

## GEORGIAN CONSUMERS' BEHAVIOR IN TOURISM AND MARKET SEGMENTATION VALS SYSTEM

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Over the past six decades, tourism has experienced continued expansion and diversification to become one of the largest and fastest-growing economic sectors in the world. Tourism has boasted virtually uninterrupted growth over time, despite occasional shocks, demonstrating the sector's strength and resilience. An ever-increasing number of destinations worldwide have opened up to, and invested in tourism, turning it into a key driver of socio-economic progress through the creation of jobs and enterprises, export revenues, and infrastructure development. As a worldwide export category, tourism ranks third after chemicals and fuels and ahead of automotive products and food. In many developing countries, tourism is the top export category. [UNWTO, Tourism Highlights, 2017 Edition].

Georgia has good opportunities to achieve various tourist market segments and develop different tourism products:

- Georgia's rich and unique culture, in all of its various expressions, including music, dance, art, history, religion, a considerable number of cultural heritage sites of international and national importance (3 UNESCO WHS site and 2 UNESCO intangible heritage);
- Its history and traditions of winemaking, contesting to be the "birthplace of wine";
- The country's natural assets, protected areas of IUCN categories covers ( 7 National parks, 7% of the country land), which create opportunities for the development of world-class Eco-tourism/nature tourism, skiing, hiking, mountain biking, water sports, and other forms of adventure and outdoor leisure and recreational pursuits;
- Georgia's mild summer climate and Black Sea coastline;
- Its attractive business and investment environment;
- The natural warmth and hospitality of the Georgian people.

According to the statistics data of Georgian National Tourism Administration, the number of international arrivals has been increasing year by year and in 2017, it reached approx. 7.6 million. The majority of all arrivals were from neighboring countries: Armenia, Azerbaijan, Russia and Turkey and from Iran, India, Israel, Kazakhstan and Saudi Arabia.

Among international tourism, domestic tourism generates significant economic activity and employment in the world, including Georgia. Georgian took 13 million domestic trips in 2017, representing 1.6% decrease compared to the last year. Georgian consumers are influenced by different motives and they behave differently when travel within the country or abroad. Free visa regime with EU has given Georgians big opportunities to travel in EU countries.

### Consumer Behavior and VALS Model

A wide range of factors motivates consumers to buy tourism products. Motivating factors in tourism can be split into two groups: [Consumer behavior in tourism. John Swarbrooke and Susan Horner. 2007]

- Those which motivate a person to take a holiday;
- Those which motivate a person to take a particular holiday to a specific destination at a particular time.

Motivating Factors in tourism can be categorized into several groups: physical (relaxation, suntan, exercise and health), cultural (sightseeing, experiencing new cultures), status (exclusivity, fashionability, obtaining a good deal, ostentatious spending opportunities), personal development (increasing knowledge, learning a new skill), emotional (nostalgia, romance, adventure, escapism, fantasy and spiritual fulfillment), personal (visiting friends and relatives, make new friends, need to satisfy others, search for economy if on very limited income).

Every tourist is different and the main factors determine individual tourists' motivators, such are probably their personality, their lifestyle, past experience, their past life, their perceptions of their own weaknesses and strengths and how they wish to be viewed by other people.

No tourist is likely to be influenced by just motivator. They are most likely to be affected by a number of motivators at any time. People rarely take holidays alone, but who they take them with has an influence over the factors which influence their decisions.

People do not always express their true motivators as they do not feel. They will be seen by others as being acceptable, may not always recognize their motivators for they may be subconscious or unconscious, they can be aware of contradictions between their motivator factors and their

actual behavior. Motivators also depend on demographic criteria of tourists – their gender, age and occupation.

The decision to purchase a tourist product is the outcome of a complex process. A tourist think about the range of decisions when choosing a holiday. These decisions connect with the following questions: which destination, which mode of travel, which type of accommodation, which time of the year, package holiday or independent travel, which tour operator.

Different factors influence the holiday decision [Horner and Swardbrooke -1996]. These factors can be divided into two groups: internal to the tourist (personality, health, disposable income, personal motivators, family commitments, work commitments, past experience, hobbies and interests, existing knowledge of potential holidays, lifestyle, attitudes, opinions and perceptions) and external to the tourists (availability of suitable products, advice of travel agents, information obtained from destinations, tourist organizations and the travel media, political restrictions on travel, health problems and vaccination requirements in destinations, special promotions and offers from tourist organizations, the climate of destinations).

There are some academic typologies of tourists identified by Cohen (1972 and 1979), Plog (1977), Perreault, Dorden and Dorden (1997), WestvalaamsEkonomischStudiebureau (1986), Dalen (1989), Gallup and American Express (1989), Smith (1989), Urray (2002), Wood and House (1991), Wickens (1994). Too many typologies do not allow us understand the tourist's behavior. Some of them ignore national and cultural differences and they are generally used as if they can be applied to people in all the countries.

**The aim of the article is to** identify Georgian consumer behavior characteristics and touristic motivators in case of both inbound and outbound travel. We tried to create the simple tourist typology base on VALS segmentation system and summarize main internal and external motivators and factors influencing the tourist's behavior and decision making.

**Research methodology and results.** The quantitative method was used in the study of this paper and the research instrument was questionnaires. Two questionnaires were prepared to survey residents (potential Georgian tourists) of Georgia and tourist operators and agencies. The questionnaire provided the information about the local tourists regarding several criteria: motivators, attitudes, behavior. Demographic characteristics determined their age, gender and marital status, occupation of respondents. Travel behavior questions showed trip length, information source, travel partner and the reason of traveling in the country and abroad. The second part of the research is connected with VALS system, we asked tour operators and agents to estimate Georgian tourists psychographic and behavioristic criteria during decision making process. The questionnaires were distributed online.

The first part of our research work involved on-line survey of consumers. The distribution according to the gender of respondents showed that 70% were female and 30% were male. The age of respondents was 18-50 years old. The results of respondents' marital status indicated that 64% were single. Most of them - 66% were employed.

It was determined that 25% of respondents can travel once a year and 17.3% can afford to travel twice a year. Most of them – 70.4% plan their holiday themselves and only 14.7% apply to tour-agencies and operators. 74% of them prefer summer months for travelling and only 30% have holidays during winter period.

70.8% of respondents travel within Georgia, and only more than 29% travel abroad. Different factors influence on them while making decision on travelling in Georgia or abroad. By analyzing the influencing factors of their decision travel in Georgia, first of all, the reasonable price is the most important for respondents and then possibilities to have holiday close to their friends and colleagues. The main reason to travel in Georgia is relaxation and natural beauty. Most of them prefer sea resorts and mountain summer resorts; only 4% are interested in balneological destinations. The length of their trip is 1-2 weeks for 42.7% and 33% choose 3-4 day holiday. Very few are interested in weekend tours.

The main motivators for Georgian consumers on choosing destination abroad are reasonable price (82%), and possibilities of going sightseeing and visiting different attractions (58%). They are mostly interested in cultural products of EU countries, especially Italy, France, Germany, Spain, Portugal and Greece.

Internet media and friends are the most famous sources of information among the respondents with 25.2% and 72.1% accordingly. The personal factor – the opinion of friends, family members and colleagues influence on Georgian consumers' decision-making in choosing a touristic destination.

Fifteen tourist agencies participated in the second part of the research work. As we found out 31-50 year old consumers apply them for service most frequently. 60% of tourist agencies' consumers prefer individual travel to group travelling. 66% of their consumers purchase cultural tourist products and others are interested in medical/recreation tourism abroad.

On base of VALS the segmentation system we have created two main criteria to find out Georgian consumers' psychographic characteristics from the tour operators and agencies.

VALS includes three primary motivations that explain consumer attitude:

1. Ideals;
2. Achievement;
3. Self-expression.

A person's tendency to consume goes beyond age, income, gender or education. Certain psychological traits like energy, intellectualism and self-confidence in conjunction with key demographics determine an individual's resources.

#### Types of Values And Lifestyles (VALS)

Determined on this basis, there are 8 VALS types which are used to study a customer:

1. Innovators: successful, sophisticated, abundant resources, exhibit all three primary motivations;
2. Experiencers: young, enthusiastic, impulse buyers;
3. Thinkers: mature, satisfied, well-educated, seek out information in decision making process;
4. Achievers: goal-oriented lifestyle, deep commitment to family and career;
5. Believers: conservative, conventional, follow established codes;
6. Strivers: fun-loving, trendy, seek approval of others, money defines success;
7. Makers: enough energy and skill to carry out their projects themselves;
8. Survivors: narrowly-focused lives, few resources.

According to the above-mentioned, taking into our consideration only consumers' value and lifestyle and not their buying power, we identified the following two types:

- **Consumers, who are driven by internal motivators and factors** (Individualists, extreme lovers, take-charge people with high self-esteem, creative people, with goal-oriented lifestyles and a deep commitment to career and family, become enthusiastic about new possibilities);
- **Consumers, who are driven by external motivators and factors** (influenced by other opinion, imitate others' behavior, following the fashion and have their ideals, they are conventional people with specific beliefs based on traditional, established codes: family, religion, community, and the nation).

As consumers' low resources and buying power always become a big barrier to express your values and personal characteristic toward travelling.

Tour operators and agencies think that most of their Georgian consumers (70%) belong to the second type - they are more conservative and always interested in popular tourist destinations, hardly interested to meet innovations and exotic tourist products. They are easily influenced by other people's opinion and experience.

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### SUMMARY

The aim of the article is to identify Georgian consumer behavior characteristics and touristic motivators in case of both inbound and outbound travel. We tried to create simple tourist typology base on VALS segmentation system and summarize main internal and external motivators and factors influencing tourist's behavior and decision making. According to the research results Georgian residents belong to

consumers, who are driven by external motivators and factors.

Georgians have good possibilities to travel in Georgia as its various natural and cultural resources give good opportunities to develop different tourism products. During recent years, domestic trips have been decreasing because of reasonable prices offered by competitive countries and existing Free Visa Regimes with EU and other countries.