

PUBLIC TOURISM MANAGEMENT. CASE STUDY OF THE GREEK TOURISM OFFICE IN MOSCOW

Dimitrios Mylonopoulos

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

Polyxeni Moira

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

Eftychia Aivaliotou

Tourism Economy and Development Department, Ministry of Culture and Tourism / Greece
aivaliotoueftychia@hotmail.com

ABSTRACT

In the last decade, Russia has demonstrated a constant growth in its national income resulting in the increase of Russian citizens' tourism fluxes to foreign countries. As Russian tourists are becoming desirable to the destination places due to their high consumer expenditure, Russia becomes a new source of tourists especially for the countries of the Mediterranean Sea. One of the Mediterranean destination countries of Russian tourists is Greece.

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

This article aims to study the structure, organization and function of the Greek tourism office in Moscow, the registration, analysis and evaluation of its activities. Among its objectives is the submission of proposals that will set the appropriate tourism policy, the application of which, by the Office of GNTO in Moscow, will enhance Greece's competitiveness among the Mediterranean countries and will result in the gain of a bigger share in the Russian tourism market.

KEYWORDS

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

1. INTRODUCTION

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

Tourism, as a multifarious activity, motivates at the stages of design, production, promotion, provision and consumption, natural and human resources that exceed the frontiers of a country. (Moira & Mylonopoulos, 2004: 122). The Sociologist MacCannell (1976:8) claims that tourists try to escape from their alienated and non authentic consistencies of their daily life, seeking for authenticity in other places and times. Through the quest of authentic experiences, the tourist tries to reconnect himself with the genuine and natural. The authenticity consists not only of the social relations with the local population but of the acquaintance of the natural component at the destination place. Tourism constitutes a number of activities that surpass the territorial and cultural frontiers and as a result of this it contributes to the intercultural communication. The tourist takes advantage of his free time to realize a journey away from his residence and work in order to experience the recreation. It concerns a multidimensional social phenomenon which, from antiquity until today, is incident upon free time and free choice.

From the ages of antiquity Greece constituted a place of attracting visitors from all over the world. Its civilization and democratic regime were the main elements of attracting visitors who, through the Greek area and lifestyle, were seeking for the deeper meaning of the human existence. These cultural elements continue to attract tourists from all the countries of the world. In this scene of this tourism stream to Greece, Russia is a new developing market.

Greece and Russia are connected with powerful bonds of friendship based on the common religious element (orthodox Christian faith), on the common cultural values and historic memoirs. In history's course very important is the presence of Russian citizens of Greek origin who live mostly in South Russia, but of many Russians who live in Greece as well. (Fotiadis, 2003).

In the last decade, the bilateral agreements concerning trade have been increased and the development of the Greek-Russian economic relations has obtained a special dynamics. In this dynamic potential the tourism sector is included. In order to promote cooperation in the field of sustainable tourism Greece and Russia signed a protocol to exchange information, know-how and best practices in the field of alternative forms of tourism (cultural and religious, rural etc.)

This research aims at the study of the structure, organization and function of the Greek tourism office in Moscow, as well as the registration, analysis and evaluation of its activities. Material was gathered and evaluated regarding the administration and supervision regime of the office, its operational costs, its advertisement expenditures and its participation expenses in international exhibitions. At the same time an assessment is attempted between the relation of the overall cost and the final result, namely the increase or not of the Russian arrivals in Greece. Furthermore, proposals are submitted concerning the formation of the proper tourism policy, the implementation of which by the GNTO (Greek National Tourism Office) in Moscow will make Greece more competitive among the Mediterranean countries resulting to a greater share of the Russian tourism market.

2. RUSSIA AS A TOURISM MARKET

Russia came up in 1991 after the dilution of the former CCCP. It is, regarding expanse, the largest country of the world (17.075.200 klm²) and its population is amounted to 140.041.247 habitants, according to estimations for 2009. Its capital is Moscow, the Holly Mother of Russians, which is considered to be the economical, political and cultural centre of Russia. Its formal language is Russian and currency is ruble.

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

During the last decade, Russia thanks to oil and natural gas demonstrates important economic development (Russian Embassy, 2008). Its GDP is constantly changing in a positive sign, and the households' consumption is increasing annually per 15%. The services constitute the largest share of GDP. Tourism belongs to the sector of services.

Because of the economic development, Russia is described as a developing market that presented an increase of 12% on the journeys carried out abroad. Russians are considered to be the most desirable tourists for Greece. They usually travel with the entire family (4 or 5 people) and avoid the prepaid packages. They prefer to stay in luxurious hotels of 5*, independent villas or bungalows and choose to have lunch and entertain themselves in provisioning businesses (restaurants, cafeterias, bars) of high standards close to their place of residence. Their consumer expenditure during their vacations is high and it is reported that they often give as tips great amounts of money that range between 30-40 Euros (Katsos, 2005: 63).

The Russian tourists wish to have the outmost satisfaction from their vacations by spending a lot of money on purchase, on clothing, shoes, and expensive furs and buy anything that draws their attention without thinking. It is remarkable, that they hold the 3rd place among the top nations of the world concerning the tourism expenditures.

3. GREECE AS A TOURISM DESTINATION FOR RUSSIANS

Greece is located in the southern side of the Balkan Peninsula and is surrounded by the Mediterranean Sea. Its expanse is 131.957 klm² and its population in 2008 is estimated at 11.237.068 (Hellenic Statistic Authority/HSA, 2010). The country is known for insularity as it has a great number of islands in Ionian Sea and in particular in Aegean Sea. The total length of its coasts reaches the 16.000 klm.

Greece providing rich natural, cultural environment and unique climate conditions can develop any form of tourism. Each area of the mainland and island Greece has its own natural and cultural characteristics and therefore can specialize in the development of this form of tourism that meets these characteristics always with respect to the local tradition and the protection of the natural environment. As Greece combines the mountainous with the marine landscape is in the position to develop different forms of tourism (cultural, religious, agrotourism, marine, conference & health tourism) focusing on the particularity of each area.

According to data 250.000 Russian tourists visited Greece in 2007 and the year after (2008) there was an impressive increase of 20%. From the Greek destinations, the first choice is Crete, which is preferred by 27%, followed by N. Greece (16%), Attica (12%), Rhodes (8,5%), and Corfu (7%). N. Greece has also a commercial interest because of the fur (Express, 2010). Russian tourists consume the 80% of the Greek fur production, while the 45% of the commercial transactions between Russia and Greece concern the fur export. During the summer months more than 5 charter flights are landed daily at the Macedonia Airport in Thessaloniki with wealthy Russians, who want to purchase fur. (Ministry of National Education and Religious Affairs, 2010)

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

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

YEAR	ARRIVALS (IN THOUSAND)	PERCENTAGE CHANGE
2002	135.978	
2003	144.685	+ 6%
2004	142.346	-1,6 %
2005	182.334	+28%
2006	261.253	+ 43%
2007	257.411	- 1,5%
2008	309.071	+ 20%
2009	251.279	- 10,7%
2010	415.298	+65,3%

Source: Hellenic Statistic Authority

But in 2010 there was a significant increase of the arrivals. The reason for this was the simplification of the procedure of visa issue. The Greek Government decided to found the “Visa centers” that assisted the task of the Greek Embassy and the Greek Tourism Office in Moscow. This decision confirms the Government’s priority to strengthen the relations between the two countries and to gain a bigger share of the Russian market. It is remarkable that only in 48 hours from the application form, the visa is issued. This procedure is the fastest among all the Embassies in E.U.

Most of the visitors belong to high income class and seek for luxury in every aspect of their vacations. The duration of their stay varies from one to three weeks, they enjoy the Greek cuisine, the Greek lifestyle and entertainment. They wish to participate in cultural events. Russian tourists feel like home in Greece because of the religious bonds that connect the two nations. The religious element is a very important motive for the Russian tourist, who includes in his tourism program the visit/ worship in places and areas

of religious interest (Moirá et al, 2009a:471; Mylonopoulos et al, 2009b: 527). An additional attractive factor is the hospitality spirit that characterizes the Greek nation, which the Russian tourist seeks in his tourism experience. The Russian tourist considers as positive the fact, that there is a sense of security in all the Greek tourism destinations and he is certain that he'll return safe and sound at his country. Of course the value of the classic triptych of the Greek tourism product namely: sea, sun, sand shouldn't be ignored.

Making Russia an important tourism market is the ambitious aim for the Greek tourism policy that often meets basic obstacles. The most fundamental is the procedure of Visa validation from the Embassies of Moscow and Saint Petersburg. Although in the last years the procedure has been simplified, it remains still complicated in comparison with other competitive countries such as Spain and Turkey. Also the lack of frequent air flights constitutes a very important restraining factor in the development of tourism streams from Russia to Greece. The fact that Russians do not have the knowledge of a foreign language such as English makes the communication in tourism destinations difficult and leads to the use of the Russian language in every means and tools of the promotion of Greece as a tourism destination for the Russians (Katsos, 2005:64).

4. THE GREEK TOURISM OFFICE IN MOSCOW

The Ministry of Culture and Tourism is responsible for the tourism policy in Greece. Greece considers tourism and culture as the two sides of the same coin. These notions are combined. For the implementation of the tourism policy a special administrative agent has been founded: the Greek National Tourism Organization (GNTO). GNTO for the accomplishment of its mission has Offices not only domestic but in several capitals of other countries. Because of the significance of the Russian tourism, GNTO founded an Office in Moscow in March 1994 due to the MITT Exhibition and the start of the air flight connection Athens-Moscow via Olympic Airlines. Objective of the Office was obviously the enhancement and binding of the tourism relations between the two countries and the most effective promotion of the Greek tourism product.

The Office's competence is not restricted only in Russia but is extended to countries that came up after the dilution of the former CCCP (apart from Baltic). To the Russian's Office belongs the branch of Ukraine, which is seated in Kiev with area of local competence Ukraine. The attempt of founding a branch in Saint Petersburg didn't conclude.

4.1. PROMOTION

GNTO's Office aims at the promotion of Greece in Russia and in general the promotion of the Greek tourism product in the areas of its competence. In particular it monitors the development of the Russian tourism market and proposes annual operational activity plans to the central administration of GNTO for the attraction of more Russian tourists. It gives information, printed and other advertising material, it cooperates with the printed and electronic press of Russia, it participates in international tourism exhibitions aiming at the more effective promotion of Greece.

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

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

The choice of the promotional themes is made by the central administration of GNTO in Greece, though the choice of the promotional locations is made either by the Office in Moscow or by the advertising company in case of cooperation.

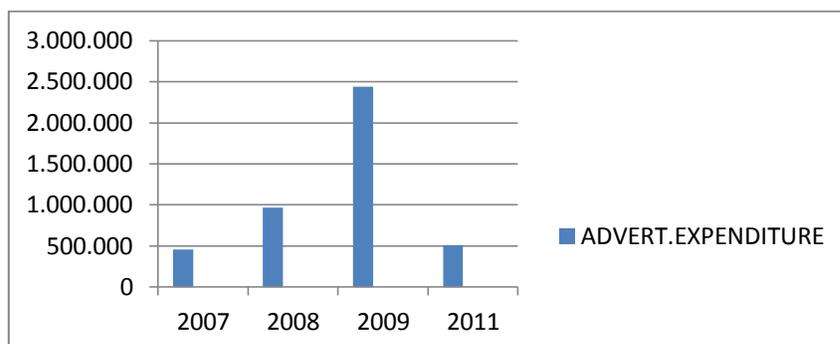
For the years 2007, 2008, 2009 the advertising expenditure reached the amounts of 454.855,36 €, 967.401 € and 2.439.960,06 € respectively. Their distribution is demonstrated in the following table (Table 2):

Table 2. Advertising Expenditure years 2007-2011

	2007	2008	2009	2011
Magazines-Press	124.445,36	349.432	93.811,80	
External Advertisement	330.410	433.672	823.960,30	
INFLIGHT advertisement		117.811	76.050	
Cooperation with tour operators			760.113	510.000
Television advertisement			401.724,96	
Other promotional activities		66.486	284.300	
TOTAL IN €	454.855,36	967.401	2.439.960,06	510.000

Source: GNTO / Editing & presentation: AivaliotouEftychia

In 2010 due to the economic crisis there were no funds spent for the advertising of Greece in Russia but only for participation in exhibitions. It is obvious that in the last years Greece spends more funds for promotion in Russia (Craph 1). The promotion cost increased from 2007 to 2009 per 436,4 %.

Graph 1. Advertising Expenditure years 2007-2011

Source: GNTO / Editing & presentation: AivaliotouEftychia

For 2011 the only data that we currently have is the participation of GNTO in programs of advertising and promotion always in cooperation with T.O. of Russia. The total amount that will be spent is 510.000 €. If no additional activity is to be approved then the advertising expenses from 2009 to 2011 were decreased per 489%.

4.2. PARTICIPATION IN EXHIBITIONS

Another important competence of the Office in Moscow is the participation in Exhibitions for which great amount of funds is being spent. For the years 2008, 2009, 2010 the amounts of 1.139.350 €, 943.500 € and 1.018.258 € were approved and spent respectively (Table 3).

Table 3. Participation cost (2008-2010)

EXHIBITION	TOTAL PARTICIPATION COST IN €		
	2008	2009	2010
ITM/International Trade Fair for Tourism	103.650	72.275	72.510
MITT/ Moscow International Travel & Tourism Exhibition	700.750	613.062	639.235
UITT/ Ukraine International Travel & Tourism Exhibition	117.500	72.940	84.350
KITF/ Kazakhstan International Tourism & Travel Fair	48.300	40.300	46.800
MITF/ Moscow International Travel Fair	79.150	61.300	57.445
CIS / Commonwealth of Independent States Travel Market	90.000	50.100	55.550
TOURSIB/Siberian International Travel & Tourism		13.780	15.930

Show			
AITF/Aerbaijan International Travel & Tourism Fair		8.000	28.998
EUROTOUR UKRAINE		11.743	
TTTF/Tashkent International Tourism Fair			17.440
TOTAL IN €	1.139.350	943.500	1.018.258

Source: GNTO / Editing & presentation: AivaliotouEftychia

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

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

4.3. FINANCIAL CONTROL OF THE OPERATION

For the operation of the Office in Moscow, the Greek State provides a great amount of money not only for the lease of the installation place, but for the wages as well of the permanent and temporary administrative staff and other operational expenses. The expenses for the period 2006-2009 are demonstrated in details in table 4.

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

EXPENDITURES/YEAR	2006	2007	2008	2009
Rent-heating-shared upkeep expenses	25.400,00	26.965,69	24.000,00	48.000,00
Wages-insurance of the permanent staff	42.000,00	76.926,00	142.000,00	198.900,00
Postal fees	33.000,00	12.511,99	5.000,00	20.000,00
Printings-press- writing material	8.000,00	2.281,52	6.500,00	34.000,00
Subscriptions	-	377,93	1.000,00	2.000,00
Furniture & building maintenance	5.000,00	1.396,00	3.000,00	8.000,00
Travel expenses of permanent staff	8.000,00	3.894,01	11.500,00	20.000,00
Water supply-lightning – cleanness	8.600,00	3.218,16	3.000,00	6.000,00

Wages-insurance of local staff	83.000,00	90.375,00	170.200,00	213.400,00
Equipment material	8.000,00	20,93	12.800,00	25.000,00
Other expenses	1.000,00	218,37	2.000,00	6.000,00
Unexpected and urgent expenses	25.000,00	248,09	1.000,00	
Travel expenses of local staff			16.000,00	22.000,00
TOTAL IN €	247.000,00	218.433,69	398.000,00	603.300,00

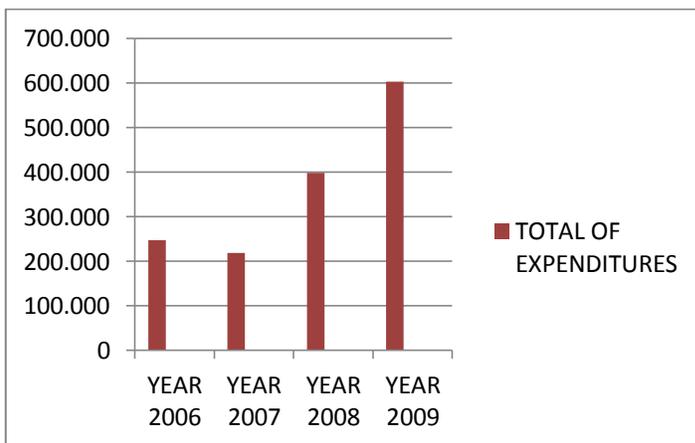
Source: GNTO / Editing & presentation: AivaliotouEftychia

It is remarked that in 2008 10 people were employed additionally as temporary staff for the Visa issue with employment cost 42.000€. In 2009 10 people were employed as temporary staff with employment cost 84.000€.

The rent, the wages not only of the permanent but of the local staff as well, the printing- press-writing material and the equipment material remark the greater increase. In particular in the last year the wages have been raised due to the additional employment of local staff for the Visa validation. These expenditures should be profoundly monitored and if possible and intentional to be limited to a certain point. It is actually strange that the wages of the permanent staff have been increased per 373% from 2006-2009, the wages of the local staff per 157% and the printing material per 325% (GNTO, 2010). For the forthcoming year the office in Moscow sends its expenditure’s forecast regarding its operational expenses and it cannot proceed to any kind of expenditure without the approval of the central administration in Athens.

From the chart representation (Graph2) it is obvious that in the last two years the operational costs of the office in Moscow have been increased per 51%, whereas the change from 2006-2009 reached the 144%.

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



Source: GNTO / Editing & Representation: Author

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

The Director of the Office in Moscow is obliged to submit every three months a detailed list of all the expenditures concerning the administration and operation of the office and every year for the rest of the accounts. The accountable of GNTO in the central administration (Athens) proceeds to a legitimacy control of the expenditures. He also controls the completeness of the documents such as receipts or invoices, copies of advertising material, photographs from the participation in exhibitions etc.

5. CRITICAL APPROACH

From the study and research of the administrative framework, that organizes and implements the competences of the office in Moscow, it is concluded that it constitutes an executive agent of the decisions taken on a central level of the GNTO in Athens. The office in Moscow is not in the position to develop initiatives concerning the drawing and setting of the proper tourism policy that will attract more Russian tourists. Its activity is mainly focused on the participation in exhibitions and advertising promotion in the Russian Media. It is also remarked that there is a lack of a certain policy regarding the employment of the office with specialized and scientific staff that will work on a permanent basis so that it will be more productive and efficient. On the contrary the policy of employing local, temporal staff is being followed. This policy is considered to be expensive and non efficient. The operational expenditure of the office is rather high and its constant increase in the last years leads to suspicions of maladministration.

A very serious problem that constituted an obstacle to the increase of the tourism stream from Russia to Greece was the Visa validation. In many cases this bureaucratic procedure functioned rather deterrent and led the Russian tourist in other tourism destinations depriving of Greece important resources. In 2010 there was a significant simplification of the procedure that resulted to the visa issue only after 48 hours of the application. In fact nowadays the procedure is the fastest in comparison to all the other Embassies of E.U. It has been also decided to issue long-term and multiple-entry visa for Russians who have already traveled to Greece once or twice. Furthermore there will be no raise of the visa price for 2011. With all these new measures it is obvious that Greece aims at the enhancement of the bilateral tourism relations.

6. CONCLUSION

In the beginning of the 21st century Russia constitutes an important tourism market and Greece with its magnificent cultural, historic heritage and its numerous ancient routes is called to benefit from the constantly increased tourism stream from Russia to the countries of the Mediterranean Sea. Greece ought to turn to advantage the traditional Greek-Russian relations and form the proper tourism policy in order to attract a bigger share from the Russian tourism market. In this attempt, the office in Moscow should form a penetration policy in the Russian tourism market by undertaking actions that come from the awareness of the special social features of the Russian tourists. In order to achieve this, it is really essential that the office in Moscow should be administrative released by the severe and narrow guidance of the central administration in Athens.

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