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Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:

Khartishvili, L. (2021). The Case for Rebuilding Tourism in Georgia: Alternative Forms and New Initiations. *Caucasus Analytical Digest*, 122, 15-20. <https://doi.org/10.3929/ethz-b-000506344>

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The Case for Rebuilding Tourism in Georgia: Alternative Forms and New Initiations

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DOI: 10.3929/ethz-b-000506344

Abstract

Modern tourism forms respond to the contemporary tendencies of the economy, adopting new business models and creating new offerings based on natural and cultural heritage and creative and non-artificial activities. As a result, today's tourism differs from the traditional approach in determining holiday destinations characterized by a focus on the destination's physical assets. This article reviews recent tourism trends in Georgia by examining new initiatives and practices adopted in rural and mountainous regions. Ultimately, we propose focus on experience-based competitive authentic products that meet the needs of post-modern tourists and that have been adopted in high-spending markets.

Introduction

Tourism is a sector with valuable growth potential that has not yet been fully exploited in Georgia and that can serve as a means of attracting both investors and visitors. The market for new tourism models, often referred to as alternative "non-traditional" or "next-generation" tourism, has seen positive developments and a steady upward trend in recent years (even though it is being affected by the pandemic). The demand for experiences based on explorations of culture and nature and tasting traditional food and wine continues to grow and presents increasing potential to contribute to the prosperity of local communities and businesses. In addition, tourists are increasingly demanding participatory and interactive experiences (Campos et al. 2016, 2018). Such tourists are mindful of social and environmental concerns (Luo et al., 2008), frequently preferring less consumption-driven "green" lifestyles".

Between the 1970s and early 1980s, new forms of tourism as an alternative solution to mass tourism emerged in developing countries (Triarchi Ei & Karamanis K) and appeared with different names, such as rural, eco-, agro-, gastro-, and creative tourism. Such forms have become a topic of discussion and an integral part of government policy documents, even though they are not precisely defined. International aid institutions widely promote such models for diversifying rural economies, revitalizing regions (particularly mountainous rural areas), promoting local production and supply chains, and conserving protected areas (Khartishvili et al. 2019; Gugushvili et al. 2020). This has become even more relevant since the onset of the COVID-19 pandemic, as more emphasis is now placed on enhancing the self-reliance of regions and on the use of innovative and collaborative development approaches. In 2020, the UNWTO stated in the Tbilisi Declaration that the post-COVID crisis tourism industry must strengthen its resilience and inclusivity, which must be accomplished through multilevel cooperation among stakeholders.

Tourism in Georgia

Located at the geographic meeting point between Europe and Asia, Georgia has been distinguished by its diversity of cultural traditions, which ensures the country's ethnographic mosaic and its special attractiveness. The country's geography is very diverse, with high mountain peaks, alpine and subalpine grasslands, old volcanic plateaus, and caves; 10% of the total area of Georgia is included in Georgia's protected area system, and approximately 40% of the country's territory is covered by forest, the majority of which are ancient forests. Georgia can offer a wide array of unique and authentic cultural and natural attractions and experiences in many regions. Most regions have several tourist attractions to offer. If developed appropriately, these regions could see a substantial rise in tourism revenues without jeopardizing the uniqueness and authenticity of their tourist assets.

In the global tourism system, the country is a relatively new actor that started to promote tourism development as an independent (non-Soviet) actor only in the late 1990s. Georgia's transformation towards a market economy and its political orientation towards the West passed through long and difficult periods of instability due to civil wars and military conflicts in occupied areas (Abkhazia and South Ossetia), a loss of traditional markets, high unemployment rates, and workforce migration, particularly from mountainous rural areas to cities and abroad. Nevertheless, since this period, tourism has become a promising industry in Georgia in terms of generating income and compensating for the country's trade deficit. In addition, the Georgian government has introduced visa lateralization for citizens of

many nations; in 2010, the Georgian government signed an Open Skies agreement with the European Union with the goal of encouraging its air travel market to spur tourism in the country.

Georgia's inbound (international) and domestic tourism grew consistently during the pre-COVID-19 period. The last couple of years have seen Georgia become one of the fastest-growing international tourism destinations in the world. In 2019, according to the country's national tourism agency, 9.4 million international travellers visited Georgia. Among them, 5.5 million were tourists (an increase of 7.8% from 2018), almost twice the size of the country's population, and the tourism sector represented 10.4% of Georgian GDP (WTTC, 2019). International travel trips include trips made by international visitors (83%) and other (non-tourist) trips (17%). The rapid growth of tourism in the country has increased the number of tourist and tourism-dependent facilities. Today, Georgia is a highly tourism-dependent country, which became apparent when the tourism sector was severely affected by the crisis caused by the pandemic. The Georgian government has prioritized tourism in its post-crisis and economic recovery plans. In the current stage, to keep pace with the demands of international travellers and meet the rapidly growing demand for alternative tourism as opposed to "traditional" tourism (tourism managed centrally and based on state-owned spa resorts), the Georgian government is actively working towards the diversification of tourism products and the inclusion of local businesses in the tourism sector. Furthermore, the country is actively striving to attract world-renowned airlines to commence operations to increase direct flights, and thereby the country's popularity with tourists. A COVID recovery tourism strategy (2021–2030) envisages competitive and diverse tourism products to generate increased income and revenues for micro-, small, and medium-sized enterprises (MSMEs) in the tourism sector and focuses on the following areas: gastronomic tourism, mountain adventure tourism, and cultural heritage tourism.

Several countries have concentrated on increasing local and regional tourism to balance declines in international tourist flows. However, domestic tourist spending cannot compensate for foreign visitor spending in Georgia, despite its significant participation in tourism. Foreign visitors spend on average 28 times more money per visit and on average three times more time in-country than domestic visitors. Thus, the economic impact of domestic tourism is not expected to be as great as that of international tourism, especially for housing businesses (GNTA 2019). For example, 88.1 percent of domestic tourists in 2020 stayed at the private home of a friend/relative or at their own home/apartment, which did not contribute significantly to tourism revenues (GNTA 2020). As for regional tourism, recent reflections on political decisions and unpredictable ties with neighbouring states do not bode well for regional tourism development (Papava, 2018). Refocusing high-spending markets and developing quality, competitive, and authentic products that meet the needs of today's post-modern tourists could be a solution.

Despite broad acceptance of alternative tourism business development in Georgia, little research has been done on how such offers respond to current trends in a rapidly changing environment. There is a need to better understand current realities by exploring newly established tourism entrepreneurs with a main focus on small and medium-sized models, offerings, and services. The present article examines new tourism practices and ultimately proposes adapting tourism to current trends, mainly by focusing on experience-based activities giving competitive advantages to alternative tourism forms and offers.

Characteristics of Alternative Tourism Businesses in Georgia

This article examines tourism business models using secondary information taken from recently adopted projects and practices, such as reports, travel platforms, and social media. The majority of practices used for this article are based on the inventory of successful practices and new tourism proposals implemented by the Georgian Art and Culture Center. The inventory includes enterprises organized around famous monuments of cultural and historical heritage in rural and mountainous areas, which are expected to have exceptional potential for future development. The models are described using a qualitative survey based on semi-structured interviews held with various tourism institutions and associations, including the Ecotourism Association, the Georgian Heritage Crafts Association, the Biological Farming Association Elkana, destination management organizations, and the private tourism sector. In addition to this study, the paper uses research findings on experiential tourism development in Georgia (GACC, 2021).

The principal findings obtained from studying the various business models of companies offering services in culture tourism such as ethno- and creative tourism, as well as culinary and agritourism is that they have been able to fully diversify travel package offerings. They certainly arouse interest not only among Georgian tourists, but also among numerous foreign guests.

The majority of small- and medium-sized family-type enterprises in Georgia were established from 2016 to 2021 by so-called "neo-rural" populations—city dwellers moving to rural areas and seeking to adopt or develop a peasant-like or an artisan-like lifestyle (Halliday J, Coombes M. 1995). The businesses present packages that combine relaxation with local customs and offer not only traditional accommodation and breakfast but also various other activities, such

Table 1: Characteristics of selected business models from various initiatives in Georgia including their profiles, activities, and realms in which the tourist experience is gained.

Profile	Enterprise year, name	Activities	Dimensions*
Agritourism, culinary tourism, gastronomic tourism	2017—"Komli"	Participation in agricultural activities, demonstration of the 'farm to table' concept, demonstration of activities, culinary offerings, food and wine tasting, storytelling, B&B services, excursions.	1, 2, 4
	2011—"Korena"	Demonstration of activities, ethnography, culinary offerings, wine tasting, folklore, B&B services, organized educational camps for schoolchildren, cultural events, adventure tours.	1, 2, 3, 4
	2016—"Lost Ridge"	Participation in agriculture activities, culinary offerings, food and wine tasting, B&B services, excursions, ranch programs, organized events, direct sales of local products.	1, 2, 4
	2018—"Babaneuli Chateau"	Culinary offerings, food and wine tasting, B&B services, organized events, recreation activities, direct sales of local products.	1, 2, 4
	2018—"Sisatura"	Ethnography, culinary offerings, food and wine tasting, B&B services, folk and dance programs.	1, 2, 4
Gastro-tourism	2016—"Megruli Oda"	Food and wine tasting, storytelling, direct sales of local products.	1, 2
	2015—"Marlena"	Culinary offerings; food, cheese and wine tasting; demonstration of activities; organizing events; direct sales of local products.	1, 2, 4
Ethnotourism	2011—"Khevsureti and Community"	Culinary offerings, food and wine tasting, demonstration of activities, B&B services, organized events, masterclasses in arts and crafts, direct sales of local products.	1, 2, 3, 4
	2015—"Folklore House"	Food and wine tasting, demonstration of activities, B&B services.	2, 3, 4
Creative tourism	2016—"Mokvare"	Culinary offerings, demonstration of activities, B&B services, masterclasses in arts and crafts, organized events, direct sales of local products.	2, 3, 4
	2016—"Ikorta"	Demonstration of activities, culinary offerings, masterclasses in arts and crafts, direct sales of local products.	2, 4
	2012—"Art Residence"	Demonstration of activities, master classes in arts and crafts, B&B services, food and wine tasting, recreation.	3, 4
Eco-tourism	2012—Ecotourism cottages	B&B services, recreation.	4
	2019—Cabins	B&B services, recreation, organized events.	1, 4

*Dimensions: Entertainment (1), Aesthetic experience (2), Education (3), Escapism (4).

as gastronomic master classes, folklore performances, horseback riding and walking tours to nearby attractions, and household activities. A number of these additional services are free and make the offers more exciting and attractive for tourists. International aid programs support such businesses, which strive to improve the multifunctional use of rural resources and non-agricultural activities and the resilience of rural regions. Figure 1 overleaf and Table 1 above depict visitor offerings in selected business models classified into four categories provided by Pine and Gilmore (2012): entertainment, escapism, aesthetic experience, and education. The patterns of the stated four dimensions reflect the reality through which the tourism experience is acquired. These four dimensions are difficult to separate; nonetheless, they provide us with an image of activities which eases discussion of the realms involved in generating tourism experiences. Such a model helps entrepreneurs plan and position their services according to post-modern visitors' motives and behaviours.

Craft and art studios, primarily applying woodcarving and pottery making practices, are popular and represent the education component of tourist offerings. Guests actively engage in the experience's creation. Some ethno-tourism models offer trip-taking opportunities in and around their locations. Incorporating culinary, craft, and wine business operations is expected to open up a wide range of market prospects, particularly for high-spending tourists prioritized in the national tourism policy. Entertainment experiences entail passive participation but result in cultural immersion, such as visitors observing local performances (e.g., folk music performed at agro- and ethno-tourism farms).

Existing business models target various groups, including extremely organized groups (mostly foreign groups), families, and corporate group travellers. A creative host with an original business idea and individual values, with a clear

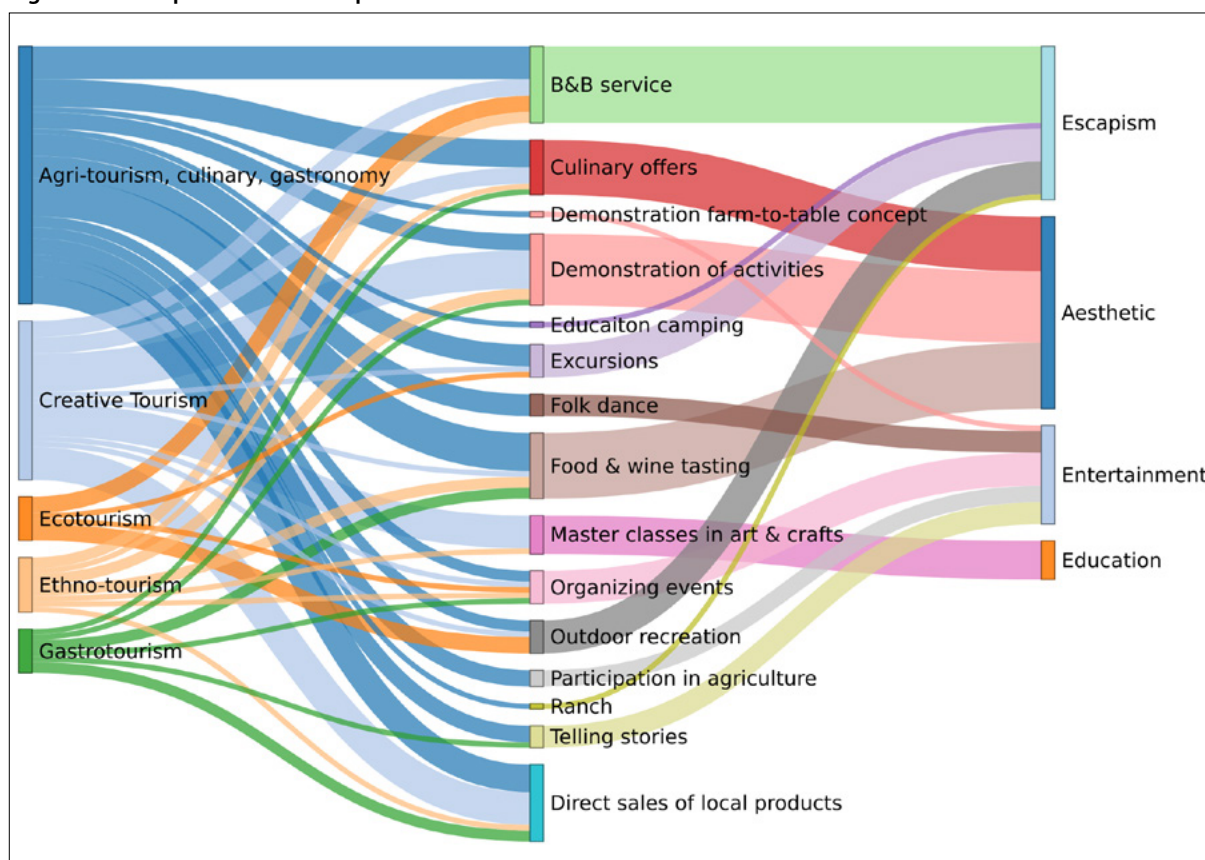
Figure 1: Proposed Tourism Experiences in Selected Business Models

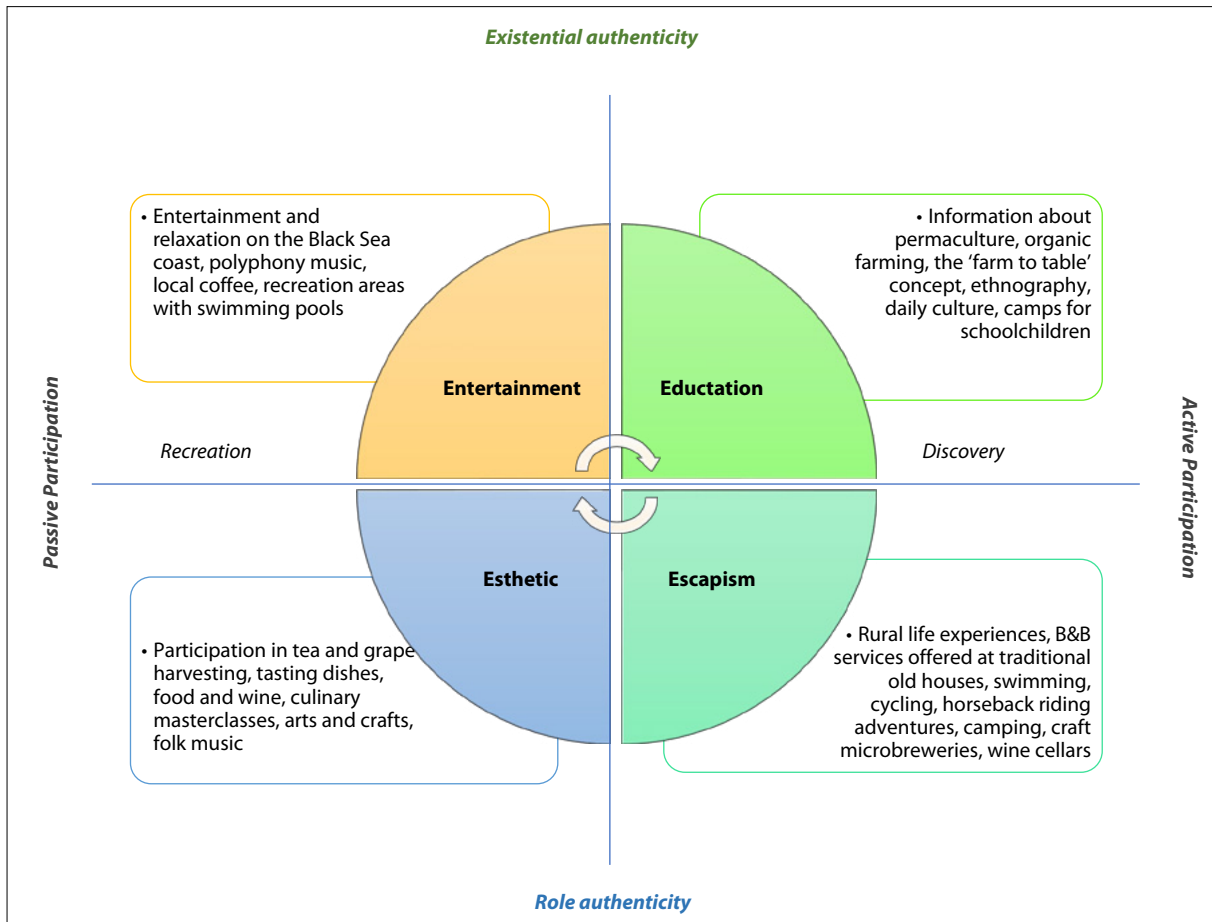
Chart by Temur Gugushvili

vision for destination growth, and adopting a practice of collaboration and communication with the local community are key to the success of selected business models. Most of these hosts speak a foreign language and enjoy interacting with visitors. Some constraints might be addressed to improve the desired tourism services and supply them in specific formats. Most service providers employ neither the experience-based market segmentation model when designing tourist offerings nor the strong side of intangible products, enriching realities and creating a better environment for the growth of experiential tourism practices. Small- and medium-sized enterprises lack access to local market production for skilled “agrochefs,” affecting conventional food supply. The supply of traditional products, including cultural products such as souvenirs and traditional food, requires the use of local ingredients and traditional processing methods. In this regard, tourism entrepreneurs face problems in obtaining a stable supply of quality products; in most cases, they use an imported product due to the lack of links between manufacturers and suppliers of tourism services. The tourism industry’s alternative offerings are constrained by a shortage of resources, especially human resources. Another challenge that service providers face is the adoption of HACCP (Hazard Analysis and Critical Control Point to ensure safe food) requirements from June 1, 2021. Food supply requires relevant knowledge and skills to follow regulations constantly. At this stage, agri-, eco- or ethno-tourism entrepreneurs lack financial resources and capacities to adapt and develop.

Outlook

The study of new tourism practices has shown that the experience-based offerings are at an early stage of development. They operate in a less competitive environment due to the small number of competitors and the growing demand for their products. However, there is a need to follow novel approaches and adjust new regulations and standards. Key directions for future development include the establishment of new cooperative arrangements, a start-up approach to many initiatives, and the addition of new services, new experiences, and strengthened collaboration at a local and regional level. Therefore, it is proposed that alternative tourism businesses be promoted both at the national and local levels. At the national level, we propose developing incentives and regulations, using individual approaches for differ-

Figure 2: Four Dimensions of Gaining Experience



Based on Pine and Gilmore (2010), Deans & Gnoth (2012), and Datishvili and Khelashvili (2019) models

ent regions, that will complement rather than constrain new initiatives. The consideration should be given to an interdisciplinary approach, the needs of the region, an individual resource-based plan, a supplier and consumer typology, and take into account the constraints and characteristics of the region. For example, the regulations adopted during the Covid period must be adapted to the specifics of the place. The rules for restaurants and hotels in Tbilisi are less applicable for family-run small businesses in the regions, and as a result, it turns out that they only help cities and large resorts—Borjomi, Gudauri, Batumi, etc. Small business remains out of the game. It will also be difficult for local families to adjust to new HACCP requirements at their own expense. For example, a small enterprise, such as “Sisatura”, which is distinguished by its character and authenticity, requires significant changes to meet the requirements, and therefore significant finances as well. It is advisable to give owners of such valuable, authentic establishments a grace period before the implementation of the fine to allow them to gradually adjust to the new food safety requirements. Introducing a mechanism for a specific monitoring framework as well as individual approaches would also be wise.

Local production and food supply chains should be strengthened at the regional and local levels. Furthermore, developing a destination and constructing the desired experiential products necessitate community-based activities and an improved utilization of traditional knowledge. Rural tourism, which utilizes local cooperation and the existing diversification of the rural economy, requires a community-based development approach rather than investment in individual accommodation facilities. In this regard, the encouragement of destination management organizations and the promotion of local initiatives could be a solution. One of the best ways to encourage such initiatives is to support local festivals and events, and to develop new destinations by organizing new attractions and “honey pots”.

About the Author

Lela Khartishvili’s practical experience in the field of tourism started with tour-operational activities in Georgia. Lela recently received a Ph.D. in Social Sciences from ILEN/BOKU University in Vienna. Her research interests focus

on community-based rural development using tourism as a practice and developing rural diversification policies. After studying at the academy, Lela continued her consulting career and now works as an FAO National Agritourism Consultant in Georgia. Lela initiated the establishment of the first rural tourism network in Georgia and now works as a rural tourism advisor in the Biological Farming Association ELKANA.

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