

Abstract

This paper discusses the globalization process and its connection with the formation of international tourism flows. Globalization is an ongoing process that contributes to the formation of a closer-knitted world and has many dimensions. Georgia has been a growing destination for international tourism. Tourism has become one of the strategic directions of the Georgian economy.

The aim of this paper is to explore how globalization process influences the international tourism flows' formation. For this aim, the research objectives are to define the factors for the formation of the international tourism flows; to identify the aspects of globalization, and the conditions for the promotion of sustainable and high-end tourism.

The research findings suggest that the consideration of the local needs and the attention to sustainable tourism management would minimize the negative influences of globalization. The paper discusses the characteristics of tourism streams to Georgia and the prospects of the development of sustainable tourism.

Key Words: Globalization, international tourism flows, destination management, high-end tourism

Introduction

International tourism has developed faster than ever before during the last decades. If earlier there were a small set of countries that would have tourist attractions and infrastructure, over the past half-century, the international tourism industry has grown globally. The advances in the field of technology, transport, communications, better connections between countries, and more available information about different destinations enable tourists to explore previously set-aside areas. It is possible to state that the current international tourism develops within the irreversible process of globalization that brings the world persons, services, and goods ever closer than before.

Georgia has been a growing tourism destination. Tourism has become one of the strategic directions of the Georgian economy. This paper explores how globalization influences the international tourism flows' formation. For this aim, the research objectives are the definition of the factors for the formation of the international tourism flows; the identification of the aspects of globalization, and of the conditions for the promotion of sustainable and high-end tourism.

There are different definitions of globalization in the scientific literature. It is argued that the term "globalization" was adopted to the economics and business after Harvard Business School Professor, Theodore Levitt introduced it in the early 80s of the 20th century by his article "The Globalization of Markets". However, different social scientists and economists applied the term before. There is no agreement on the exact definition of this term and neither about when this process started. However, the international economic relations and exchange of goods and services, as well as the international mobility intensified from the 50-60s of the last century and onwards. According to Scholar Manfred Steger, "Globalization is a set of social processes that lead to the social condition of globality".¹ The author also remarks that globalization has its supporters and opponents and that despite diverse opinions on globalization process, it is possible to find the following general dimensions in which it occurs: economic, political, cultural, ecological, and ideological. The processes of globalization, approximation and

¹ Manfred Steger, *Globalization: A Very Short Introduction* (3rd edn), Oxford University Press, 2013, p.1

internationalisation in all these areas influence the formation of the international tourist flows, including in high-end tourism segment as well.

The geography of international tourism drastically shifted during the last fifty years. If initially, the tourist destinations were Western and South European countries and the USA, in the times of the ongoing globalization, the international arrivals have been growing in the South and Eastern Asia, Oceania, and the African countries. After the fall of the Iron Curtain, the countries of the Central and Eastern Europe also involved in the global economic processes and re-emerged as the tourist destinations. According to the World Tourism Barometer, issued by UNWTO, the international tourist arrivals reached 1.4 billion by 2018 that was a 6% increase compared with the benchmark of the previous year.¹ “Growth was strongest in the Middle East (+10%), followed by Africa (+7%), Asia and the Pacific and Europe (+6%)”.² This statistical pattern is an interesting example to look at because it shows the major regions of growth. The top ten destinations for international arrivals in the world in 2017 were: 1. France, 2. Spain, 3. US, 4. China, 5. Italy, 6. Mexico, 7. The United Kingdom, 8. Turkey, 9. Germany, and 10. Thailand.³

According to the statistics of GNTA, international traveler trips have been growing fast during the last decades and in 2018 reached a record number of 8,679,544 with the annual growth of 9.8%. The data of the inbound and outbound tourism of Georgia indicate the growth for the recent consecutive years. The positive changes and reforms contribute to the growth of international tourism. However, the study by the World Bank showed that even though in the period of 2009-2013 Georgian tourism grew by 300% and became an important field of economy, tourists who stayed in Georgia spent lower than the global average. While the growth of the industry is a positive moment, it is important to ensure that it is sustainable growth and does not result in mass tourism with an unsustainable approach to the environment and local needs. Below, several factors that contribute to the formation of the international tourist flows in the context of globalization are examined with respect to Georgia.

Tourists choose their destinations of travel because of several reasons, and there are diverse conditions and factors that contribute to their chosen options. Various factors favor the development of groups of travelers, considering international tourism is a unity of many sectors and not just the one-dimensional industry. It gathers in itself food, accommodation, transportation sectors, insurance enterprises, and companies involved in travel and tourism. And just like international tourism is diverse and complex, the conditions and factors of tourist flows formations can also be distinct, direct, or indirect. Below the most important factors and conditions have been discussed by scholars.

Promotion and Positioning

In the modern globalized world, with the available sources of information, international transportation systems, and global economic relations, different tourist destinations compete against each other. It is especially the case, when the tourist destinations have relatively similar indicators, such as the quality of services, prices, and even when they are located in the same region. To be distinguished and to accentuate the destination's unique properties contributes to the competitive advantage of a destination. Professionals and scholars of tourism agree, that in order for a country to attract tourists and have the name of a famous destination, promotion and positioning are crucial factors and influence many traveler's choices.⁴ It is expected that the more people talk about a country and higher the awareness is, the more tourists will decide to visit a certain place. Cities like Las Vegas, Paris, and Tokyo are examples of successful positioning. These locations have established a name over years with big promotions; one can

¹ UNWTO, International tourism - International Tourist Arrivals Reach 1.4 billion Two Years Ahead of Forecasts, PR No.: PR 19003, 21 Jan 19, retrieved from: <http://www2.unwto.org/press-release/2019-01-21/international-tourist-arrivals-reach-14-billion-two-years-ahead-forecasts>, last accessed: 31.03.2019

² Ibid.

³ UNWTO, UNWTO Tourism Highlights, 2018 Edition, retrieved from: marketintelligence.unwto.org/publication/unwto-tourism-highlights-2018, last accessed: 31.03.2019

⁴ Steven Pike, Destination Marketing: Essentials, second edition, Routledge, 2016, New York, p. 227

meet them in advertisements, in books, in movies, and hear about them in everyday lives. Positioning is linked to the promotion and may even count as a part of it. Where and how the destination will be promoted is positioning and it requires smart marketing strategies for a successful promotion. A country needs to choose a market for promotions, where it is obvious that all the requirements are met, and participants of that market are interested. Georgia started emerging as an interesting global tourism destination only recently that makes it a challenge to compete in the high-end tourism with countries that have been promoting their tourism destinations for decades and are established as well-known destinations. Despite this, Georgia's touristic potential enables it to gradually increase the number of travellers and visitors across the country that was expressed in exceeding 8 million visitors in 2018.¹ As tourist scholars suggest, it is wise to promote a destination considering the preferences of the target market. Thus, is possible to position Georgia across different markets with different approaches, however, it is important to provide the complementary information, without violating the overall "one voice" image of the country and its brand.² The destination can be promoted as a cradle of wine in a market that is interested in that segment and can also be promoted as a destination with beautiful sea coast and nature or a destination with mountainous locations for another market. Georgia can offer varied activities during four seasons from winter resorts to summer getaways. The above-mentioned can attract diverse types of tourist streams. Of course, the activities that have been done so far gave Georgia advances on the international tourism market, however, the domestic travelers should be also incentivized to travel more within the country because the domestic travelers are those stakeholders that have more influence on the improvement of tourist services by higher accountability leverages. The improved promotion of Georgia among foreign and domestic tourists as a high-quality tourist destination will positively influence Georgia's image on the market for high-end tourism as well.

Brand Names

In addition to the positioning and promotion, brand companies and their activities are also interesting factors for international high-end travel. The widespread awareness about the brands is the result of the globalization process. The multinational companies that are the result of the global economic cooperation, and their products are globally recognized. Brands have the ability to affect the image of a certain destination, improve the existing one and increase the trust of tourists towards it. The brand creates a trust to companies with brand names and customers expect to receive high standards and quality services. Many studies show that brand name is the tool which can positively change people's buying behavior and boosts the economy; the same goes for the tourism industry and choices made by tourists. Locations with many brand companies become more attractive and trustworthy in the eye of a tourist and may sometimes choose it as a visiting location solely because of them. Prominently, another benefiting characteristic that brands possess is raising the share of high-end tourism, since they are sought out by high spending power consumers who demand luxurious services. These tendencies apply to Georgia as well and brands help the country to attract more tourists. Thus, the presence of the international brand companies, as well as the promotion of the local brands positively influences the tourist visits to a destination.

Tourists (Organized and Free Travelers)

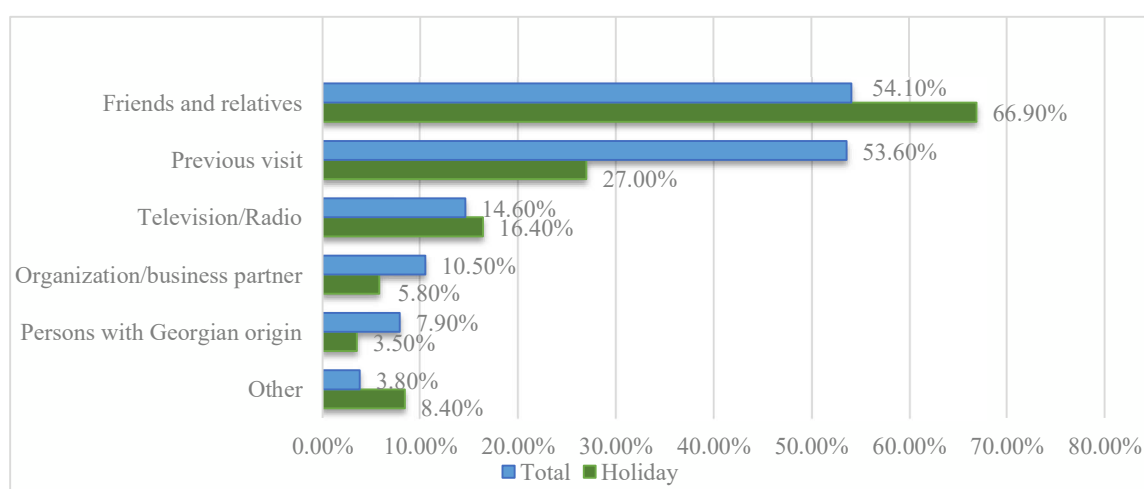
Interestingly, when it comes to international tourist flows' formation conditions and factors, tourists themselves are essential channels and influence each other. Persons become the significant promoters of globalization processes by contributing to the developing of the content in the worldwide web. The tourists spread information between themselves, with recommending, with writing reviews and blogs online and letting a larger audience know about their experience in the destinations they have been

¹ GNTA, 2019

² Maja Seric and Maria Vernuccio, Chapter 16: Communication strategies for building a strong destination brand, in Dogan Gursoy, Christina G. Chi (eds), *The Routledge Handbook of Destination Marketing*, New York, 2018

to. One can encounter many reviews written by tourists and their thoughts about Georgia, discussing various locations, what they like the most, what they disliked and give out tips to other people interested in visiting Georgia. In case of attracting free travelers, it is considerable that they independently search for information and decide their desired place for visiting, thus they have to be notified in a best-suited way. The Georgian tourism industry has to ensure that information about the country's conditions, locations and services are accurate, doesn't deceive people and is widely available. Notably, the statistical data prepared by GNTA show that before traveling to Georgia, international visitors obtain information about Georgia from diverse sources. “54.1% learned about the country from their friends or relatives, while 15.7% obtained information from the internet. More than half of the visitors (53.6%) obtained information about the country from their previous visits. As expected, first time visitors used more information sources prior to the trip. Friends and relatives was most frequently applied information source 73.1%, while 39.9% obtained information on Georgia from the internet”.¹

Figure 1. Information Source about Georgia consulted by the International Visitors



Source: Georgian National Tourism Administration, 2019²

As for the organized tourists, on the most parts, they prefer to depend on the tour operators and tourism companies. Here, another factor of tourist flows formation become crucial - tourism companies. That is why choosing trustworthy companies and operators who have regular clients and a good image in tourism is important. These organizations are major players of the tourism industry and they are the ones who influence directions of many touristic flows. The better way they will offer the tourist services in the country to a tourist, the bigger the chance of that tourism choosing your country for travel will be. Every successful tourist brings more tourists to a country and thus, the overall high-quality services contribute to a better image of Georgia as a tourist destination.

Free Movement and Transport

Tourists choose destinations that are closer, easier to access and where the movement is less restricted or not restricted at all compared to other countries. Free movement is partially brought about globalization process as the free movement of persons developed from the concept of the free movement of labor³ that was needed in relation to the removal of restrictions on the circulation of goods and services. Travelers tend to visit the countries that do not require too many documents and procedures and crossing

¹ GNTA, International Visitors in Georgia, January-December 2018, retrieved from: https://gnta.ge/wp-content/uploads/2019/02/International_statistical-overview-2018-ENG-1.pdf, p. 4, last accessed: 31.03.2019

² Ibid.

³ Bruno Wueest, The Politics of Economic Liberalization, Palgrave Macmillan, Switzerland, 2018, p. 152

the border is not connected to any particular

problems. The most frequent tourist visits in European Union are implemented within its member states. It does not only happen in the European Union and the same goes for Georgia. Citizens of more than 90 countries and territories can enter Georgia without a visa for stays of up to one year.¹ At the same time, after the visa liberalization with European Union Georgians are able to freely move and visit any European country for short stays without bureaucratic procedures. More Georgians have started to travel to the Schengen Area countries.

The free movement does not only mean movement without formal authorization of travel such as visas to travel to another country. Transport availability is also a part of the free movement. And tourist flows are directed to destinations with the easily developed transportation industry. A big part of tourists nowadays prefers using airplanes as a means of transportation. As of today, in Georgia, there are three international scale airports: in Tbilisi, Kutaisi, and Batumi. Slowly more flights are added to different destinations and more companies are entering Georgian transportation market. It is highly beneficial for Georgian tourism and gives Georgia more chances of hosting tourists from different countries compared to the past.

Political Stability

Another key factor of bringing tourists to a country and which plays a crucial role not only in tourism but in every aspect of people's lives is political stability. In the epoch of globalization, the information is spread rapidly, and travellers are more aware of the safety in the destination. Tourists tend to choose countries where there is a peaceful environment with no apparent threats of security. During tense times, not only touristic travels but general movements also decrease and may even fully suspend. There have been many examples of how political stability affects touristic flows and influences tourism of countries where there are possibilities of war with neighbor countries or interwar period. Before the war started Syria was an active country with good tourist infrastructure and tended to attract tourists. After the war, the country experienced a drastic fall in international visits due to security concerns. The 2008 war between Georgia and Russia also had a negative influence on the tourism sector.

Terrorism threats is another negative influence on tourism as well. Terrorist activities have reached important tourist destinations, such as Paris, Berlin, and Manchester. Attacks significantly decrease visits of travelers both domestic and foreign. People fear that the same might happen again, so they refrain themselves from visiting places with high terrorist activities, and the cities introduce stricter security controls.

Health and Safety

The good healthcare system and a prominent level of safety positively influence high-end tourism to a destination. This is evidenced by intra-EU tourism. Today, when thousands of people leave their own places every day to travel to various places with business, educational, recreational, or other purposes, every country tends to acquire and maintain acceptable standards of health and consumer safety, in order to be competitive on the global tourism market. The safety and well-being of consumers is an integral part of the holiday experience. In a recent consumer survey conducted by the largest British travel association ABTA in 2015, the findings showed that safety and security was the number one priority with 89% of consumers. Tourists do not only visit places to see beautiful places, but they also expect that their health will be in no danger and they will be protected from any violation of their rights as consumers. It is notable that the EU and Swiss, as well as European Economic Area (EEA) members such as Iceland, Lichtenstein, and Norway citizens, have issued the European Health Insurance Card (EHIC) that allows reduced-fee treatment in the state hospitals. Not originally issued because of travel purposes, it still applies in case of emergencies. Those who have EHIC, are enabled to have lower fees than the non-

¹ Lonely Planet, <http://www.lonelyplanet.com/georgia/visas>, last accessed: 31.03.2019

EU/EEA countries and Switzerland.

Threats of different kinds of epidemics like Ebola and Zika virus have been a big issue in recent years. Moreover, not only virus epidemics or dangerous insects represent a risk to the well-being of tourists; natural disasters like earthquakes, Tsunamis, floods, and cyclones influence international tourist flows formation. Consequently, the environment every destination has the most significant role when it comes to attracting tourists flows, starting from political stability and ending with the dangers of natural disasters.

Climate

Climate is one of the overarching factors that define the formation of international tourism flows to different destinations. As it is observed in Scott, Hall, and Gössling, “Tourism is currently considered one of the major global economic sectors that are least prepared for climate change”,¹ meaning that the externalities provoked by climate change have not been adequately measured by the governments and tourism stakeholders. Climate change is the marco-framework within which international tourism develops and it is a factor that influences the formation of the international tourist flows globally. Becken and Hay have suggested that “Tourists frequently base their decision to travel to a particular destination on a combination of factual evidence and perceptions that the climatic conditions at the destination will be advantageous relative to any other potential destination, including those in their own locale”.² According to David Bowen and Jackie Clarke, climate change has to do with the tourist flows to summer and winter destinations in Europe. The authors expect the shift of tourist flows to the destinations with a stable climate and the favorable environmental conditions. According to them, climate change affects both summer and winter tourism.³

Climate is an essential fount for tourism, and particularly for the tourism areas that have a direct connection with the climatic conditions, such as beach and mountain tourism. Fluctuations in tourism flows and changes in demand formation can heavily influence general living standards in certain areas. The mass tourism developed as a negative externality of the globalization process that pause threats to the sustainable ecosystems of many tourist destinations. For addressing the climate change issue, the UNWTO became active in the promotion of sustainable tourism, as well as the EU with its diverse tools and methods.

Tourism Streams to Georgia

It is notable that by now the major part of the tourists that arrive to Georgia come from Georgia’s neighboring countries. Azerbaijan, Armenia, Russia, and Turkey are the largest segments of inbound tourism for Georgia. However, it is notable that there is a tendency for the increased arrival from the EU countries. Germany and Poland are the biggest inbound tourism sources for Georgia from the EU. In 2018, Polish tourists were on the 9th place of the total tourist streams to Georgia and German tourists occupied the 10th place. It has been a trend for the last couple of years that tourists from these two countries are in the top ten list of the foreign visitors of Georgia, and respectively are the first biggest and second biggest on the list of the EU countries nationals that visit Georgia. The statistical data shows us a significant growth of inbound tourism for Georgia during the last decade. The same goes for tourism from the EU but the EU tourists still do not represent the majority of the inbound tourists. The absence of the detailed tourism statistics in Georgia makes it difficult to analyze the quantitative data in details, however having the qualitative information and the contextual variables, it is possible to analyze as what influences the international tourist streams to and from Georgia.

¹ Daniel Scott, C. Michael Hall, Gossling Stefan, *Tourism and Climate Change: Impacts, Adaptation and Mitigation* UK: Routledge, 2012, p. 2

² Susanne Becken, John E. Hay, *Tourism and Climate Change: Risks and Opportunities*, UK: Channel View Publications, 2007, p. 88

³ David Bowen and Jackie Clarke, *Contemporary Tourist Behaviour: Yourself and Others and Tourists*, UK: CABI, 2009, p. 236

Looking at the arrivals to Georgia, notably, more tourists arrive from the destinations that are easily connected to Georgia. This is true for the land neighbours of Georgia, such as Azerbaijan, Armenia, Turkey and Russia, as well as for the countries from where there are direct flights, like Poland and Germany. Sea travel does not constitute to Georgian inbound tourist streams, as it is not well developed yet.

It can be argued that the marketing campaigns of the GNTA addressed at the key markets of Georgian national tourism function, because there is a growth of tourists year by year, including from the EU countries. However, the challenge of increasing the volume of high-end tourism segment has been persistent and is directly connected with the increase of tourist service quality and the respective regulatory policies in the field.

Georgia's image as a secure country to visit in the international ratings is a contributor to the visits from the EU countries as well. Georgia is among the countries with the lowest crime index according to the 2018 ratings of Numbeo. The safe travel websites of the EU countries as well as the major private review websites, such as Lonely Planet and TripAdvisor, provide positive information about Georgia. The image of safety and security positively influences the formation of international tourist streams.

Georgia as a tourist destination has been chosen by the international tourists mostly by words of acquaintances and personal repetitive visits. This information underlines the importance of the actual tourist experience in the place. On the other hand, the travelers from the high-end segment have visited the country for business-related purposes.

Conclusion

The globalization process that has been ongoing for the last decades has drastically changed the ways of conducting business worldwide. The global competition in the tourism industry creates competition of tourist destinations internationally. Georgian tourism market has to compete with international counterparts for domestic and international visitors. The following factors for the formation of international tourist flows have been identified: promotion and positioning of the destination, brand names, importance of tourist experience by tourists (organized and free travellers), free movement and transportation, political stability, health and safety, climate. The consideration of the factors of formation of the international tourist flows is essential for better destination management and improved provision of tourist services, including for the high-end tourist segment. The attention to the sustainable tourism management and the consideration of the local needs will ensure that tourism has a positive impact on the country, and the sector will grow in a sustainable way, minimizing the negative influences of globalization.

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საერთაშორისო ტურისტული ნაკადების ფორმირება და გლობალიზაცია

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რეზიუმე

გლობალიზაციის პროცესმა, რომელიც ბოლო ათწლეულების განმავლობაში მიმდინარეობს, ბიზნესის წარმოების გზები მსოფლიოში მნიშვნელოვნად შეცვალა. ეკონომიკის გლობალიზაციის პირობებში, მსოფლიოს სხვადასხვა ტურისტული დანიშნულების ადგილებს შორის საერთაშორისო კონკურენცია მიმდინარეობს ადგილობრივი და საერთაშორისო ვიზიტორების მოსაზიდად, რომელშიც საქართველოს ტურისტული ბაზარიც ჩართულია. საერთაშორისო ტურისტული ნაკადების ფორმირების პირობების განხილვა მნიშვნელოვანია ტურისტული დანიშნულების ადგილების უკეთესი მენეჯმენტისა და შეთავაზებული მომსახურებების გასაუმჯობესებლად, მათ შორის მაღალ ტურისტულ სეგმენტში. ნაშრომში მოხდა საერთაშორისო ტურისტული ნაკადების ფორმირების შემდეგი ხელშემწყობი ფაქტორების იდენტიფიკაცია: დანიშნულების ადგილის პოპულარიზაცია და პოზიციონირება, ბრენდი, ტურისტთა მიერ ტურისტული გამოცდილების გაზიარების მნიშვნელობა, თავისუფალი მიმოსვლა და ტრანსპორტი, პოლიტიკური სტაბილურობა, ჯანდაცვისა და უსაფრთხოების დონე, კლიმატი. ნაშრომში წარმოდგენილი კვლევის შედეგად შეგვიძლია დავასკვნათ, რომ მდგრადი ტურიზმის მენეჯმენტი და ადგილობრივი საჭიროებების გათვალისწინება უზრუნველყოფს ტურიზმის დადებით გავლენას ქვეყნის ეკონომიკაზე და სექტორის მდგრად ზრდას, გლობალიზაციის უარყოფითი გავლენის მინიმიზაციით.