

სექცია 3. აგრობიზნესისა და ტურიზმის განვითარების სტრატეგიები Section 3. Agribusiness and tourism development strategies

Consumer Behaviour of Russian Tourists in a Borderland of a Neighbouring Country (an Example of Eastern Estonia)

Jelena Rootamm-Valter

Summary

The article is based on the results of a study that was held at the end of 2014 and the beginning of 2015 in Ida-Virumaa, an Estonian county on the border between Estonia and Russia. The study was conducted to find out the preferences of Russian tourists to be able to define the most effective ways for meeting their needs and expectations, seeing towards further development of tourism in the region.

Keywords: consumer behaviour, borderland, Russian tourists

Introduction

Borderland tourism¹ has become an important factor for cultural, social, political and economic development of the border regions. Borderland tourism may also have a considerable impact on national economies of neighbouring countries.

The article is based on the results of a study that was held at the end of 2014 and the beginning of 2015 in Ida

Virumaa, an Estonian county on the border between Estonia and Russia. The study was conducted to find out the preferences of Russian tourists to be able to define the most effective ways for meeting their needs and expectations, seeing towards further development of tourism in the region.

The need for a study was caused by the fact that in spite of the diverse and systematic statistical surveys and a lot of descriptive quantitative data, the officials and entrepreneurs are still not able to predict important changes in the behaviour of Russian tourists for achieving the expected amount of customers and income in business. There is also need for constant improvement of related public services. Estonian borderland businesses are interested in the stabili-

¹ Hampton (2010: 240) mentions, that if the definition of international tourism, determined by the United Nations' World Tourism Organization, is internationally widely accepted, there is no agreed definition for a popular term for cross-border tourism. The understanding of cross-border tourism has become wider, being compared with the early definition of a day trip that includes crossings of an international border: it may also include an overnight stay (ibid.: 240). In this article the term "borderland tourism" is used to cover all the activities of international visitors, who cross the border, in a borderland region. At the same time, Estonian Department of Statistics (ESA) counts as a tourist every non-resident who crosses Estonian border. In this article visitor and tourist are used as synonyms in the last and the broadest meaning, if not stated otherwise.

zation of a stream of tourists to be able to provide focused services and goods for increasing their turnover and profitability.

The article aims to shape the factors that influence the steadiness of visits and purchases of Russian tourists in

Ida-Virumaa county, also to specify their expectations to related Estonian public services in order to give more precise informational input for the development of Estonian borderland businesses.

Theoretical Background

During the last decade numerous studies have stressed the growing importance of borderland tourism because

of its multiple effects: a positive impact on cultural and social integration and community development, political issues; advantages of labour mobility, cross-border trade and business co-operation. The subject is topical in all destinations and for countries and regions with different rates of welfare. Although in some circumstances the effects do not meet all the expectations (Burtea 2014:28) or bring uneven results for the parties (Hampton 2010: 250), positive results seem to prevail.

Borderland tourism became a subject of special attention in the European Union countries at the end of the last century, caused by geopolitical changes in the region, as well as by the concentration of tourism services toward large cities, well-known and remarkable attraction centres (Prokkola 2008: 31). The need for a balanced regional development of each country and the European Union as a whole attracted special attention to border regions problems, tourism in particular. It was stated that the border discourse offers new possibilities and may be handled as a resource. This was proven, for example, by the implementation of targeted programs for the development of Finnish-Swedish cross-border sustainable tourism (ibid.: 41-42). It applies to the European Union border countries as well (Kropinova 2009: 117), and the necessity for the focused development of tourism services in a border region was stressed again (ibid.: 128).

Borderland tourism has a number of specific features. Their essentials may be explained by the concept of familiarity for a number of different countries (Scott 2009). Izotov and Laine (2013: 108) in their Karelia study came to a conclusion that both "familiarity" and "unfamiliarity" may become an important reason for visiting a neighbouring country, especially if the border region had historically

belonged to a different neighbouring country. They found that the images of the analysed border region produced in the Soviet and post-Soviet eras contributed to the formation of a territorial identity (ibid.: 109) that contributes to the development of a common cultural and social space with a high rate of cross-communication and important economic outcome.

The abovementioned standpoints form a theoretical background for the study of factors that shape the steady consumer behaviour of Russian visitors in the eastern borderland of Estonia, Ida-Virumaa.

Methodology

The study was completed in Narva College of the University of Tartu as ordered by an administration of the

Ida-Virumaa county which is located near the border between Estonia and Russia. A general research question was formulated as follows: "What do Russian tourists really do in Ida-Virumaa?"

With the intention of deepening the understanding of factors that shape the consumer behaviour of Russian

visitors in Ida-Virumaa, statistical data of border crossings was used for defining different groups of visitors by their reasons. It was premised that specifics of consumer behaviour are caused by the reasons of a visit. The regularity of visits, to our mind, is another important factor that shapes consumption. It may also be a crucial point for economic outcomes in a borderland region. The mode of crossing a border was used as an indicator for different types of consumption, i.e. by foot, by different kinds of road transport: a car, a truck, a bus; by rail. To give an idea of the number of Russian visitors in Ida-Virumaa: the number of border crossings by visitors from Russia through the eastern border crossing point of Estonia (Ida-Virumaa) amounted to 2.2 million in 2013 (Narva... 2014), the number of vehicles amounted to over 150,000 in 2014 and over 276,000 in 2015 (ESA).

There was formed a qualitative sample of different types of consumers based on the types of transportation and its share in the total amount of Russian border crossers during the 11 months of 2014 (Figure 1).

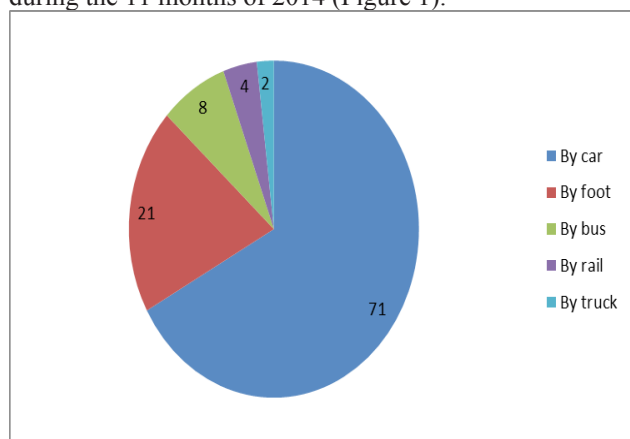


Figure 1. Structure of Russian tourists in Ida-Virumaa by ways of crossing the border, %.

In total, 131 respondents were questioned. A contact method of interview was used, that included 26 closed questions for defining visitors' consumption preferences for goods and services as well as the ways of obtaining information about different kinds of events in the area, reasons for visiting, expectations and plans for future visits et cetera. Though, it was intended to classify the answers according to certain methodology to be able to perform quantitative analysis of the data. To determine dependencies in processing the data SPSS tools as contingency analysis were used.

In addition, open questions allowed getting focused qualitative information about the influence of different marketing and PR means for the borderland businesses. The importance of the study grew at that particular time from December 2014 to January 2015 because of the important changes in Russian currency rates that took place at the end of 2014. Local Estonian businesses were lacking of information about the current state of the Russian consumer market which was of essential importance to them.

Main Features of Russian Tourists' Consumer Behaviour in Estonian Eastern Border Region

The factors that shape consumer behaviour of Russian tourists in an eastern border region of Estonia may be

handled in two main aspects: 1) the influence of unexpected economic events on the steadiness of the visits to Estonia, and especially to the borderland and 2) the main features of stable preferences in their consumption behaviour in the Ida-Virumaa border region of Estonia..

As for the destination of the visits, all those who cross the border by truck use the borderland as an area for

transition, and a one third of visitors that come by bus do not name Ida-Virumaa as the last point of destination. 40% of travellers by train are also the passers-by, but their number is marginal: only 2% of border crossers came to Ida-Virumaa by train in 2014 (ESA). It means that businesses have to focus on the needs and expectations of those who cross border by car and on foot. It is remarkable that 92% of the latter stay in the city of Narva, which is the third largest city in Estonia by its' population with 58,375 inhabitants as for January 1, 2015 (Narva 2016: 3). It proves once again that the decision of businesses to locate main shopping centres in Narva for all of Ida-Virumaa county is valid, i.e. for the particular situation where consumption of Russian tourists in total is decreasing.

The period of the field study coincided with the tip of financial crisis in Russia in the end of 2014. It gave an

opportunity to measure the rate of stability of Russian tourists' consumer behaviour in an unfavourable and unstable economic environment. It is remarkable that only 1/8 of Russian tourists who continued to visit Estonia, Ida-Virumaa by car in the situation of financial crisis in Russia and about 22% of those who crossed border on foot, demonstrated uncertainty in their consumer behaviour. They are presumably consumers with relatively low income or those

whose consumption in Ida-Virumaa is comparably smaller. Still, the total number of tourists with lower amounts of income amounts to approximately half a million a year (Narva 2014) which means a lot for local businesses.

Russian border crossers who come to Ida-Virumaa as employees of Estonian enterprises (18% of the total

number, according to this study) did not demonstrate any uncertainty in the matters of their behaviour in Estonia at all. Unfortunately this particular group of visitors consumes very little during their visits.

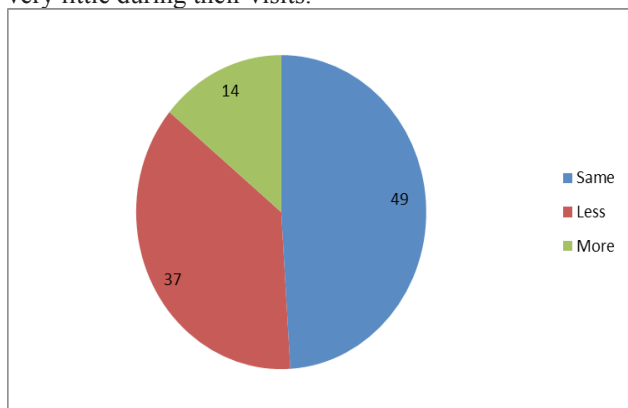


Figure 2. Estimations of Russian tourists to the change of their consumption of goods in Estonia, Ida-Virumaa for 2015 compared with 2014, %.

The other essential result of the study gives the businesses a clear answer for the question whether the financial crisis in Russia influences the structure of consumption of Russian tourists in Ida-Virumaa. The results of the study allow to conclude that the structure of consuming goods does not change with the relatively high rate of probability. Though, half of the visitors who crossed the border on foot (presumably with relatively low incomes) stated that they will buy less compared with the pre-crisis period; those who came by car expected reducing their buying budget by 1/3. All the visitors agreed that they would rather refuse buying clothing and domestic goods than food and goods for children. Figure 2 shows estimations of visitors to the changes in their consumption of goods in Ida-Virumaa compared with the “usual” rate. Among preferred brands those that are known for the decades are prevailing.

It is notable, that Russian tourists would also rather shorten their vacation visits to Ida-Virumaa SPAs than refuse of them. In the longer perspective it occurred that a considerable part of Russian regular customers of Ida-Virumaa SPAs refused of using those services during the crisis. The attempts to attract Russian tourists with relatively higher incomes to Ida-Virumaa SPAs did not bring expected results. The businesses that applied for an internal Estonian market did better.

Conclusions

The main conclusion of the conducted study supports the well-known standpoint that familiarity shapes a relatively stable flow of tourist at the borderland. It is valid for the Russian tourists' visits to Estonian eastern borderland

near the border of Russia.

As for consumer behaviour of Russian tourists in the region, it is most stable for the visitors who are employed by Estonian enterprises, though the consumption of this segment of visitors is insignificant. The structure of consumption of Russian buyers of goods does not tend to change, though unfavourable financial obstacles influence the amount of consumption. They rather refuse buying clothing and domestic goods under strong financial pressure and continue buying food and goods for children in the familiar assortment.

Consumer behaviour of the buyers of services mainly concurred with overnight stays at SPA hotels of the region, under the circumstances not only reduced in number, but also in duration. Their customers seem to be the most unstable segment of Russian visitors of the borderland that provides the highest rate of risks for the related businesses.

Finally, it is necessary to assume that a qualitative study of the factors shaping consumption of Russian tourists in the eastern border region of Estonia gives valuable input to the local businesses and authorities as well as to the researchers.

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