse and wide range of touristic activities which include: sites, sport, cuisine, shopping, pilgrimage, leisure, night entertainment, etc.[97]

Places to visit - Success of the destination depends on the things it has to offer. In regard to this, both Turkey and Georgia have number of places that attract tourists. Georgia is rich for historical and cultural

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[93]http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf (5.12.2014)
[94]http://www.invest.gov.tr/en-US/sectors/Pages/WellnessAndTourism.aspx (1.11.2014)
[95]http://www.turkstat.gov.tr/Kitap.do?metod=KitapDetay&KT_ID=0&KITAP_ID=5(1.12.2014)
[96]http://www.turkstat.gov.tr/Kitap.do?metod=KitapDetay&KT_ID=0&KITAP_ID=5(1.12.2014)
[97] http://tourismturkey.org/ (5.12.2014)

heritage, archeological sites and monuments, pilgrimage centers, health and recreation locations, semi-desserts, exotic nature, Black Sea and mountainous resorts and more. Similarly, Turkey is endowed with historical and cultural locations, archeological sites, beach and mountain resorts, nightlife, spas, religious centers, etc. [98]

Transportation - Location also affects ease of accessibility in terms of prices and time. Traveling by airplane takes shorter time to Turkey from Europe rather than to Georgia. In Turkey is operating 53 airports, the main airlines - Turkish Airlines flies approximately to 180 destinations within 98 countries**.**[99] Local transport is well developed in Turkey and meets high standards - railway and bus services operate locally as well as internationally.[100] As for Georgia, there are operating three international and one domestic airports with 24 foreign and one national airlines.[101] Transportation system is not well developed, due to outdated vehicles and unorganized transport time-schedules causing mobility problems.

Qualified workforce – Turkey has highly qualified and trained workforce in tourism industry, that encompasses graduates from high schools and universities from tourism sphere.[102] In opposite, quality of workforce in this sphere in Georgia is low, due to the lack of educational possibilities and trainings.

Tourism types - includes main types of tourism that are well presented in both countries.

- **Cultural tourism** – As mentioned above, likewise Georgia, Turkey also has a very rich history and cultural heritage. The most frequently visited and well-known destination is İstanbul, regarded as cosmopolitan city and historic metropolis representing antique Byzantine and Ottoman civilizations.[103] Other antique cities are: Troy, Ephesus, Cappadocia and more.[104]
- **Beach tourism** - In regard to beach based mass tourism, Turkey is far superior in comparison to Georgia. The main competitive advantages are: long experience in the sphere, developed infrastructure (hotels and resorts), high quality services expressed by all-inclusive accommodation establishments offering full packages of services and well trained service staff. In addition, vast choice of beach resorts on Mediterranean, Black Sea and Angean Sea is another

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[98]http://tourismturkey.org/ (5.12.2014)
[99] http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf (5.12.2014)
[100]http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf (5.12.2014)
[101] http://georgia.travel/uploads/angarishiweli/eng.pdf(5.12.2014)
[102]http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf (5.12.2014)
[103] https://www.goturkey.com/en/pages/read/overview (5.12.2014)
[104]https://www.goturkey.com/en/pages/read/anticcities (5.12.2014)

advantage for the country.[105]Concerning Georgia, all the beach resorts are located on Black Sea coast. In regards to accommodation, Adjara region has the biggest hotel market, which mainly encompasses middle class hotels and branded hotels such as: Sheraton Palace and Radisson Blue[106]. But even these luxury hotels do not provide the full packages of services similar to Turkey. Besides, seaside touristic infrastructure is not well developed in terms of roads and seacoast (pollution, waste). Furthermore, as mentioned above, general service level is low.

- **Ecotourism and adventure tourism** - In regards to adventure tourism and ecotourism, Georgia has competitive advantage due to its long tradition, there are segments who come directly for mountains and in order to experience exotic nature of Georgia. While for Turkey these tourist types are just emerging, awareness of country from this point of view is low and yet only local tourists express interest.[107]

- **Skiing tourism -** Alpine zones of Georgia- Gudauri, Bakuriani and Mestia meet high international standards of skiing resorts. All three provide comfortable accommodation and choice of skiing routes of comparative difficulty so that skiers can choose the appropriate one. These winter resorts have been popular among tourists for a long time. On the contrary, at present, Turkey is not well known as a winter destination, but country offers thirteen winter resorts.[108] Thus, for 2023 tourism strategy of Turkey, the aim is to further develop the winter tourism, expand touristic season for the whole year and rise country's awareness as a winter holiday destination. [109]

2.4. Research

2.4.1. Research objective and problems

The objective of the research was to study the tourists of the country. The research is divided in two parts: qualitative and quantitative research. The qualitative research includes the in depth interviews with the individuals who had a close relationships with tourists and could provide more detail information about their behavior, requirements, dislikes and likes. The quantitative research was oriented on real /existing tourists (the ones who were in Georgia during the research period) and potential tourist of Georgia. The aim was to identify their habits satisfaction and dissatisfaction areas, to understand the

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[105]http://tourismturkey.org/ (5.12.2014)
[106]http://georgia.travel/uploads/angarishiweli/eng.pdf(6.12.2014)
[107]http://turkey.com/discover/ecotourism/ (4.11.2014)
[108]http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf(5.12.2014)
[109] http://www.invest.gov.tr/en-US/infocenter/publications/Documents/TOURISM-INDUSTRY.pdf (5.12.2014)

experience they had with the country and to gain insights to their preferences. In regards to potential tourist, the main purpose was to understand the motivations that drive tourists to visit foreign countries in general and specifically Georgia.

The research problem can be broken down into the following components:

- Gather demographic data about the target market
- Gather behavioral and psychographic data about the target market
- Gather main existing stimuli for visiting Georgia
- Identify satisfaction and dissatisfaction areas for the tourist

2.4.2. Qualitative research

The main sampling objective of the qualitative research was to gain as many different perspectives as possible about the tourist who come to Georgia for different reasons and purposes, to provide more detailed information concerning their behavior and their likes and dislikes. Accordingly, I had decided to conduct the in-depth interviews with hotel managers and guesthouse owners, individuals, who have frequent relation with the tourists and could provide useful information about them. In more detail, six in-depth interviews were conducted with following people: hotel managers in Batumi and Stepancminda, guesthouse owners in Kobuleti and Svaneti, marketing and PR manager of hotel in Tbilisi and a hostel manager in Sarpi.

During the research process there were several problems that have occurred. Getting in contact with above mentioned individuals was a big challenge due to the two main factors: firstly, without the intermediaries (meaning mutual acquaintances) it was almost impossible to get in touch with them and to negotiate on participation as they are very cautious about giving away the information. What is more, finding that trustworthy intermediary was quite tough. But still, even with the intermediaries, out of 25 contacts only 4 agreed to take part in research, additional two were close acquaintances: marketing and PR manager of Tbilisi hotel and owner of a guesthouse in Svaneti. Secondly, the summer period, especially July and August is usually busy in most of the touristic regions of Georgia as the biggest number of the tourist visit the country exactly within this months, thus arranging the exact time for interviews was prolonged too.

The interviews took place in an informal setting and each one lasted between 15-35 minutes. The time frame was not set upon, but the interviews were stopped when: interviewer got all of the information needed or interviewer could feel that the respondent was getting irritated, tired or bored.

In order to avoid judging of the participants, as well as for the security of their status and not to harm the reputation of accommodation establishments, there will be no names mentioned in the thesis neither of establishments nor of the interviewees. Knowing that they would stay anonymous, encouraged the respondents to become more open and to provide more detailed information.

2.4.2.1. Hotel in Stepancminda

The hotel is located in the alpine zone of Stepandcminda, at the base of mount Kazbegi, which is famous for its mountainous range. Hotel is one of the new build one in the region, providing high class luxury. In total, the hotel encompasses 156 rooms, the prices for which are between 82-128 EUR per night, depending on the size of the rooms and the view. The front view is on the mount Kazbegi and Gergeti Trinity Church and prices for such rooms are higher. In general, there are following types of rooms provided: double, standard twin and executive double room with front view and the same type of rooms are available with back view (view on the garden).

The extra services that the hotel provides are casino, library, lounge bar, indoor swimming pool, sauna, massage, a la carte and buffet restaurants, free wifi, onsite parking and luggage storage. The special offers are: quad bike tours twice a week, campsite area in the garden of the hotel and event management services for organizing birthdays, conferences and etc. According to the hotel manager, there is also a tendency to plan the weddings and so far there already has been celebrated ten wedding ceremonies among the European tourists.

The biggest number of tourists are received form late spring till middle of autumn. In winter it is quite risky to travel to Stepancminda, as due to the high rate of snow roads are usually closed and it might be unreachable.

As it was said during the interview, tourist come from different countries, but most regular nationalities are: Russians, Ukrainians, Polish, Germans, French, Emirati, English and Azerbaijani. Tourists who

visit the hotel usually come in couples, with friends or families. The average duration of the stay is 2 days.

According to the information received, among the hotel guest there are can be identified two types of tourists. For the first type the main motivation for a visit is to stay in the branded hotel and receive the high quality services, while the second type of tourists do not stay in a hotel for a night but rather visit it for few hours for a rest and mainly enjoy the restaurant and terrace view of the hotel. These are mostly tourists who either make a day trips or come for camping to Stepancminda in order to explore architecture, culture and nature. Mostly they visit the Gergeti Trinity Church or climb the mount Kazbegi. If it is a case of staying for a night, they usually choose to be accommodated in cheaper guesthouses rather than in the expensive hotel.

Concerning the behavior of the visitors, most of the guest require the rooms with the front view, for which the hotel is especially famous for. There are also high requirements for arranging romantic dinners and preparing surprises such as: small gifts, mountain flowers, special room decorations (candles, roses) and etc. The most occupied areas are the fireplace room and terrace with mountain view and for sky watching at night. Hotel also happens to be a common place for tourist who are interested in gambling. According to the manager, the hotel has four constant visitors of the casino from Russia, who are regarded as the VIP guests. Concerning the food, the special interest is towards Georgian wine and traditional cuisine. As there is lack of entertainment possibilities in the region, there is a demand that the hotel provided additional activities in order to make the stay of its visitors more enjoyable.

Concerning the aspects that are best liked by the tourists are: location of the hotel, the view that is provided from the hotel rooms, terrace, the interior design (wooden furniture creating cozy atmosphere) and free library fitted in the design, which happens to be unusual and interesting for most of the tourists. Concerning the services, the tourist are pleased with the friendly and helpful staff and breakfast (Swedish table) which is included in price of the room. On the opposite, the main disliked areas are: low quality of service, mostly complaints are received about the restaurant that takes too long to serve food, as well as tourists think that portions of dishes are small and rather overpriced. Other problems are: small storage space in closets and poor signal of wifi.

2.4.2.2. Guesthouse in Svaneti

The guesthouse is located in the center of the Mestia, close to the old town square. It combines total amount of 8 rooms with 24 beds which are organized in following manner: two dormitory based rooms with six bed in each (separate for males and females) and six double bed rooms. Prices per night differ according to the room types: dormitory room cost 9 EUR per person and the double room - 30 EUR. In case of the full board of meal prices are higher 20 EUR and 45 EUR respectively. It is possible to order a breakfast on spot for 5 EUR per day. Additional services that are provided include: shared kitchen, shared bathroom on each floor, laundry, free parking space, garden and a storage for luggage and skies.

According to the guesthouse owner, tourist that stay in guesthouse are either individual travelers, group of friends or couples who are interested to visit Svaneti for its historical and cultural heritage as well as for hiking and camping. Summer period is the busiest one, while during winter number of tourist decreases and come only those who ski.

As for the question N6, the foreign tourists that have visited the guesthouse were from Russia, Ukraine, Lithuania, Poland, Hungary, Germany, Israel and Switzerland. The average stay of visitors is 3 days. According to the owner he has never had the repeated tourists yet.

Concerning their behavior, tourists visit museums and local sights. They are eager to receive more detailed information from locals about the country. Demand and interest for tasting the local cuisine is also high. During the interview the owner also added that, due to the lack of directory materials (panels, maps, etc.) hosts (hotel owners, their relatives, local people) usually provide help to the tourists by providing the information to get oriented in Mestia.

In regard to question N10, tourists liked the most: possibility to communicate in English and Russian languages, hospitality of hosts, location of guesthouse (close to city center and airport) and homemade food at reasonable prices. While disliked aspects are: unavailability of wifi (guesthouse only provides modem based internet which is charged a certain fee), water problem in the evenings and lack of souvenirs in the region.

2.4.2.3. Guesthouse in Kobuleti (Adjara Region)

Although called the guesthouse, it is neither a guesthouse nor really a hostel, but rather represents a house with apartments that a local family has on rent for tourists. Location is in the suburban area of Kobuleti in a quiet place with the view on the sea.

The guesthouse includes 5 double bed rooms and 5 family rooms with 4 bed in each. If requested, there is also a possibility to add an extra bed which is charged additional free. As for the prices, per bed per night costs 10 EUR, children under 5 years are free of charge and kids between 6-17 are charged 7 EUR per night, price for family room is 50 EUR a night. Additional services that are provided include: shared kitchen, two shared bathrooms on each floor, laundry, garden and a parking space. The guesthouse provides no meal service at all, but the owner holds the small restaurant where tourists can order food.

Due to its quiet location, the most common visitors of the guesthouse are families with children (single parents with kids, grandparent with grandchildren and etc.). Foreign tourists are mainly from Armenia and Azerbaijan, but as owner said during the interview they also had tourists from Russia and once from Iran in 2013. The duration of the stay is between 10-14 days. In regard to question N 9, there are two Armenian families that has been visiting the guesthouse for two years now.

As for the behavior, the tourist rarely leave Kobuleti but if they do so, they go to visit Batumi (another seaside resort close to Kobuleti) and the botanical garden on the way.

The additional details that was provided by the owner is that the guesthouse cannot be booked via internet. Usually rooms are rented on the spot or by making a personal call to the owner for reservation in advance (mostly done by the tourist who already have visited the guesthouse earlier or the ones who have not yet been, but have a recommendation from relatives or friends). What is more, the guesthouse does not provide the rent, if the duration of stay is less than three days, besides the payment must be made in advance.

The aspects most liked by the tourists are: firstly, the location - far from city center where kids are not disturbed by the noise. According to the manager, for one of the tourists the greatest advantage is that house was located close to the beach and the kids do not have to cross the street in order to reach the

seashore.[110] Secondly, relatively cheap prices compared to other places in Georgia such as Batumi, Gonio and Ureki. Thirdly, the possibility to cook at home, giving tourists possibility to economize on eating outdoors in restaurants and cafes and thus reduce their travel costs. On the opposite, the main complaints received are concerning the polluted seashore and bad road conditions to reach the guesthouse. The least liked aspects in regard to guesthouse itself are: queues in the bathrooms, dampness in the rooms and unavailability of wifi.

2.4.2.5. Hostel in Sarfi (Adjara Region)

The hostel is located close to the border of Turkey on the territory of the Georgia right on the main road. According to the hostel manager, the main orientation is on the tourists who want to stay in for a night (visitors who have just crossed the border and need the accommodation for a good sleep and rest), thus among the hostel guests mostly are the individuals who have small businesses in Georgia, (e.g. trade with cloth, products, etc.) or those who deliver different sort of goods/materials in large quantities (e.g. trailer drivers).

There are 16 rooms in total, 10 single and 6 double bed rooms. Prices for a night are 5 EUR and 7 EUR respectively. The hostel does not seem to have any additional services except a shared bathrooms and small bar providing alcoholic and non-alcoholic drinks.

It is not surprising that the biggest number of tourists are from Turkey. Regardless the season or weather, the hostel is always full due to big number of such tourists for all over the year. Interesting issue concerning the hostel is that, it is not possible to reserve the room via internet in advance, usually availability of places should be checked on spot. In addition, accommodation fee is paid on spot as well.

The most liked aspects about the hostel among the tourists are the low prices, while the main dissatisfaction area is problems with heating during winter. Otherwise, all the provided services seem to be acceptable and satisfying for guests.

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[110]In Kobuleti the majority of the houses are located on opposite side of the seashore divided by the main road with heavy traffic.

2.4.2.6. Three star hotel in Batumi (Adjara Region)

The hotel is located in the center of Batumi, near the boulevard and close to the seashore. In total the hotel consist of 192 rooms that includes: single, double, standard triple and family rooms. Prices for per night are 52 EUR, 78 EUR, 95 EUR and 110 EUR respectively. In all prices is included breakfast.

Additional services that the hotel offers are: bar, restaurant, special diet menus on request, terrace, TV with cable channels, free wifi and free parking. The hotel operates on three languages : English, Russian and Turkish.

The main countries that the tourist come from are Poland, Turkey, Azerbaijan, Armenia, Ukraine and Russia. Usually tourists come with families, group of friends or in couples during the summer season, while August is the most popular month. The average duration of the stay is 10 days. According to the hotel manager, information that most tourists want to receive is concerning dining and entertaining establishments (night clubs, lounge bars, live music, local summer music festivals and etc.)

The most liked aspects about the hotel are: the view from the rooms, location, design of the rooms, helpful staff, high quality of food in restaurant and cleanness in the hotel. On the other hand, the dissatisfactory aspects are: basic and the same breakfast each day with small variety of choices, late breakfast between 10-12 a.m, noise caused from ongoing construction nearby the hotel (July 2014), low quality of services (serving food in restaurant takes too long and cleaning services are provided once in a two day.)

2.4.2.7. Five star hotel in Tbilisi

The hotel is regarded as one of the most luxurious and modern branded hotels in Tbilisi. Located in the city center, close to the important historical sites and museums of the city.

The total number of rooms are 249 and the following types of accommodations are provided: classic room, deluxe room, club room, club suite, deluxe suite, club lounge. The prices are between 205 to 508 EUR per night.

Additional services that are provided are: casino, spa, pool, fitness room, conference hall, terrace, lounge, night club, restaurant, exhibition hall, bar, free wifi and parking area. The hotel represents a place where important meetings and dinners, conferences or trainings take place. The hotel periodically provides the special services for the VIP clients (such as free spa, massage, free breakfast, etc.), as well as has special offers for the customers during the events such as Christmas, Valentine's day, women's day, independence day, etc.

Concerning the nationalities, the Marketing and PR manager identified the most common tourists based on the repeated visits, which happens to be form following countries: Russia, Ukraine, UK, Switzerland, United Arab Emirates, Iran, China, Italy, France and Germany. As told, the hotel, according to its standards and prices, is mainly focused on high income tourists. Among the guests have been those who either have business in Georgia, who are on business trips or conferences. The important political authorities and celebrities have been accommodated in this hotel too. As for those who come for leisure, the hotel is mostly attractive for its casino. The average stay of the tourists is 2 days. The hotel is busy for the whole year around, regardless the season.

The things that tourist liked the most are: location, quality of food, cleanness, panorama from the rooms, high quality of services and casino. The complaints were received concerning fitness room that is quite small and the transparent doors in the interior have been uncomfortable for some of the tourists. As for the behavior of the hotel guests, there has been requirements for comfortable transportation (24 hour taxi service) and for bigger variety of international cuisine (from international cuisine hotel provides only Italian and Japanese restaurants).

Based on the information received, for the type of tourist that stay in this hotel the brand name has big importance for two reasons: first of all location where they will stay affects their status and besides, they in advance have a perception of high quality service and comfort that the hotel should provide. In Appendix N1 is provided the in depth interview questionnaire that all the participants were asked.

2.4.3. Quantitative research

The survey was created in order to gain accurate statistical insight into the structure and breakdown of present and potential visitors of Georgia. Within the quantitative research 165 people were questioned,

form which 100 were surveyed through online sources (potential tourists), while remaining 65 (real tourists) were interviewed face-to-face[111].

2.4.3.1.   Quantitative research of potential tourists

The survey was conducted mainly among European nationals who lived in Europe during the research period. The reasons behind choosing this segment were: firstly, strategic development direction of the country and secondly, at present it represents the most undeveloped segment for Georgia and has a big potential of growth in case of correct marketing strategy.

The objective of questionnaire was to identify general behavior of the potential tourists: their main interests and motivations while traveling, sources they use in order to find the information about tourism destinations and their awareness and understanding of Georgia in general. In order to study this, the questionnaire has been organized in 23 questions.

Within the scope of this research total of 100 respondents from 18 countries were interviewed through the online questionnaire from 28 June to 15 July 2014. The most strongly represented nations are Czech Republic, Germany and Poland. Distribution of nationalities is represented in the Chart N 2.

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[111]65 tourists are the ones who were visiting Georgia during July, 2014

Chart N 2: Distribution of nationalities among potential tourists

Lithuania 2%
Poland 11%
Ukraine 3%
Macedonia 1%
Hungary 4%
Slovenia 2%
Slovakia 9%
Russia 2%
Greece 1%
Italy 5%
Portugal 1%
Netherlands 4%
Switzerland 1%
Belgium 1%
Germany 12%
France 4%
Spain 2%
Czech Republic 35%

(0% — 40%)
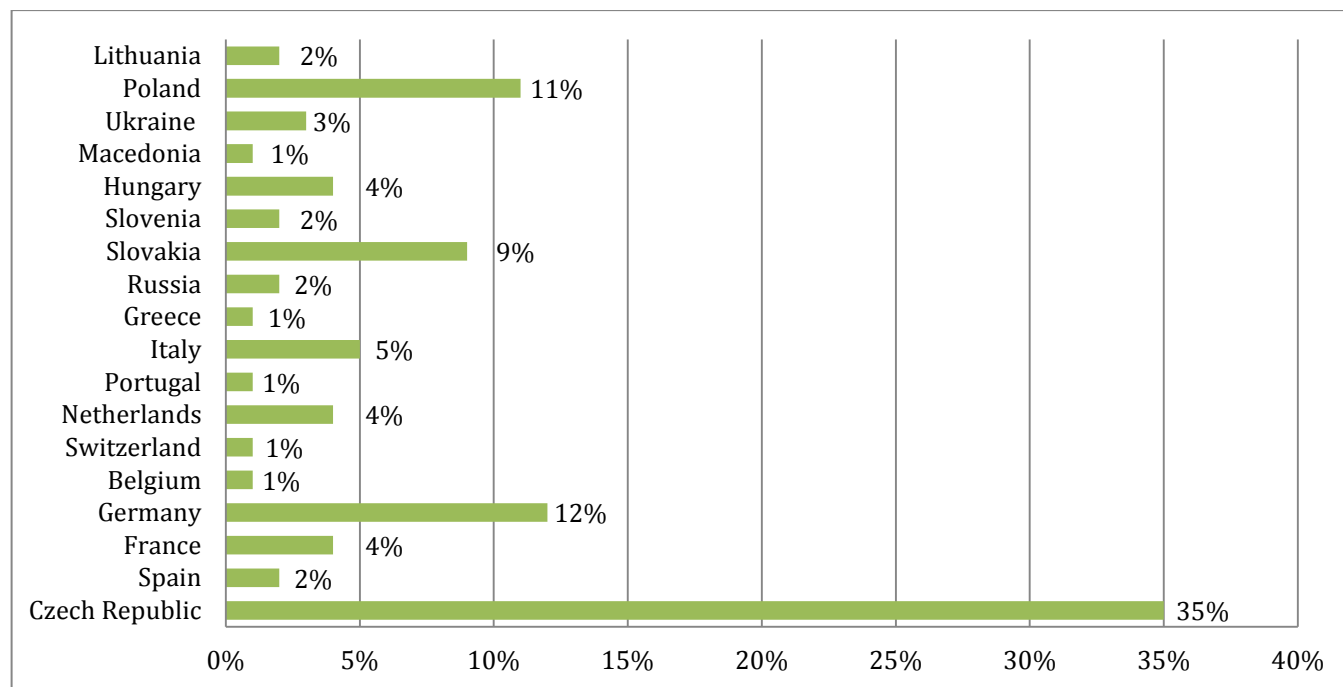
There was a slightly greater number of female respondents 53% than males - 47%. In terms of age majority of the participants - 55% fall in the age range of 25-39 years and 26% between 18-24 years. The reason for such sampling is because of certain limitations, since the author has main acquaintances within the stated age groups. This fact on one hand creates some bias, but on the other hand, it corresponds to the major segment of actual visitors to Georgia. The chart below demonstrates age groups.

Chart N 3: Age groups of potential tourists

1% 2%
16%
26%
55%

- <18
- 18-24
- 25-39
- 40-55
- 56-64
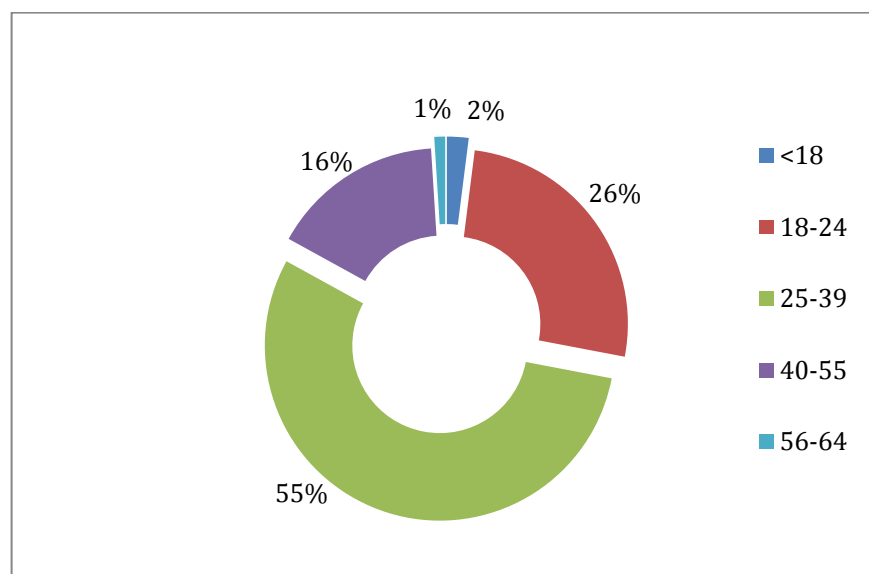
Concerning the frequency of traveling the answers were distributed in the following manner: the highest percentage - 60% of respondents travel more than twice a year, 17 % - once in a year, 10 % - twice a year, 8% - in every few years and 5% once in every two year.

As for the main interests while choosing the country of destination the following was identified: for 30% it is rest and leisure, for 28% history and culture is the priority, 25% of participants choose nature (exotic places, wild life), 9% chooses the destination in order to visit friends and relatives, while adventure holiday is interesting for 8%. Less importance is given to the interests such as: sport, cuisine, festivals, health and religious tourism.

The question N3 was created in order to establish a rank between what is the important and what matters the less to tourists while traveling. As a result, we can see few trends that have appeared. First of all, people seem to be especially sensitive towards attractiveness of the destination and self-security within the chosen country. Further important aspects are: fair prices, quality of services, good climate and wide range of activities. Similarly important are: sightseeing, historical sites, landscapes, nature, hospitality and accessibility to a tourism destination (visa procedures). Moderate importance is given to organized tours, shopping opportunities and public transport, as well as to cuisine, local traditions and availability of tourism information. These are the aspects that do not much affect their decision for choosing the tourism destination.

For the question N4 the aim was to define from where tourists source the information for the destination. Based on the answers received, three main sources are: internet with the highest percentage of 82%, friends and families 12% and finally books and travel guides 3%.

According to the survey the biggest number of respondents travels either with friends 53% or with a partner 30%. While 12% of tourists travel with family and 4% does it alone. Only the smallest percentage 1% travels with the group, meaning group tours organized by the travel agencies and tour operators.

In regard to the accommodation possibilities, majority - 45% stays in a hostel and 30% prefers staying in a hotel. 80% of participants make the booking via internet (websites such as: booking.com, trip adviser

and etc.) while the remaining 20% is divided between booking via travel agency or directly by phone or email - 7% and 13% respectively.

As for traveling preferences two main trends were identified. Firstly, majority of respondents 91% prefers to travel independently and secondly, most of tourist 59%, is oriented to see multiple destinations within a country. The most visited cultural attractions for tourists while traveling are: historical sites 45%, museums 16% heritage centers 9% and nature and landscapes 10%.

Concerning the duration of the holidays, for the biggest percentage - 38% the duration is between 10-14 days and for 35% it is a week. While other holiday periods are: few days for 14% of respondents, between 15-30 days for 10% of tourists and more than 30 days for 3% of survey participants.

As for the awareness of the country, among 100 participants the largest percent 95% of respondents have heard about Georgia. The reason behind of such a result is the fact that, research was conducted within the European acquaintances mostly among university students 84% of respondents and graduates (self-employed, part-time, full-time employees or unemployed) 16% of total amount. Most of the respondents had at least one Georgian friend and they already had some information and understating of the country. The questionnaire was spread among the students of the following universities: University of Economics, Prague, Maastricht school of Management (Maastricht), European University Viadrina (Frankfurt), Fachhochschule Mainz - University of Applied Sciences (Mainz) and among participants of the Lane Kirkland Scholarship Program (Poland).

For the same reason, 95% of the participants had heard about Georgia from their friends, 2 % obtained information from media and remaining 3% form internet (blogs, trips advisor). Although, based on my research, the level of awareness of Georgia is high, this cannot be attributed to the whole Europe. In fact, the hypothesis is that the awareness level among Europeans is low.

In regard to the question N14, for majority of the respondents that is 63%, Georgia was familiar by all spheres, such as: culture, architecture, wine, seaside and winter resorts and etc. 8 % did not know anything about different aspects of the country. 13% knew Georgia due to its political life, 12% due to its culture and 4% - for its nature.

Only 3 people out of 100 respondents had been in Georgia. The cities and locations they have visited were: Tbilisi, Batumi, Mtskheta and Kazbegi. Based on the information received, the main means of transportation to the country for all three visitors was airplane.

For those who have never visited country, the three most important motivations to do so are: for 32% - in the first place is history and culture of the country, followed by beach holiday for 23% and eco-tourism for 20%. More moderate results were received for traditional cuisine, which is interesting for 11% and wine festivals is a motivation for 6%. Other interests of tourists were distributed in the following areas: skiing holiday 5%, architecture 2% and agro tourism 1%. The Chart N4 below demonstrates the main motivations to visit the country.

Chart N 4: Main motivations to visit Georgia
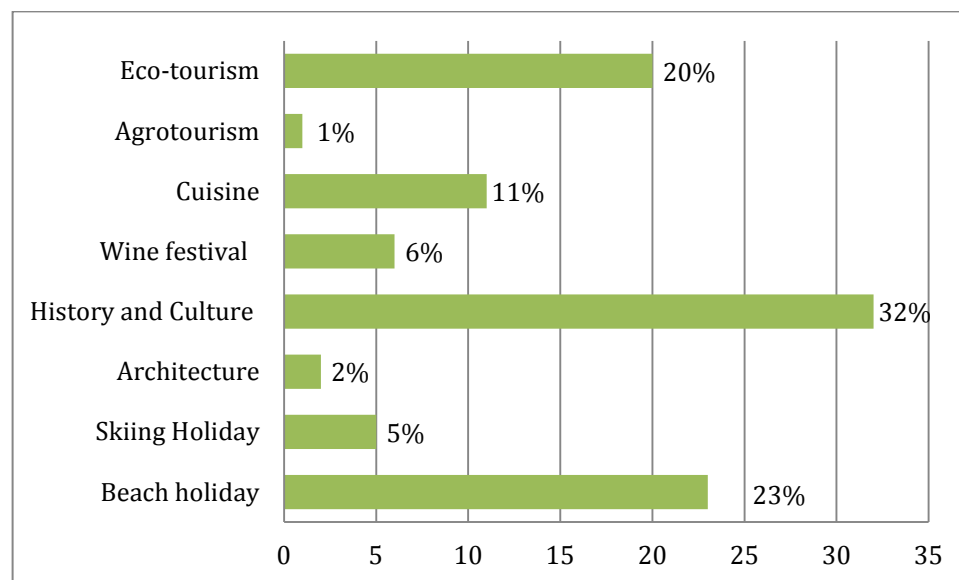
More detailed results of research as well as questions of the survey are provided in Appendix N2.

2.4.3.2. Quantitative research of real tourists

The main aim of the quantitative research within the real tourist was to identify the most attractive types of tourism for international tourists, most visited places of Georgia, to reveal the areas of satisfaction and dissatisfaction and to identify spheres that need to be improved in the country.

The research was conducted between 1-30 July in the following regions of Georgia: Tbilisi 35% of respodents, Batumi - 32%, Kazbegi -12%, Svaneti - 11% and Kobuleti - 9%. In total of 65 people were

interviewed face-to-face. The respondents were chosen according to availability and on a random manner (every fifth tourist passing by), mainly in busy and the most popular places, such as: old town squares, historic sites, main streets, parks and boulevards. During the research 25% of respondents preferred not to response. The questionnaire was created in two languages English and Russian and included 22 questions. The duration of an interviews was between 10-15 minutes.

According to the results, 57% were female respondents, while remaining 43% were male. In terms of age range two main groups were identified: 46% of tourists were between 25-39 years and 23% were between age group of 40-55 years. The Chart N 5 shows revealed age groups.

Chart N 5: Age groups of real tourists
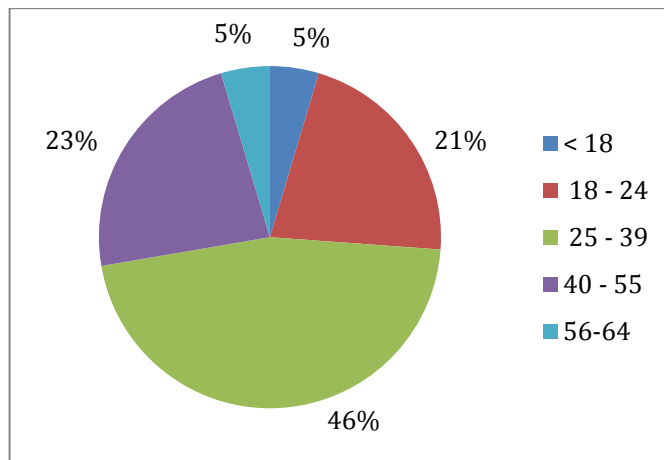
During the research nationalities from ten countries were interviewed. The most strongly represented nations are Azerbaijan, Turkey and Russia. The Chart N 6 demonstrates distribution of nationalities.

Chart N 6: Distribution of nationalities among real tourists

59
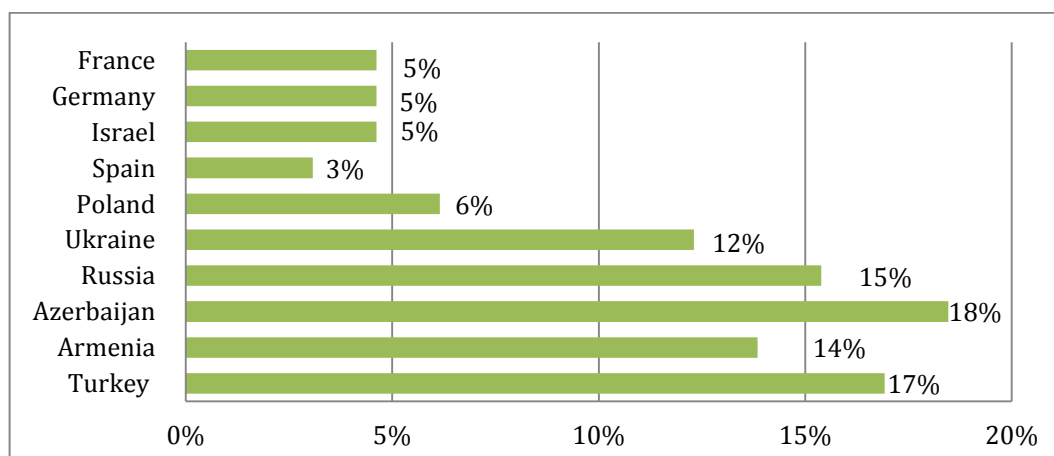
Within the survey nine segments that had visited Georgia were identified. It is noteworthy that, 5% of tourists either could not identify themselves to any group or could not choose only one answer, as they thought that they belonged to several segments at the same time. Therefore they are grouped to the category of "Other". The Chart N7 below shoes the distribution of the segments.

Chart N 7: Distribution of segments in Georgia
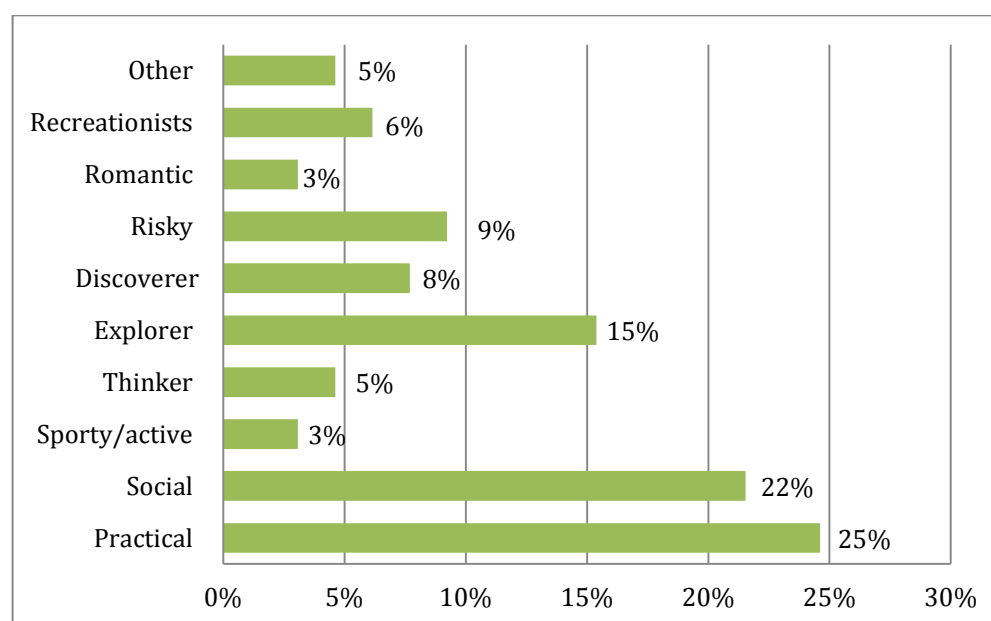
According to the survey, 52 % of respondents (grouped in the category of "Other") already had heard about Georgia long before visiting the country. Mainly such answers were received from Turkey for which Georgia is a neighboring country and also from post-soviet states Ukraine, Russia Armenia and Azerbaijan. Other sources of information were: internet - for 18% (mainly Europeans), friends or relatives -11% (Russians, Ukrainians and Israeli), travel agencies or tour operators- 9% (Russians) and media - 8% (Ukrainians and Russians). The Chart N 8 demonstrates the received results.

Chart N 8: Main sources of information among real tourists
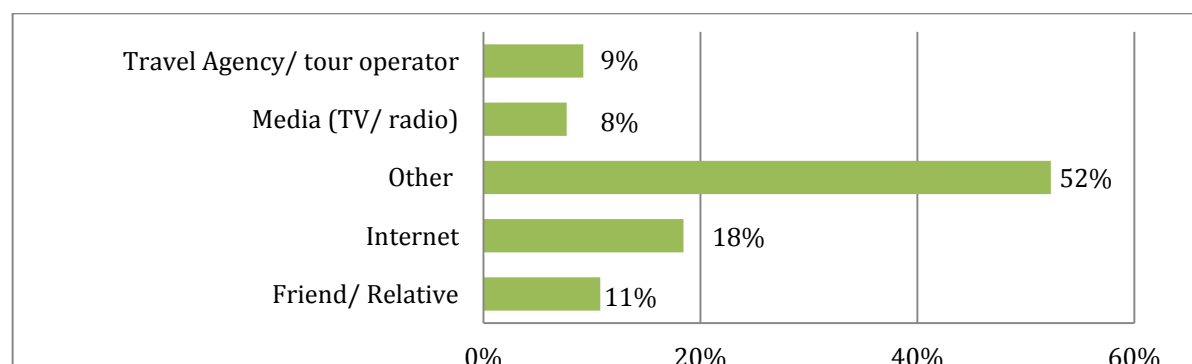
Concerning frequency of visiting Georgia, for the last five years 66 % of participants (mainly tourists from the neighboring countries) have been to Georgia more than once. Specifically, 23% were visiting for the second time, 25% - the third time and 18% have visited Georgia more than three times. As for the remaining 34% , nationalities from Europe, Israel and Ukraine, it was their first time.

The received results show that, 45% of participants planned their trip via internet, 15% responded that their friends had planned the trip for them, such nationalities are Ukrainians, Russians and Azerbaijani while Europeans preferred to plan the trip on their own. Other 18%, mainly tourists from Russia, used the service of tour operators or travel agencies. For 8% the trip was planned by their company. Remaining 14% either did not plan the trip at all, or made the accommodation reservations on spot. This group encompasses Turkish, Azerbaijani and Armenia nationalities who had already been to Georgia several times before and knew the country well enough, so that they no longer needed preparation or booking in advance.

As for transportation, slightly less than half - 49% of tourists travelled by airplane, 32% travelled by a car, 11% - by bus and 8% - by train.

In regards to question N5, the biggest number of respondents were visiting Georgia with friends 37% while 32% travelled with family or family members, 18% was only with a spouse, 11% - alone and 2% with a business partner. As for the duration of the stay, the longest period, that majority of the tourists 58%, stayed in the country is between 7-14 days. The next longest period is 3-7 days for 20%. Tourists from neighboring countries stayed in Georgia for less than 3 days - 18% of the respondents, while 3% stayed for more than 14 days.

The question N7 was designed in order to determine the purpose of visit and then analyze it in regards to the activities that tourists undertook. Based on the results three main purposes to visit Georgia were identified: leisure 48%, visiting friends or relatives 20% and business combined with leisure 18%. The Chart N 9 below shows the of main purposes of visit to Georgia.

Chart N 9: Main purposes of visit to Georgia
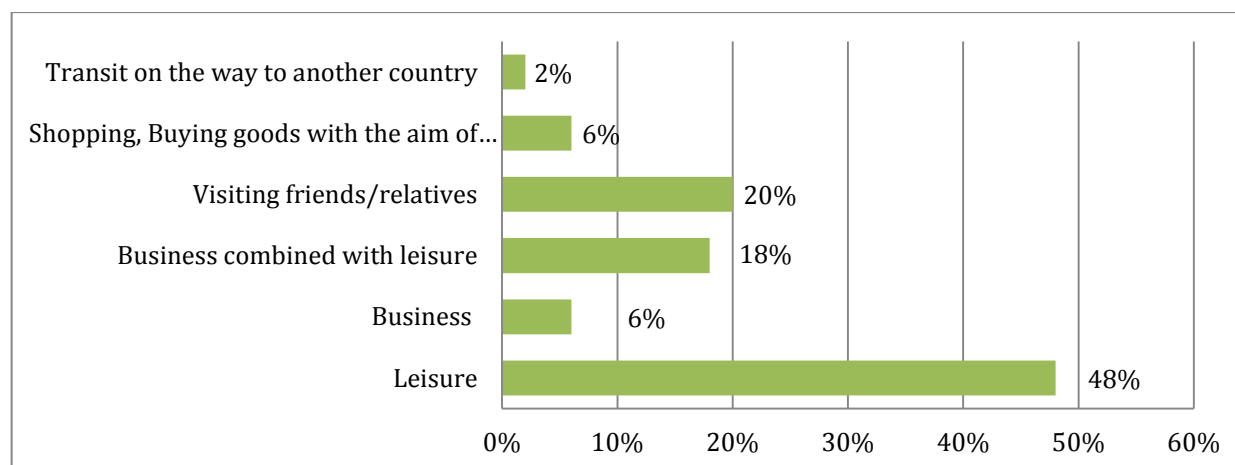
In order to reveal the most frequent activities during their trip, respondents were asked to choose the ones they undertook during their stay. Tourists could choose more than one answer. It is noteworthy, that 65 interviewed people took part in 195 activities, meaning that, on average, a person was involved in two or more than two touristic activities. Activities that were undertaken most often were: visiting seaside resorts and beaches 62%, sightseeing and getting acquainted with Georgian history 42%, visiting the churches (as a part of culture) 32%, gambling 31% and attending business meetings 25%. Other common activities were: spending time with Georgian friends/relatives - 23%, adventurous tourism - 22% and pilgrimage - 20%. Activities undertaken the least were: studying nature and wildlife - 17%, recreation - 15 %, wine degustation trips - 9% and the remaining 3% was in Georgia for shopping. More detailed information is provided in the Chart N10 below.

Chart N 10: Most frequent activities undertaken by tourists while on the trip in Georgia

Activity	Percentage
Other (please specify)	3%
Spending time with Georgian friends relatives	23%
Gambling	31%
Wine degustation trips	9%
Visitng beach/ seaside	62%
Attending business meeting and negotiations	25%
Visiting churches (for culture)	32%
Visiting churches (pilgrim)	20%
Taking waters/ recreational activities	15%
Adventures (hiking, climbing, camping)	22%
Studying nature and wildlife (ecotourism)	17%
	42%

With reference to accommodation, 26% have stayed in guesthouses and 15% combined staying in guesthouses with campsites. Thus, these two together represent the largest group - 41% of the respondents. The next popular accommodation types were branded hotels and hostels.

As for the food establishments, the majority of tourists 63% dined in Georgian cafes or restaurants. The remaining 37% either ate in international or fast food restaurants, bought ready food, cooked at home or combined all these possibilities.

According to the survey, during their trip most of the tourists visited two or more places within the country. More specifically, 35 % visited two locations, 32% - three, 18% - only one and 14% visited more than three places.

The main purpose of the question N12 was to identify the most popular locations within Georgia. In this case too, respondents could choose more than one answer. As it was expected the capital - Tbilisi is the most visited place, as 71% of tourists were there during their trip. The next popular locations were

Batumi and ancient town of Mtskheta visited by 46% and 32% respectively. The Chart N11 below demonstrates other visited locations in Georgia by tourists.

Chart N 11: Locations in Georgia visited by the tourists
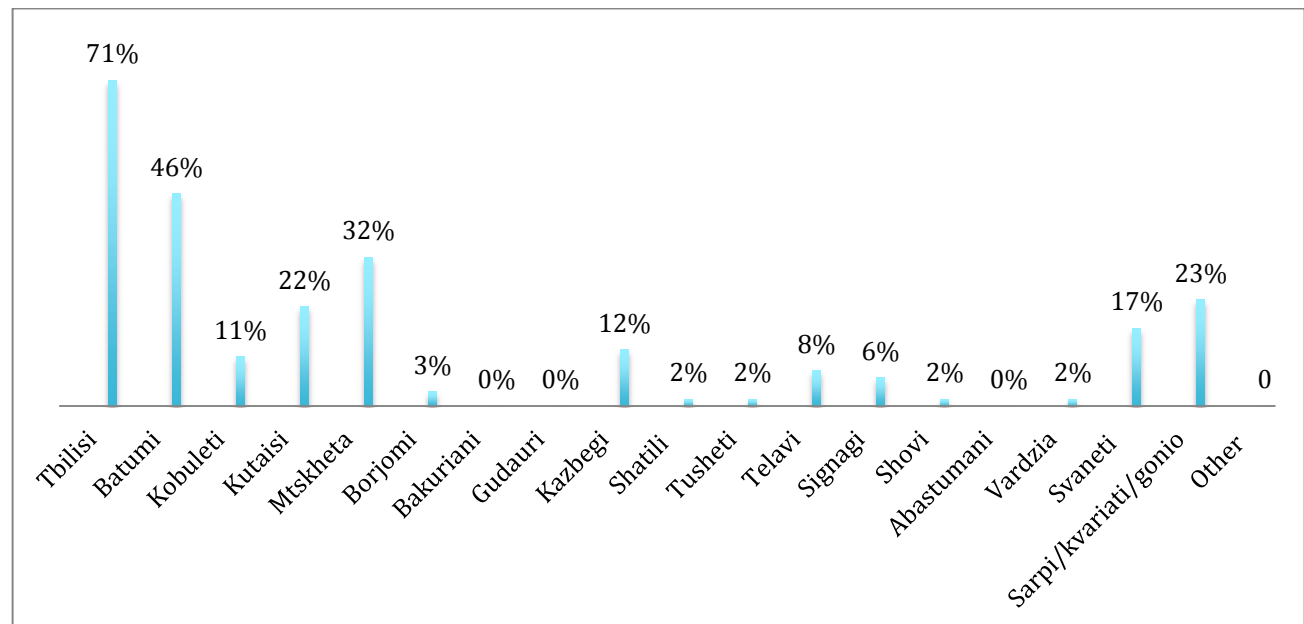
In order to identify the awareness of the local tourist agencies among the tourists, the tourists were asked if they had used their service during the trip. The majority of answers were negative, only 8% of tourists, mainly Russians, used the service for the day trips to Mtskheta, Kazbegi and Telavi.

Out of 65 of researched only two individuals visited another country, namely Turkey, while other 63 respondents did not visit any foreign country during their travel to Georgia. The aim of this question was to figure out if tourists are interested in visiting several foreign destinations during a trip.

Concerning the expenses, it should be noted that the costs per person per day are distributed evenly, the majority of respondents spent average amount of money between 20 - 100 EUR. According to the answers the highest percent 32% spent 50-100 EUR per day, 28% spent 20-50 EUR , 26% - more than 100 EUR per day and finally the smallest percentage 14% spent less than 20 EUR per day.

The question N 16 was created in order to reveal the areas that tourists think should be improved in the country and to identify level of satisfaction and dissatisfaction in regards to specific issues. As the results show, the main satisfaction areas (without negative responses) are: landscapes of the country, cultural and historical heritage and Georgian hospitality. Additionally, 40% were strongly satisfied with

the value of money and high satisfaction - 66%, was also received for entertainment facilities during the daytime. Tourists, were also satisfied with local cuisine and Georgian wine. More neutral answers were received concerning accommodation, in this case results were almost equally distributed 45% for "likes" and 46% for "dislikes", it is worth mentioning that 9% did not use the accommodation at all as tourists stayed with their relatives, friends or on campsite. Approximately the same number of respondents was satisfied - 43% and dissatisfied - 45% with night entertainment facilities, while 12% did not participate in it at all. 92 % of the respondents did not use international tourist agency service, while out of 8 % who did - 5% were satisfied and 3% were dissatisfied.

The areas tourists were most dissatisfied with were: level of service - 74% , infrastructure - 60%, pollution of beaches and streets - 57%, restaurant facilities and services - 52% and finally transportation system - 46% (though 32% of tourists did not use the local transport at all.) Additionally, 40 % of respondents considered that important problem was unavailability of information and tourist materials, but in this case too, 43% did not use this service at all.

The question N17, aimed at identifying the aspects that would have been most memorized in Georgia. The results were as follows: its hospitality - 32%, nature - 23%, cuisine -22%, cultural and historical heritage- 9%, sights - 8% and wine 3%. The remaining 3% mentioned that the most memorable in Georgia was high quality hotel and bad road conditions.

In order to understand the general satisfaction level in terms of the whole trip tourists were asked whether they would return back to Georgia. 38% of the respondents were positive about returning, 26% were more doubtful, while other 14% stated that they would return, but not so soon and 18% said that they had to think about it. Main reasons for the doubt were lack of financial possibilities, as well as interests to discover new countries. The negative answer was received from 2% and reasons behind was the fact that country did not meet their expectations in terms of price as it was higher than they had supposed. More detailed results of real tourists research together with questionnaire are provided in Appendix N3.

2.4.4. The main conclusions of research

As we have already seen the main nationalities that visit Georgia are from Turkey, Armenia, Azerbaijan, Russia, Ukraine and Europe. This distribution satisfactorily represents the real distribution of

nationalities visiting Georgia, and therefore, information received within the research can be attributed to the whole population. The main age groups that were identified fall between 25-50 years. Duration of the stay in the country differs, but mostly fluctuation is between 3-14 days.

Based on interests and motivations of tourists, main purposes to visit Georgia, activities performed during the trip and most frequently visited locations, it was possible to define the most popular tourism types that country should concentrate and further develop. These are: cultural tourism, seaside tourism, nature based tourism (ecotourism), gambling tourism and adventure -tourism. As for places, the most visited ones are - Tbilisi, Mtskheta, the Black Sea coast resorts mainly Batumi, and Kazbegi and Svaneti. These are the locations that should be main focus for the year 2015.

Concerning behavioral characteristic, mostly tourists travel with friends, family members or a spouse. Their main motivations for traveling are: leisure, visiting friends or relatives and business combined with leisure. Majority prefers to see one country per trip and mainly several locations within it, rather than bundle of different countries during a trip.

Additionally, four important aspects were pointed out that need be improved in the country as they represent main dissatisfaction areas for tourists. These are: low quality of services, unavailability of information, lack of tourist materials and bad infrastructure.

Based on the research, the main sources of information used by tourists to find the relevant information about the destination were revealed: internet, world of mouth, travel agencies and travel guides and media.

Stated above are the main conclusions of the research summarized in a united manner. This does not mean that other results and conclusions of the research will not be incorporated into the marketing plan, but rather that the main ones were selected to illustrate a big picture.

The above mentioned information is important in order to create the promotion strategy with correct communication channels in the marketing plan with the aim to increase the awareness of the country and to make it attractive destination for tourists.

2.5. SWOT analysis

Strengths

- o **Attractive country due to its location -** mixture of European and Asian cultures in one country is attractive for tourists.
- o **Nature –** exotic, wild and contrasted nature. The blend of semi-desserts, alpine mountainous regions and Black Sea coast.
- o **Historical heritage–** An old country with a vivid cultural heritage: ancient culture, cave towns and archaeological-architectural museums.
- o **Cultural tourist attractions -** temples, monasteries, medieval churches and iconic regions, each of them distinctive by its architecture, character and individualism.
- o **Climate** – Georgia can be interesting for tourists on each season.
- o **Holiday resorts** – seaside and winter resorts, that attracts different segments.
- o **Prices –** low prices compared to other European countries.
- o **Hospitality -** hospitable people with strong traditions and codes of personal honor.
- o **Cuisine –** distinctive cuisine with variety of dishes, high in various herbs and spices.
- o **Accessibility -** citizens of USA, Canada, Japan, Lebanon, EU and GCC member states can visit Georgia visa free. Besides, Armenia, Azerbaijan, Belarus, Kyrgyzstan, Moldova, Tajikistan, Ukraine, Uzbekistan have unlimited visa free regime, while Kazakhstan, Russia and Turkey do not need visa up to 90 days.[112]

Weaknesses

- o **Awareness–** weak awareness of Georgia as a tourist destination.
- o **Lack of experience in tourism industry** - lack of competent personnel in the field, lack of knowledge in tourism management sphere.
- o **Tourism information centers -** absence or lack of tourism information centers and informational materials such as: brochures, postcards guidebooks and maps.
- o **Directory materials**: absence of a panel system (indicators for monuments, road and street signs)
- o **Transportation** - unorganized time-schedules for public transport causing mobility problems. Regional transportation system (train, buses) out of date and slow. High prices of international transport (mainly airplanes) that make the travel costs more expensive.

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[112] http://georgia.travel/eng/Information_for_tourists/Visa (10.12.2014)

- **Accommodation** - small number of hostels within the country, low quality of guesthouses. In order to receive the proper service, tourists mainly have to arrange their stay in branded and relatively high priced hotels.
- **Service -** low quality of customers' service and untrained service staff.
- **Underdeveloped infrastructure** – damaged roads, pollution, poor connectivity.
- **Variety of activates** – small choice of activities to attract or entertain tourists.
- **Lack of gift shops and limited variety of souvenirs**

Opportunities
- **Integration with Europe**
- **Stable political relationship with Russia**
- **Increasing demand for a hub between Europe and Asia**

Threats
- **Political situation –**occupied territories of Abkhazia and South Ossetia with Russian troops within the country borders create image of Georgia as unsafe tourist destination .
- **Country is at the risk of Russian occupation**
- **Demographic environment** – changing demographic environment, complete depopulation of the villages and migration of local people towards the capital city or abroad affects both, material and immaterial cultural patrimony.
- **Competition** - the competitiveness from the geographical neighbors e.g. Turkey.
- **Destruction of monuments** - damage done to the monuments by tourists, the most common ones are graffiti on the monuments and scratches on church icons.

3.   Marketing Plan of Georgia as a Tourism Destination

3.1.   Target market and segmentation

A core element of Georgian tourism market development strategy is to target a high yielding consumer segment, which involves a group of individuals that will come to Georgia and will spend more and more money while doing so.

Based on the marketing research conducted regarding the present and potential situation of Georgian tourism industry, Turkey, Azerbaijan, Armenia, Russia, Ukraine and Europe have been identified as key target geographical segments. Stated geographical areas were chosen, as there is at least some awareness of the country within Europe, and high awareness of Georgia within other mentioned countries due to their geographical location. In addition, the given segments can be characterized with high potential in regard of readiness of potential customers to spend money on vacation in Georgia and also hold opportunities to expand the existing market.

Main segmentation base within the scope of the given plan is lifestyle (blend of psychographic and behavioral) segmentation. New theoretical researches, as well as the best practices worldwide show that segmenting the target market according to their values and characteristics, rather than demographic variables is more efficient, as it groups people that behave in a similar way in regards to tourism and react on similar stimuli more efficiently.

Two types of large segments of travelers are clearly evident on any tourism market: business segment and leisure segment. Due to the specificity of the thesis, the research mainly focuses on leisure segment as it represents the group, that is the main target of the marketing activities and effort that is to be presented within the document. Thus, only profiles of leisure segment will be analyzed within the thesis. On the other hand, I could not have fully ignored existence of the business segment in order to create the realistic picture of the existing types of tourists within the country, thus only general information about business segment will also be provided. Business segment is important for the development of the country according to its spending characteristics and in terms of revenues. However, motivations to come to Georgia for this segment are not directly impacted by the marketing effort from the tourism sector (except for the instances where they are investing within this specific sector), but rather by the criteria for doing business, such as: economic opportunities, economic and political stability, availability of resources and ease of doing business in the country.

During the process of creation of the segmentation number of activities and procedures were carried out by the author. Specifically, during the research conducted for the thesis, it was not possible to reach the business segment as members of these groups are difficult to meet randomly in public places and also arrangement of private meetings is extremely difficult. Accordingly, I made decision to contact close friends, who have frequent and long term contact with different types of tourists (both business and

leisure ones), thus were well acquainted with their demands, preferences, behavior, satisfaction and dissatisfaction areas and were ready to share the information with me. Accordingly, informal meetings and brainstorming sessions were organized with following three individuals: marketing manager of exhibition center (Expo Georgia), cluster marketing manager of hotel Radisson Blue Iveria and owner of tourists agency ''Travel Club Georgia''. Based on the obtained information main business segments were identified and analyzed. Afterwards, the objective was to gain information on the size of each segment and other quantitative data. Since there is no published official documentation, regarding the stated parameters, the lists were sent to GNTA with a request to provide data (if such was available) concerning: the size of the segment, average money spent per segment, average duration of stay and country breakdown. GNTA confirmed the existence of the segments in the country and also provided aggregated analysis of the requested data based on the raw and unpublished materials.

Concerning the leisure segment, the lists were created based on the aggregated results received form qualitative and quantitative researches. The main focus was their family standing, reasons for coming to Georgia, main activities that they took part in, the areas of likes and dislikes. Likewise, the business segment the list was sent to GNTA with a similar request for the quantitative data. In this case employee of GNTA provided additional segments: pilgrims, recreationalists, traditionalists and economizers. These segments were not that clearly identifiable during my research. In addition, GNTA provided additional qualitative data about them.

Consequently, target market of Georgia can be broken into segments as shown on the Figure N6 below. Profiles of each leisure segment is divided into following parts: general description of segment, main motivations to visit country, requirements and preferences for a specific trip, satisfaction and dissatisfaction areas connected with the trip and communication tools for each segment.

Figure N 6: Main target segments of Georgia
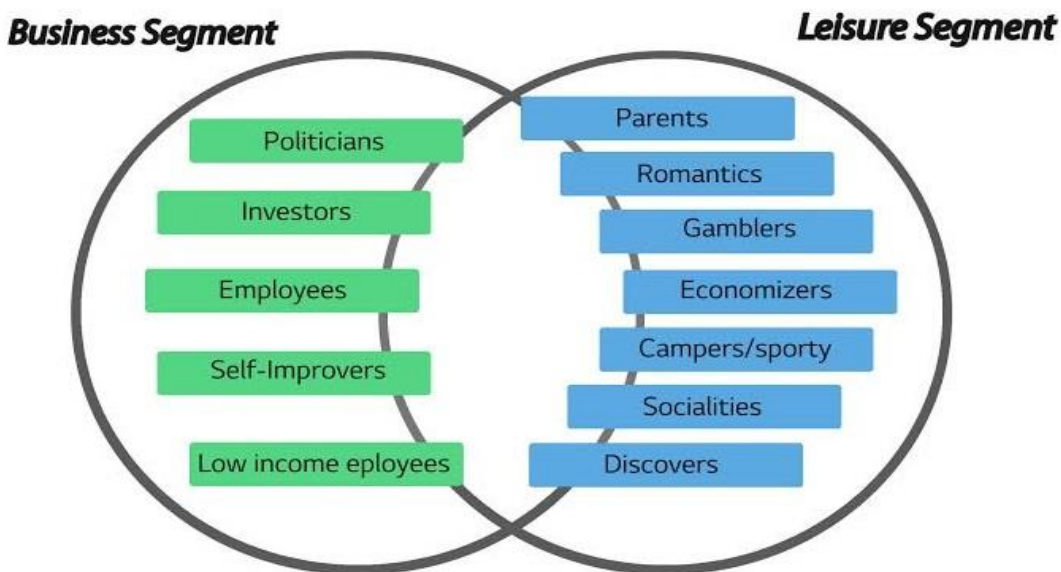
The Figure N6 describes main target segments of Georgia as a touristic destination. The initial breakdown of segments involves separating leisure and business travelers, but these two may also interact (business can be combined with leisure and visa-versa). Business travelers are divided into: politicians, investors, self-improvers, employees and low income employees. Leisure travelers are divided into following segments: parents, romantics, gamblers, economizers, campers/sporty, socialites, discovers and others.

3.1.1. Business Travelers

Business segment is one of the major components of the Georgian tourism industry. Real and potential investors, politicians, company owners/managers, having interest not only in Georgia or Caucasus but also in the whole central Asian region, come to Georgia regularly from various countries in order to explore and utilize business opportunities. According to GNTA unpublished information, business travelers hold 25 % of the total market in terms of number of visitors and 45 % of the total tourist market in terms of the revenues received.[113] The segments structure of visitors is following:

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[113]Inside source of GNTA (August 2013)

Table N 2: Business segment description (Source: GNTA)[114]

Name of segment	Brief Description	Share in business segment	Average duration of trip	Average cost per trip (EUR)
Investors	Foreign individuals who have interest to invest/ or have already invested in Georgia.	8%	3 days	1531
Politicians	Politicians coming to hold meetings with Georgian authorities.	4%	2 days	1276
Employees	Medium and high level managers of foreign companies coming to Georgia for meetings/negotiations, etc.	12%	5 days	1063
Low-income employees	Individuals with low income jobs, who have to travel to Georgia as part of their jobs (mainly trailer drivers, car drivers, etc.)	68%	2 days	128
Self-improvers	Individuals coming to Georgia for trainings and conferences	8%	5 days	468

3.1.2. Leisure Travelers

Leisure segment is the biggest in Georgian tourism industry for both international and domestic travelers, holding 75 % share of the international tourist market in terms of the number of visitors, and 55 % share of the market in terms of costs.[115] Structure and description of the leisure market segments is the following:

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[114] The quantitative data presented in the table is based on the inside source of GNTA

[115] Inside source of GNTA (August 2013)

Table N 3: Leisure segment description (Source: GNTA)[116]

Name of segment	Brief Description	Share in leisure segment	Average duration of trip	Average cost per trip (EUR)
Parents	Families, that choose to travel with kids.	6%	14 Days	433
Romantics	Couples, who choose to travel to romantic places and want to spend time together.	4%	5 Days	346
Gamblers	Group that comes to Georgia for gambling purposes and leisure.	5%	2 Days	520
Economizers	Individuals who cannot afford/do not want to spend a lot of money on the trip to Georgia .	69%	1.5 days	94
Campers/ Sporty	Individuals who come to Georgia for camping and exploring nature.	3%	7 days	173
Socialites	Group mainly consisting of young people, whose main interests include clubbing, nightlife and other social activities.	5%	7 days	346
Discovers	People who come to Georgia to explore its historical and cultural heritage.	3%	10 days	173
Other[117]	Individuals, who come to Georgia for religious and recreational reasons or visit Georgia out of habit.	5%	8 days	461

3.1.2.1.   Profile of Parents

This segment involves families with children traveling on a vacation. Average age of this group falls under the age range of 25-45 years. The ultimate goal of parents is to ensure well-being, safety, comfort and satisfaction of their kids. This segment belongs to medium to high income group, for example: there are the ones who stay in high class hotels, as well as the ones who rent the rooms locally at lower prices. Nevertheless, in both cases they require high level of hygiene and sanitation, usually avoid noisy settings and choose calm establishments that provide special comfort for children. Concerning food establishments, they either dine in respectable, high quality establishments (usually within the hotels) or in some cases, if given a possibility, they cook themselves. As usual their vocations last longer than all of the other segments - average duration of stay is 14 days.

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[116] The quantitative data presented in the table is based on the inside source of GNTA

[117]Group of "Others" compasses Pilgrims, Recreationist and Traditionalists segments, which hold the smallest percentage among the leisure segment .

The most important reasons why parents choose Georgia as a country for vacation are: good climate conditions, close geographical location for neighboring countries and good value for the price paid for the whole vocation. Their main requirements are high quality of food and comfortable accommodation. The main satisfaction areas are: climate, accommodation, and good shopping opportunities. On the other hand, dissatisfaction areas include: limited daytime activities, pollution and bad road conditions.

This segment usually relies on internet and travel operators as the main information sources. Information received from acquaintances is also important for them.

3.1.2.2.   Profile of Romantics

This segment falls in the age range of 18-30 years and involves couples travelling to romantic locations in order to enrich their relationships. They usually travel for special occasions (birthday, Valentine's Day, anniversary, etc.), but in some instances the decision is spontaneous. Romantics mostly come from nearby countries Azerbaijan, Armenia, Turkey and Russia and usually travel by car. This segment spends only one or two days in the country and therefore do not tend to economize on spending. This segment usually seeks blend of remote and social entertainment.

The main reasons for romantics' segment for choosing Georgia are: relatively low costs compared to other countries and geographically close location. Main requirements for a trip are: accommodation and dining establishment that set the romantic mood. This segment is mostly satisfied with: Georgian hospitality, good accommodation standards and local sights, while limited nightlife and lack of entertainment facilities during the daytime are the main problems that couples face.

It is important to mention that majority of the members of this segment had been to Georgia before. Therefore, the decision to choose a location is usually based on prior knowledge and their experience. Otherwise, they ask their friends who have been to Georgia or rely on internet.

3.1.2.3.   Profile of Gamblers

The segment of gamblers encompasses individuals who regularly come to Georgia from Turkey, Azerbaijan and Russia. Their main motivation is playing, since gambling is either totally or partially banned or undeveloped in their countries. This segment is rarely interested in cultural heritage and sights.

The age group of this segment is above 21 years. They usually go on trips with friends and travel by car. As for the duration of stay, on average they spend 2 days at destination

Georgia is usually chosen as a gambling destination as it is the closest where this segment can go and satisfy the need to play, while it is also combined entertainment with other activities either on seaside resorts or in capital of Georgia. Main requirements of the gamblers for the trip are: quality of hotels and casinos with variety of games, which are also the main satisfaction areas for them. However, this segment is most dissatisfied with the low quality of services.

Gamblers usually use internet but also take into consideration opinions of their acquaintances when making decisions where to gamble and correspondingly where to stay.

3.1.2.4. Profile of Economizers

Economizers represent the biggest segment of tourists visiting Georgia. This segment mainly encompasses tourists from neighboring countries such as: Turkey, Armenia and Azerbaijan and come to Georgia for short-distance trips by car. They fall in the age group of 24-55 years. Members of this segment have low income and are extremely cost conscious, trying to spend as little as possible on the trips. They are practical and consume products that fulfill their basic needs. If given an opportunity, they economize on accommodation and stay for free with friends and relatives who live in Georgia or rent cheap apartment from locals. The average duration of their stay is 2 days. Another specific characteristic is that, economizers are not at all demanding in terms of quality of services and products that they consume.

The main reasons for choosing Georgia as a vacationing destination are following: relatively low cost, visiting friends or relatives and shopping opportunities. Their requirements for the trip are connected with low prices for an accommodation and dining. Thus main satisfaction area is good value of money received on the trip, while dissatisfaction areas include: surprise costs, meaning that actual costs are higher than expected and unorganized transport system. Economizers usually use internet in their everyday life, but they are more trusting towards suggestions of friends and acquaintances. Another important characteristic is that majority of this segment has been to Georgia for several times and therefore has firsthand knowledge of the environment and possibilities.

3.1.2.5. Profile of Campers/sporty

Campers represent emerging segment with high potential for Georgia due to its mountainous and seaside camping areas. The main reasons why campers visit Georgia are its untouched and exotic nature combined with culture and variety of activities such as: day hiking, watching wild life, mountain biking, etc. They usually come from Europe in a group of 4-5 individuals (friends or family members). The main means of transportation is airplane and mostly budget airlines. They tend to stay slightly longer in the country, as they usually visit two or more location during a trip. On average they stay for 7 days that includes 2-3 night per location. This segment falls into age group of 18- 45 years. The main motivation for campers is the desire to explore the exotic and unknown places and to have the new experience. They are not afraid of taking risks and perceive the traveling as possibility of personal growth and enjoy exploring other cultures and interacting with local people. In terms of expenditure, they spend minimal amount of money during trips mainly on food, transportation and souvenirs. Concerning accommodation, they mainly spend nights in nature (in tents), but sometimes combine guesthouses and camping together.

The main requirements of the segment in regard to a trip are: availability of information about the country and low prices. The satisfaction areas for the segment includes: nature, culture of Georgia, hospitality of locals, unlimited campsite size and low prices. While weak infrastructure and unorganized transportation system are the most problematic area for them.

Communication with this segment can be established by internet (blogs, social media and cultural sites), as well as viral marketing and personal acquaintances.

3.1.2.6. Profile of Socialites

Segment of socialites is the youngest of the leisure segment with age group between 18-25 years and encompasses individuals who lead active social lifestyle and come to Georgia to enrich it. They travel by plane and mostly with a group of friends. Main characteristic is that they are full of energy, and individuals seeking variety of entertainment possibilities, thus they mainly visit large cities with active nightlife. This segment is less oriented on high class hotels, but they rather stay at medium class hostels or guesthouses and prefer to spend more money for nightlife and other entertainment facilities. The average duration of their stay is 7 days. As for food requirements, it is mixed as they eat in fast food restaurants, buy food in bakeries, but local cuisine is also popular among them.

The main satisfaction areas for socialites are cheap prices while dissatisfaction areas include: limited night entertainment activities (pubs, bars, discos, etc.). This segment usually gets information through internet and social networks. Their main means of communication are digital.

3.1.2.7. Profile of Discovers

This segment involves the individuals who are not afraid of trying something new, enjoy new experiences and attain pleasure through learning new things. This is the only segment that comes to Georgia for sake of what the country is and is interested in its cultural heritage and in exploring the country physically. Among the leisure segments, discovers have highest awareness and knowledge of Georgia and know what they want to explore in advance and plan the trip accordingly. They usually come to Georgia in a group of 2-5 people and mostly include visitors from Ukraine, Russia and Europe. The average duration of their stay lasts for 10 days. Discovers can be found among the age group of 20-50 years. They usually stay in the rooms rented out by the locals or in guesthouses. Concerning food, they seek authentic Georgian food and usually dine in Georgian traditional food establishments.

The main requirements of the segment in regard to trip are availability of guide services, as well as transportation and accommodation services in remote areas. This segment is most satisfied with Georgian hospitality and rich Georgian historical heritage, but the main dissatisfaction areas are: limited guide services, bad road conditions and low level of local tour operators' services.

Their main information source is internet, mainly: websites, blogs and articles. At the destination they also use services of Georgian tour operators when planning the trip, with which they either communicate themselves or through local travel agencies.

3.2. Targeting and positioning

3.2.1. Value analysis

In order to ensure maximally profitable positioning of Georgia among the target markets, we first have to analyze the value that tourism (travel) holds for the segments in general. As we know, tourism is part of service industry therefore it is intangible, what makes the process of decision making and also the final satisfaction subjective and biased. Value of a travel destination can be broken down into the following equation:

(Functional benefit +emotional benefit)

$$\overline{\hspace{6cm}}$$

(Energy costs +time costs +monetary costs +psychic costs)[118]

Due to the fact described in the paragraph above, it is vital to understand and provide the target segment with the emotional benefits for choosing the destination and in order to make them feel satisfied with their choice. In some cases, the importance of emotional benefit might even exceed functional benefit. Overall, in order for Georgia to be competitive, the benefits should exceed costs more than competitors' services do.

Detailed analysis of Georgia was made in addition to analyzing the research results of real tourists, in order to distinguish main parameters of emotional and functional benefits that Georgia might hold for the target market. According to the results and conclusions, the parameters in terms of emotional benefits are: hospitality, opportunity to deepen knowledge, scenery, uniqueness and diversity, while functional benefits are as follows: original and tasty cuisine, climate and history.

3.2.2. Target market

Setting one specific target market for Georgia as a tourism destination is very challenging due to its diversity, which at the same time is one of its biggest advantages. But analysis of the best practices show that it is better to have narrow range of individuals for which Georgia holds high value, than wide range of individuals for which the country will be at satisfactory level. Due to this conclusion and the aggregate research results that were analyzed from many different angles, following target individuals were distinguished (further plan will focus on these individuals as the main target group)[119]:

Table N 4: Target market of Georgia for 2015 marketing plan

Tourism Types	Psychographic Segments	Regions
Leisure tourism (seaside, gambling, etc.)	Socialites Parents	Turkey, Armenia, Azerbaijan Russia, Europe, Ukraine
Cultural / historical tourism	Discovers/campers sporty Gamblers	
Nature based tourism (hiking, skiing, etc.) and ecotourism		

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[118]Kotler, P., (2002), Marketing Management, Millenium Edition

[119]From the research results, spending habits and amounts were also taken into account when defining the target segment; i.e. there might be segment that is bigger, but the chosen segments are clearly more profitable.

After the implementation of the marketing plan described below, the target traveler to Georgia is to be: sophisticated, self-assured extrovert, who likes trying new things, exploring undiscovered territories, but at the same time wants to do all this at highest comfort level possible. The individual from age group of 25-45 years old, employed at medium to high salary, who is not very price elastic. Individual who is either single and travels with friends and likes to visit places where there is constant action, or a parent who comes to Georgia with family (including children) and demands special services to make family more comfortable. The target traveler of Georgia will choose it while considering the following criteria: scenery, hospitality, diversity of activities available, level of comfort, service, uniqueness, accessibility and price.
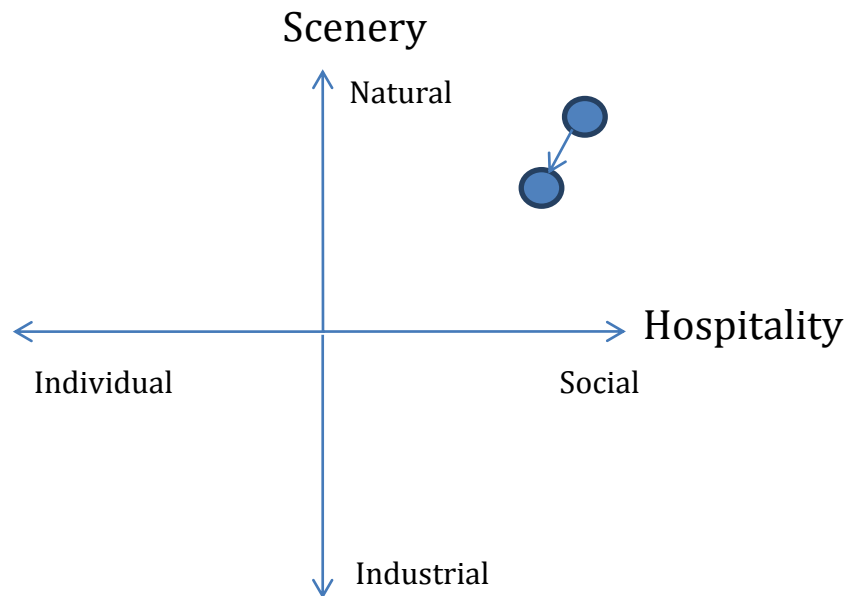
3.2.3. Positioning

It should be stressed that positioning must represent reality. In other words, it is very important to help the target market to have realistic expectations regarding Georgia in general and specific destinations within the country, so that the final satisfaction level will not be negatively affected. Therefore, if some parts of the motivators that are important for the target segment are missing, they have to be filled as effectively and quickly as possible.

 In order to develop the positioning statement, following functional and emotional attributes of Georgia were identified as comparative advantage (the identification process was based on my observations and research results. Chapter Two, Research): hospitality, scenery, level of comfort, accessibility, uniqueness, diversity, price and service.

Taking this and also the target market description into the account, Georgia should be positioned as a country that is: old, sophisticated and wise, providing each traveler with opportunity to discover something new. Country that offers all of the comforts with highest European standards, but does not lose its unique personality through its nature, diversity of destinations that offer multitude of different experiences, that cannot be encountered anywhere else around the world, and through the tastiest, exotic cuisine. According to the attributes that affect choice, the positioning is following: scenery, hospitality, diversity of activities, level of comfort, service uniqueness, accessibility and price.

Figure N 7: Positioning parameters for scenery and hospitality (created by the author)

On the following figure we can see the present location of Georgia in terms of scenery and hospitality and the position how country should be perceived . The main goal is to slightly lower positions in regards to both parameters.

Positioning parameter of scenery includes the perception of country as a whole in terms of nature and architecture. On one extreme, scenery can be too natural (wild, untouched nature, exclusively old-fashioned architecture), while on the other end country can have small amount of greenery, but very impressive modern buildings (skyscrapers, etc.). Today, Georgia has approximately 90% of wild nature and 10 % of modernism. Modern buildings can only be encountered in big cities. As modern is associated with higher level of comfort, the country should lower its "naturality" but at the same time preserve the "untouched, wild" status. The blend should be following: observe and experience wildness from and through comfort. As for hospitality, one extreme would be very social hosting, with little privacy, while the other end, includes society where no one will cross the private boundaries. It should be mentioned that "too much" hospitality makes some segments uncomfortable and therefore the level should be lowered a bit.
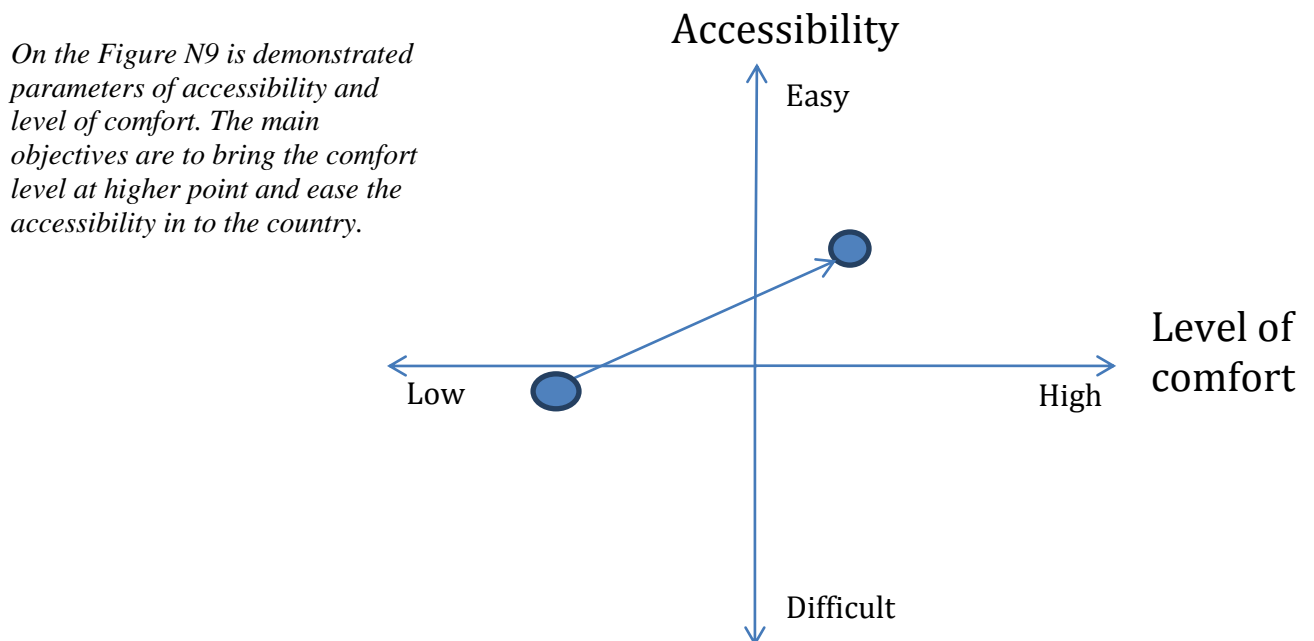
Figure N 8: Positioning parameters for uniqueness and diversity (created by the author)

The Figure N8 shows parameters of uniqueness and diversity and the point that country holds. The main aim, within these two indicators should be to maintain the uniqueness status and lower the diversity perception.
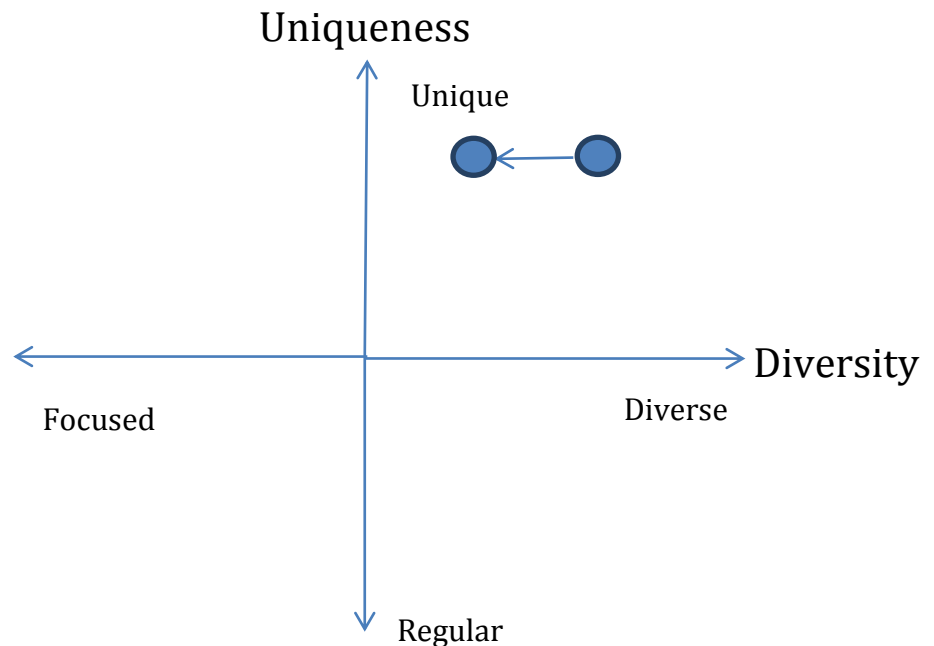
As for uniqueness parameter, should be considered combination of all the characteristics of the country that makes it different and incomparable to other countries. Due to the ancient history and its distinct character as well as strong individuality, Georgia is perceived as a unique country. The positioning strategy should focus on maintenance of the status. Concerning the diversity of a country, it includes the number of activities that can be experienced at one destination, while focused diversity includes selected types of activities that the country is best at (usually, in such countries tourism is developed towards this direction) and giving less possibilities to enjoy varied activities. In case of Georgia there are number of activities that can be experienced, starting from culture to extreme leisure and adventure. But too much diversity is dangerous, as it might trigger loss of attention to the main focus areas (motivators of visit) Therefore, diversity of the country, should be decreased to a bit lower level.

Figure N 9: Positioning parameters for accessibility and level of comfort (created by the author)

Accessibility

On the Figure N9 is demonstrated parameters of accessibility and level of comfort. The main objectives are to bring the comfort level at higher point and ease the accessibility in to the country.

Easy

Level of comfort

Low   High

Difficult

Level of comfort includes accommodation and infrastructure conditions, that affects overall satisfaction. In regards to the chosen target market, higher the comfort the better. Considering present situation, comfort level should be substantially increased (in reality and consequently in perception). Ease of accessibility depends mainly on cost (energy, time and monetary) of transportation into the country. Easier accessibility automatically means bigger inflow of visitors, which is one of the main objectives. Therefore, that parameter also has to increase, but the expectation of increase has to be realistic.

Figure N 10: Positioning parameters for service and price (created by the author)

Service

The figure N10 shows positioning of service and price parameters, that should be reached. At present, both of these indicators are at low level.

High

Price

Low   High

Low

82
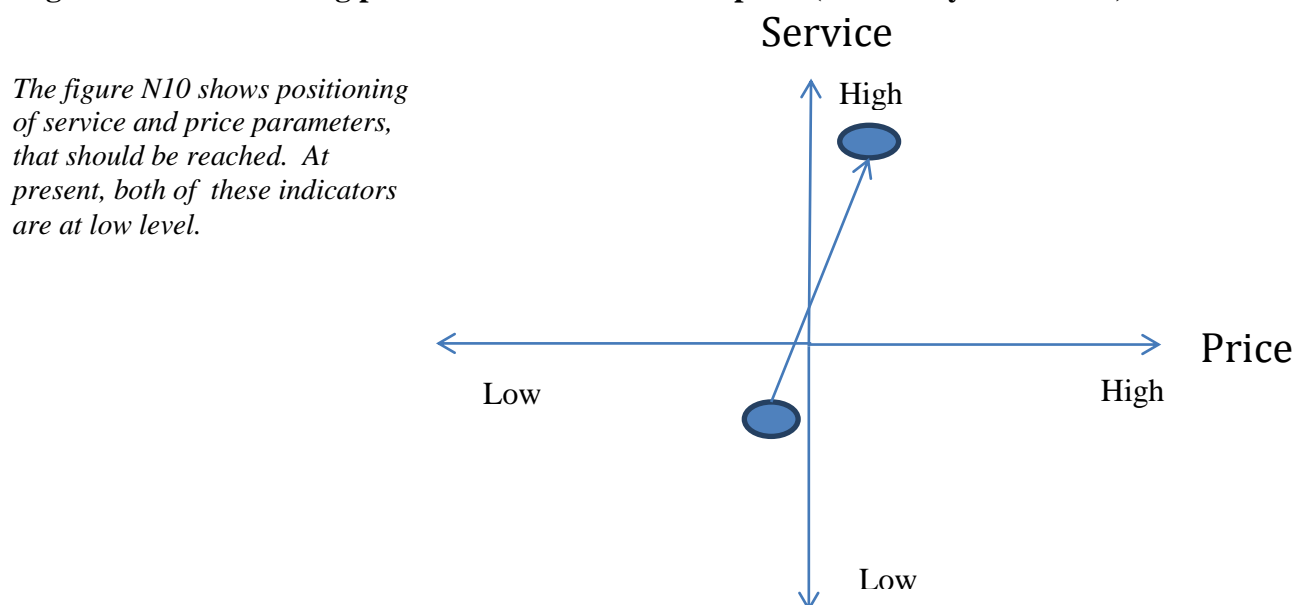
Quality of service encompasses all areas of service within country: accommodations, food establishments, information centers, touristic centers, etc. Provided services within a country strongly influences the satisfaction level of the whole trip as it can turn the traveling into the best and to the worst experience. Positioning should express high level of service that will be backed up by reality. The aim in regards to price is to reach the balance, or in other words, to match the prices that will be comparable to the competitors. This means that, price should not be unrealistically high so that it should not encourage the customers to change their destination country or increase the competition, but neither should it be low, as usually low price is associated with low quality. It is also vital that price and quality should be regulated in a way that they are in compliance with one other.

3.3.   Branding

As we have mentioned earlier, tourism industry is growing, but at the same time nearing saturation and therefore the competition there is very fierce. In order to gain stable place among the top players of the worldwide industry, Georgia has to build a strong brand of itself, with a powerful base of loyal customers, who not only love to visit the country, but also are ready to promote/recommend it to others. In other words, it is vital to develop a strategy that will build a cult brand for the target market.

Georgia should not be a dream faraway location, but rather a near place, where everyone from the target segment can come easily and gain maximum satisfaction. It should stand for a place, that is welcoming and knows how to anticipate the needs of visitors and fulfill them at the highest level possible. To attain that it is very important to set the realistic and focused expectations.

3.3.2. 4D Branding

Georgia has to have the following benefits in perception of the target market, in order have a chance to become one of the brand (with the right communication).

- **Functional dimension**

A country, which provides a getaway from reality through blend of traditions and modern life. It gives opportunity to relax and rest in the historical setting, which is fully equipped with modern amenities and services. Country that provide comfortable atmosphere and opportunity to enjoy the wild and exotic nature. Place where it is possible to have peace of mind, body, and spirit and self-fulfillment through participating in physical and mentally stimulating activities.

- **Mental**

Georgia gives me opportunity to feel more intelligent and wise. Country provides strong sense of liveliness, excitement, energy and interest. There is always something new to experience in the country.

- **Social**

By vising Georgia, others see me as more creative and interesting individual, whose opinion is important, acknowledged and respected, thus society pays more attention and reaches out for communication. That brings higher status and feeling of being proud of myself.

- **Spiritual**

Georgia represents country which, treasures friendship, is fond of its nature and preserves it, pays big attention to retaining its historical and cultural heritage and most importantly delivers the promises that it makes.

3.3.2. Brand image and styling

The main focus of branding strategy is to create high brand awareness and knowledge, that will meet the strategic marketing objectives and take evident steps towards creating a cult brand for the target segment out of the country. To do this, it is vital to develop brand components, so that they have unique character and totally coincide with the preferences and values of the target customers.

In order to develop the most efficient brand code, it first has to be established that Georgia has to become a relationship brand. In other words, each of the visitors has to develop relationship with the country and take away positive, strong feelings that are backed up by experiences and memories.

The brand vision for Georgia should be following: a country that is a stable friend, offers freedom for self-development and provides an ideal blend of Eastern and Western cultures. A country that can be described as a contemporary and modern hub of wisdom and knowledge, a living example of ancient traditions, mixed with the modern way of life.

The style of Georgia as a brand should reflect the best traits of the country. It should demonstrate Georgia as cozy and addictive destination, with variety of experiential adventures and activities for like-minded people. It should become an ideal "social meeting place," focusing on outgoing nature and

hospitality of the nation. Georgia should reflect creativity, mixed cultures and wisdom. At the same time, it should demonstrate refinement and elegance.

The country should fully demonstrate its unique characters. It should underline that there is no place that will give the visitor same experiences around the world. The adjectives that should be associated with Georgia are: creative, hospitable, unique, diverse and multicultural.

3.3.3. Brand components

3.3.3.1. Slogan

For a brand to have memorable verbal and visual identity, it is important to create a slogan and a logo for it. The slogan of Georgia was created by taking into account three main aspects: brand image, how country should be perceived among the target market and the key message it should send to tourists. In addition, it was important not to imitate or sound similar to slogans of other countries. Taking into consideration all these factors, I have created the following slogan: **"Georgia – Creates the best memories"**

The slogan reflects new experiences and discoveries, adventure, fun, joy, excitement and relaxation that Georgia offers its tourists due to its diversity, uniqueness and activates that country provides. The above mentioned in combination, can be the aspects that are associated with the best memories of a trip. The main focus is made on memories, as memories are what all the tourists usually wish and strive to have left from traveling to new destinations. The most important about the slogan is that it brings positive aura around the brand, is true, simple and thus easy to memorize.

3.3.3.2. Logo

Concerning the logo, I have decided to make a new logo with the elements of national symbolism. The Figure N11 below shows the suggested logo of Georgia.

Figure N 11: The suggested logo of Georgia (created by the author)

The combination of red and white colors was chosen on the basis of the national flag of the county. The main idea behind was not to make the logo totally different from national colors for two reasons: firstly, in order to avoid confusion among the tourist and secondly, to make it easily associated with the country (but at the same time not to make it similar to the national flag like existing logo (Chapter Two, Tourism in Georgia) or to any other symbol). The symbol on the top of the "I"- is originated from ancient Georgian culture.[120]The ornament was frequently used in architecture and represents symbol of Georgia. At present it is illustrated on national currency and in national passport. Suggested logo is elegant and represents a blend of modernism (represented in script) and traditions (represented in symbol).

3.3.4. Legends and storytelling

In order to develop lasting relationships with the brand, it should be associated with the real stories. Legends should be associated with each of the iconic destinations that were distinguished for the strategy of 2015: Tbilisi, Batumi, Ushguli (Svaneti region), Kazbegi and Mtskheta. (on basis of the research, Chapter Two, Research). These are the places, aside from the conceptual branding and communication of the whole country, that should become the core of development and focused communication within the year. In the year of 2016, if the objectives are met, communication process for these destinations may decline, and next main destinations can be identified. The legends are as follows:

1. Griboedov's and Nino Chavchavadze's story is one of the most famous love stories within the Caucasus region and symbolizes multiculturalism and eternal love. The main point of the story is

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[120]http://www.nplg.gov.ge/gwdict/index.php?a=term&d=14&t=33132 (20.10.2014)

that one of the most beautiful and popular Georgian lady fell in love with the Russian poet, who left everything for her and moved to Georgia. They were very happy together and are buried at the same place in the Mtatsminda Pantheon. This site should become symbol of love, where couples will go to in order to get blessed and singles will go in order to be lucky in love. Each of the visitors has to take lucky pebble from the grave in order for their love to be as strong and as eternal as one of Chavchavadze and Griboedov.

2. Leave your mark on Ushguli. It is matter of pride to have been at the highest point in Europe where civilization exists. One of the rocks should be used as a memorial desk, where each visitor will have opportunity to write their memorable note, it is not only fulfilling but also fun for coming back.

3. Make a wish in Mtskheta. In Georgian there is a long tradition of hanging a piece of fabric, napkin or part of the cloth on a trees and making a wish, such trees are known as "Wish Trees" or "Natvris Xe" in Georgian. Orchards of such trees can be planted near the Mtskheta valley, that will make the place more memorable and will give more magical aura to the location.

4. Ali and Nino is another famous fictional cross-cultural love story between Georgian lady Nino Kipiani and Muslim Azerbaijani Ali, who went through cultural and social obstacles to defend their love. In Batumi, near the seashore, there is a special "statue of love" - sculptures of a man and a women representing Ali and Nino, that move toward each other and merge into one piece that symbolizes power and eternity of love. This site can become an international meeting place of couples or friends where they can leave their notes, love letters, or padlocks in the memory of their love and their trip to Batumi.

5. Gveleti waterfall located in the mountains of Kazbegi is a place that Georgian believe to have a curing effects, if one drinks the water directly form waterfall and some of them even make wishes while going through it. It can also become a touristic location in order to have fun and to enjoy the nature.

3.4. Action Plan

After research and analysis it is needed to provide suggestions that will help to attain the goal of the study. In this chapter I will provide recommendations and strategies for which can play an important role for development of tourism and increasing number of tourists in Georgia.

3.4.1. Marketing objectives

Based on the conducted research (including secondary data), political and economic goals of the country and in-depth analysis of the potential and real segments of tourists in Georgia, objectives of the marketing plan were derived. The main goals of the marketing activities are: to provide awareness and knowledge about the country, increase of the number of incoming tourists and provide maximal satisfaction from the trip. In more detail, the specific marketing objectives of the marketing plan for 2015 are:

- To improve the level of services in the country by providing trainings and workshops.
- To provide knowledge of what value Georgia holds as a country and increase awareness within the target market
- To form the accurate expectations within the potential visitors
- To create a platform for building a strong and sustainable brand
- To create and promote Georgia as an umbrella brand for iconic destinations that were identified, where each of the places has distinct target market and specific character. It should be taken into account, that all destinations should comply with the aggregate image of Georgia as a country

3.4.2. Marketing strategy

The overall development strategy of Georgia, should be focused around the brand characteristics that the brand strives to achieve and promote. Therefore, all decisions regarding the product, pricing, place and promotion activities should revolve around the desired brand perception and the preferences of the target market.

In order to implement marketing strategy, involvement and cooperation between several parties such as: GNTA, other governmental departments and private sectors, is essential.

3.4.3. Product

Taking into account present situation in Georgia, very efficient and quick steps need to be taken in several areas to ensure that the product of Georgia meets the ambitious message of high quality that the country strives to promote. Main areas of the product that need to be improved/added are: availability of information, services, quality of food establishments and infrastructure in terms of road signs and directory stands.

3.4.3.1. Strategies and tactics for improvement of problematic factors in the country

3.4.3.1.1. Service

The objectives of service strategy should be to create high standard of customer service within the country, to build the professional service personal and to achieve European standards. The special professional training programs should be organized by GNTA that will focus on customer relations, customer service, hospitality and interpersonal communications. Trainings should be divided in theoretical and practical parts and should be prepared individually for the following positions: front desk clerks, waiters/waitress, housekeepers and supervisors of each position in restaurants and hotels and tour guides. Theoretical part should be based on following issues: professional customer service skills, effective communication with customers and handling with their complaints. The practical part should mainly focus on simulation games. In the first phase, the program should be implemented in iconic locations distinguished, as for the second phase, the program should be developed in other important destinations such as: Gudauri, Bakuriani and Borjomi. The program should be held free of charge and oriented on unemployed segment actively looking for a job, as well as on the individuals who are already employed at the positions stated above.

Separately, set of management trainings should be prepared for the owners and top managers of the tourist venues. The objective of these trainings should be to help them to understand the value of high level customer service and show them the ways of controlling and rewarding it.

3.4.3.1.2. Food establishments

The main objective of the government in the area of food establishments should be to create a uniform standard of minimal requirements to ensure safe dining even in the cheapest locations. This goal can be

achieved through introduction of regulations on control and certification of such places (sanitary conditions, quality of materials used, etc.).

Additionally, menu standardization program needs to be implemented, based on which mandatory information about the meal should be provided in all the food establishments. Specifically, in all menus, under the meal name detailed list of its ingredients should be given.

3.4.3.1.3. Information materials and tourism information centers

Special information centers (owned and managed by government) should be created throughout the country. More specifically, the first information center should be opened in Kazbegi, considering that there is an evident demand and there are no centers at all, four additional centers need to be added in Tbilisi, (in this case the total number of centers will increase to 5), and two centers should be added in Svaneti (with total number amounting in 3)[121], in 2015. Centers should be located in the main tourist concentration areas: old town square, main streets, etc.

In addition, GNTA in collaboration with existing publishers of commercial print materials should publish brochures, maps, transport route maps, illustrated guides and catalogues in foreign languages (English and Russian), that will inform tourists with adequate content and will guide them throughout Georgia. Additional materials need be created separately for each iconic destinations - Tbilisi, Mtskheta, Batumi, Svaneti and Kazbegi. Materials should be updated periodically in order to reflect adequately the existing situation in Georgia.

As for distribution of information, some materials should be available for free, while others could be available for purchase at information centers and other touristic places such as: airports, railway and bus stations, at underground (in Tbilisi), bookstores and kiosks in the cities.

3.4.3.1.4. Souvenirs

Purchasing souvenirs is an essential part of traveling as souvenirs remind tourists of new places they visited and special moments of their life. Additionally, they help to promote the country indirectly. At present, quality of souvenirs is poor and variety is quite limited. Thus, GNTA should introduce

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[121]http://georgia.travel/ (26.10.2014)

regulations on visual identity of the country on souvenirs as well as should organize special workshops in order to increase the variety and quality of souvenirs.

In addition, government should also undertake to open gift shops in regions and should also create special gift points at tourist attractions such as: museums, view-points, international hotels, etc.

3.4.3.1.5. Informational stands and panels

GNTA should create directory strands indicating the main touristic facilities for iconic destinations. Besides, near to the tourists attraction places (funiculars, monuments, view-points) illustrated panels shortly describing the history of the certain locations, showing routes (parks), or demonstrating the monuments that are seen form the funicular/view-points need to be created.

3.4.4. Place

In terms of place of purchase, two different purchasing situations need to be analyzed and planned. The first one involves purchasing the trip to Georgia from abroad (transportation, accommodation, and entertainment package), and the second one involves purchasing additional tourist services in Georgia (guides, souvenirs, dining, accommodation within other regions of Georgia for further travel, etc.).

In regards to travel agencies, the aim of GNTA should be to help the local agencies is to establish communications with new foreign tour agencies in target countries (Turkey, Azerbaijan, Russia, Ukraine and Europe). The goal is to provide realistic and correct information to the potential customers (meaning that created image should be consistent with the location in terms of prices, services and accommodation in order to gain trust towards the country) and should motivate potential tourists to visit the country. Different types of touristic packages (within seaside, cultural and adventurous tourism or the blend of the three) should be created, which should include various components of touristic operation chain: airlines, hotels, local travel services.

In terms of local purchasing, since the main players in that area are local businesses, there is little government can do to promote the area. The only projects implemented should be: mediation for cross promotion, enforcement of law concerning minimal standards for the place of sale and stimulation for consolidation.

3.4.4.1.   Internet as a place of purchase

In terms of direct channels, the aim is to change the direct contact (through telephone, email) with tourists by online transaction facilities. In other words, easy booking mechanism should be organized on the local corporate webpages, such as: country website and local travel agency websites, where customers will be able to get information about tours as well as book or purchase products directly. Besides, it is important to provide information to foreign online travel intermediaries such as: www.expedia.com, www.lastminute.com, etc. The responsibility to implement the strategy is also upon GNTA and local tourism agencies.

3.4.5. Price

In regard to prices, government cannot directly impact the price levels of business sector, since it conflicts with the notion of a free economy. However, at the same time, taking into account the positioning strategy of the country, ideally the prices should be set at medium to medium high level. Besides, in order for the country to be competitive globally, the quality should totally reflect and even exceed the perception of price in terms of value for the potential visitors. This is the indirect effect that the government should aim to strive for on the pricing level in 2015. In other words, government, in collaboration with the international donors, should finance the projects of tourism services that should be oriented on the improvement of quality of infrastructure and service. The above mentioned actions will positively impact the perception of quality among visitors, and it will allow the business sector to set prices at a higher level.

3.4.6. Promotion

The aim of promotion process is to increase knowledge and awareness of Georgia. The strategy for 2015 should promote the country as an umbrella brand of iconic locations that were identified in the research (Chapter Two, Research) and as a unique and diverse place. The country slogan should be used as a communication message in all types of promotion. The reason behind is to achieve the high rate of recognition of the brand and awareness of the country among the tourists.

Among the majority of tourists researched, internet was distinguished as a main source of information. Therefore, main promotion strategies need be based on internet, but on the other hand, in order to build strong brand awareness, other promotion strategies and suggestions will also be provided in this subchapter.

3.4.6.1. Internet

3.4.6.1.1. Corporate web-pages

At present there are several fragmented websites for different regions and location of Georgia, meaning that information about the country is not provided in one website and thus, information should be searched separately. For touristic destination it is important to have one major website, thus GNTA should create official country website, which will provide relevant and accurate information about the country, its tourism types, main destinations and its products and services. Besides, it will serve as advertising and public relations source.

Additionally, the government should also provide web advertisements (flash banners, articles, photos, etc.) on different webpages that are widely used by tourists when planning the trip e.g.: accommodation, trip advisor and official sites of airlines that fly to Georgia.

3.4.6.1.2. Viral marketing

Concerning the viral marketing GNTA should order (unofficially) short videos demonstrating how one can enjoy and experience Georgia. The aim is to promote Georgia (its culture, landscapes, nature and sites) and to spread information fast, at low expenses and to create word of mouth about the country. The videos should be based on real life experiences of tourists combining different activities in different locations.

3.4.6.1.3. Social network

Nowadays, social network has become a standard marketing tool to reach the large audience in order to attract and to build relationships with potential tourists, help them to find inspiration and provide possibility to experience the destination/product before the visit. Accordingly, under responsibility of GNTA official country page and separate pages for iconic destinations on Facebook should be created. Besides, materials (photos, articles, videos, etc.) should be uploaded on Instagram, Tumbler and Pinterest.

3.4.6.2. Logo as identity mark

On the basis of implementation of the new law, government should promote Georgia as a brand, meaning that logo of the country should be used on the exported products from Georgia (wine, mineral water, etc.) as a part to upgrade the country's trade. The aim is to reinforce the brand of Georgia and

increase/create awareness of the country abroad by labeling products with a logo. In other words, logo should become an identity mark for Georgian goods.

3.4.6.3. Fairs and exhibitions

Participation in different foreign trade fairs should be planned regularly by the GNTA, as it is the opportunity to establish personal contacts between different private/public tourism businesses and individual visitors of the fairs worldwide. What is more, exhibitions, conferences, fairs, and expositions should be planned within the country concerning different aspects of tourism, trade, culture and more.

3.4.6.4. Advertising through printed materials

The main objective of this promotion strategy is to promote Georgia within and outside the country borders among potential and real tourists. Hence, GNTA should create a country catalogue and brochures that will be distributed by local travel agencies and information service centers locally. Besides, the materials should be provided to foreign tourist agencies on the fairs and exhibitions.

3.4.6.5. Articles

In order to reach different segments and nationalities, GNTA should organize publishing of articles about Georgia in inflight magazines. For 2015 orientation should be made on the following airlines: Aeroflot (Russia), (Ukrain)Turkish Airlines, Pegasus, Atlasjet (Turkey), Azerbaijani Airlines (Azerbaijan), Wizz.air, Lufthansa, Royal Dutch Airlines, Polish Airlines and Austrian Airlines (Europe) . The main reasons for choosing the above mentioned airlines are as follows: first of all, all the named airlines carry out flights to Georgia and secondly, the listed countries represent the target regions for 2015 marketing plan (Chapter Three, Targeting and positioning, Target market). Therefore, articles provided in inflight magazines of airlines flying to targeted countries will help to provide information to target segment as well as to other potential tourists about Georgia as a tourism destination.

Conclusion

The goal of this thesis was to develop an appropriate marketing strategy for Georgia with the aim to create distinctive image of the country, to raise its awareness and to identify what kind of marketing methods can be used to increase tourists inflow. At present Georgia does not have a strong position in the competitive tourism destination marketplace, but with its natural and cultural resources and correct promotion and marketing strategy the country has a potential to become a popular destination.

In order to address the goal of the thesis I have conducted several studies and researches. First of all, I have studied number of books, articles and theories for the literature base. Secondly, I have analyzed the secondary data provided by Georgian Statistical Office, GNTA and other sources, in order to provide overall information about Georgia and to analyze local tourism industry .

Furthermore, I have conducted a research on a sample of 165 respondents , 6 hotel managers and personal acquaintances, which has shown interesting results in regards to main nationalities visiting Georgia and the main motivation to visit country, attractive tourism types for visitors, the most visited locations within the country and the sources tourists use in order to receive information. Deeper understanding was obtained about products and services that tourists are most satisfied and dissatisfied with. Study also pointed out national tourism prospects and development possibilities, as well as main segments in Georgia. In addition, SWOT analysis of the country was also based on ongoing research.

After analyzing the aggregated research results and outcomes, I have distinguished the target markets and derived suggested positioning, branding and marketing strategies. The recommended target group is middle class, between age group of 25-45 years, that seeks for new experiences and diversity. Taking into account the target market, it is recommended to position Georgia as an old, sophisticated and unique country that provides travelers with new discoveries, different experiences and offers high level of comfort. While in regards to attributes that affect their choice the positioning is following: scenery, hospitality, diversity of activities, level of comfort, service uniqueness, accessibility and price. In branding strategy, Georgia is suggested to be styled as a country, which is hospitable and a stable friend, country which represents a hub of wisdom, blend of different cultures and is addictive destination with number of diverse activities that can be experienced. In addition, I have developed 4D branding strategy and have created new slogan and logo of the country that provides more clear and real perception of Georgia.

In marketing plan is provided tactics and strategies for development of the problematic areas that exist within the country. Concerning the promotion strategy, the focus is made on internet as a communication tool, as it was identified as main source of information among majority of the interviewed tourists.

The recommended marketing strategy, in general, should support Georgia, as a country to become competitive on the global market and therefore utilize its potential in terms of tourism industry. Implementation of the plan should play important role for country promotion, should increase awareness of Georgia and accordingly attract higher number of the tourists.

Recommendations

For further development of tourism in Georgia GNTA in cooperation with different governmental departments could implement the following strategies:

- o **Development of regional tourism brands -** development of tourism with multifunctional approach, focusing on the separate regional destinations like Kakheti, Samegrelo and Guria.
- o **Diversification of tourism products -** providing new facilities for tourists, diversifying tourist products according to regions.
- o **Development of niche tourism** - country has full potential for development of following types of tourism: archeology, recreation, pilgrim, cuisine and wine tourism.
- o **Gradual improvement of infrastructure and transportation system within the country.**

Appendix

Appendix N1: In depth interview questionnaire

1. Type of accommodation and location?
2. How large is the hotel/hostel/guesthouse? (how many rooms? How many beds)
3. What is the price per room?
4. What extra services do you provide? (bar, internet, etc.)
5. What seasons (preferably months) are most popular? Or is the demand regular? Do the different segments come at different times?
6. Citizens of which country are your main customers? Name the reasons if possible.
7. On average, how long does each customer stay?
8. How do the customers behave? (who they come with, what do they order as usual, etc.)
9. Do you have repeated/same customers?
10. What do your customers like most about the hotel? What do your customers like least about your hotel?

Appendix N2: Potential tourists questionnaire and survey answers

1. How often do you travel outside your country?
   a. Every few years
   b. Once every two years
   c. Once a year
   d. Twice a year
   e. More than twice a year

2. What are your main interests while selecting the tourism destination?
   a. Adventure (hiking, camping, paragliding, etc.)
   b. Night life
   c. Health
   d. Nature (exotic places, wild nature)
   e. Religion
   f. Rest and leisure
   g. Sport
   h. Festival
   i. History and culture
   j. Cuisine
   k. Visiting friends/relatives

3. Rate the importance of the following aspects of a destination when making a decision about the choice of your holiday?

		Very important	Important	Not important	Not important at all
	Attractiveness of destination				
	Accessibility to destination (VISA free regime)				
	Availability of tourism information				
	Personal security				
	Sightseeing				
	Landscapes and nature				
	Climate				
	Wide range of activities within the destination				
	Historical sites				
	Hospitality				
	Interesting local tradition				
	Accommodation				
	Cuisine				
	Quality services				
	Organized excursions and tours				
	Fair prices				
	Good local public transport				
	Shopping opportunity				

4. From where do you source the information for the tourism destination?
   a. Family/friends
   b. Travel agency
   c. Guide books
   d. Internet (travel web pages, trip advisor, etc.)
   e. Magazines (business, music, fashion, literature,etc.)
   f. Newspapers
   g. Social network (Facebook, Pinterest, etc.)
   h. TV advertisements
   i. Films/Movies
   j. Radio
   k. Other

5. With whom do you travel?
   a. Alone
   b. Friends
   c. Partner/Spouse
   d. Family
   e. Group

6. What type of accommodation are you staying in during your visit?
   a. Hotel
   b. Hostel

c. Apartment
d. Guesthouse
e. Staying with friends and relatives
f. Other

7. If you made a travel or accommodation booking, did you
 a. Book in person at travel agency
 b. Book via internet (booking.com, expedia.com etc.)
 c. Book directly (by phone, fax or email)

8. Do you prefer to use tourist guide services or tour independently while traveling?
 a. Tour guide
 b. Independent traveling

9. How do you prefer to travel?
 a. See one destination at a time (one city)
 b. Bundle of destination (see several destinations within a country)
 c. See several countries during a trip

10. Which cultural attractions or cultural events do you usually visit while traveling?
 a. Monuments
 b. Museums
 c. Art galleries
 d. Religious sites
 e. Historic sites
 f. Heritage centers
 g. Dance events
 h. Traditional festivals
 i. Other (please specify)

11. How long does your holiday usually last?
 a. Few days
 b. 1 week
 c. 10-14 days
 d. 15-30 days
 e. More than 30 days

12. Have you heard about Georgia ?
 a. Yes
 b. No

13. If yes from where/whom did you hear about Georgia?
 a. Internet (blogs, trip advisor, etc.)
 b. Friends / Relatives
 c. Media (TV, radio, newspaper, etc.)
 d. Books and guides
 e. Travel agency
 f. Fairs and/or exhibitions

g.   Other

14. By which sphere is Georgia familiar to you?
    a.   Culture
    b.   History
    c.   Wine Culture
    d.   Cuisine
    e.   Architecture
    f.   Nature
    g.   Seaside holiday resorts
    h.   Winter holiday resorts
    i.   Alphabet and Script
    j.   Political issues
    k.   All of above
    l.   None
    m.   Other

15. Have you ever visited Georgia?
    a.   No
    b.   Yes

16. If yes, which place?
    a.   Tbilisi
    a.   Batumi
    b.   Anaklia
    c.   Gudauri
    d.   Bakuriani
    e.   Borjomi
    f.   Kutaisi
    g.   Mestia
    h.   Signagi
    i.   Shatili
    j.   Kazbegi
    k.   Gonio
    l.   Kuataisi
    m.   Sairme
    n.   Telavi
    o.   Abastumani
    p.   Kobuleti
    q.   Other (please specify)

17. What means of transportation did you use to come to Georgia?
    a.   Plane
    b.   Train
    c.   Bus
    d.   Own car
    e.   Other

18. What would be your best motivation for visiting Georgia?
   a. Beach holiday
   b. Skiing Holiday
   c. Architecture
   d. History
   e. Culture (museums, exhibitions, etc.)
   f. Wine festival
   g. Cuisine
   h. Agro-tourism
   i. Eco-tourism
   j. Rural- tourism
   k. Education tourism
   l. Other (please specify)

19. What is your gender?
   a. Male
   b. Female

20. What is your Nationality?

21. What is your age group?
   a. Up to 18
   b. Between 18 and 24
   c. Between 24 and 39
   d. Between 40 and 55
   e. Between 56-64

22. Where do you live currently (city, country)?
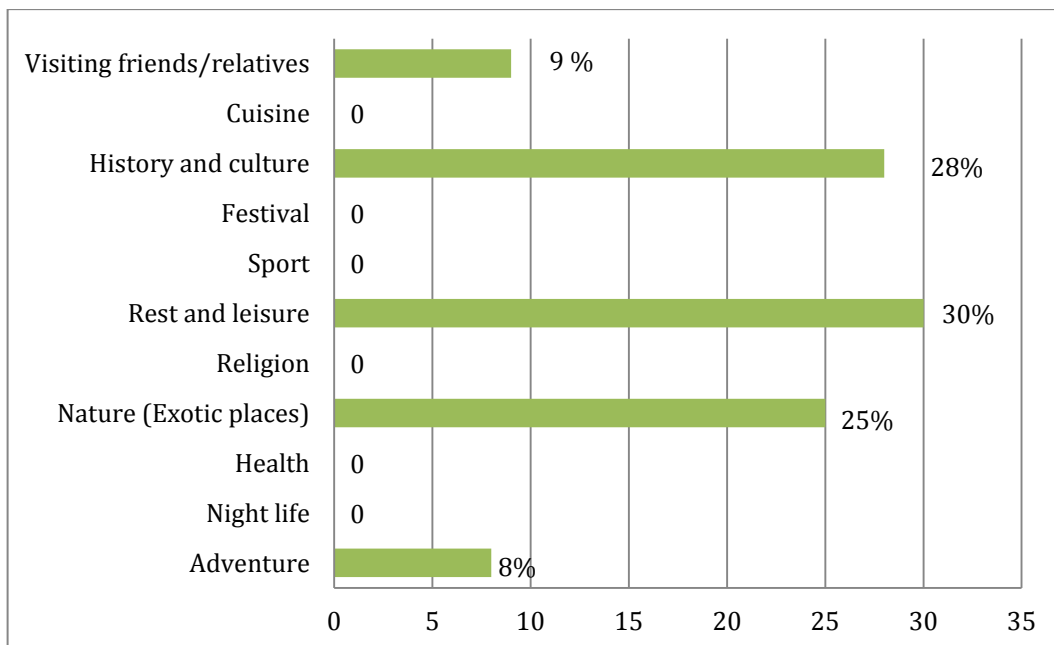
23. What is your current status

   a. Student
   b. Employed part-time
   c. Employed full-time
   d. Un-employed
   e. Self-employed
   f. Retired

Answers to the Survey:

Question N1: How often do you travel outside your country?
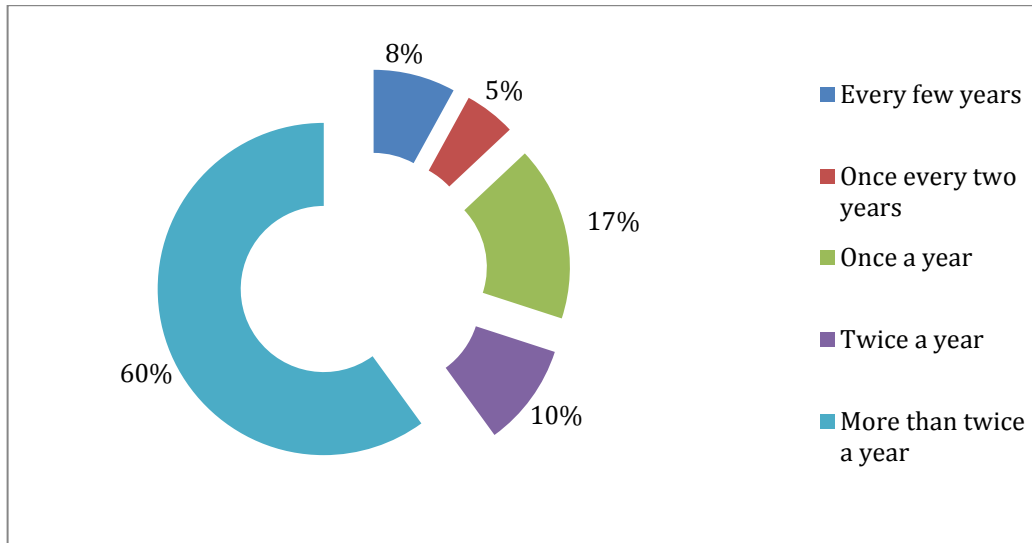

Question N2: What are your main interests while selecting the tourism destination?

Question N3: Rate the importance of the following aspects of a destination when making a decision about the choice of your holiday? 1- very important, 2-important, 3- not important, 4 – not important at all.

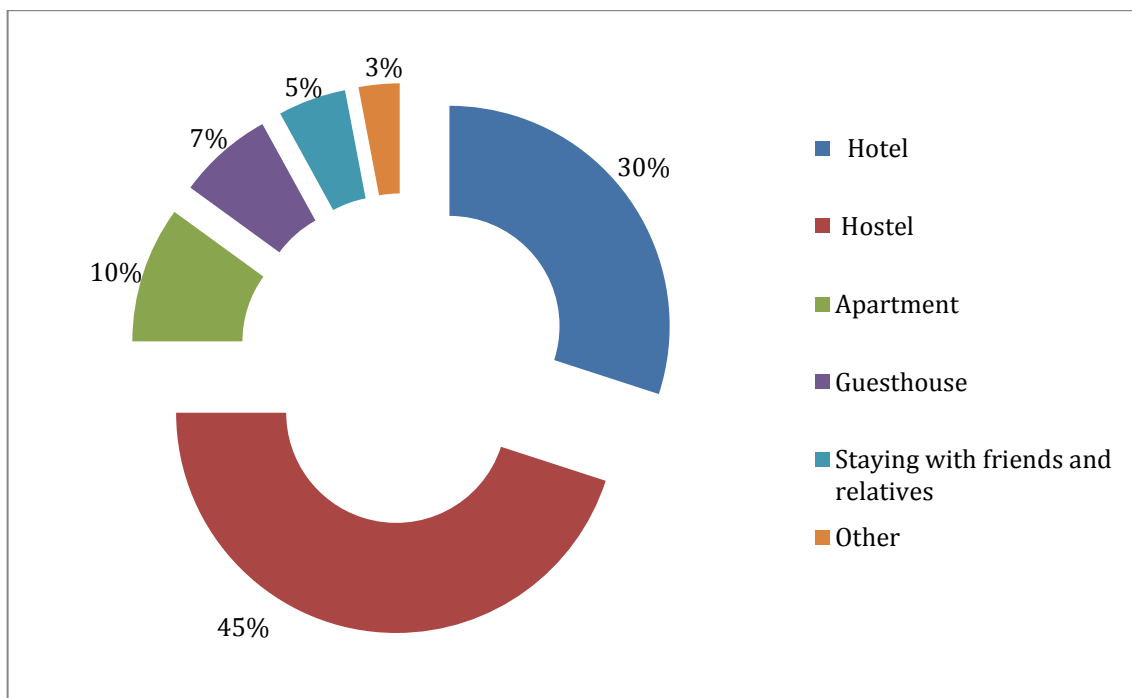|	Very important	Important	Not important	Not important at all
Attractiveness of destination	50	30	10	10
Accessibility to destination (VISA free regime)	32	45	20	3
Availability of tourism information	22	28	41	9
Personal security	57	28	9	6
Sightseeing	37	40	16	7
Landscapes and nature	47	36	12	5
Climate	24	47	25	4
Wide range of activities within the destination	34	39	17	10
Historical sites	42	35	20	3
Hospitality	25	43	23	9
Interesting local tradition	19	30	45	6
Cuisine	20	30	40	10
Quality services	30	38	27	5
Organized excursions and tours	19	22	26	33
Fair prices	39	50	8	3
Good local public transport	20	28	35	17
Shopping opportunity	9	16	39	36
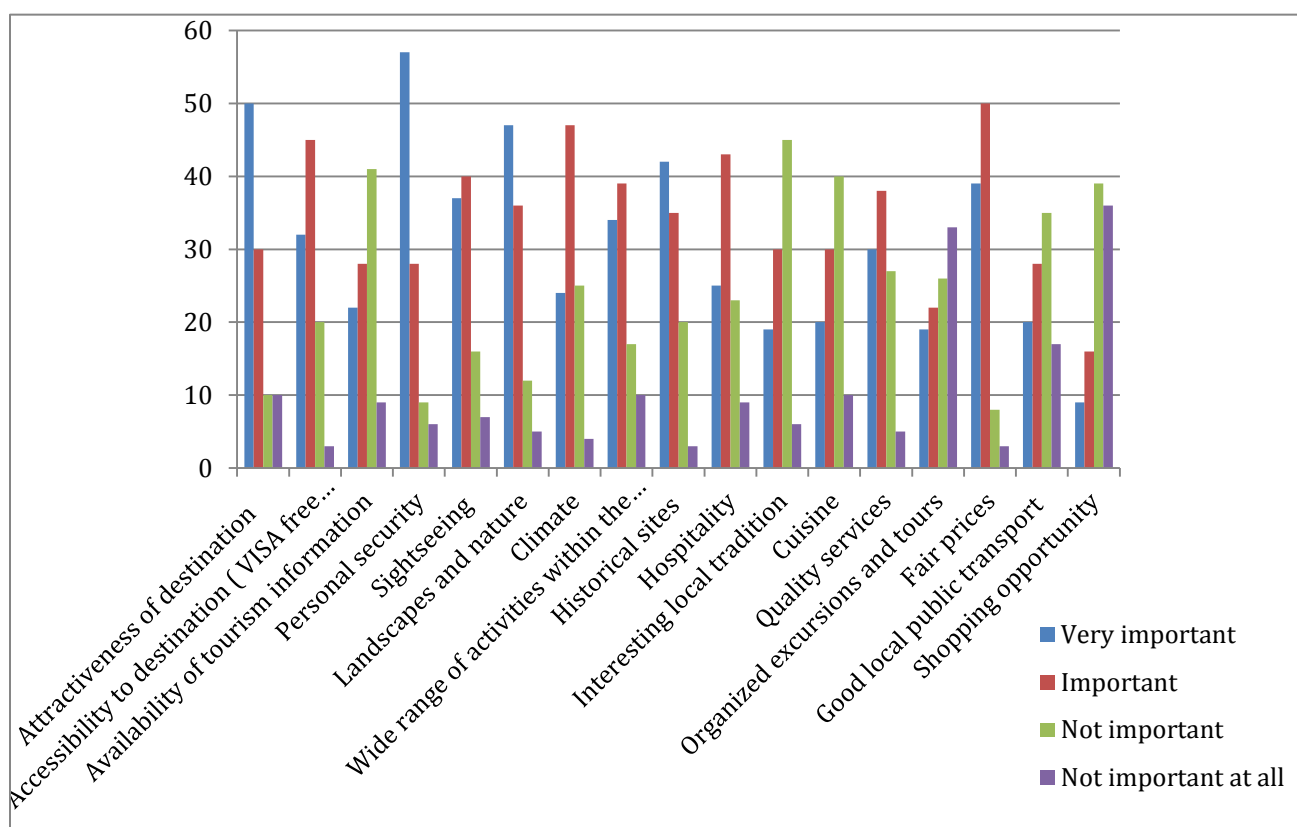
Question N4: From where do you source the information for the tourism destination?
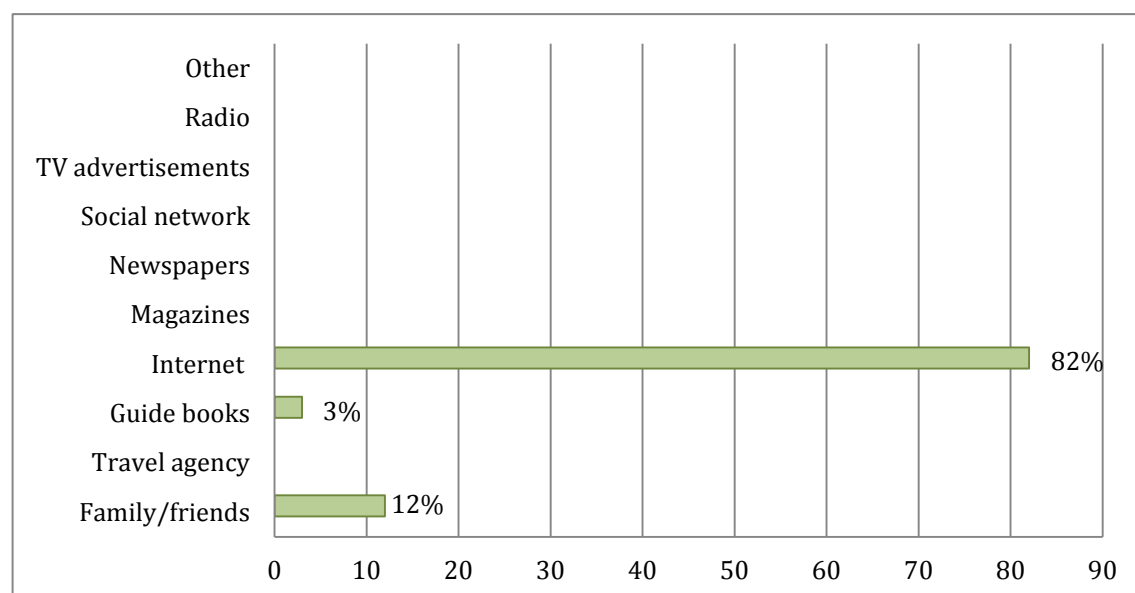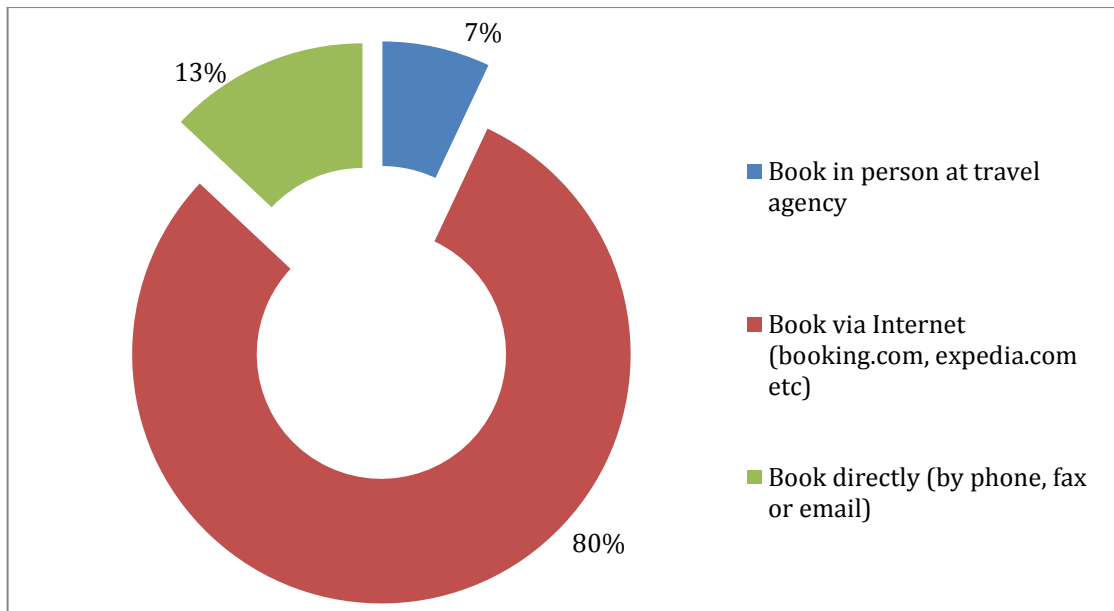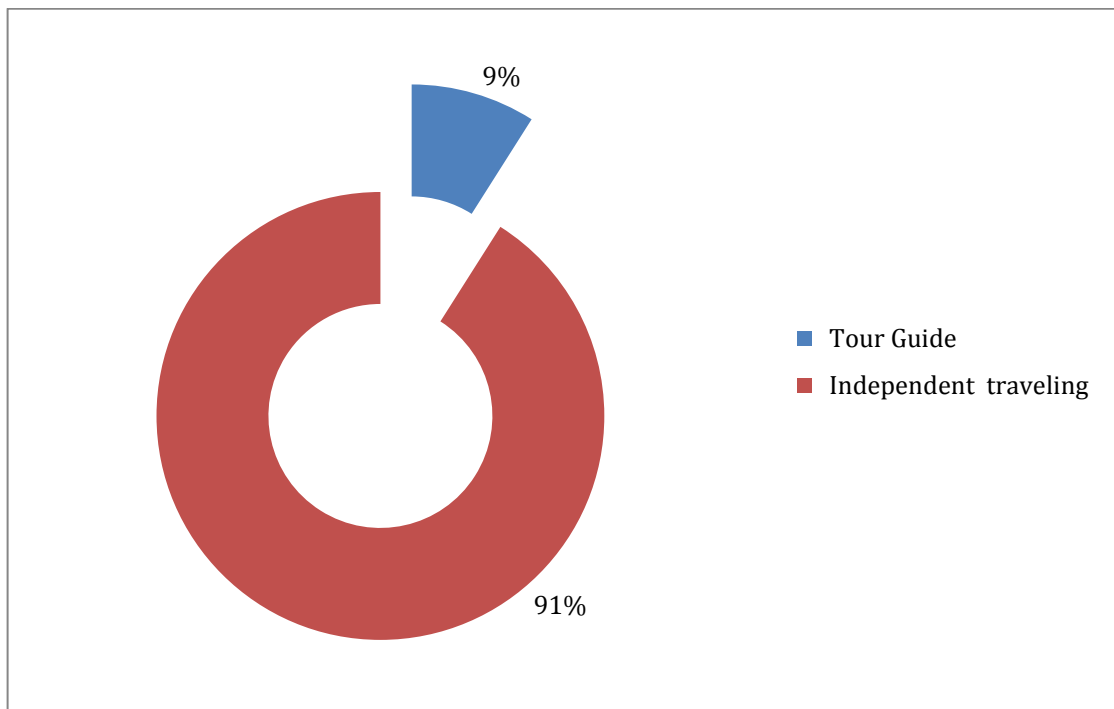
Question N5: With whom do you travel?
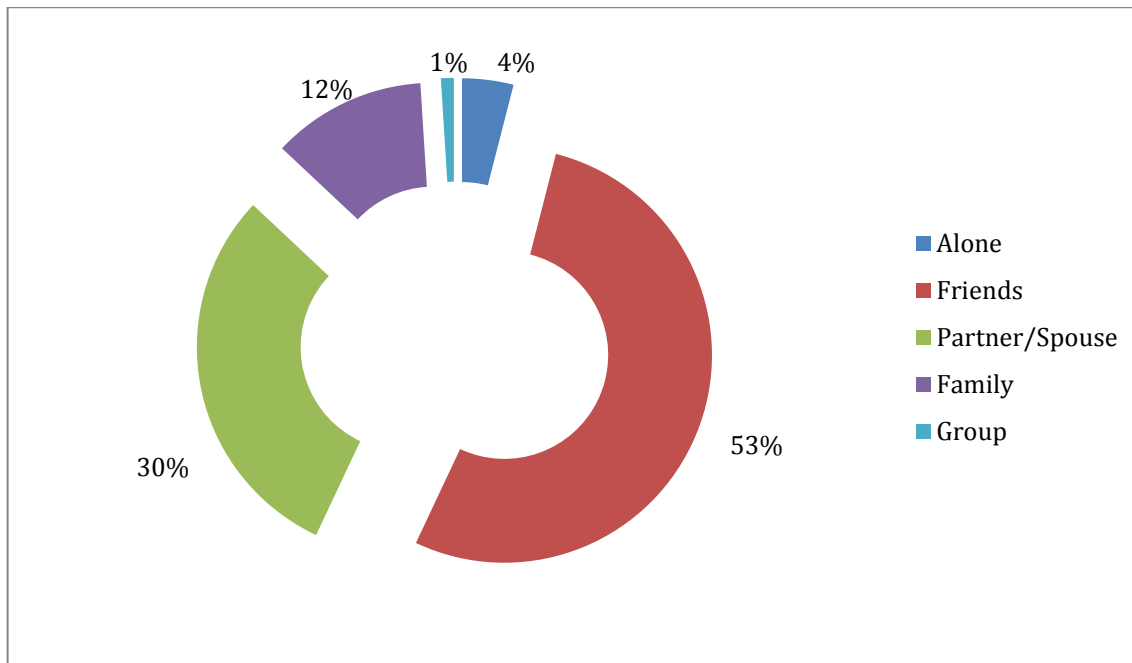
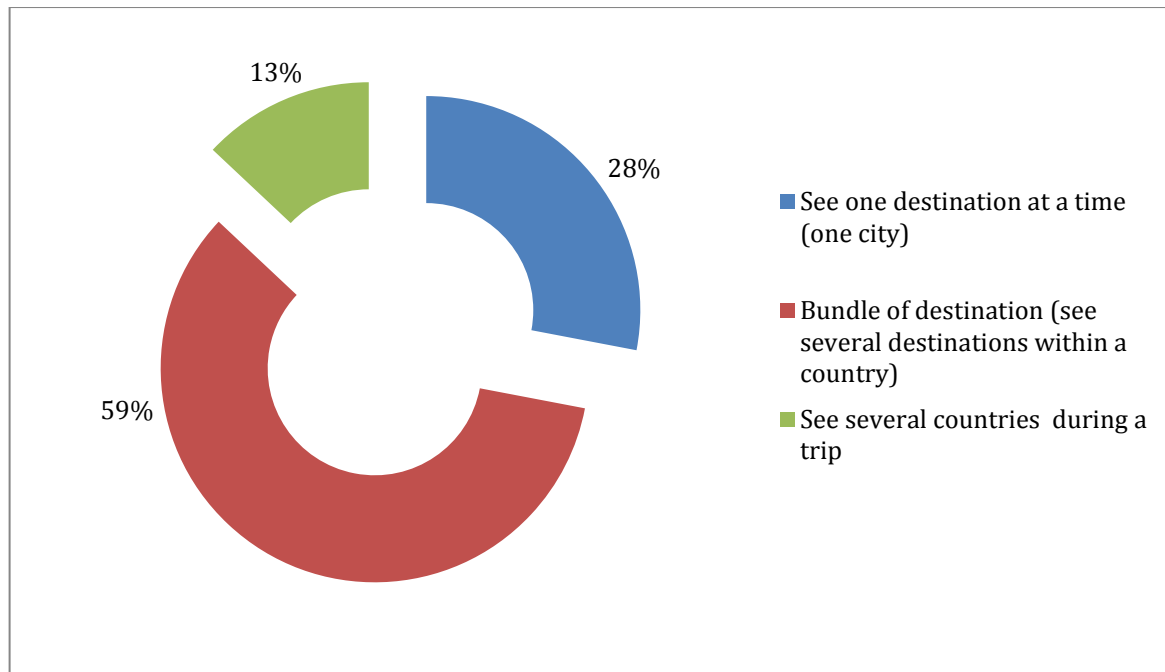**Question N6: What type of accommodation are you staying in during your visit?**

Question N7: If you made a travel or accommodation booking, did you?

7%

13%

80%

Book in person at travel agency

Book via Internet (booking.com, expedia.com etc)

Book directly (by phone, fax or email)

Question N8: Do you prefer to use tourist guide services or tour independently while traveling?

9%

91%

Tour Guide

Independent traveling

Question N9: How do you prefer to travel?

28% — See one destination at a time (one city)

59% — Bundle of destination (see several destinations within a country)

13% — See several countries during a trip

Question N10: Which cultural attractions or cultural events do you usually visit while traveling?

- Other: 10%
- Traditional festivals: 4%
- Dance events: 6%
- Heritage centers: 9%
- Historic sites: 43%
- Religious sites: 1%
- Art galleries: 3%
- Museums: 16%
- Monuments: 8%
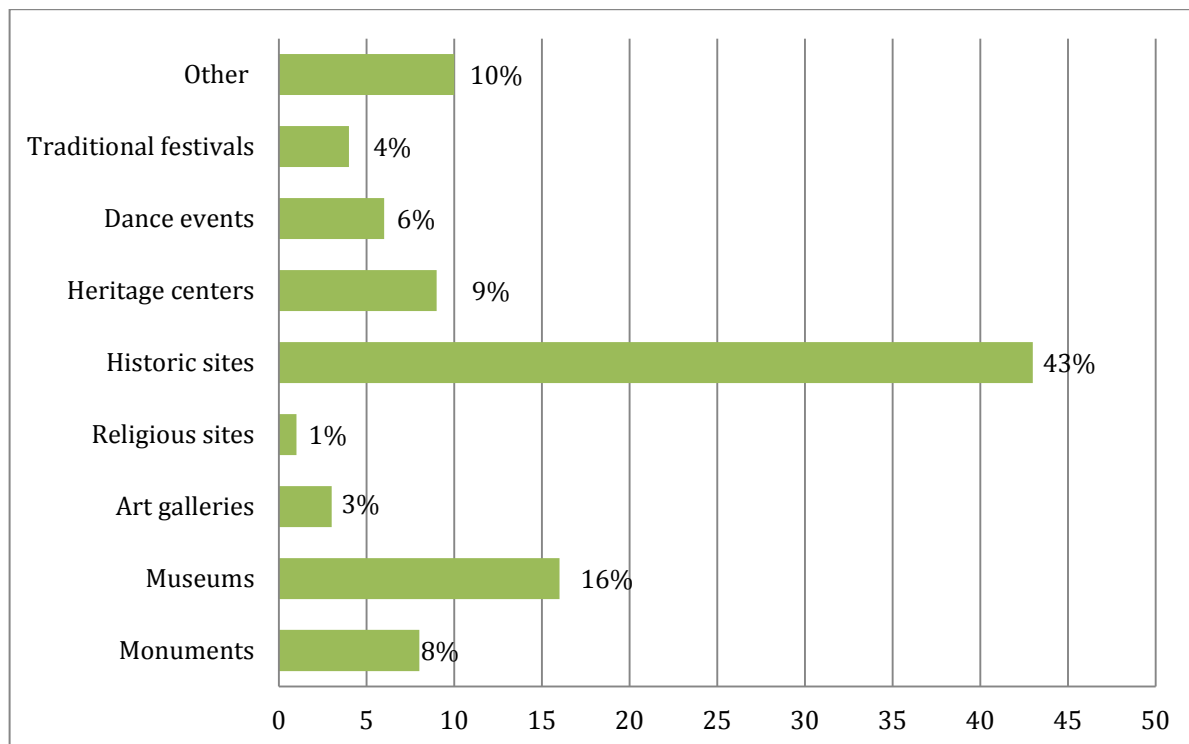
Question N11: How long does your holiday usually last?

Legend:
- Few days
- 1 week
- 10-14 days
- 15-30 days
- More than 30 days

(14% Few days, 35% 1 week, 38% 10-14 days, 10% 15-30 days, 3% More than 30 days)
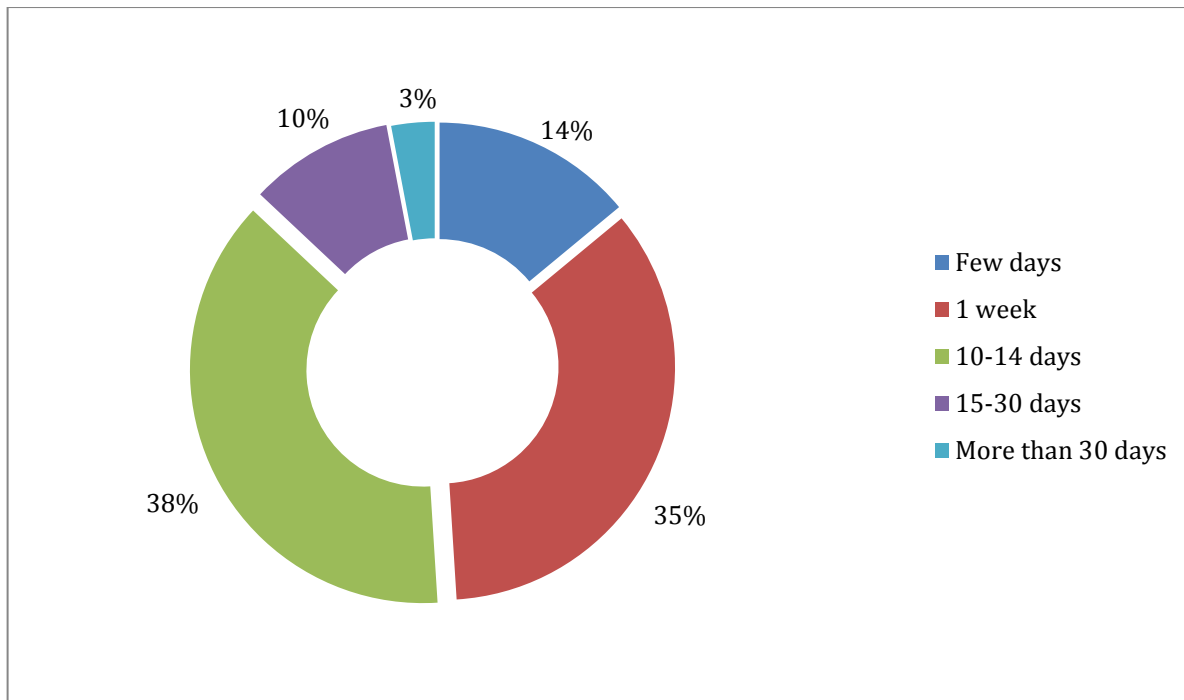
Question N12: Have you heard about Georgia?

Legend:
- Yes
- No

(95% Yes, 5% No)
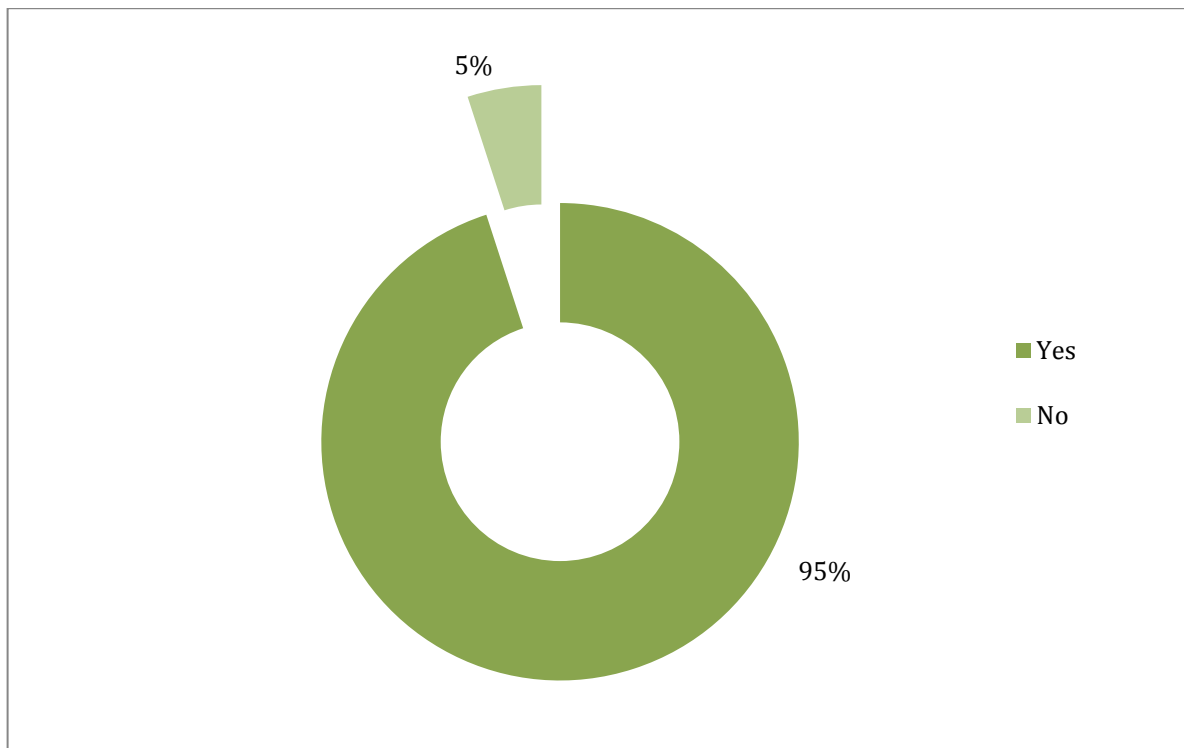
Question N13: If yes from where/whom did you hear about Georgia?

Source	Percentage
Other	0
Fairs and/or exhibitions.	0
Travel agency	0
Books and guides.	2%
Media (TV, radio, newspaper,)	0
Friends / Relatives.	95%
Internet (blogs, trip advisor, etc)	3%
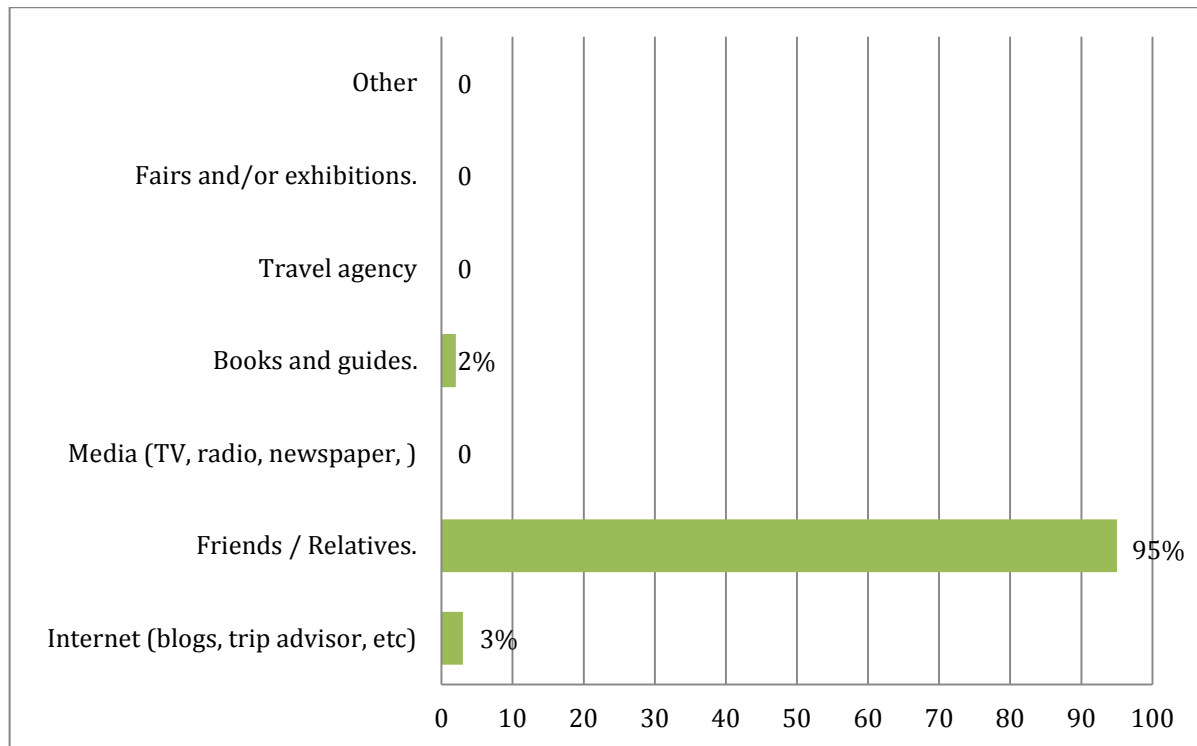
Question N14: By which sphere is Georgia familiar to you?

Sphere	Percentage
Other	0
None	8%
All of above	63%
Political issues	13%
Alphabet and Script	0
Winter holiday resorts	0
Seaside holiday resorts	0
Nature	4%
Architecture	0
Cuisine	0
Wine Culture	0
History	0
Culture	12%
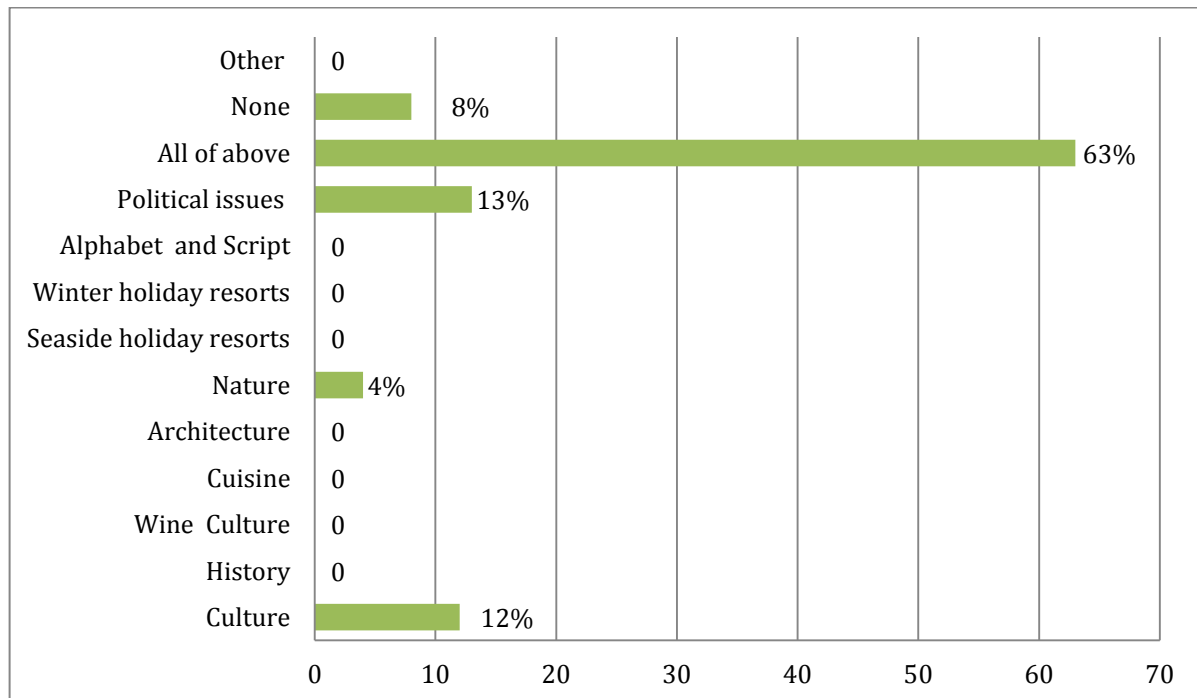
Question N15: Have you ever visited Georgia?

3%

97%

Yes
No
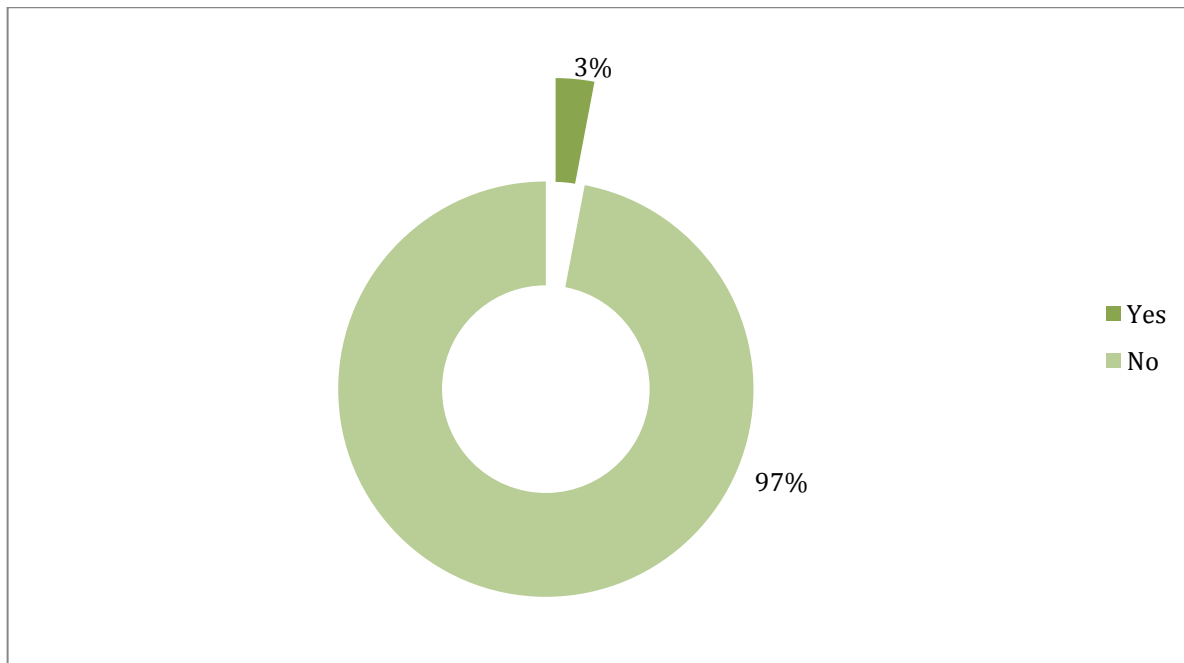
Question N16: If yes which place?

Place	%
Other	1%
Kobuleti	
Abastumani	
Telavi	
Sairme	
Kuataisi	
Gonio	
Kazbegi	1%
Shatili	
Signagi	
Mestia	
Kutaisi	
Borjomi	
Bakuriani	
Gudauri	
Anaklia	
Batumi	1%
Tbilisi	1%

0   0.2   0.4   0.6   0.8   1   1.2
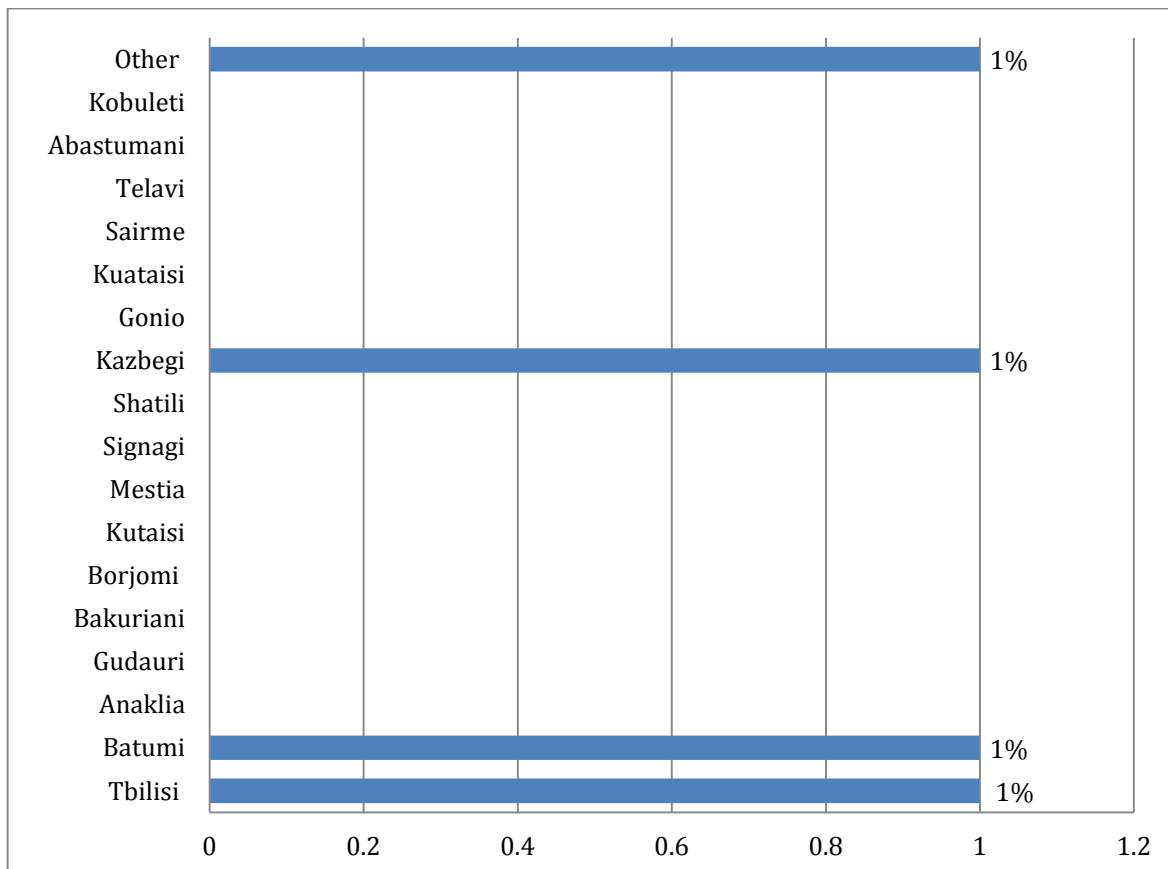
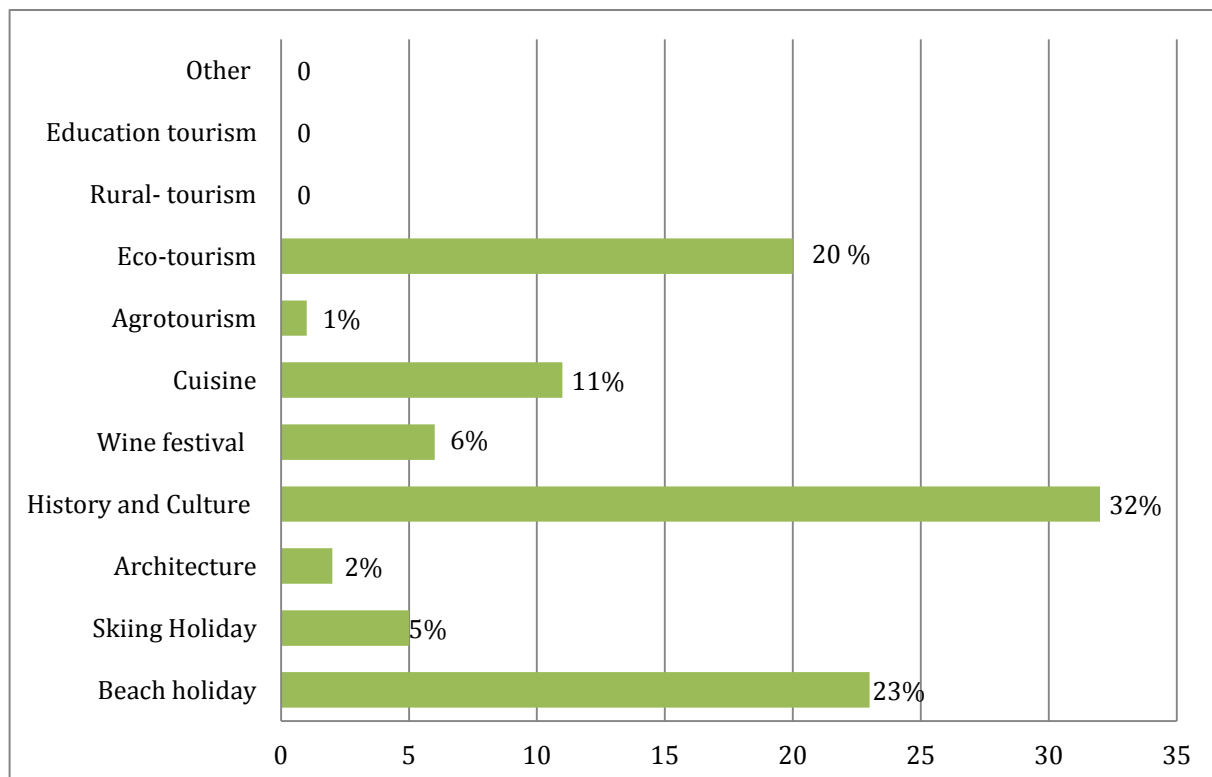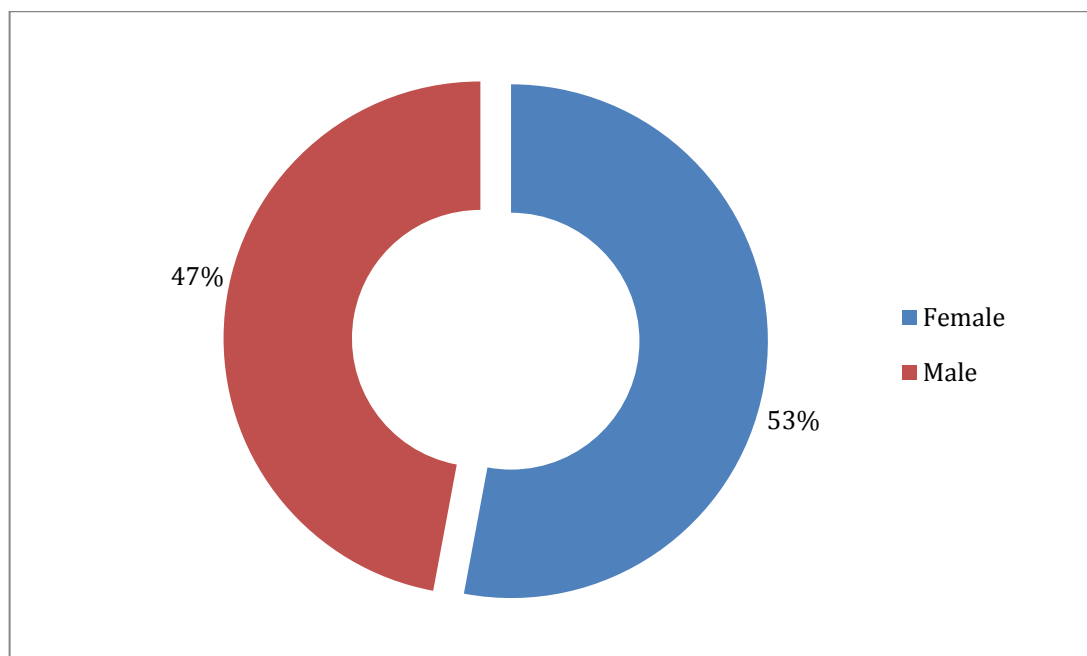**Question N17: What means of transportation did you use to come to Georgia?**
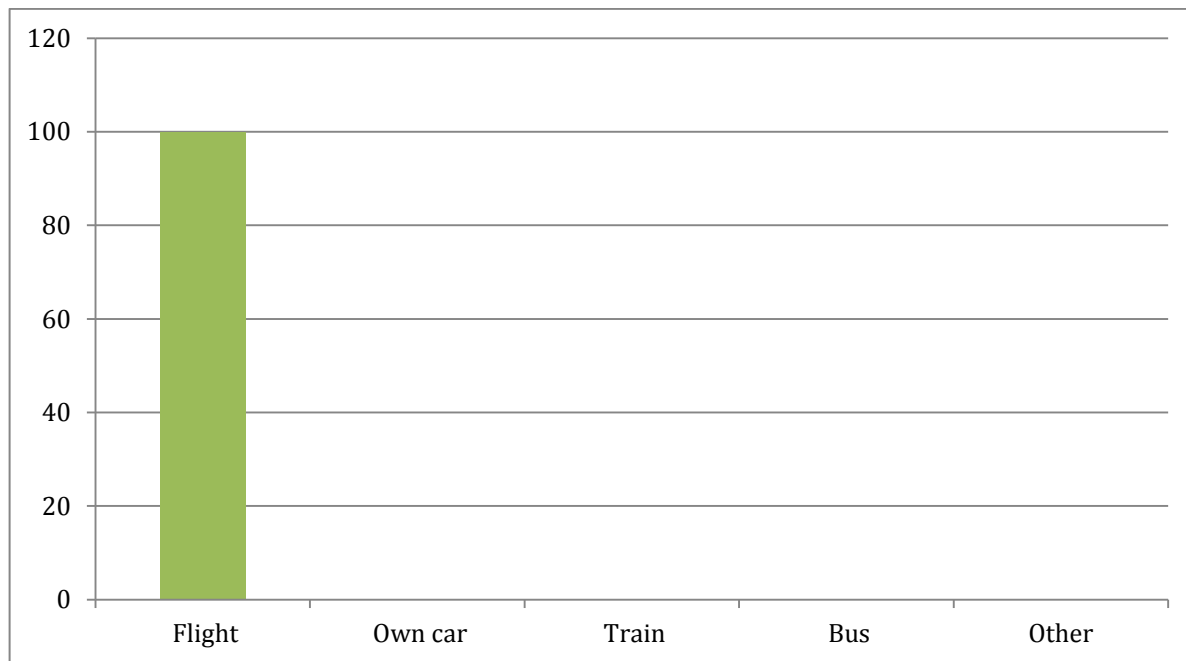
Question N18: What would be your best motivation to come to Georgia?

Question N19: What is your gender?

47%

53%

Female

Male

Question N20: What is your nationality?

| Country	Number of Respondents	Share of the total sample
Czech Republic	35	35%
Spain	2	2%
France	4	4%
Germany	12	12%
Belgium	1	1%
Switzerland	1	1%
Netherlands	4	4%
Portugal	1	1%
Italy	5	5%
Greece	1	1%
Russia	2	2%
Slovakia	9	9%
Slovenia	2	2%
Hungary	4	4%
Macedonia	1	1%
Ukraine	3	3%
Poland	11	11%
Lithuania	2	2%

Question N21: Where do you live currently (city, country)?

Country of current residence	Number of Respondents	Share of the total sample
Czech Republic	55	55%
France	3	3%
Germany	16	16%
Netherlands	9	9%
Slovakia	2	2%
Hungary	5	5%
Poland	10	10%

Question N22: What is your age group?
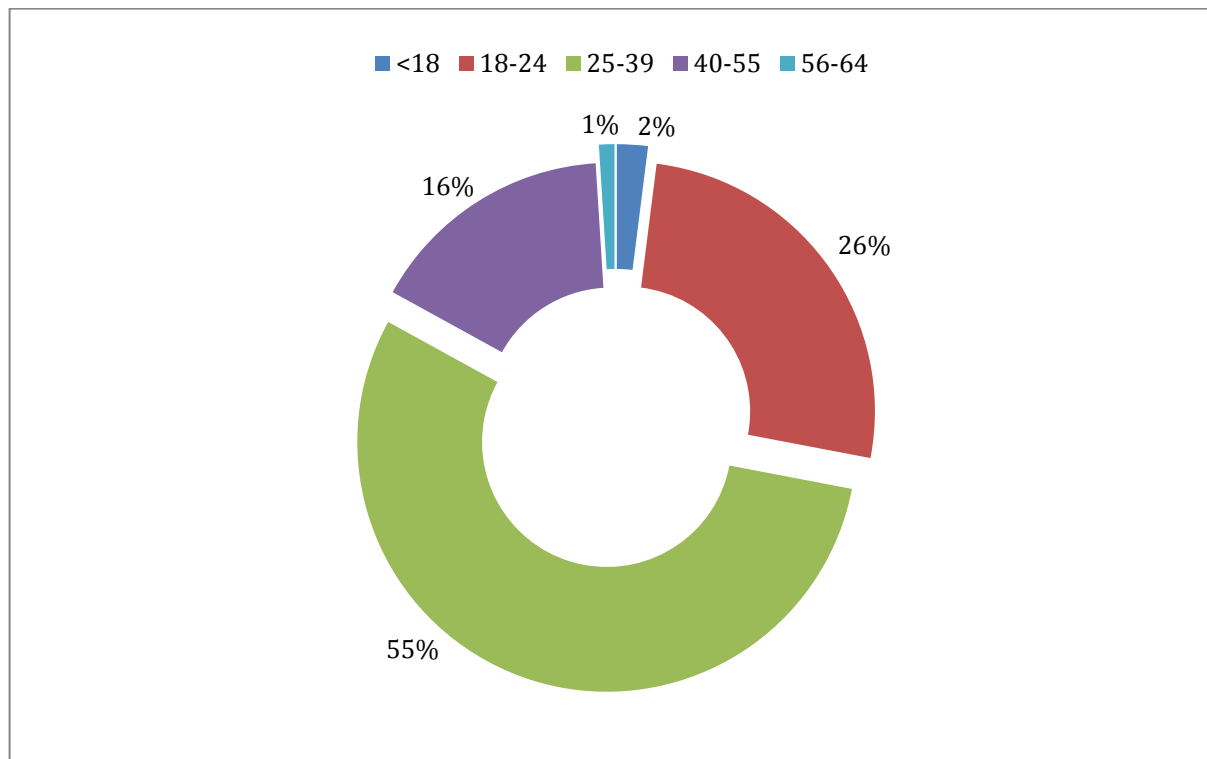
Question N23: What is your current status?
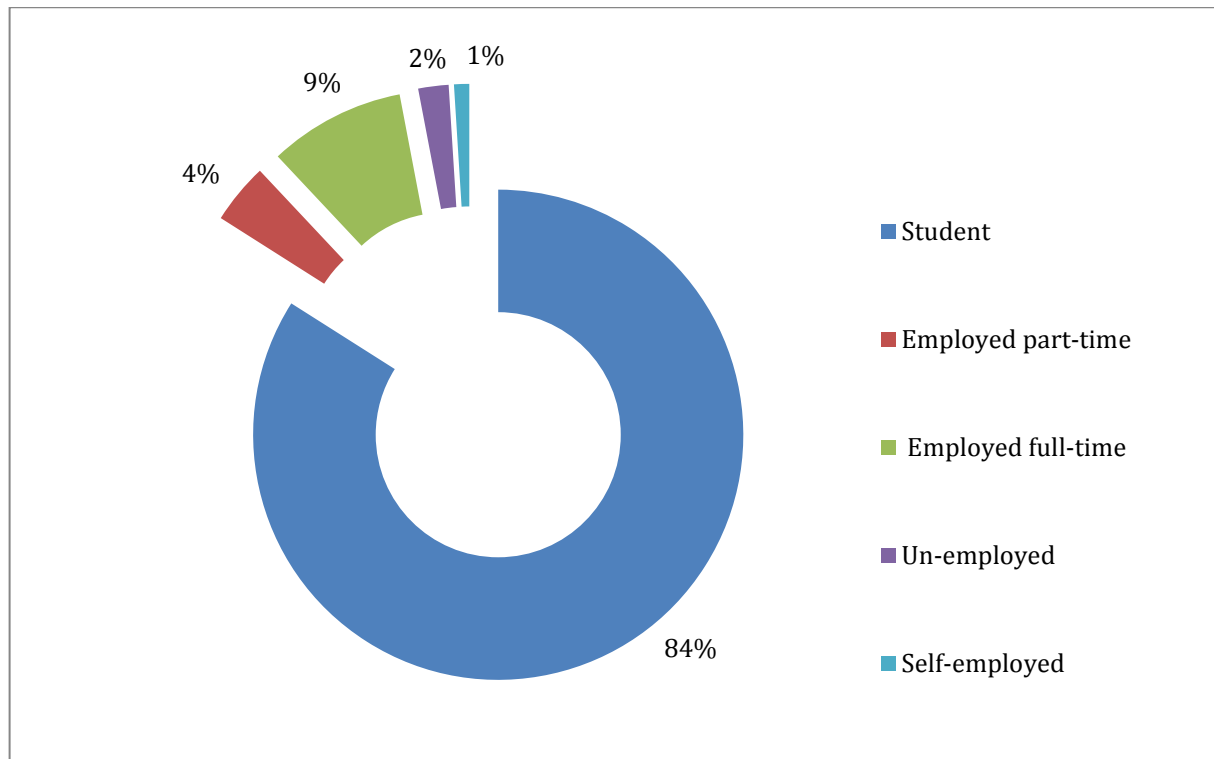
Appendix N3: Real tourists research questionnaire and survey answers

1. **From where /whom have you heard about Georgia before coming here?**
    a. Friend/ Relative
    b. Internet
    c. Organization/business partner
    d. Media (TV/ radio)
    e. Travel Agency/ tour operator
    f. Promotional material
    g. Trade fair
    h. Other (please specify)

2. **How many times have you been to Georgia in past 5 years?**
    a. One (this is the first time)
    b. Two
    c. Three
    d. More than three

3. **How did you plan/book your trip to Georgia (accommodation, transportation)?**
    a. Internet
    b. travel agency/ tour operator
    c. My company planned it for me
    d. Stayed with friends/relatives

e. Other (please specify)

4. By what means of transportation did you come to Georgia?
a. Airplane
b. Own car
c. Bus
d. Train
e. Other please specify

5. Who did you come with on your trip?
a. Alone
b. Business partner
c. Spouse/partner
d. Family
e. Friends
f. Other

6. On average, how long have you stayed/are you going to stay in Georgia?
a. Less than 3 days
b. 3-7 days
c. 7-14 days
d. More than 14 days

7. What is the purpose of your stay ?
a. Leisure
b. Business
c. Business combined with leisure
d. Visiting friends/relatives
e. Education or trainings
f. Religion/Pilgrimage
g. Shopping, Buying goods with the aim of consumption
h. Transit on the way to another country
i. Other

8. Please, name the activities that you took part in during this trip (you can name more than one)?
a. Sightseeing, getting acquainted with Georgian history
b. Studying nature and wildlife (ecotourism)
c. Hiking, mountain climbing, cycling, camping, other adventures
d. Taking waters and undergoing other recreational activities
e. Visiting churches (pilgrim)
f. Visiting churches (for culture)
g. Attending business meeting and negotiations
h. Visiting beach/ seaside
i. Wine degustation trips
j. Tasting local cuisine

k. Gambling
l. Spending time with Georgian friends relatives
m. Other (please specify)

9. **Where did you stay during your trip to Georgia?**
   a. International/branded hotel
   b. Hotel
   c. Guesthouses
   d. Hostel
   e. Rented apartment/room
   f. With friends/relatives
   g. Campsite
   h. Did not spend a night
   i. Sanatorium/ medical clinic
   j. Other (please specify)

10. **Where did you mainly eat during your stay?**
    a. Meal was included in the hotel/guesthouse service
    b. Georgian restaurant/ café
    c. International restaurant
    d. Fast food restaurant
    e. Cooked on my own
    f. Bought ready food in supermarkets
    g. Other (please specify)

11. **During your stay, how many places have you visited within Georgia?**
    a. One
    b. Two
    c. Three
    d. More than three

12. **Which regions of Georgia did you visit during your stay? (you can choose more than one answer)**
    a. Tbilisi
    b. Batumi
    c. Kobuleti
    d. Gonio
    e. Kvariati
    f. Kutaisi
    g. Mtskheta
    h. Borjomi
    i. Bakuriani
    j. Gudauri
    k. Kazbegi
    l. Shatili
    m. Tusheti
    n. Telavi
    o. Signagi

<ol start="16" type="1" style="list-style:none">

p. Racha
q. Abastumani
r. Vardzia
s. Svaneti (Mestia)
t. Other (please specify)

13. Did u use local tourist agency?
a. Yes
b. No

14. Did you visit other countries when on trip to Georgia?
a. No
b. Yes (please specify country/countries)

15. What is the amount of money you have spent per day per person (excluding travel costs)?
a. Less than 20 EUR
b. 20-50 EUR
c. 50-100 EUR
d. More than 100 EUR

16. What were you most satisfied or dissatisfied during your trip to Georgia?

	Satisfied	Very Satisfied	Dissatisfied	Very dissatisfied	Did not use/did not taste
Accommodation					
Level of service (other than food)					
Transport					
Infrastructure (road conditions, traffic jam, communication system, etc.)					
Pollution (streets, beaches)					
Restaurant facilities and service					
Travel agency/tour operator service					
Availability of information (maps, information centers, brochures)					
Georgian hospitality					
Georgian cuisine					
Georgian wine					
Environment / landscape of Georgia					
Historical and cultural heritage					
Value for money					
Entertainment facilities during day (exhibitions, excursions, shopping)					
Entertainment facilities during night (clubs, bars, casinos, nightlife)					

17. What you will you remember Georgia by?
   a. Nature
   b. Cultural/historical heritage
   c. Sights
   d. Nightlife
   e. Wine
   f. Cuisine
   g. Georgian hospitality
   h. Other (please specify)

18. Will you come back to Georgia?
   a. Definitely
   b. Maybe
   c. I will but not so soon
   d. I will think about it
   e. Definitely will not come

In case of negative answer (d, e) please specify the reason
   a. Low level of service
   b. Dissatisfied with trip in general
   c. Value did not justify the costs
   d. Other (please specify)

19. How would you best characterize yourself as a tourist in Georgia?
   a. Practical (avoid overspending money when possible)
   b. Social (like loud gatherings, active nightlife, shopping etc.)
   c. Sporty/active (skiing, rafting, etc.)
   d. Thinker (like to spend more time by myself/thinking in peace/quiet)
   e. Explorer (like to explore natural resources)
   f. Discoverer (like to learn new things as much as possible about the country)
   g. Risky (strive on taking risks)
   h. Romantic
   i. Recreationists (spa, sanatoriums and etc.)
   j. Other (please specify)

20. What is your age group?
   f. Up to 18
   g. Between 18 and 24
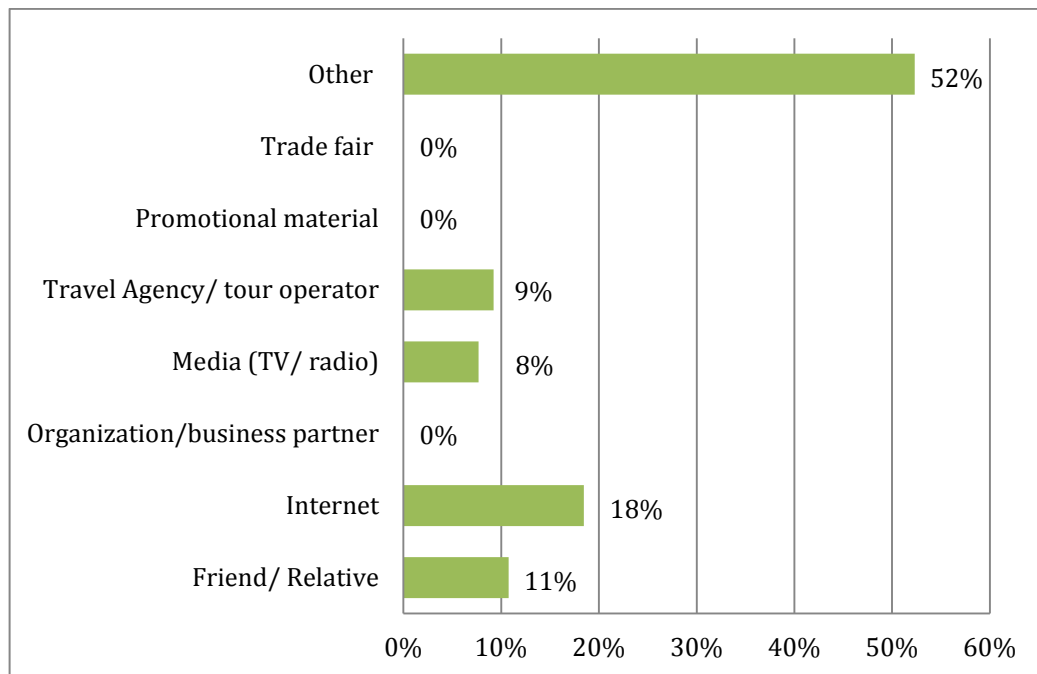   h. Between 24 and 39
   i. Between 40 and 55
   j. Between 56-64
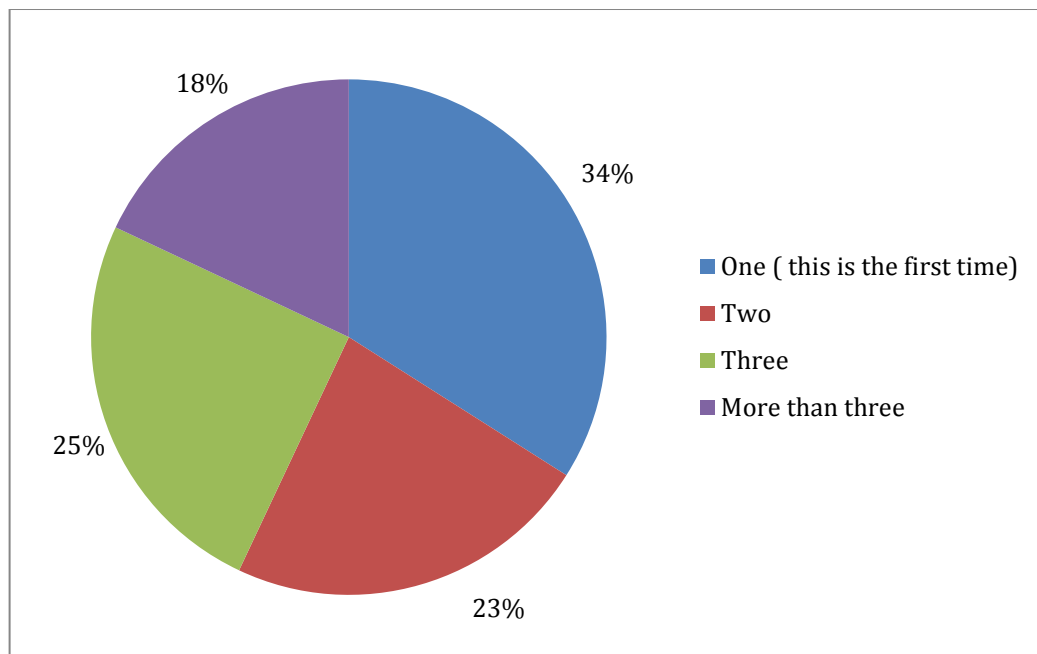
21. What is your gender?
   a. Female
   b. Male

22. What is your nationality?
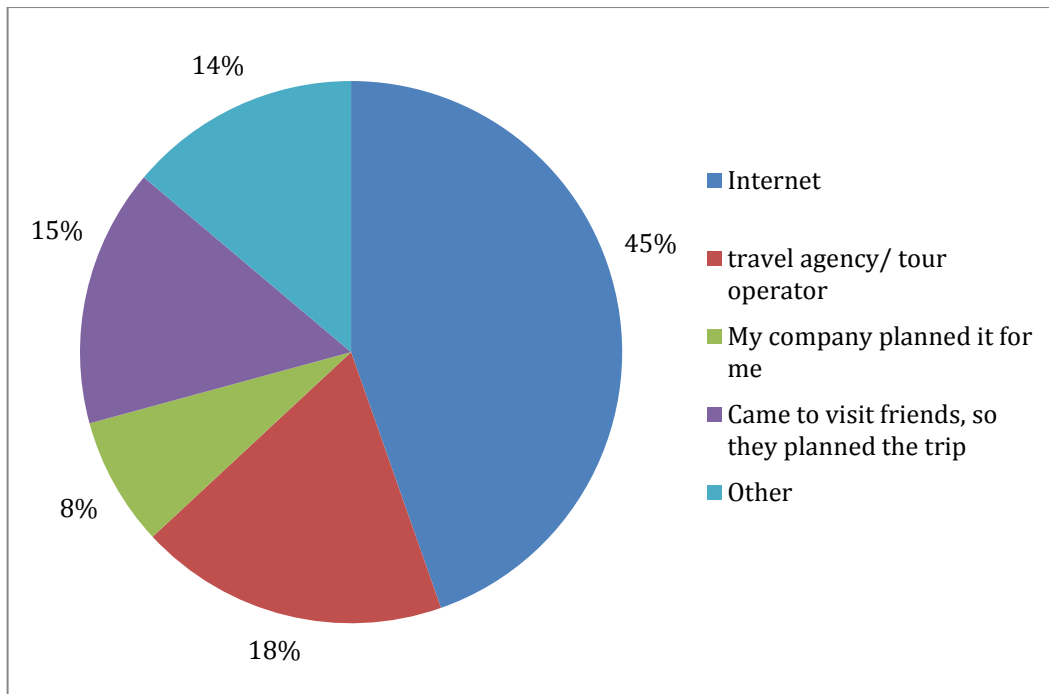
Answers to the Survey:

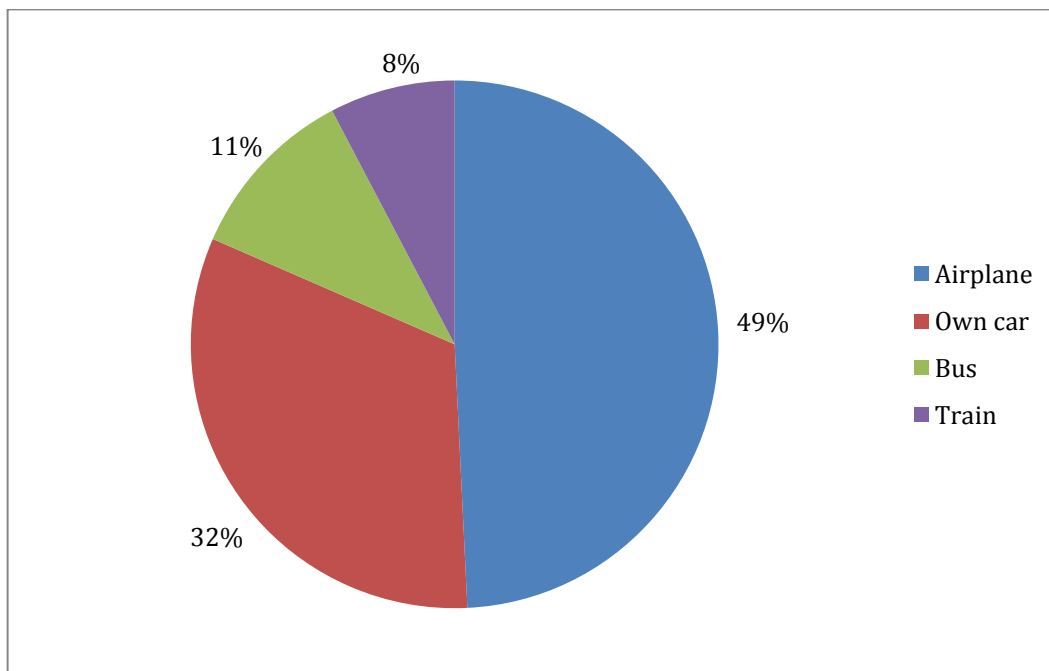**Question N 1: From where / whom have you heard about Georgia before coming here?**

Source	Percentage
Other	52%
Trade fair	0%
Promotional material	0%
Travel Agency/ tour operator	9%
Media (TV/ radio)	8%
Organization/business partner	0%
Internet	18%
Friend/ Relative	11%

Question N 2: How many times have you been to Georgia in past 5 years?

Response	Percentage
One (this is the first time)	34%
Two	23%
Three	25%
More than three	18%

Question N 3: How did you plan/book your trip to Georgia (accommodation, transportation, etc.)?

Legend:
- Internet
- travel agency/ tour operator
- My company planned it for me
- Came to visit friends, so they planned the trip
- Other

Values: 45%, 18%, 8%, 15%, 14%

Question N4: By what means of transportation did you come to Georgia?

Legend:
- Airplane
- Own car
- Bus
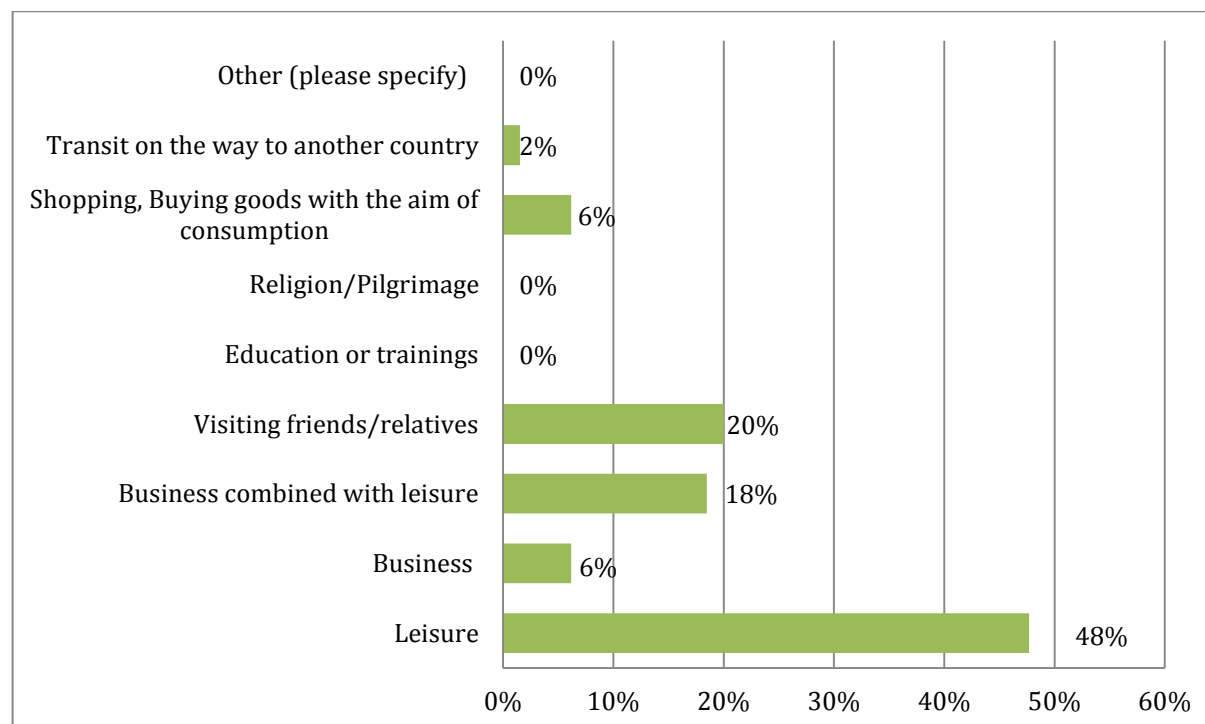- Train

Values: 49%, 32%, 11%, 8%
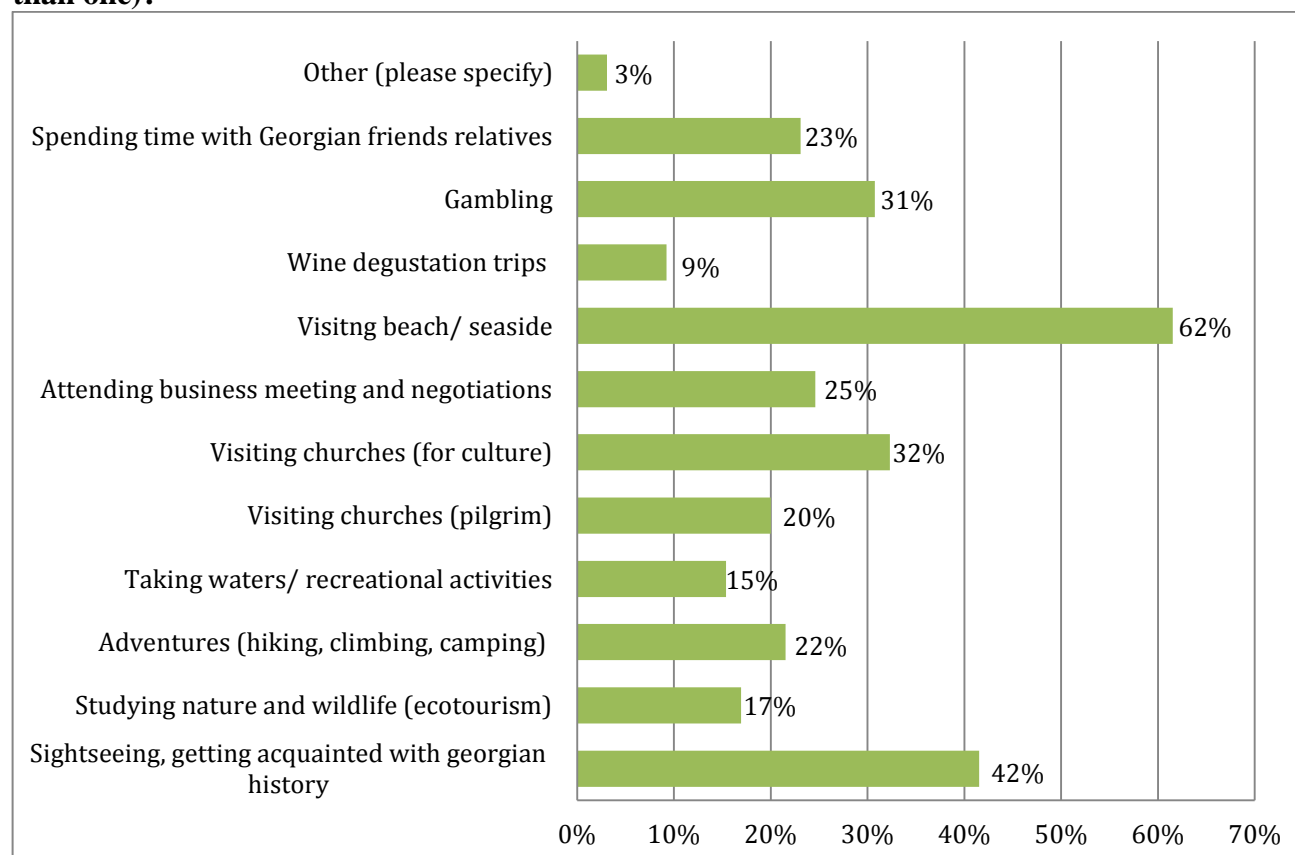
Question N 5: Who did you come with on your trip?
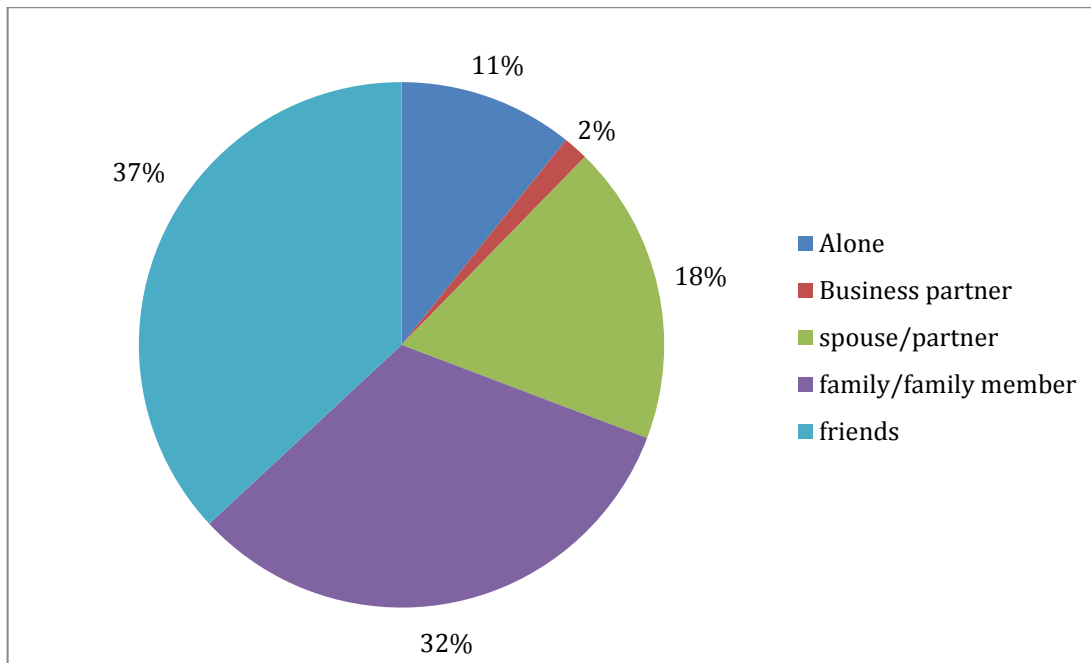
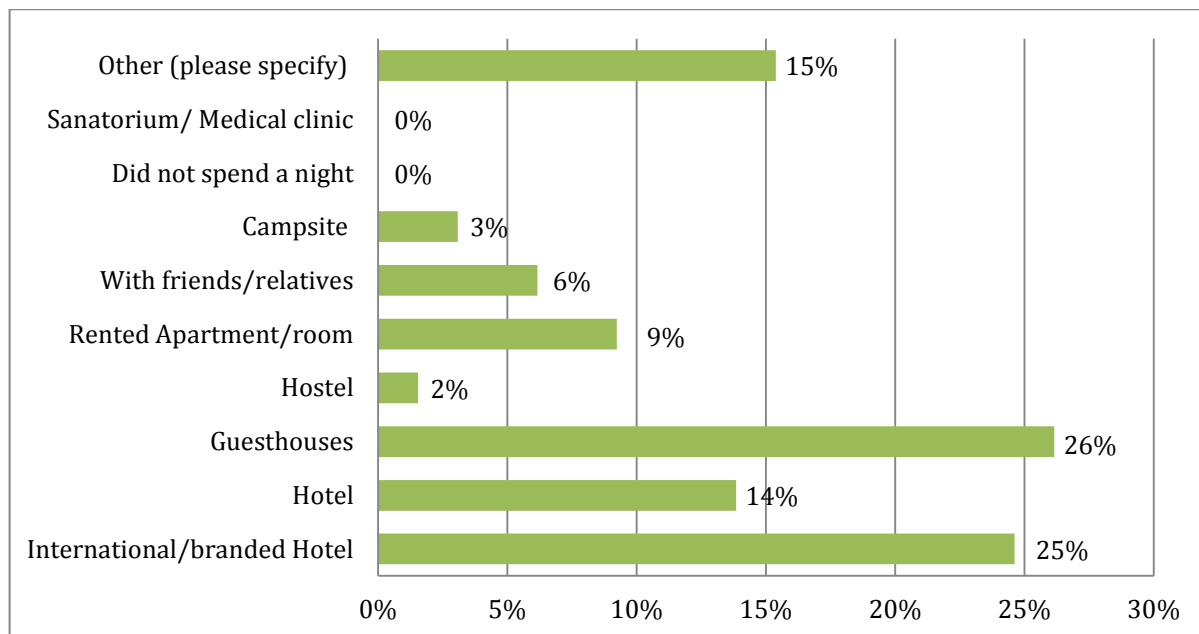**Question N 6: On average, how long have you stayed/are you going to stay in Georgia?**
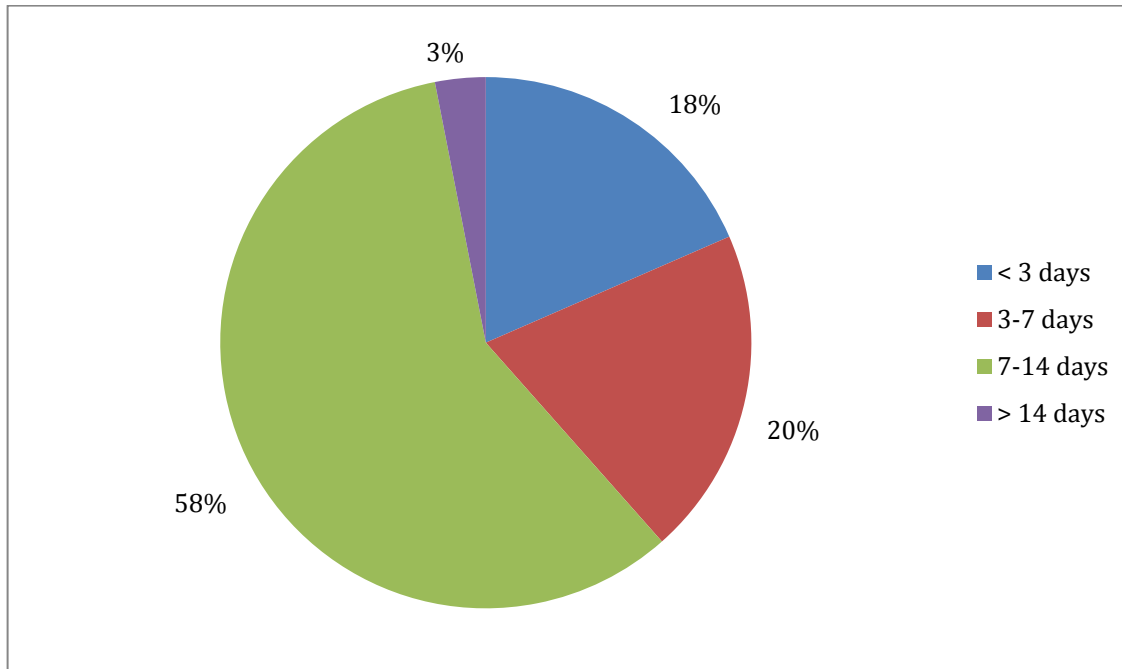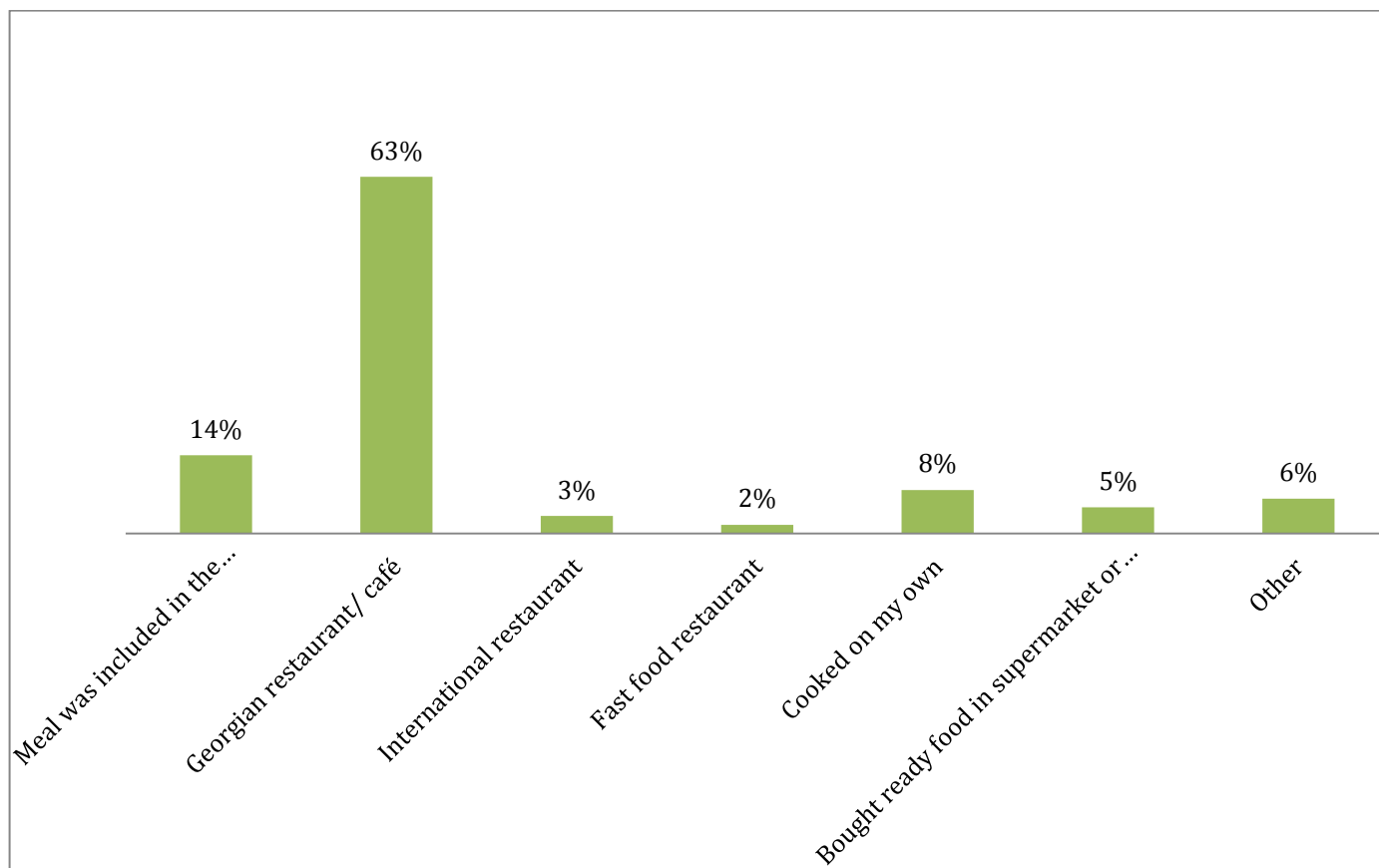
Question N 7: What is the purpose of your stay?

Purpose	Percentage
Other (please specify)	0%
Transit on the way to another country	2%
Shopping, Buying goods with the aim of consumption	6%
Religion/Pilgrimage	0%
Education or trainings	0%
Visiting friends/relatives	20%
Business combined with leisure	18%
Business	6%
Leisure	48%

Question N 8: Please name the activities that you took part in during this trip (you can name more than one)?

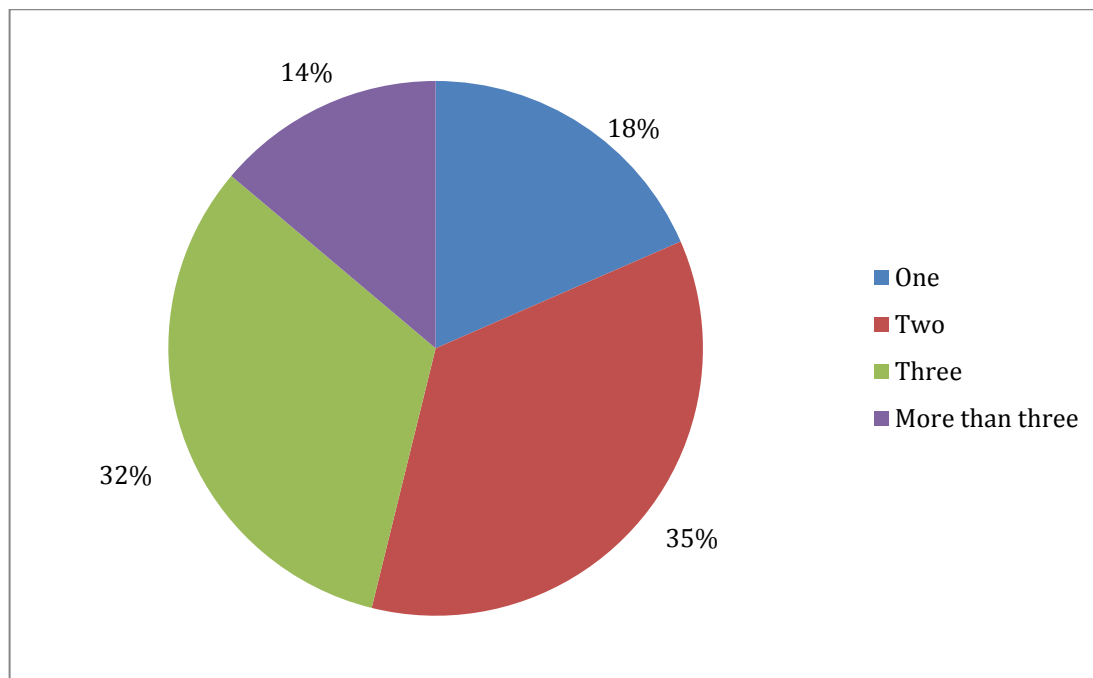| Activity	Percentage
Other (please specify)	3%
Spending time with Georgian friends relatives	23%
Gambling	31%
Wine degustation trips	9%
Visitng beach/ seaside	62%
Attending business meeting and negotiations	25%
Visiting churches (for culture)	32%
Visiting churches (pilgrim)	20%
Taking waters/ recreational activities	15%
Adventures (hiking, climbing, camping)	22%
Studying nature and wildlife (ecotourism)	17%
Sightseeing, getting acquainted with georgian history	42%

Question N 9: Where did you stay during your trip to Georgia?

Category	Percentage
Other (please specify)	15%
Sanatorium/ Medical clinic	0%
Did not spend a night	0%
Campsite	3%
With friends/relatives	6%
Rented Apartment/room	9%
Hostel	2%
Guesthouses	26%
Hotel	14%
International/branded Hotel	25%

Question N 10: Where did you mainly eat during your stay?

| Category	Percentage
Meal was included in the…	14%
Georgian restaurant/ café	63%
International restaurant	3%
Fast food restaurant	2%
Cooked on my own	8%
Bought ready food in supermarket or …	5%
Other	6%

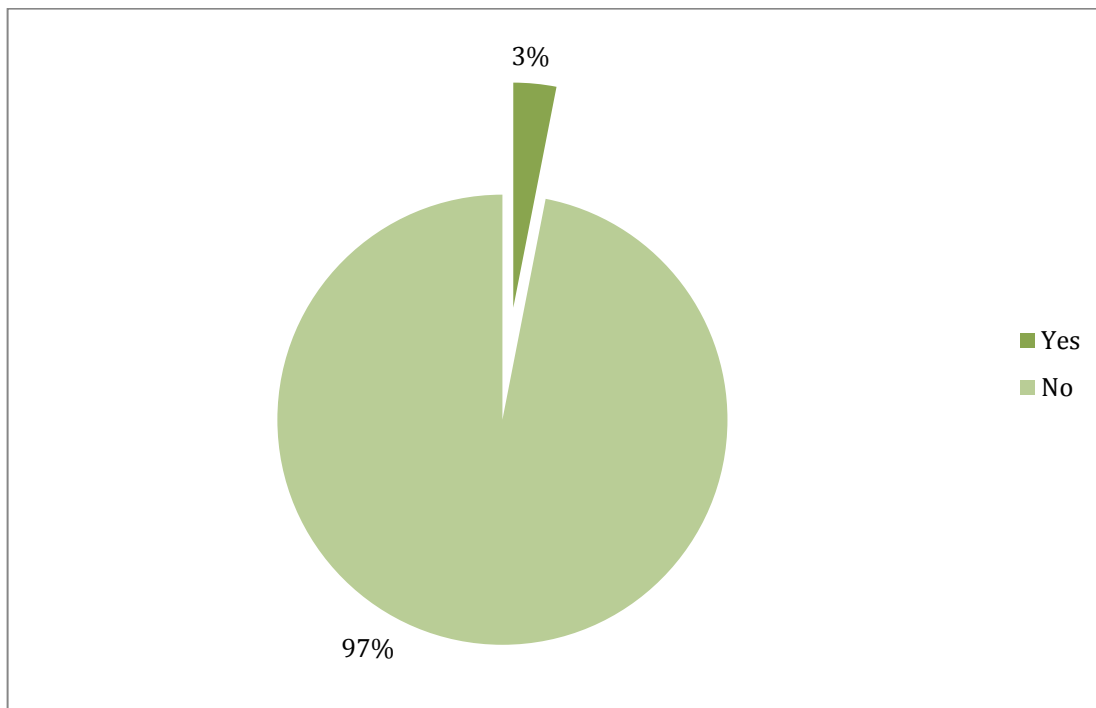**Question N 11: During your stay, how many locations have you visited within Georgia?**

**Question N 12: Which regions of Georgia did you visit during your stay? (you can choose more than one answer)**
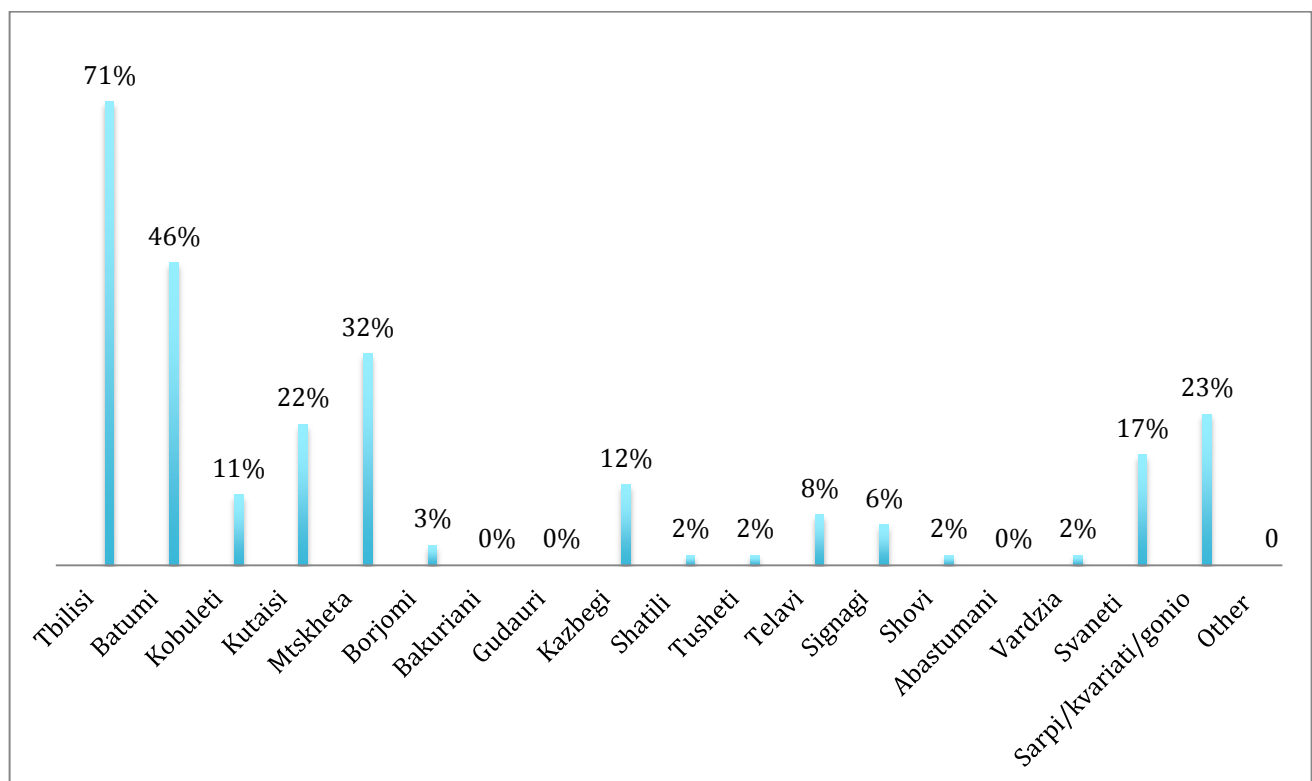
Question N 13: Did u use local tourist agency?

8%

Yes

No

92%
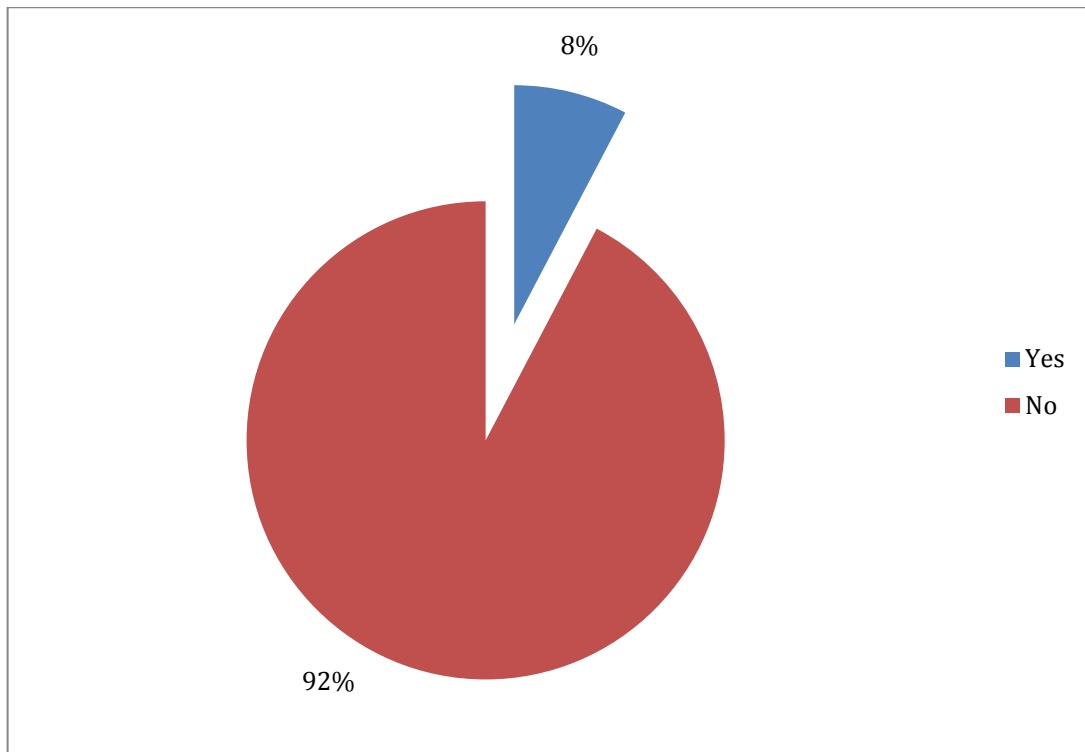
**Question N 14: Did you visit other countries when on trip to Georgia?**

3%

Yes

No

97%

Question N 15: What is the amount of money you have spent per day per person (excluding travel costs)?

Legend:
- < 20 EUR
- 20-50 EUR
- 50-100 EUR
- 100 + EUR

14%
26%
28%
32%
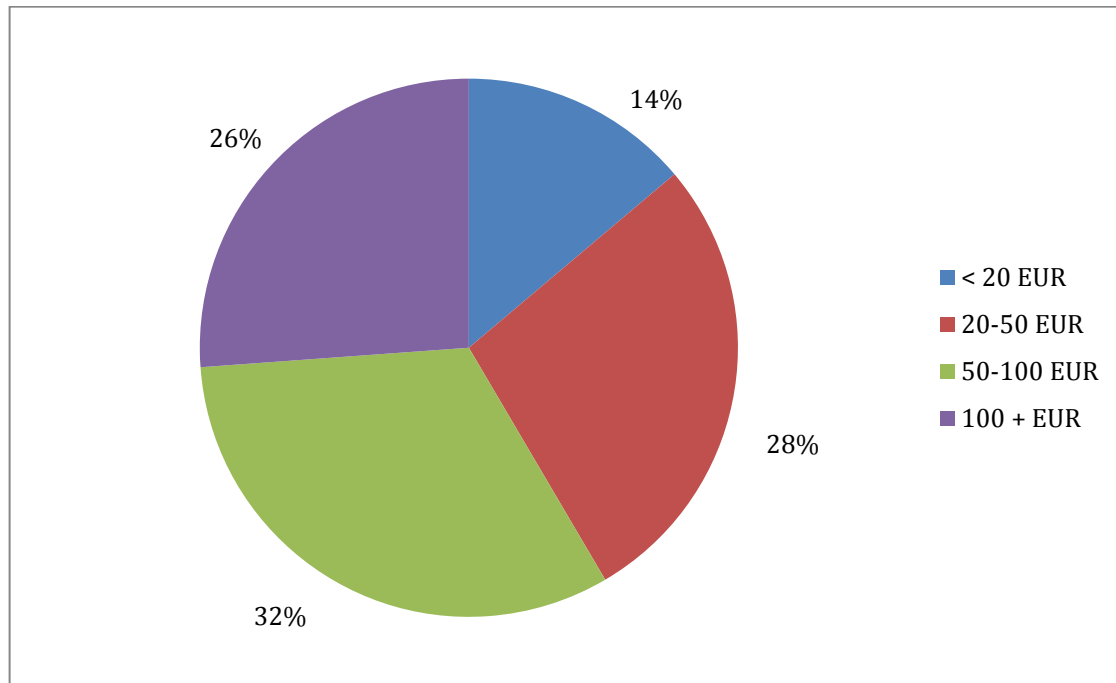
Question N 16: What were you most satisfied or dissatisfied during your trip to Georgia?

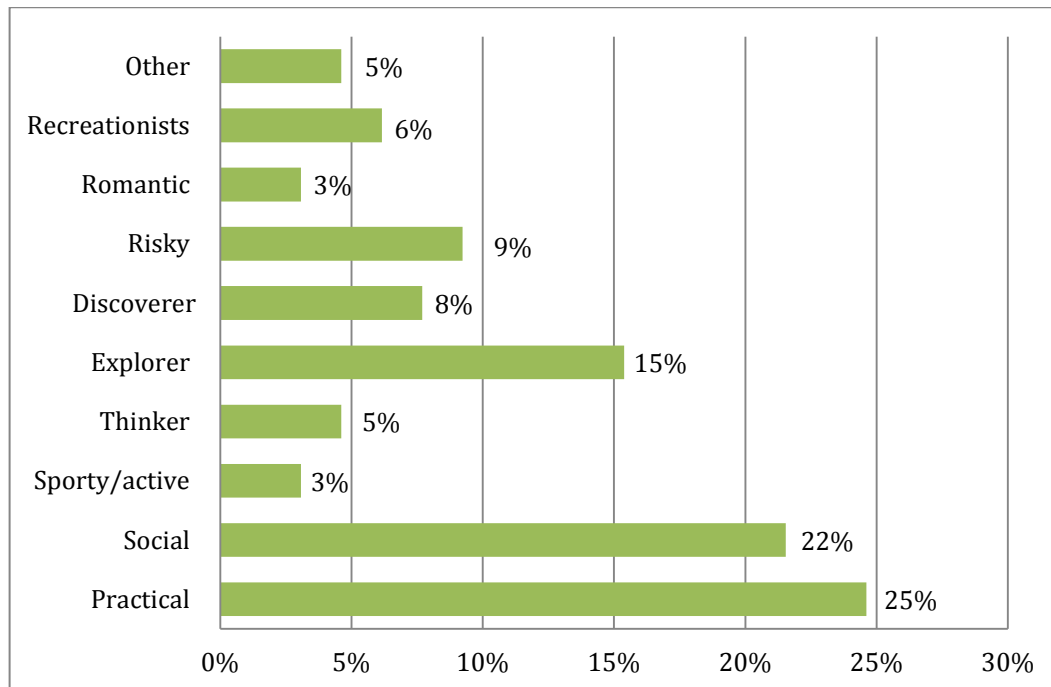|	Satisfied	Very Satisfied	Dissatisfied	Very Dissatisfied	Did not use/did not taste
Accommodation	45%	0%	46%	0%	9%
Level of service (other than food)	26%	0%	52%	22%	0%
Transport	22%	0%	42%	5%	32%
Infrastructure (road conditions, traffic jam, communication system, building sites)	40%	0%	43%	17%	0%
Pollution (streets, beaches)	43%	0%	54%	3%	0%
Restaurant facilities and service	34%	14%	49%	3%	0%
Travel agency/Tour operator service	5%	0%	3%	0%	92%
Availability of information (maps, information centers, brochures)	18%	0%	29%	11%	42%
Georgian hospitality	65%	35%	0%	0%	0%
Georgian cuisine	38%	43%	18%	0%	0%
Georgian wine	34%	49%	3%	0%	14%
Environment / landscape of Georgia	62%	38%	0%	0%	0%
Historical and cultural heritage	42%	35%	0%	0%	23%
Value for money	22%	62%	12%	5%	0%
Entertainment facilities during day (exhibition, excursions, shopping)	42%	25%	34%	0%	0%
Entertainment facilities during night (nightlife, casinos, bars, clubs)	18%	25%	37%	9%	11%
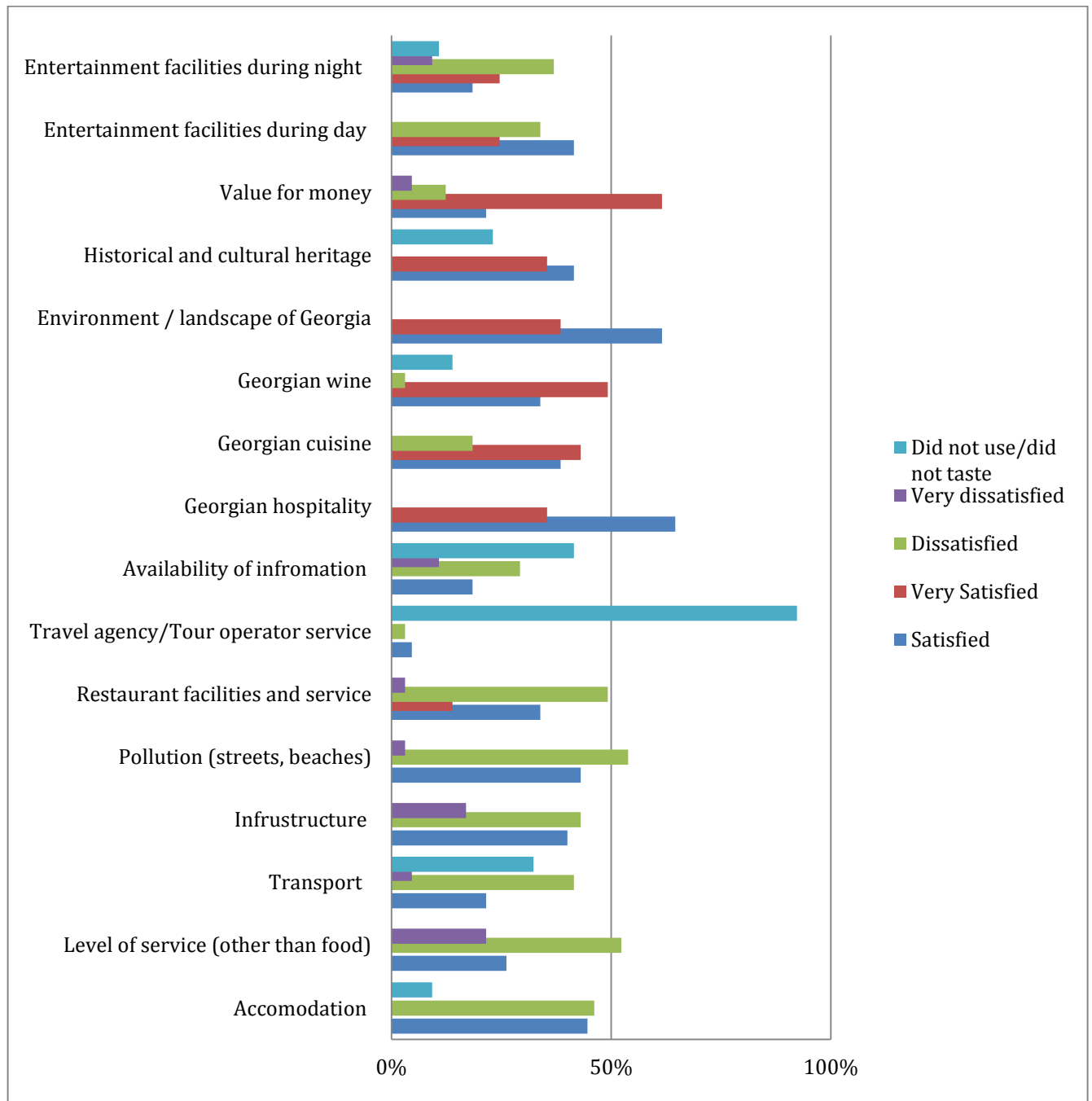
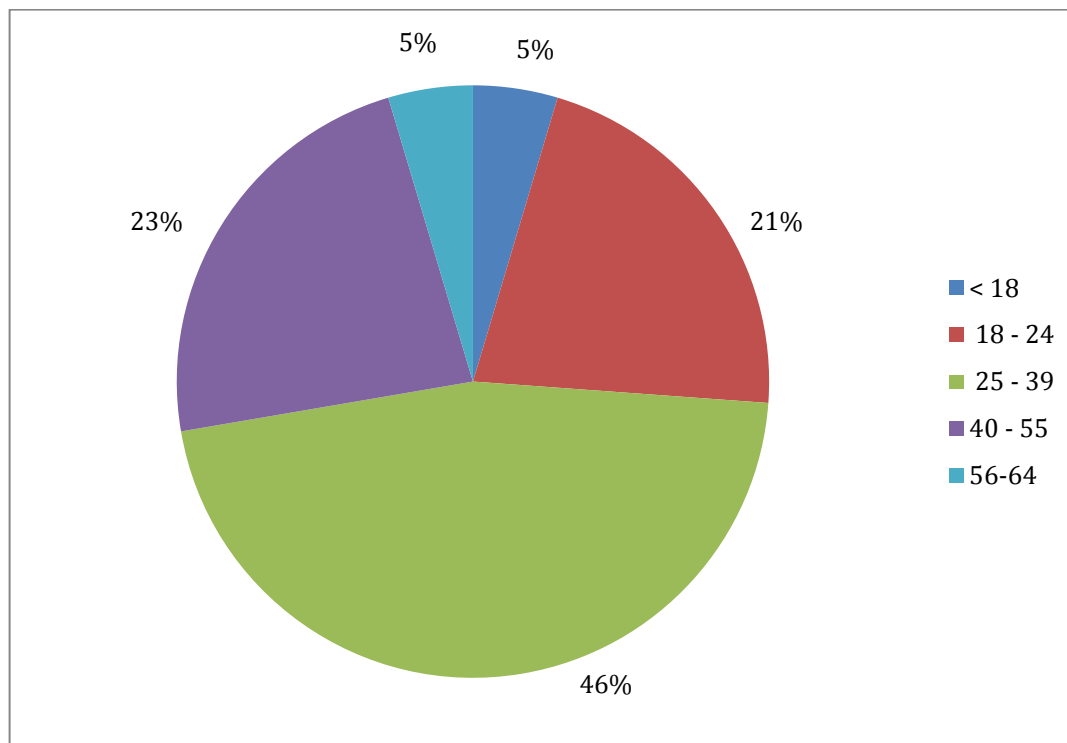**Question N17: What will you remember Georgia by?**
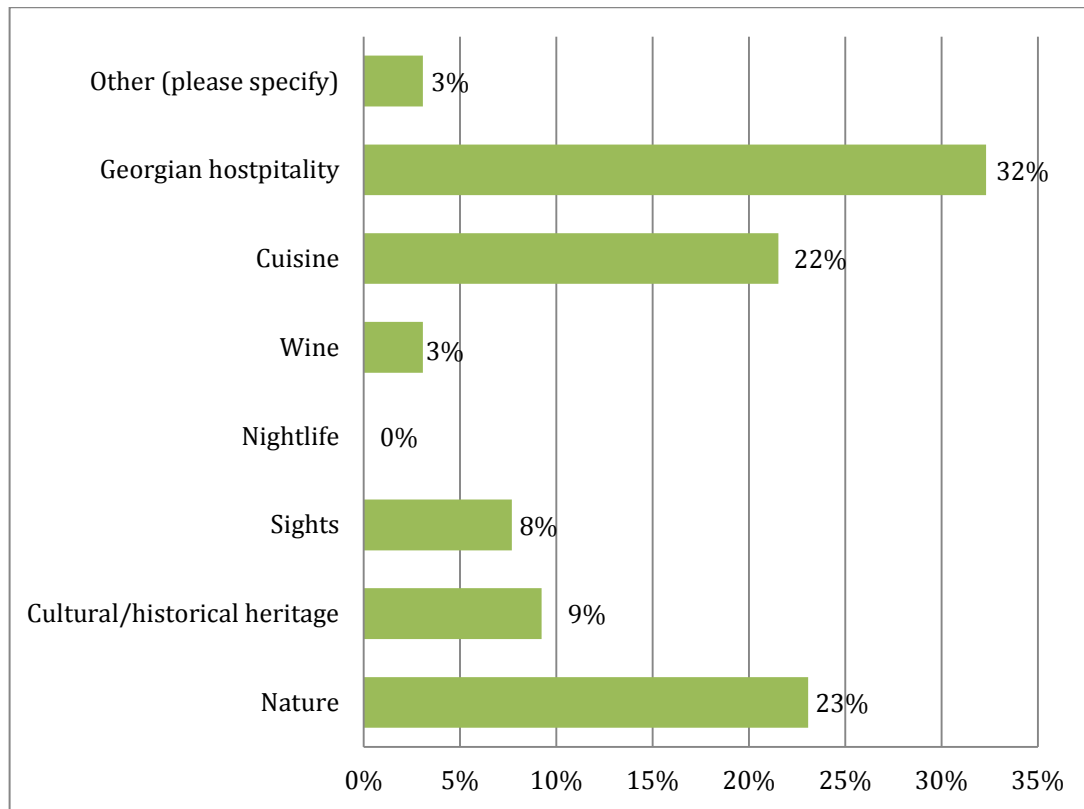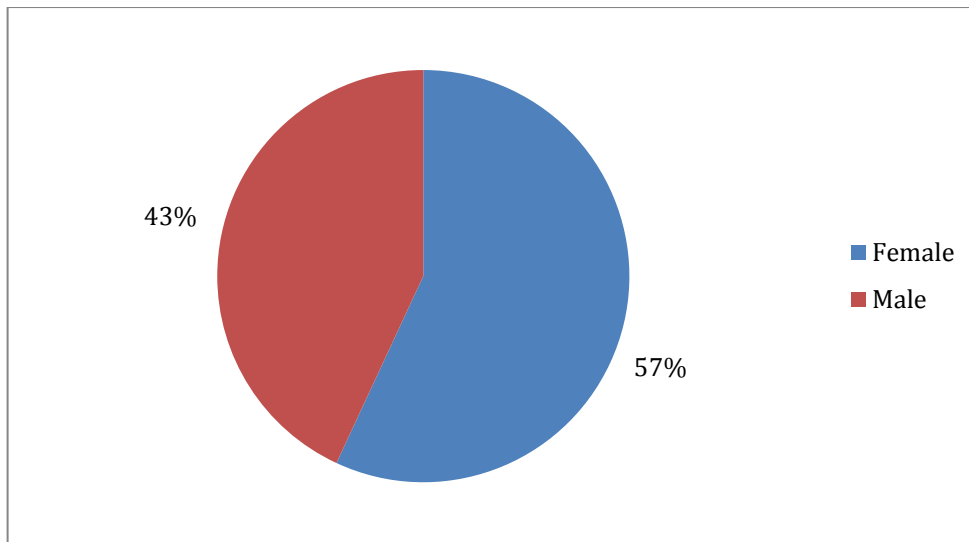

Question N 18: Will you come back to Georgia?
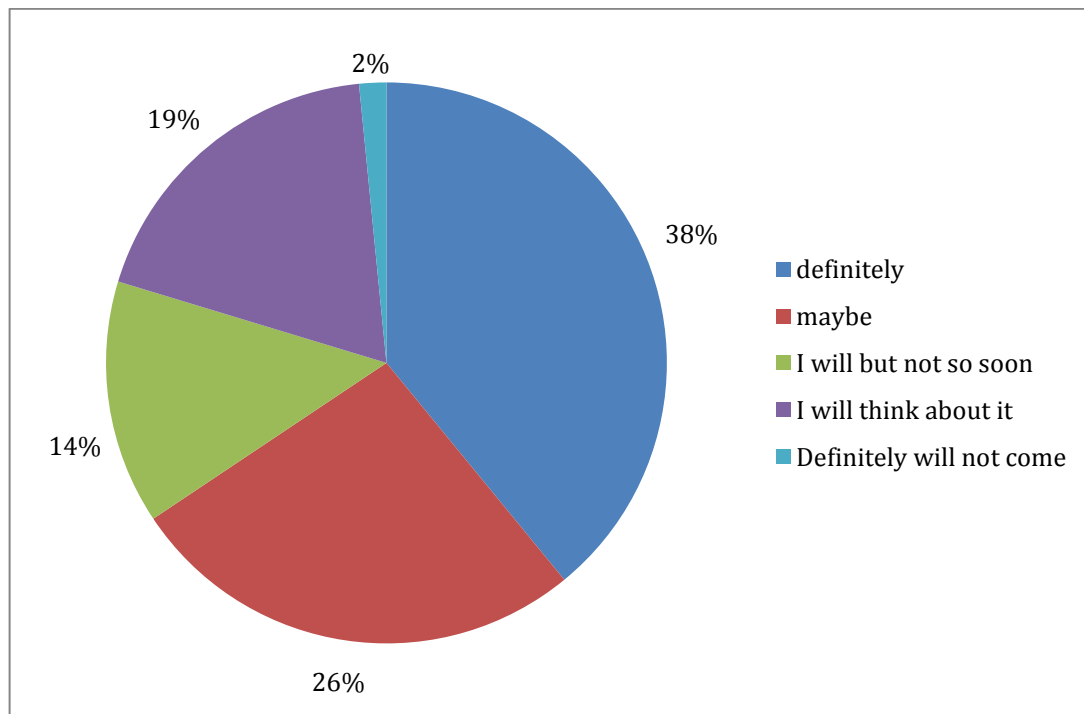
Question N 19: How would you best characterize yourself as a tourist in Georgia?

Category	Percentage
Other	5%
Recreationists	6%
Romantic	3%
Risky	9%
Discoverer	8%
Explorer	15%
Thinker	5%
Sporty/active	3%
Social	22%
Practical	25%

Question N 20: What is your age group?

Age group	Percentage
< 18	5%
18 - 24	21%
25 - 39	46%
40 - 55	23%
56-64	5%

Question N 21: What is your gender?

Female — 57%
Male — 43%

Question N 22: What is your nationality?

Country	Percentage
France	5%
Germany	5%
Israel	5%
Spain	3%
Poland	6%
Ukraine	12%
Russia	15%
Azerbaijan	18%
Armenia	14%
Turkey	17%
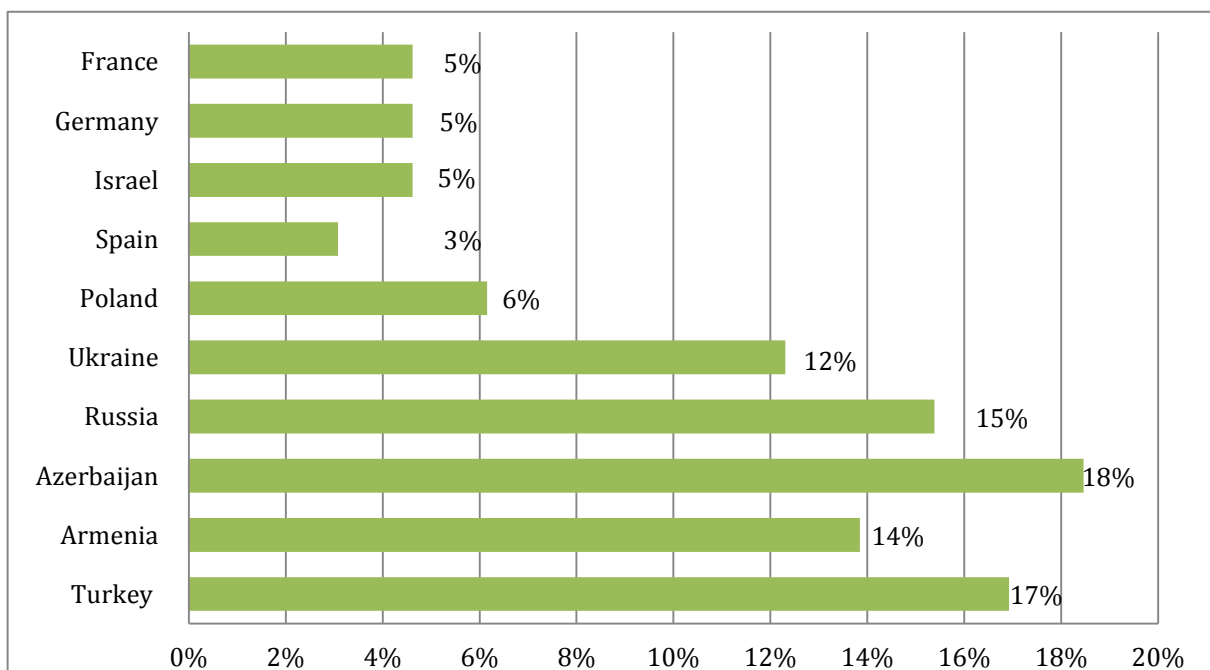
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